

DOLORES COUNTY, COLORADO

Accountants' Reports
and
Basic Financial Statements

December 31, 2023

DOLORES COUNTY, COLORADO

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INDEPENDENT AUDITOR'S REPORT

To the Board of County Commissioners
Dolores County, Colorado
Dove Creek, Colorado 81324

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 aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Dolores County, Colorado, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise Dolores 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, each major fund, and the aggregate remaining fund information of Dolores County, Colorado, as of December 31, 2023, 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 Dolores 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 Dolores 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 Dolores 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 Dolores 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 on pages 3–13 and 40–45 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Dolores County, Colorado's basic financial statements. The accompanying combining and individual nonmajor fund financial statements, budgetary comparison 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. 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 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 July 19, 2024 on our consideration of Dolores 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 Dolores 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 Dolores County, Colorado's internal control over financial reporting and compliance.



Majors and Haley P.C.
July 19, 2024

DOLORES COUNTY, COLORADO

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) For the Year Ended December 31, 2023

FINANCIAL HIGHLIGHTS

Key financial highlights for the County in 2023 are as follows:

- In total, net position increased by \$441,194. Net position of governmental activities increased by \$495,732, which represents a 1.8 percent increase from 2022. Net position of business type activities decreased \$54,538 or 4.8 percent from 2022.
- General revenues accounted for \$4,447,998 in revenue or 41 percent of all revenues. Program specific revenues in the form of charges for services, grants and contributions accounted for \$6,361,916 million or 59 percent of total revenues of \$10,809,914.
- Governmental activities total assets increased by \$3,144,376. Total liabilities increased by \$2,149,866. Deferred inflows of resources increased by \$373,447.
- The County incurred \$10,176,797 million in expenses related to governmental activities. \$6,321,665 of these expenses were offset by program specific charges for services, grants and contributions. General revenues (primarily property taxes and mineral leasing funds) of \$4,350,864 were adequate to cover the balance of the costs of these programs.
- Among the major funds, the General Fund had \$4,944,627 in revenues, including transfers and \$4,560,029 in expenditures including transfers. It's fund balance increased by \$384,598 from \$9,416,339 to \$9,800,937.
- Net position of the Enterprise Fund decreased from \$1,130,619 to \$1,076,081.

DOLORES COUNTY, COLORADO

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

For the Year Ended December 31, 2023

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of four parts: management's discussion and analysis, the basic financial statements, required supplementary information, and other supplementary information. The basic financial statements include two kinds of statements that present different views of the County.

- The first two statements are County-wide financial statements that provide both short-term and long-term information about the County's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the County, reporting the County's operations in more detail than the County-wide statements.
- The governmental funds statements tell how basic services such as general government were financed in the short-term as well as what remains for future spending.
- Proprietary funds statements offer short-term and long-term financial information about the activities the County operates like businesses, such as weed control services.
- Fiduciary funds statements provide information about the financial relationships in which the County acts solely as a trustee or agent for the benefit of others.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplemental information that further explains and supports the financial statements with a comparison of the County's budget for the year.

County-wide Statements

The County-wide statements report information about the County as a whole using accounting methods similar to those used by private companies. The statement of net position includes all of the County's assets, deferred outflows of

DOLORES COUNTY, COLORADO

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

For the Year Ended December 31, 2023

resources, liabilities and deferred inflows of resources. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two County-wide statements report the County's net position and how it has changed. Net position (the difference between the County's assets, deferred inflows of resources, and liabilities and deferred outflows of resources) is one way to measure the County's financial position.

- Over time, increases or decreases in the County's net position are an indicator of whether its financial position is improving or deteriorating.
- To assess the County's overall health, you need to consider additional non-financial factors such as changes in the County's property tax base and the condition of county facilities.

In the County-wide financial statements, the County's activities are divided into two categories:

- **Governmental activities-** Most of the County's basic services are included here, such as general government, public works, public safety, public health and culture and recreation. These activities are financed mainly through property taxes and operating grants.
- **Business-type activities-** The County charges fees to help cover the costs of certain services it provides. The County's weed control operation is included here.

Fund Financial Statements

The fund financial statements provide more detailed information about the County's funds, focusing on its most significant or "major" funds, not the County as a whole. Funds are accounting devices the County uses to keep track of specific sources of funding and spending on particular programs. Some funds are required to be established by state law. However, the County establishes many other funds to help it manage and control its finances to achieve certain results.

The County uses three types of funds:

DOLORES COUNTY, COLORADO

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) For the Year Ended December 31, 2023

- **Governmental funds-** Most of the County's basic services are included in 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. These funds are reported using the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the County's general operations and the services it provides. Governmental fund information helps one determine whether there are more or fewer financial resources that can be spent in the near future to finance the County's programs. Because this information does not encompass the additional long-term focus of the County-wide statements, additional information at the bottom of the governmental funds statements explains the relationship (or difference) between them.
- **Proprietary funds-** Services for which the County charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the County-wide financial statements. The County's enterprise funds (one type of proprietary fund) are the same as its business-type activities but provide more detail and additional information such as cash flow analysis.
- **Fiduciary funds-** The County is the agent, or fiduciary, for assets that belong to others, such as the Agency Fund. The County is responsible for ensuring that the assets reported in this fund are used only for their intended purposes and by those to whom the assets belong. The County excludes these activities from the County-wide financial statements because it cannot use these assets to finance its operations.

FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE

Total assets increased by \$3,111,242. Total liabilities increased by \$2,149,859. Deferred inflows of resources increased by \$395,218.

The County's combined net position was larger on December 31, 2023 than it was at December 31, 2022, increasing by 1.5 percent to \$29,249,901. All of the increase came from its governmental activities, the net position of which increased \$495,732 to \$28,173,820. The net position of the County's business type activities decreased \$54,538 to \$1,076,081.

DOLORES COUNTY, COLORADO

MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)
For the Year Ended December 31, 2023

Table 1 provides a summary of the County's net position for 2023 compared to 2022:

Table 1
Condensed Statement of Net Position
(In millions)

	Governmental Activities		Business-type Activities		Total County	
	2023	2022	2023	2022	2023	2022
Assets						
Current assets	\$ 19.768	\$ 19.295	\$ 1.068	\$ 1.088	\$ 20.836	\$ 20.383
Capital assets	14.047	11.376	0.123	0.137	14.170	11.513
Total assets	33.815	30.671	1.191	1.225	35.006	31.896
Liabilities						
Current liabilities	1.651	0.639	0.002	0.002	1.653	0.641
Noncurrent liabilities	1.360	0.222			1.360	0.222
Deferred inflows of resources	2.630	2.257	0.113	0.092	2.743	2.349
Net Position						
Net investment capital assets	11.592	11.151	0.123	0.137	11.715	11.288
Nonspendable-Inventories	0.462	0.337			0.462	0.337
Restricted	6.719	6.899			6.719	6.899
Unrestricted	9.401	9.166	0.953	0.994	10.354	10.160
Total net position	\$ 28.174	\$ 27.553	\$ 1.076	\$ 1.131	\$ 29.250	\$ 28.684

DOLORES COUNTY, COLORADO

MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)
For the Year Ended December 31, 2023

Table 2 shows the changes in net position for fiscal year 2023 compared to 2022.

Table 2
Changes in Net Position
(In millions)

	Governmental Activities		Business-type Activities		Total County	
	2023	2022	2023	2022	2023	2022
Revenues						
Program revenues						
Charges for services	\$ 0.664	\$ 0.730	\$ 0.040	\$ 0.060	\$ 0.704	\$ 0.790
Operating grants	5.595	5.621			5.595	5.621
Capital grants	0.063	0.397			0.063	0.397
General revenues						
Property taxes	2.521	3.065	0.090	0.117	2.611	3.182
Mineral leasing	0.283	0.276			0.283	0.276
Other	1.547	1.015	0.007	0.008	1.554	1.023
Total revenues	10.673	11.104	0.137	0.185	10.810	11.289
Expenses						
General government	2.391	2.693			2.391	2.693
Public safety	1.346	1.298			1.346	1.298
Public works	2.985	2.923	0.192	0.181	3.177	3.104
Public health and welfare	3.214	2.954			3.214	2.954
Culture and recreation	0.213	0.270			0.213	0.270
Depreciation-unallocated	0.028	0.028			0.028	0.028
Total expenses	10.177	10.166	0.192	0.181	10.369	10.347
Change in supply inventory	0.125	(0.071)			0.125	(0.071)
Increase (decrease) in net position	\$ 0.621	\$ 0.867	\$ (0.055)	\$ 0.004	\$ 0.566	\$ 0.871

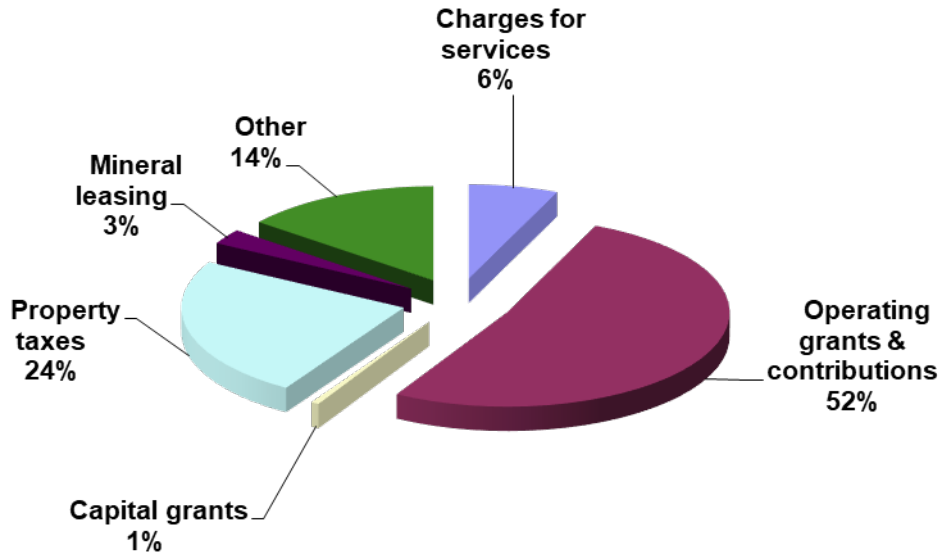
DOLORES COUNTY, COLORADO

**MANAGEMENT’S DISCUSSION AND ANALYSIS
(UNAUDITED)
For the Year Ended December 31, 2023**

Operating grants and property taxes accounted for most of the County’s total revenue, with each contributing 52 percent and 24 percent respectively (See Table 3). Another 6 percent came from charges for services and the remainder from mineral leasing and other sources.

The County’s expenses are predominately related to public works, (30.6 percent), general government (23.1 percent) and public health and welfare (31 percent) (See Table 4).

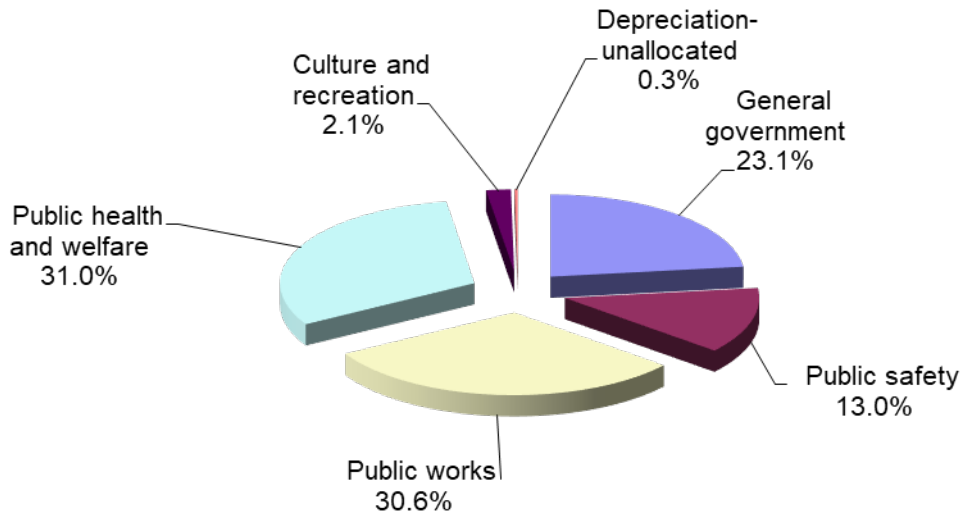
Table 3
Sources of Revenue for Fiscal Year 2023



DOLORES COUNTY, COLORADO

**MANAGEMENT’S DISCUSSION AND ANALYSIS
(UNAUDITED)
For the Year Ended December 31, 2023**

**Table 4
Expenses for Fiscal Year 2023**



Governmental Activities

The primary sources of operating revenue for the County come from operating grants and general property taxes. The County receives approximately 76 percent of this funding from these sources while the remaining amounts come from charges for services and other general revenues.

The statement of activities shows the cost of program services and the charges for services and grants offsetting those service costs. Table 5 shows, for governmental activities, the total cost of services and net cost of services. That is, it identifies the cost of these services supported by general revenues including general property taxes.

DOLORES COUNTY, COLORADO

MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)
For the Year Ended December 31, 2023

Table 5
Government Activities
(In millions)

	Total Cost of Services		Net Cost of Services	
	2023	2022	2023	2022
General government	\$ 2.391	\$ 2.693	\$ 1.392	\$ 1.039
Public safety	1.346	1.298	1.100	1.031
Public works	2.985	2.923	0.804	0.797
Public health and welfare	3.214	2.954	0.380	0.346
Culture and recreation	0.213	0.270	0.151	0.178
Depreciation-unallocated	0.028	0.028	0.028	0.028
Total	\$ 10.177	\$ 10.166	\$ 3.855	\$ 3.419

- The cost of all governmental activities during the year was \$10.177 million.
- Some of the cost was financed by the users of the County's programs (\$.664million)
- Federal and state government subsidized certain programs with grants and contributions (\$5.658 million).
- However, \$4.351 million was financed by state and county taxpayers. This portion of governmental activities was financed with \$2.521 million in property taxes, \$.283 million in mineral leasing and \$1.547 in other general revenues.

Business-type Activities

Business-type activities are made up of the Mandatory Pest Control District. This program had revenues of \$137,385 and expenses of \$191,923. Business-type activities received \$95,832 in property and specific ownership taxes.

DOLORES COUNTY, COLORADO

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) For the Year Ended December 31, 2023

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

Information about the County's major funds starts on page 16. These funds are accounted for using the modified accrual basis of accounting. All governmental funds have total revenues and other financing sources of \$13.350 million and expenditures and other financing uses of \$13.295 million.

General Fund Budgetary Highlights

The County's budget is prepared according to Colorado law and is based on accounting for certain transactions on a basis of cash receipts and disbursements. The most significant budgeted fund is the General Fund.

Over the course of the year, the County made no revisions to the annual operating budget.

- Actual revenues were \$452,792 more than budget, primarily because the County budgeted conservatively for revenues.
- Actual expenditures were \$1,099,156 less than budget primarily for the same reason as the excess in budgeted revenues.

CAPITAL ASSET ADMINISTRATION

By the end of 2023, the County has invested \$21.607 million in land, buildings, and equipment (including vehicles), of this total, \$21.208 million was from governmental activities.

Table 6 shows capital assets for 2023 compared to 2022:

DOLORES COUNTY, COLORADO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)
For the Year Ended December 31, 2023**

**Table 6
Capital Assets at December 31
(In millions)**

	Governmental Activities		Business-Type Activities		Total County	
	2023	2022	2023	2022	2023	2022
Land	\$ 0.223	\$ 0.223			\$ 0.223	\$ 0.223
Buildings	12.386	11.815			12.386	11.815
Equipment	8.599	5.788	\$ 0.399	\$ 0.393	8.998	6.181
Total	<u>\$ 21.208</u>	<u>\$ 17.826</u>	<u>\$ 0.399</u>	<u>\$ 0.393</u>	<u>\$ 21.607</u>	<u>\$ 18.219</u>

Additional information on the County's capital assets can be found in the Notes to the Financial Statements on page 33 of this report.

FACTORS BEARING ON THE COUNTY'S FUTURE

At the time these financial statements were prepared and audited, the County is not aware of any existing circumstances that could significantly affect its financial health in the future.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide the County's citizens, taxpayers, and creditors with a general overview of the County's finances and to demonstrate the County's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Dolores County Administration Office, P.O. Box 608 Dove Creek, Colorado 81324.

DOLORES COUNTY, COLORADO
Statement of Net Position

December 31, 2023

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	
Assets				
Cash	\$ 16,586,002	\$ 863,114	\$ 17,449,116	\$ 318,528
Property taxes receivable	2,630,097	113,169	2,743,266	100,345
Other receivables	17,441		17,441	
Due from other governments	70,165		70,165	914.00
Inventory	462,394	92,163	554,557	
Investment in water tap	2,350		2,350	
Capital assets	21,208,387	399,041	21,607,428	
Accumulated depreciation	(7,161,455)	(275,993)	(7,437,448)	
Total capital assets, net of depreciation	<u>14,046,932</u>	<u>123,048</u>	<u>14,169,980</u>	
Total Assets	<u>33,815,381</u>	<u>1,191,494</u>	<u>35,006,875</u>	<u>419,787</u>
Liabilities				
Accounts payable	483,372	2,244	485,616	40
Payments in arrears	17,441		17,441	
Unearned grant revenue	55,713		55,713	
Long term liabilities				
Due in less than one year	1,095,224		1,095,224	
Due in more than one year	1,359,714		1,359,714	
Total Liabilities	<u>3,011,464</u>	<u>2,244</u>	<u>3,013,708</u>	<u>40</u>
Deferred Inflows of Resources				
Unearned property tax revenue	<u>2,630,097</u>	<u>113,169</u>	<u>2,743,266</u>	<u>100,345</u>
Net Position				
Invested in capital assets, net of related debt	11,591,994	123,048	11,715,042	
Nonspendable				
Inventories	462,394		462,394	
Restricted				
Cancer treatments	19,178		19,178	
TABOR	400,000		400,000	8,000
Public health and welfare	1,615,228		1,615,228	
Public works	3,130,303		3,130,303	
Parks and recreation	20,877		20,877	
Contingencies	1,532,909		1,532,909	
Unrestricted	9,400,937	953,033	10,353,970	311,402
Total Net Position	<u>\$ 28,173,820</u>	<u>\$ 1,076,081</u>	<u>\$ 29,249,901</u>	<u>\$ 319,402</u>

The accompanying notes are an integral part of this statement.

DOLORES COUNTY, COLORADO
Statement of Activities

For the Year Ended December 31, 2023

	Program Revenues				Net (Expenses) Revenue And Changes in Net Position			Component Unit
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business- type Activities	Total	
Governmental Activities								
General government	\$ 2,390,496	\$ 189,301	\$ 808,784		\$ (1,392,411)		\$ (1,392,411)	
Public safety	1,346,091	88,797	157,216		(1,100,078)		(1,100,078)	
Public works	2,985,309	204,399	1,977,147		(803,763)		(803,763)	
Public health and welfare	3,214,471	131,378	2,640,317	\$ 62,737	(380,039)		(380,039)	
Culture and recreation	212,878	49,868	11,721		(151,289)		(151,289)	
Depreciation-unallocated	27,552				(27,552)		(27,552)	
Total Governmental Activities	<u>10,176,797</u>	<u>663,743</u>	<u>5,595,185</u>	<u>62,737</u>	<u>(3,855,132)</u>		<u>(3,855,132)</u>	
Business-Type Activities								
Mandatory Pest Control District	191,923	40,251				\$ (151,672)	(151,672)	
Total Business-Type Activities	<u>191,923</u>	<u>40,251</u>	<u>-</u>			<u>(151,672)</u>	<u>(151,672)</u>	
Total Primary Government	<u>\$ 10,368,720</u>	<u>\$ 703,994</u>	<u>\$ 5,595,185</u>	<u>\$ 62,737</u>	<u>(3,855,132)</u>	<u>(151,672)</u>	<u>(4,006,804)</u>	
Component Unit								
Library	\$ 180,408		\$ 48,337					\$ (132,071)
Total Component Units	<u>\$ 180,408</u>	<u>\$ -</u>	<u>\$ 48,337</u>	<u>\$ -</u>				<u>(132,071)</u>
General Revenues								
Property tax for general purposes					2,297,143	90,228	2,387,371	93,649
Property tax for Quality of Life					223,931		223,931	
Specific Ownership tax for general purposes					140,770	5,604	146,374	5,737
Specific Ownership tax for Quality of Life					13,770		13,770	
Lodgers Tax					150,972		150,972	
Severance Tax					104,549		104,549	
Delinquent tax and interest					7,746	274	8,020	
Delinquent tax and interest Quality of Life					827		827	
Intergovernmental								
Motor Vehicle License Fees					8,260		8,260	
Mineral Leasing					282,603		282,603	
Payment in Lieu of Taxes					187,991		187,991	
Impact Assistance					4,757	92	4,849	
Earnings on investments					810,910		810,910	5,825
Reimbursements					65,265		65,265	
Miscellaneous					52,306		52,306	9,979
Transfers					(936)	936	-	
Total General Revenues					<u>4,350,864</u>	<u>97,134</u>	<u>4,447,998</u>	<u>115,190</u>
Changes in Net Position					<u>495,732</u>	<u>(54,538)</u>	<u>441,194</u>	<u>(16,881)</u>
Net Position Beginning of the Year					27,552,757	1,130,619	28,683,376	336,283
Increase (decrease) in inventories					125,331		125,331	
Net Position End of the Year					<u>\$ 28,173,820</u>	<u>\$ 1,076,081</u>	<u>\$ 29,249,901</u>	<u>\$ 319,402</u>

The accompanying notes are an integral part of this statement.

DOLORES COUNTY, COLORADO

Balance Sheet
Governmental Funds

December 31, 2023

	General Fund	Road and Bridge Fund	Social Services Fund	Other Governmental Funds	Total Governmental Funds
Assets					
Cash	\$ 10,182,284	\$ 3,199,089	\$ 1,198,855	\$ 2,005,774	\$ 16,586,002
Property taxes receivable	1,848,498	439,673	210,024	131,902	2,630,097
Other receivables			17,441		17,441
Due from other governments			70,165		70,165
Inventory		462,394			462,394
Investment in water tap	2,350				2,350
Total Assets	\$ 12,033,132	\$ 4,101,156	\$ 1,496,485	\$ 2,137,676	\$ 19,768,449
Liabilities					
Accounts payable	\$ 383,697	\$ 68,786		\$ 30,889	\$ 483,372
Unearned grant revenue			\$ 55,713		55,713
Payments in arrears			17,441		17,441
Total Liabilities	383,697	68,786	73,154	30,889	556,526
Deferred Inflows of Resources					
Unearned property tax revenue	1,848,498	439,673	210,024	131,902	2,630,097
Fund Balances					
Nonspendable					
Inventories		462,394			462,394
Restricted					
Cancer treatments				19,178	19,178
TABOR	400,000				400,000
Public health and welfare			1,213,307	401,921	1,615,228
Public works		3,130,303			3,130,303
Parks and recreation				20,877	20,877
Contingencies				1,532,909	1,532,909
Unrestricted					
Assigned for future year's expenditures	8,147,649				8,147,649
Unassigned	1,253,288				1,253,288
Total Fund Balances	9,800,937	3,592,697	1,213,307	1,974,885	16,581,826
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 12,033,132	\$ 4,101,156	\$ 1,496,485	\$ 2,137,676	\$ 19,768,449

Reconciliation of the Governmental Funds Balance Sheet with the Statement of Net Position

Total Fund Balance Governmental Funds \$ 16,581,826

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

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

Capital assets	\$ 21,208,387	
Accumulated depreciation	<u>(7,161,455)</u>	14,046,932

Long term liabilities are not due and payable in the current period and therefore, they are not reported in the governmental funds balance sheet.

Due within one year	(1,095,224)	
Due in more than one year	<u>(1,359,714)</u>	(2,454,938)

Total Net Position Governmental Activities \$ 28,173,820

The accompanying notes are an integral part of this statement.

DOLORES COUNTY, COLORADO
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds

For the Year Ended December 31, 2023

	General Fund	Road and Bridge Fund	Social Services Fund	Other Governmental Funds	Total Governmental Funds
Revenues					
Taxes	\$ 2,182,270	\$ 397,504	\$ 183,865	\$ 178,895	\$ 2,942,534
Intergovernmental revenues	1,502,992	1,985,408	1,890,153	736,870	6,115,423
Charges for services	144,623	141,800		131,378	417,801
Interest	808,828			1,985	810,813
Fee accounts	173,641				173,641
Other	113,224	69,509	25,129	5,391	213,253
Total Revenues	<u>4,925,578</u>	<u>2,594,221</u>	<u>2,099,147</u>	<u>1,054,519</u>	<u>10,673,465</u>
Expenditures					
General government	2,934,335			2,794	2,937,129
Public safety	1,306,339				1,306,339
Public works		5,591,758			5,591,758
Public health and welfare			2,003,681	1,115,442	3,119,123
Culture and recreation	200,396				200,396
Total Expenditures	<u>4,441,070</u>	<u>5,591,758</u>	<u>2,003,681</u>	<u>1,118,236</u>	<u>13,154,745</u>
Excess revenues over (under) expenditures	<u>484,508</u>	<u>(2,997,537)</u>	<u>95,466</u>	<u>(63,717)</u>	<u>(2,481,280)</u>
Other Financing Sources (Uses)					
Proceeds from financed purchase obligations		2,536,736			2,536,736
Transfers in	19,049	8,005	5,524	106,994	139,572
Transfers out	(118,959)			(21,549)	(140,508)
Total Other Financing Sources (Uses)	<u>(99,910)</u>	<u>2,544,741</u>	<u>5,524</u>	<u>85,445</u>	<u>2,535,800</u>
Net Change in Fund Balances	384,598	(452,796)	100,990	21,728	54,520
Fund Balances beginning of the year	9,416,339	3,920,162	1,112,317	1,953,157	16,401,975
Net increase (decrease) in inventory		125,331			125,331
Fund Balances end of the year	<u>\$ 9,800,937</u>	<u>\$ 3,592,697</u>	<u>\$ 1,213,307</u>	<u>\$ 1,974,885</u>	<u>\$ 16,581,826</u>

The accompanying notes are an integral part of this statement.

DOLORES 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 Governmental Funds \$ 54,520

Amounts reported for governmental activities in the Statement of Activities are different because

Governmental funds report capital outlay as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period.

Capital asset purchases capitalized	\$	3,382,037	
Depreciation expense		<u>(710,936)</u>	
			2,671,101

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

New long-term debt issued		(2,536,736)	
Principal payments on long-term debt		300,624	
Decrease in accrued compensated absences		<u>6,223</u>	
			(2,229,889)

Change in Net Position of Governmental Activities \$ 495,732

The accompanying notes are an integral part of this statement.

DOLORES COUNTY, COLORADO

Statement of Net Position
Proprietary Fund
Enterprise Fund

December 31, 2023

	<u>Business-type Activities</u> <u>Mandatory Pest Control District</u>	
Assets		
Current Assets		
Cash	\$	863,114
Property tax receivable		113,169
Inventory		92,163
Total Current Assets		<u>1,068,446</u>
Noncurrent Assets		
Capital assets	\$	399,041
Accumulated depreciation		(275,993)
Total Noncurrent Assets		<u>123,048</u>
Total Assets		<u><u>1,191,494</u></u>
Liabilities		
Current Liabilities		
Accounts payable		2,244
Total Current Liabilities		<u>2,244</u>
Deferred inflows of resources		
Deferred property tax revenue		<u>113,169</u>
Net Position		
Net investment in capital assets	123,048	
Unrestricted	953,033	
Total Net Position		<u><u>\$ 1,076,081</u></u>

The accompanying notes are an integral part of this statement.

DOLORES COUNTY, COLORADO

Statement of Revenues, Expenses, and Changes in Net Position
 Proprietary Fund
 Enterprise Fund
For the Year Ended December 31, 2023

		Business-type Activities	
		<u>Mandatory Pest Control District</u>	
Operating Revenues			
Weed control revenue	\$	40,251	
Total Operating Revenues		40,251	
Operating Expenses			
Weed control operations			
Chemicals	\$	21,120	
Salaries and benefits		124,126	
Supplies		1,382	
Professional fees		1,100	
Telephone and utilities		6,722	
Travel		3,012	
Office		243	
Dues and meetings		1,154	
Repairs and maintenance		6,207	
Treasurer's fees		4,910	
Miscellaneous		2,293	
Depreciation		19,654	
Total Operating Expenses		(191,923)	
Operating income (loss)		(151,672)	
Non-Operating Revenue			
Property tax		90,228	
Specific ownership tax		5,604	
Delinquent tax and interest		274	
Impact aid		92	
Transfers in		936	
Total Non-Operating Revenue		97,134	
Change in net position		(54,538)	
Net position beginning of the year		1,130,619	
Net position end of the year	\$	1,076,081	

The accompanying notes are an integral part of this statement.

DOLORES COUNTY, COLORADO

Statement of Cash Flows
Proprietary Fund
Enterprise Fund

For the Year Ended December 31, 2023

		<u>Business-type Activities</u> <u>Mandatory Pest Control District</u>
Cash Flows from Operating Activities		
Cash received from customers	\$	40,251
Cash payments to employees for services		(124,126)
Cash payments to suppliers for goods and services		(57,871)
Net Cash Flows provided (used) by Operating Activities		(141,746)
Cash Flows from Capital and Related Financing Activities		
Purchase of equipment		(5,945)
Cash Flows from Noncapital Financing Activities		
Property tax	\$	90,228
Specific ownership tax		5,604
Delinquent tax and interest		274
Impact aid		92
Transfers in		936
Net Cash Flows provided (used) by Noncapital Financing Activities		97,134
Net increase (decrease) in cash and cash equivalents		(50,557)
Cash and cash equivalents beginning of the year		913,671
Cash and cash equivalents end of the year		\$ 863,114
Reconciliation of operating income (loss) to Net Cash provided (used) by Operating Activities		
Operating income (loss)	\$	(151,672)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities		
Depreciation	\$	19,654
(Increase) or decrease in Inventory		(9,721)
Increase or (decrease) in Accounts payable		(7)
Total adjustments		9,926
Net Cash Flows provided (used) by Operating Activities		\$ (141,746)

The accompanying notes are an integral part of this statement.

DOLORES COUNTY, COLORADO

Statement of Fiduciary Net Position

As of December 31, 2023

	<u>Custodial Fund</u>
Assets	
Cash	\$ 91,282
Total Assets	<u>91,282</u>
Liabilities	
Due to other governments	91,282
Total Liabilities	<u>91,282</u>
Net Position	<u>\$ -</u>

The accompanying notes are an integral part of this statement.

DOLORES COUNTY, COLORADO

Statement of Changes in Fiduciary Net Position

For the Year Ended December 31, 2023

	<u>Custodial Fund</u>
Additions	
Taxes collected for other governments	\$ 5,244,879
Total additions	<u>5,244,879</u>
Deductions	
Payment of taxes to other governments	5,244,879
Total deductions	<u>5,244,879</u>
Net increase (decrease) in fiduciary net position	-
Net position beginning	-
Net position ending	<u><u>\$ -</u></u>

The accompanying notes are an integral part of this statement.

DOLORES COUNTY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2023

Summary of Significant Accounting Policies - Dolores County, Colorado's (the County) financial statements are prepared in accordance with U.S. generally accepted accounting principals (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements of Interpretations).

The following significant accounting policies were applied to the preparation of the accompanying financial statements.

Reporting Entity – Dolores County, Colorado is a statutory (non-home-rule) county and serves as an administrative unit of the State of Colorado.

The County's financial reporting entity comprises the following:

Primary Government:	Dolores County, Colorado
Blended Component Unit:	Dove Creek Mandatory Pest Control District
Discretely Presented Component Unit:	Dolores County Library District

In determining the financial reporting entity, the County complies with the provisions of GASB Statement No. 14, "The Financial Reporting Entity," and includes all component units of which the County appointed a voting majority of the unit's board; the County is either able to impose its will on the unit or a financial benefit or burden relationship exists.

Blended Component Unit- The Dove Creek Mandatory Pest Control District serves a portion of Dolores County and is governed by a Board of Trustees appointed by the County Commissioners. The Commissioners approve all expenditures of the District. The District is included as an enterprise fund of the County.

Discretely Presented Component Unit- The Dolores County Library District operates the County Library. The commissioners appoint the governing board of the District and approve its' budget.

Fund Accounting – 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 of resources, liabilities, deferred inflows of resource, fund equity, revenues and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and in the means by which spending activities are controlled. The various funds are grouped into three categories: governmental, proprietary and fiduciary. Each category, in turn, is divided into separate "fund types".

DOLORES COUNTY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2023

Governmental Funds – are used to account for all or most of a government’s general activities, including the collection and disbursement of earmarked funds (special revenue funds). The following are the County’s major governmental funds.

General Fund – is the general operating fund of the County. It is used to account for all financial resources except those required to be accounted for in another fund. Major revenue sources include local property taxes, specific ownership taxes and state and federal grants.

Special Revenue Funds-

Road and Bridge Fund – accounts for the costs related to county road and bridge construction and maintenance. By state law, a portion of this fund’s property tax revenues are allocated to cities and towns for use in their road and street activities. This fund is required by state law.

Social Services Fund- accounts for federal and state public welfare programs administered by the County. This fund is also required by state law.

Non-major Funds- The other governmental funds of the County are Special Revenue Funds. These funds account for revenues derived from earmarked revenue sources. Special revenue funds consist of the Senior Services Fund, Conservation Trust Fund, Ormiston Fund, Contingency Fund and the Public Health Fund.

Proprietary Funds–

Enterprise Fund – focuses on the determination of the changes in net position, financial position and cash flows and are classified as either enterprise or internal service. The County’s major enterprise fund is:

Dove Creek Mandatory Pest Control District- is used to account for the financial transactions related to the weed control operations of the County.

Fiduciary Funds – reporting focuses on net position and changes in net position. In 2019 the County implemented GASB 84. Under this new reporting requirement, the County has one custodial fund.

DOLORES COUNTY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2023

Basis of Presentation-

County-wide Financial Statements- The statement of net position and the statement of activities display information about the County as a whole. These statements include the financial activities of the primary government except for fiduciary funds. The statements distinguish between those activities of the County that are governmental and those that are considered business-type activities.

The county-wide statements are prepared using the economic resources measurement focus and the accrual basis of accounting. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements therefore include reconciliation with a brief explanation to better identify the relationship between the county-wide financial statements and the statements for governmental funds.

The county-wide statement of activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the County and for each function or program of the County's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues, which are not classified as program revenues, are presented as general revenues of the County, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the County.

Fund Financial Statements- Fund financial statements report detailed information about the County. The focus of governmental and enterprise fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column. Fiduciary funds are reported by fund type.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources measurement focus. The financial statements for governmental funds are a balance sheet, which generally includes only current assets and current liabilities, and a statement of revenues, expenditures and changes in fund balances, which reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources.

All proprietary fund types are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets, deferred outflows of resources and all

DOLORES COUNTY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2023

liabilities and deferred outflows of resources associated with the operations of these funds are included on the statement of net position. The statement of revenues, expenses and changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in net total position. The statement of cash flows provides information about how the County finances and meets the cash flow needs of its proprietary activities.

Fiduciary funds are reported using the economic resources measurement focus.

Basis of Accounting – determines when transactions are recorded in the financial records and reported on the financial statements. County-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Proprietary and fiduciary funds also use the accrual basis of accounting.

Revenues- Exchange and Non-exchange Transactions- Revenues resulting from exchange transactions, in which each party gives and receives essentially equal value are recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenues are recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the County, available means expected to be received within sixty days of fiscal year-end.

Non-exchange transactions, in which the County receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenues from property taxes are recognized in the fiscal year for which the taxes are levied. Revenues from grants, entitlements and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when used is first permitted, matching requirements, in which the County must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the County on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year-end: property taxes collected within 60 days after year-end, interest, and certain grants.

Unearned Revenue- arises when potential revenue does not meet both the “measurable” and “available” criteria for recognition in the current period. In subsequent periods, when both revenue recognition criteria are met, or when the County has a legal claim to the resources, the liability for unearned revenue is removed and revenue is recognized.

DOLORES COUNTY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2023

Expenses/Expenditures- On the accrual basis of accounting, expenses are recognized at the time they are incurred. The fair value of donated commodities used during the year is reported in the statement of revenues, expenses and changes in fund net position as an expense with a like amount reported as donated commodities revenue.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

Budgets and Budgetary Accounting – The County is required by Colorado Statutes to adopt annual budgets for all funds. Each budget is prepared on the same basis (U.S. GAAP basis) as that used for accounting purposes, except for the Enterprise Fund, which is prepared essentially on the modified accrual basis of accounting. This basis of accounting is at variance with U.S. GAAP.

The following procedures are followed in establishing the budgetary data reflected in the financial statements:

Prior to October 20, the Budget Officer submits to the County Commissioners a proposed operating budget for the fiscal year commencing the following January 1.

The operating budget includes proposed expenditures and the means of financing them.

Public hearings are conducted to obtain comments.

Prior to December 31, the budget is legally adopted through passage of adoption and appropriations resolutions.

Formal budgetary integration is employed as a management control device during the year.

Department directors are authorized to transfer budget amounts within the department. However, the County Commissioners must approve any revisions that alter the total expenditures of any department.

Appropriations are adopted by resolution for each fund in total and lapse at the end of each year. Over-expenditures are not deemed to exist unless the fund as a total has expenditures in excess of appropriations.

Cash and Cash Equivalents – for the purpose of the Statement of Cash Flows of the Enterprise Fund is considered to be all of the highly liquid investments with a maturity of six months or less.

DOLORES COUNTY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2023

Short-term Inter-fund Receivables/Payables- During the course of operations, certain transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as internal balances on the County-wide statement of net position and, classified as due from other funds or due to other funds on the balance sheet.

Inventories – in the governmental funds consist of expendable supplies held for consumption, the cost of which is recorded as an expenditure at the time of purchase. Restrictions of fund balance have been established for the inventory balances.

Capital Assets – General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the county-wide statement of net position but are not reported in the fund financial statements. Capital assets utilized by the proprietary funds are reported both in the business-type activities column of the county-wide statements of net position and in the respective fund financial statements.

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated general fixed assets are valued at their estimated fair value on the date donated. The County maintains a capitalization threshold of five thousand dollars. As per GASB 34 the County has elected to report infrastructure assets on a prospective basis. Therefore, infrastructure acquired before January 1, 2004 is not included in the financial statements.

All reported capital assets are depreciated. Depreciation is computed using the straight-line method over the following useful lives:

Description	Governmental Activities <u>Estimated Lives</u>	Business-Type Activities <u>Estimated Lives</u>
Buildings and Improvements	20-50 Years	20 Years
Furniture and Equipment	5-15 Years	5-10 Years
Vehicles	8 Years	10 Years

Property Tax Revenue Recognition – The County bills and collects its own property taxes as well as property taxes of all other taxing authorities within the County. The property taxes are levied and certified in December of the year prior to the year the taxes are collected. Property taxes become an enforceable lien on January 1 of each year. Secured property taxes are due in two equal installments on February 28 and June 15, and are delinquent after February 28 and June 15 respectively. The entire balance can be paid by April 30 without penalty. Property taxes levied are recorded as unearned revenues in the year levied, as they are not

DOLORES COUNTY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2023

due until the following year. An allowance for un-collectible taxes is not provided as the un-collectible amounts were determined to be negligible based upon an analysis of historical trends.

Compensated absences- Compensated absences arise from policies concerning paid time off. In the event of termination, an employee is reimbursed for accumulated paid time off. Accumulated paid time off benefits are shown as long term debt obligations since these amounts are not expected to be paid from currently available resources.

Accrued Liabilities and General Long-Term Obligations- All payables, accrued liabilities and long-term obligations are reported in the county-wide financial statements, and all payables, accrued liabilities and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements.

In general, payables and accrued liabilities that will be paid from governmental funds are reported on the governmental fund financial statements regardless of whether they will be liquidated with current resources. However, claims and judgments, the non-current portion of capital leases, compensated absences, and special termination benefits that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they will be paid with current, expendable, available financial resources. In general, payment made within sixty days after year-end are considered to have been made with current available financial resources. Bonds and other long-term obligations that will be paid from governmental funds are not recognized as a liability in the fund financial statements.

Governmental Fund Balances- In the governmental fund financial statements, fund balances are classified as follows:

Non-spendable- Amounts that cannot be spent either because they are in a non-spendable form or because they are legally or contractually required to be maintained intact. This includes inventory maintained in the Road and Bridge Fund.

Restricted- Amounts that can be used only for specific purposes because of state or federal laws, or externally imposed conditions by grantors or creditors. This includes the County's TABOR reserve.

Committed- Amounts that can be used only for specific purposes determined by a formal action by the Board of County Commissioners.

Assigned- Amounts that are designated by the Board of County Commissioners for a particular purpose but are not spendable until appropriated. This includes assignments for subsequent year's expenditures.

Unassigned- All amounts not included in the other spendable classifications.

DOLORES COUNTY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2023

Use of Restricted Resources-When an expense is incurred that can be paid using either restricted or unrestricted resources (net position), the County's policy is to first apply the expense toward restricted resources and then toward unrestricted resources. In governmental funds, the County's policy is to first apply the expenditure toward restricted fund balance and then to other less restrictive classifications-committed and then assigned fund balances before using unassigned fund balance.

Fund Balance Restrictions- The County restricts those portions of fund equity which are legally segregated for a specific future use or which do not represent available expendable resources and therefore are not available for appropriation or expenditure. Unrestricted fund balance indicates that portion of fund equity, which is available for appropriation in future periods. Assigned fund balances have been established for future year's expenditures.

Net Position- Net position represents the difference between assets, deferred outflows of resources, and liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are liabilities imposed on their use either through the enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Operating Revenues and Expenses- Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the County, these revenues are charges related to weed control. Operating expenses are necessary costs incurred to provide the goods or services that are the primary activities of the fund. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Inter-fund Transactions- Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. All other inter-fund transactions, except quasi-external transactions and reimbursements, are reported as transfers.

Estimates – The preparation of financial statements in conformity with generally accepted accounting principles requires the use of management's estimates.

Cash and Investments – The County Treasurer maintains a cash pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the financial statements as "Cash".

DOLORES COUNTY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2023

Deposits- The Colorado Public Deposit Protection Act (PDPA) governs the County's cash deposits. The statutes specify eligible depositories for public cash deposits, which must be Colorado institutions and must maintain federal insurance on deposits held. Each eligible depository with deposits in excess of the insured levels must pledge a collateral pool of defined eligible assets, to be maintained by another institution or held in trust for all of its local government depositors as a group, with a market value of at least 102% of the uninsured deposits. The State Regulatory Commission for banks and savings and loan associations are required by statute to monitor the naming of eligible depositories and the reporting of uninsured deposits and assets maintained in the collateral pools.

Colorado statutes define eligible investments for local governments. These include bonds and other interest-bearing obligations of or guaranteed by the United States government or its agencies, bonds which are direct obligations of the State of Colorado or any of its political subdivisions, repurchase agreements, commercial paper, guaranteed investment contracts and local government investment pools.

At December 31, 2023 the County had investments in two local government investment pools, the Colorado Liquid Asset Trust (COLOTRUST) and the Colorado Surplus Asset Fund Trust (CSAFE). These investment pools are investment vehicles established for local government entities in Colorado to pool surplus funds for investment purposes. The pools are routinely monitored by the Colorado Division of Securities with regard to its operations and investments, which are also subject to provisions of C.R.S. Title 24, Article 75, and Section 6. The fair value of the investments in the pools are the same as the value of the pool shares. None of these types of investments are categorized because they are not evidenced by securities that exist in physical or book form. COLOTRUST is rated AAAM by Standard and Poors and CSAFE is rated AAAM by Standard and Poors.

At December 31, 2023 the carrying amount of the County's cash and investments was \$17,449,116. The County's bank balances were \$768,584, COLOTRUST balances were \$15,476,838 and CSAFE balances were \$1,581,010. The County's bank balances at December 31, 2023 and during the year then ended were entirely covered by FDIC insurance or pledged collateral held by the County's agent banks in the name of governmental accounts of which the County is a part.

Retirement Plan – The County is a member of the Colorado County Officials and Employees Retirement Association. All members of the Association are participants in a defined contribution retirement plan which was adopted and is administered to provide income after retirement in addition to benefits provided by Federal Social Security. All County employees are required to participate after one year of continuous service. Contributions made by the employee are a minimum of four percent and a maximum of six percent of gross salary, at the employees' discretion. Employees may make additional voluntary contributions not to exceed ten percent of compensation.

DOLORES COUNTY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2023

The County maintains no control over the plan, other than being a member of the Association. Employees are fully vested upon participation in the plan. The County has no unfunded liability under the plan. The total 2023 County payroll was \$1,975,789. The covered payroll for retirement plan purposes was \$1,531,831. The 2023 employer and employee contributions to the plan were \$71,026 and \$71,026 respectively. There were no County securities or other transactions included in the plan's assets.

Capital Assets – Capital asset activity for the fiscal year ended December 31, 2023 follows:

	Capital Assets Jan 1, 2023	Additions	Deletions/ Transfers	Capital Assets Dec 31, 2023
Governmental Activities				
Capital assets, not being depreciated:				
Land	\$ 222,551			\$ 222,551
Total capital assets not being depreciated	<u>222,551</u>	<u>-</u>	<u>-</u>	<u>222,551</u>
Capital assets, being depreciated:				
Buildings	11,815,456	\$ 571,141		12,386,597
Equipment	5,788,343	2,810,896		8,599,239
Total capital assets being depreciated	<u>17,603,799</u>	<u>3,382,037</u>	<u>-</u>	<u>20,985,836</u>
Less accumulated depreciation for:				
Buildings	(1,765,038)	(270,340)		(2,035,378)
Equipment	(4,685,481)	(440,596)		(5,126,077)
Total accumulated depreciation	<u>(6,450,519)</u>	<u>(710,936)</u>	<u>-</u>	<u>(7,161,455)</u>
Total capital assets, being depreciated, net	11,153,280	2,671,101	-	13,824,381
Governmental Activities Capital Assets, net	<u>\$ 11,375,831</u>	<u>\$ 2,671,101</u>	<u>-</u>	<u>\$ 14,046,932</u>
Business Type Activities				
Equipment and facilities	\$ 393,096	\$ 5,945		\$ 399,041
Less accumulated depreciation	(256,339)	(19,654)		(275,993)
Business Type Activities Capital Assets net	<u>\$ 136,757</u>	<u>\$ (13,709)</u>	<u>-</u>	<u>\$ 123,048</u>

DOLORES COUNTY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2023

Depreciation expense is charged to the various governmental programs as follows:

General government	\$ 12,260
Public safety	96,805
Public works	404,735
Public health and welfare	157,102
Culture and recreation	12,482
Unallocated	<u>27,552</u>
Total depreciation governmental activities	<u>\$ 710,936</u>

Schedule of Social Services Costs Due To/From State of Colorado –

	<u>Due To (From)</u>
Colorado Works	\$ 2,856
Child Care	102
Child Welfare	19,786
Administration	22,620
Core Services	1,350
LEAP	4,789
Adult Protective Services	6,151
Aid to need disabled	10,048
Old age pension	760
County Cost Allocation	944
Net Amount Due From State	<u>\$ 69,406</u>

All Electronic Benefit transfers paid by the State of Colorado for Dolores County are included in the financial statements.

DOLORES COUNTY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2023

Long-Term Debt-

Financed Purchase Agreements-

In 2019, the County entered into a financed purchase agreement for a John Deere Backhoe. The agreement is payable in monthly installments of \$1,329 beginning in 2019. The backhoe is included in the capital assets at a cost of \$108,745, with accumulated depreciation of \$36,248. The agreement is serviced by the Road and Bridge Fund and the equipment serves as collateral.

In 2023, the County entered into a financed purchase agreement for 4 John Deere Blades. The agreement is payable in semi-annual installments of \$60,860 beginning in 2023, with a balloon payment of \$950,000 due in 2024. The blades are included in the capital assets at a cost of \$1,092,156, with accumulated depreciation of \$72,810. The agreement is serviced by the Road and Bridge Fund and the equipment serves as collateral.

In 2023, the County entered into a financed purchase agreement for 2 John Deere Blades. The agreement is payable in semi-annual installments of \$46,114 beginning in 2023. The blades are included in the capital assets at a cost of \$400,715, with accumulated depreciation of \$26,714. The agreement is serviced by the Road and Bridge Fund and the equipment serves as collateral.

In 2023, the County entered into a financed purchase agreement for 3 John Deere Blades. The agreement is payable in semi-annual installments of \$45,645 beginning in 2023. The blades are included in the capital assets at a cost of \$930,463, with accumulated depreciation of \$62,031. The agreement is serviced by the Road and Bridge Fund and the equipment serves as collateral.

In 2023, the County entered into a financed purchase agreement for a John Deere Backhoe. The agreement is payable in annual installments of \$25,497 beginning in 2023. The backhoe is included in the capital assets at a cost of \$113,402, with accumulated depreciation of \$7,560. The agreement is serviced by the Road and Bridge Fund and the equipment serves as collateral.

Changes in General Long-Term Debt- A summary of changes in general long-term debt follows:

DOLORES COUNTY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2023

	Balance January 1, 2023	Additions	Deletions	Balance December 31, 2023
Accrued compensation	\$ 222,406		\$ 6,223	\$ 216,183
Financed purchase agreements	2,643	\$ 2,536,736	300,624	2,238,755
Total	\$ 225,049	\$ 2,536,736	\$ 300,624	\$ 2,454,938

Annual requirements to amortize the financed purchase agreements are as follows:

Year Ending December 31,	Principal	Interest
2024	\$ 1,095,224	\$ 124,651
2025	926,508	45,022
2026	105,087	12,638
2027	111,936	5,792
Total	\$ 2,238,755	\$ 188,103

Interfund Operating Transfers- consist of the following:

	Transfer In	Transfer out
General Fund	\$ 19,049	\$ 118,959
Special Revenue Funds		
Road and Bridge Fund	8,005	
Health Fund	102,617	
Senior Services Fund	4,377	
Conservation Trust Fund		19,049
Social Services Fund	5,524	
Ormiston Fund		2,500
Enterprise Fund	936	
	\$ 140,508	\$ 140,508

Fund Balance Restrictions and Assignments – Nonspendable indicates amounts that cannot be spent, either because they are in nonspendable form or because they are

DOLORES COUNTY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2023

legally or contractually required to be maintained intact. Restricted indicates that a portion of the fund balance can only be spent for specific purposes because of state or federal laws, or externally imposed conditions by grantors or creditors. Assigned indicates amounts that are designated for a specific purpose by the Board of County Commissioners but are not spendable until appropriated. The County uses the following restrictions and assignments:

Nonspendable

Inventory- indicates that the portion of fund balance represented by inventories is not available for appropriation and expenditure at the balance sheet date. Nonspendable fund balance related to inventory consists of \$462,394 in the Road and Bridge Fund.

Restricted

TABOR- indicates that a portion of the fund balance has been segregated for expenditures for declared emergencies only. Fund balance restricted for TABOR consists of \$400,000 in the General Fund.

Cancer treatments- indicates that the fund balance within the Ormiston Fund is restricted for the payment of cancer treatment costs of qualified county residents.

Public Health and Welfare- indicates that the fund balances within the Social Services Fund and Public Health Funds are restricted for the purpose of public health and welfare.

Public Works- indicates that the fund balance within the Road and Bridge Fund is restricted for construction and maintenance of County roads and bridges.

Parks and Recreation- indicates that the fund balance within the Conservation Trust Fund is restricted for certain parks and recreation expenditures as defined by Greater Outdoors Colorado.

Contingencies- indicates that the fund balance within the Contingency Fund are restricted for certain unforeseen expenditures as determined by state law.

Assigned for future year's expenditures- indicates anticipated fund balance available for appropriation in the next budget year. Fund balance assigned for future year's expenditures consists \$8,147,649 in the General Fund.

Public Trustee – The County Treasurer holds the office of the County Public Trustee. Public Trustees are named as trustees for Deeds of Trust and perform all the functions and exercise all the powers conferred upon them by the Deeds of Trust. These functions include

DOLORES COUNTY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2023

releasing Deeds of Trust when indebtedness is paid in full, making sales whenever default occurs, issuing Certificates of Purchase and Certificates of Redemption of Trustee’s Deeds. Fees for such services are used to cover related expenses and pay the Trustee an annual salary.

The accounts of the County Public Trustee consist of the following as of and for the year ended December 31, 2023

Cash at January 1, 2023	\$ -
Revenues	
Interest and fees	1,635
Expenditures	-
Cash at December 31, 2023	<u>\$ 1,635</u>

Commitments and Contingent Liabilities – There appear to be no commitments or contingencies that would pose a threat of significant liability to the County.

Tax Spending, Revenue and Debt Limitations- Colorado voters passed an amendment to the State Constitution, Article X, Section 20 (TABOR), which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local governments.

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of fiscal year spending. Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

TABOR requires that revenue received in excess of the “revenue limit” be refunded unless the voters approve the retention of such revenue.

On November 7, 2000 the people of the County voted to authorize the spending of all monies in existing funds and to collect, retain, and expend the full revenues, including state grants and taxes, generated during 2001 and for each subsequent year, regardless of any limitation contained in Article X, Section 20, of the Colorado Constitution. The amendment is complex and subject to judicial interpretation. The County believes it is in compliance with all other requirements of the amendment. However, the County has made certain interpretations of the amendment’s language in order to determine compliance.

DOLORES COUNTY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2023

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 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 formation agreement 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 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 formation agreement 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.

Colorado Immunity Act – Under Colorado statutes, the County has immunity from liability in excess of \$150,000 per individual and \$600,000 per occurrence.

Compliance with Laws and Regulations-The County may be in violation of State Statute. Expenditures exceeded appropriations in the Road and Bridge Fund and the Conservation Trust Fund.

Highway Report – The supplemental Highway Finance Report on the form provided by the Colorado Department of Highways is included in the audited financial statements. The following is a reconciliation between the highway report and the audited financial statements:

	<u>Highway Report</u>		<u>Difference</u>	<u>Financial Statements</u>
Receipts	\$ 5,138,962			\$ 5,138,962
Expenditures	\$ 5,466,427	(A)	\$ 125,331	\$ 5,591,758
Difference in current year (A) Expenditures Increase in inventory				<u>\$ 125,331</u>

DOLORES COUNTY, COLORADO
Required Supplementary Information

December 31, 2023

Required supplementary information includes financial information and disclosures that are required by the GASB but are not considered a part of the basic financial statements.

Such information includes:

Budgetary Comparison Schedules

General Fund

Road and Bridge Fund

Social Services Fund

DOLORES COUNTY, COLORADO

Schedule of Revenues, Expenditures and Changes in
Fund Balances- Budget and Actual
General Fund

For the Year Ended December 31, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes				
General property taxes	\$ 1,589,583	\$ 1,589,583	\$ 1,585,456	\$ (4,127)
Delinquent tax and interest	5,500	5,500	5,845	345
Property taxes-Quality of Life	202,954	202,954	224,758	21,804
Specific ownership taxes	112,000	112,000	96,920	(15,080)
Specific ownership taxes-Quality of Life	14,000	14,000	13,770	(230)
Lodgers tax	222,250	222,250	150,972	(71,278)
Severance taxes	1,500	1,500	104,549	103,049
Total taxes	2,147,787	2,147,787	2,182,270	34,483
Intergovernmental revenues				
Payment in lieu of taxes	165,000	165,000	187,991	22,991
Mineral leasing	200,000	200,000	282,603	82,603
Forest service	40,000	40,000	31,463	(8,537)
Impact assistance	3,500	3,500	3,661	161
Grants	1,343,399	1,343,399	997,274	(346,125)
Total intergovernmental revenues	1,751,899	1,751,899	1,502,992	(248,907)
Charges for services				
General government	13,300	13,300	17,632	4,332
Public safety	94,800	94,800	77,123	(17,677)
Culture and recreation	22,000	22,000	49,868	27,868
Total charges for services	130,100	130,100	144,623	14,523

(continued)

DOLORES COUNTY, COLORADO

Schedule of Revenues, Expenditures and Changes in
Fund Balances- Budget and Actual
General Fund

For the Year Ended December 31, 2023

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
Interest	\$ 117,000	\$ 117,000	\$ 808,828	\$ 691,828
Miscellaneous revenues				
Reimbursements	139,000	139,000	79,232	(59,768)
Other	23,000	23,000	33,992	10,992
Total miscellaneous revenues	162,000	162,000	113,224	(48,776)
Fee accounts				
Sheriff fees	4,000	4,000	5,649	1,649
Clerk fees	65,000	65,000	63,888	(1,112)
Treasurers fees	95,000	95,000	104,104	9,104
Total fee accounts	164,000	164,000	173,641	9,641
Total revenues	4,472,786	4,472,786	4,925,578	452,792
Expenditures				
General government				
Board of county commissioners	593,315	593,315	557,603	35,712
Other administration	1,720,652	1,720,652	1,172,802	547,850
Clerk	317,796	317,796	227,621	90,175
Treasurer	212,267	212,267	178,463	33,804
Assessor	357,372	357,372	257,739	99,633
Attorney	104,295	104,295	61,578	42,717
Grounds and buildings	215,114	215,114	144,795	70,319
Transfer station	1,000	1,000		1,000
Elections	89,100	89,100	81,319	7,781
Veteran's office	27,705	27,705	24,306	3,399
Payments-Quality of Life	202,454	202,454	228,109	(25,655)
Total general government	3,841,070	3,841,070	2,934,335	906,735

(continued)

DOLORES COUNTY, COLORADO

Schedule of Revenues, Expenditures and Changes in
Fund Balances- Budget and Actual
General Fund

For the Year Ended December 31, 2023

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
Expenditures (continued)				
Public safety				
Sheriff administration	\$ 1,068,710	\$ 1,068,710	\$ 930,018	\$ 138,692
Coroner	53,187	53,187	47,139	6,048
Prisoner maintenance	100,000	100,000	68,030	31,970
District attorney	85,000	85,000	85,000	-
Emergency management	98,719	98,719	118,330	(19,611)
GIS addressing	65,685	65,685	57,822	7,863
Total public safety	<u>1,471,301</u>	<u>1,471,301</u>	<u>1,306,339</u>	<u>164,962</u>
Culture and recreation				
Extension office	144,315	144,315	129,505	14,810
DCTV	38,500	38,500	25,774	12,726
Fairgrounds	45,040	45,040	45,117	(77)
Total culture and recreation	<u>227,855</u>	<u>227,855</u>	<u>200,396</u>	<u>27,459</u>
Total expenditures	<u>5,540,226</u>	<u>5,540,226</u>	<u>4,441,070</u>	<u>1,099,156</u>
Excess (deficit) of revenues over (under) expenditures	<u>(1,067,440)</u>	<u>(1,067,440)</u>	<u>484,508</u>	<u>1,551,948</u>
Other financing sources (uses)				
Operating transfers in	10,000	10,000	19,049	9,049
Operating transfers out	(136,250)	(136,250)	(118,959)	17,291
Total other financing sources (uses)	<u>(126,250)</u>	<u>(126,250)</u>	<u>(99,910)</u>	<u>26,340</u>
Excess (deficit) of revenues and other financing sources over (under) expenditures and other financing uses	<u>(1,193,690)</u>	<u>(1,193,690)</u>	<u>384,598</u>	<u>1,578,288</u>
Fund balance, beginning	9,122,893	9,122,893	9,416,339	293,446
Fund balance, ending	<u>\$ 7,929,203</u>	<u>\$ 7,929,203</u>	<u>\$ 9,800,937</u>	<u>\$ 1,871,734</u>

DOLORES COUNTY, COLORADO

Schedule of Revenues, Expenditures and Changes in
Fund Balance- Budget and Actual
Road and Bridge Fund

For the Year Ended December 31, 2023

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
Revenues				
Taxes				
General property taxes	\$ 378,079	\$ 378,079	\$ 373,218	\$ (4,861)
Delinquent tax and interest	1,700	1,700	1,378	(322)
Specific ownership taxes	24,000	24,000	22,908	(1,092)
Total taxes	<u>403,779</u>	<u>403,779</u>	<u>397,504</u>	<u>(6,275)</u>
Intergovernmental revenues				
Federal shared revenues				
Forest Service	100,000	100,000	229,233	129,233
State shared revenues				
Highway user's tax	1,814,186	1,814,186	1,747,915	(66,271)
Additional motor vehicle registration fee	132,000	132,000	8,260	(123,740)
Total intergovernmental revenues	<u>2,046,186</u>	<u>2,046,186</u>	<u>1,985,408</u>	<u>(60,778)</u>
Miscellaneous revenues				
Permits	10,000	10,000	3,163	(6,837)
Reimbursements	66,000	66,000	57,243	(8,757)
Charges for services	243,320	243,320	141,800	(101,520)
Other	25,750	25,750	9,103	(16,647)
Total miscellaneous revenues	<u>345,070</u>	<u>345,070</u>	<u>211,309</u>	<u>(133,761)</u>
Total revenues	<u>2,795,035</u>	<u>2,795,035</u>	<u>2,594,221</u>	<u>(200,814)</u>
Expenditures				
Current operating				
Public Works				
Administration	310,500	310,500	233,179	77,321
Maintenance and construction	3,028,440	3,028,440	2,233,072	795,368
Payments to cities	22,000	22,000	20,709	1,291
Capital outlay	110,000	110,000	2,710,560	(2,600,560)
Debt Service				
Principal	335,000	335,000	300,624	34,376
Interest	-	-	93,614	(93,614)
Total public works	<u>3,805,940</u>	<u>3,805,940</u>	<u>5,591,758</u>	<u>(1,785,818)</u>
Total expenditures	<u>3,805,940</u>	<u>3,805,940</u>	<u>5,591,758</u>	<u>(1,785,818)</u>
Excess (deficit) of revenues over (under) expenditures	<u>(1,010,905)</u>	<u>(1,010,905)</u>	<u>(2,997,537)</u>	<u>(1,986,632)</u>
Other financing sources (uses)				
Proceeds from financed purchase agreements			2,536,736	2,536,736
Operating transfers in			8,005	8,005
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>2,544,741</u>	<u>2,544,741</u>
Excess (deficit) of revenues and other financing sources over (under) expenditures and other financing uses	<u>(1,010,905)</u>	<u>(1,010,905)</u>	<u>(452,796)</u>	<u>558,109</u>
Fund balance, beginning	4,255,463	4,255,463	3,920,162	(335,301)
Increase in inventory			125,331	125,331
Fund balance, ending	<u>\$ 3,244,558</u>	<u>\$ 3,244,558</u>	<u>\$ 3,592,697</u>	<u>\$ 348,139</u>

DOLORES COUNTY, COLORADO

Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Social Service Fund
For the Year Ended December 31, 2023

	Budget		Actual	Variance
	Original	Final		Favorable (Unfavorable)
Revenues				
Taxes				
General property taxes	\$ 178,027	\$ 178,027	\$ 173,251	\$ (4,776)
Specific ownership taxes	12,300	12,300	10,614	(1,686)
Total taxes	<u>190,327</u>	<u>190,327</u>	<u>183,865</u>	<u>(6,462)</u>
Intergovernmental revenues				
Programs Settled by CFMS				
Colorado Works	69,239	69,239	57,986	(11,253)
Child Care	70,473	70,473	13,071	(57,402)
Child Welfare	310,208	310,208	282,864	(27,344)
County Administration	179,431	179,431	221,209	41,778
Core Services	30,000	30,000	2,056	(27,944)
Child Support Enforcement	6,000	6,000	4,849	(1,151)
LEAP	59,846	59,846	93,044	33,198
Adult Protective Services	20,530	20,530	23,983	3,453
Aid to Needy Disabled	15,000	15,000	22,285	7,285
Home Care Allowance	35,000	35,000	(6)	(35,006)
Old Age Pension	50,000	50,000	51,821	1,821
Food Assistance	800,000	800,000	557,848	(242,152)
Federal and State Incentives	182,216	182,216	80,785	(101,431)
Other	176,032	176,032	(5,213)	(181,245)
Total programs settled by CFMS	<u>2,003,975</u>	<u>2,003,975</u>	<u>1,406,582</u>	<u>(597,393)</u>
Other				
Behavioral Health Grant	600,790	600,790	482,865	(117,925)
Youth Mental Health Grant	53,749	53,749	356	(53,393)
Other	5,000	5,000	350	(4,650)
Total Other	<u>659,539</u>	<u>659,539</u>	<u>483,571</u>	<u>(175,968)</u>
Total intergovernmental revenues	<u>2,663,514</u>	<u>2,663,514</u>	<u>1,890,153</u>	<u>(773,361)</u>
Other	<u>60,000</u>	<u>60,000</u>	<u>25,129</u>	<u>(34,871)</u>
Total revenues	<u>2,913,841</u>	<u>2,913,841</u>	<u>2,099,147</u>	<u>(814,694)</u>
Expenditures				
Public health and welfare				
Programs Settled by CFMS				
Colorado Works	69,239	69,239	65,056	4,183
Child Care	70,473	70,473	17,848	52,625
Child Welfare	310,208	310,208	350,733	(40,525)
County Administration	186,642	186,642	265,496	(78,854)
Core Services	30,000	30,000	2,056	27,944
Child Support Enforcement	6,000	6,000	6,277	(277)
LEAP	85,846	85,846	93,044	(7,198)
Adult Protective Services	20,530	20,530	32,513	(11,983)
Aid to Needy Disabled	14,900	14,900	23,728	(8,828)
Home Care Allowance	35,000	35,000	(7)	35,007
Old Age Pension	50,000	50,000	51,821	(1,821)
Food Assistance	800,000	800,000	557,848	242,152
Other	147,921	147,921	(6,516)	154,437
Total programs settled by CFMS	<u>1,826,759</u>	<u>1,826,759</u>	<u>1,459,897</u>	<u>366,862</u>
Other				
HB 1451	174,216	174,216	56,002	118,214
Behavioral Health Grant	600,790	600,790	482,865	117,925
Youth Mental Health	53,749	53,749	340	53,409
Capital Outlay	150,500	150,500		150,500
Other	86,000	86,000	4,577	81,423
Total other	<u>1,065,255</u>	<u>1,065,255</u>	<u>543,784</u>	<u>521,471</u>
Total expenditures	<u>2,892,014</u>	<u>2,892,014</u>	<u>2,003,681</u>	<u>888,333</u>
Excess (deficit) of revenues over (under) expenditures	<u>21,827</u>	<u>21,827</u>	<u>95,466</u>	<u>73,639</u>
Other financing sources (uses)				
Transfers in	8,000	8,000	5,524	(2,476)
Total other financing sources (uses)	<u>8,000</u>	<u>8,000</u>	<u>5,524</u>	<u>(2,476)</u>
Excess (deficit) of revenues and other financing sources over (under) expenditures and other financing uses	<u>29,827</u>	<u>29,827</u>	<u>100,990</u>	<u>71,163</u>
Fund balance, beginning	<u>879,260</u>	<u>879,260</u>	<u>1,112,317</u>	<u>233,057</u>
Fund balance, ending	<u>\$ 909,087</u>	<u>\$ 909,087</u>	<u>\$ 1,213,307</u>	<u>\$ 304,220</u>

DOLORES COUNTY, COLORADO

Other Supplementary Information

December 31, 2023

Other supplementary information includes financial statements and schedules not required by the GASB, or a part of the basic financial statements, but are presented for purposes of additional analysis.

These statements and schedules include:

Combining Statements- Non-major governmental funds
Budgetary Comparison Schedule-Senior Services Fund
Budgetary Comparison Schedule-Conservation Trust Fund
Budgetary Comparison Schedule-Ormiston Fund
Budgetary Comparison Schedule-Contigency Fund
Budgetary Comparison Schedule-Public Health Fund
Budgetary Comparison Schedule-Enterprise fund

DOLOROS COUNTY, COLORADO

Non-major Governmental Funds

December 31, 2023

Special Revenue Funds

Special revenue funds are used to account for taxes and other designated revenues of the County which are used for a specified purpose as required by law or administrative action.

Senior Services Fund

This fund accounts for the activities related to the Senior service activities of the County.

Conservation Trust Fund

This fund accounts for the County's share of lottery proceeds from the state to pay for local conservation efforts.

Clara Ormiston Fund

This fund accounts for money received from the Clara Ormiston Trust to help residents of the County with health care costs for the treatment of cancer.

Contingent Fund

This fund is required by state law. This fund accounts for expenditures not reasonably foreseen at the time the budget is adopted.

Public Health Fund

This fund was formed in 2009 and accounts for the public health department activities of the County.

DOLORES COUNTY
Combining Balance Sheet
Non Major Governmental Funds

December 31, 2023

Special Revenue Funds

	Senior Services Fund	Conservation Trust Fund	Clara Ormiston Fund	Contingency Fund	Public Health Fund	Total
Assets						
Cash	\$ 256,644	\$ 20,877	\$ 19,178	\$ 1,532,909	\$ 176,166	\$ 2,005,774
Property tax receivable	131,902					131,902
Total Assets	<u>\$ 388,546</u>	<u>\$ 20,877</u>	<u>\$ 19,178</u>	<u>\$ 1,532,909</u>	<u>\$ 176,166</u>	<u>\$ 2,137,676</u>
Liabilities						
Accounts payable	\$ 15,539				\$ 15,350	\$ 30,889
Total Liabilities	<u>15,539</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,350</u>	<u>30,889</u>
Deferred Inflows of Resources						
Deferred property tax revenue	<u>131,902</u>					<u>131,902</u>
Fund Balances						
Restricted						
Cancer treatments			\$ 19,178			19,178
Senior services	241,105					241,105
Parks and recreation		\$ 20,877				20,877
Contingencies				\$ 1,532,909		1,532,909
Public health					\$ 160,816	160,816
Total Fund Balances	<u>241,105</u>	<u>20,877</u>	<u>19,178</u>	<u>1,532,909</u>	<u>160,816</u>	<u>1,974,885</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 388,546</u>	<u>\$ 20,877</u>	<u>\$ 19,178</u>	<u>\$ 1,532,909</u>	<u>\$ 176,166</u>	<u>\$ 2,137,676</u>

DOLORES COUNTY
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Non Major Governmental Funds

For the Year Ended December 31, 2023

	Special Revenue Funds					Total
	Senior Services Fund	Conservation Trust Fund	Clara Ormiston Fund	Contingency Fund	Public Health Fund	
Revenues						
Taxes	\$ 119,263			\$ 59,632		\$ 178,895
Intergovernmental	282,663	\$ 11,721		113	\$ 442,373	736,870
Charges for services						
Public health	124,182				7,196	131,378
Earnings on investments			\$ 1,985			1,985
Miscellaneous	1,239				4,152	5,391
Total Revenues	527,347	11,721	1,985	59,745	453,721	1,054,519
Expenditures						
General government				2,794		2,794
Health and welfare	560,484				554,958	1,115,442
Total expenditures	560,484	-	-	2,794	554,958	1,118,236
Excess revenues over (under) expenditures	(33,137)	11,721	1,985	56,951	(101,237)	(63,717)
Other financing sources (uses)						
Operating transfers in	4,377				102,617	106,994
Operating transfers out		(19,049)	(2,500)			(21,549)
Total other financing sources (uses)	4,377	(19,049)	(2,500)	-	102,617	85,445
Excess (deficit) of revenues and other financing sources over (under) expenditures and other financing uses	(28,760)	(7,328)	(515)	56,951	1,380	21,728
Fund Balances beginning of the year	269,865	28,205	19,693	1,475,958	159,436	1,953,157
Fund Balances end of the year	\$ 241,105	\$ 20,877	\$ 19,178	\$ 1,532,909	\$ 160,816	\$ 1,974,885

DOLORES COUNTY, COLORADO

Schedule of Revenues, Expenditures and Changes in
Fund Balances- Budget and Actual
Senior Services Fund

For the Year Ended December 31, 2023

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
Revenues				
Taxes				
General property taxes	\$ 113,423	\$ 113,423	\$ 111,965	\$ (1,458)
Delinquent tax and interest	360	360	413	53
Specific ownership taxes	8,000	8,000	6,885	(1,115)
Total taxes	<u>121,783</u>	<u>121,783</u>	<u>119,263</u>	<u>(2,520)</u>
Intergovernmental revenues				
Grants				
OAA grant	159,600	159,600	115,781	(43,819)
CDOT grant	165,960	165,960	92,387	(73,573)
Other grants and donations	142,772	142,772	74,495	(68,277)
Total intergovernmental revenues	<u>468,332</u>	<u>468,332</u>	<u>282,663</u>	<u>(185,669)</u>
Charges for services				
Public health	94,700	94,700	124,182	29,482
Total charges for services	<u>94,700</u>	<u>94,700</u>	<u>124,182</u>	<u>29,482</u>
Miscellaneous revenues				
Reimbursements	2,000	2,000	1,012	(988)
Other	-	-	227	227
Total miscellaneous revenues	<u>2,000</u>	<u>2,000</u>	<u>1,239</u>	<u>(761)</u>
Total revenues	<u>686,815</u>	<u>686,815</u>	<u>527,347</u>	<u>(159,468)</u>
Expenditures				
Health and welfare	729,192	729,192	560,484	168,708
Total expenditures	<u>729,192</u>	<u>729,192</u>	<u>560,484</u>	<u>168,708</u>
Excess (deficit) of revenues over (under) expenditures	<u>(42,377)</u>	<u>(42,377)</u>	<u>(33,137)</u>	<u>9,240</u>
Other financing sources (uses)				
Operating transfers in	35,000	35,000	4,377	(30,623)
Excess (deficit) of revenues and other financing sources over (under) expenditures and other financing uses	<u>(7,377)</u>	<u>(7,377)</u>	<u>(28,760)</u>	<u>(21,383)</u>
Fund balance, beginning	182,821	182,821	269,865	87,044
Fund balance, ending	<u>\$ 175,444</u>	<u>\$ 175,444</u>	<u>\$ 241,105</u>	<u>\$ 65,661</u>

DOLORES COUNTY
Schedule of Revenues, Expenditures, and Changes in
Fund Balances-Budget and Actual
Conservation Trust Fund

For the Year Ended December 31, 2023

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
Revenues				
Intergovernmental				
Lottery funds	\$ 13,000	\$ 13,000	\$ 11,721	\$ (1,279)
Total Revenues	<u>13,000</u>	<u>13,000</u>	<u>11,721</u>	<u>(1,279)</u>
Other financing sources (uses)				
Operating transfers out	(12,000)	(12,000)	(19,049)	(7,049)
Total other financing sources (uses)	<u>(12,000)</u>	<u>(12,000)</u>	<u>(19,049)</u>	<u>(7,049)</u>
Excess (deficit) of revenues and other financing sources over (under) expenditures and other financing uses	<u>1,000</u>	<u>1,000</u>	<u>(7,328)</u>	<u>(8,328)</u>
Fund Balances beginning of the year	24,200	24,200	28,205	4,005
Fund Balances end of the year	<u>\$ 25,200</u>	<u>\$ 25,200</u>	<u>\$ 20,877</u>	<u>\$ (4,323)</u>

DOLORES COUNTY
Schedule of Revenues, Expenditures, and Changes in
Fund Balances-Budget and Actual
Clara Ormiston Fund

For the Year Ended December 31, 2023

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
Revenues				
Earnings on investments	\$ 1,500	\$ 1,500	\$ 1,985	\$ 485
Total Revenues	<u>1,500</u>	<u>1,500</u>	<u>1,985</u>	<u>485</u>
Other financing sources (uses)				
Operating transfers out	(8,000)	(8,000)	(2,500)	5,500
Total other financing sources (uses)	<u>(8,000)</u>	<u>(8,000)</u>	<u>(2,500)</u>	<u>5,500</u>
Excess (deficit) of revenues and other financing sources over (under) expenditures and other financing uses	<u>(6,500)</u>	<u>(6,500)</u>	<u>(515)</u>	<u>5,985</u>
Fund Balances beginning of the year	11,215	11,215	19,693	8,478
Fund Balances end of the year	<u>\$ 4,715</u>	<u>\$ 4,715</u>	<u>\$ 19,178</u>	<u>\$ 14,463</u>

DOLORES COUNTY
Schedule of Revenues, Expenditures, and Changes
in Fund Balances-Budget and Actual
Contingency Fund

For the Year Ended December 31, 2023

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
Revenues				
Taxes				
General property taxes	\$ 56,711	\$ 56,711	\$ 55,983	\$ (728)
Specific ownership taxes	3,500	3,500	3,442	(58)
Delinquent tax and interest	100	100	207	107
Total taxes	<u>60,311</u>	<u>60,311</u>	<u>59,632</u>	<u>(679)</u>
Intergovernmental revenues				
Impact assistance	100	100	113	13
Total intergovernmental revenues	<u>100</u>	<u>100</u>	<u>113</u>	<u>13</u>
Total Revenues	<u>60,411</u>	<u>60,411</u>	<u>59,745</u>	<u>(666)</u>
Expenditures				
General government	5,000	5,000	2,794	2,206
Total expenditures	<u>5,000</u>	<u>5,000</u>	<u>2,794</u>	<u>2,206</u>
Excess revenues over (under) expenditures	<u>55,411</u>	<u>55,411</u>	<u>56,951</u>	<u>1,540</u>
Other financing sources (uses)				
Operating transfers in			-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficit) of revenues and other financing sources over (under) expenditures and other financing uses	<u>55,411</u>	<u>55,411</u>	<u>56,951</u>	<u>1,540</u>
Fund Balances beginning of the year	1,477,264	1,477,264	1,475,958	(1,306)
Fund Balances end of the year	<u>\$ 1,532,675</u>	<u>\$ 1,532,675</u>	<u>\$ 1,532,909</u>	<u>\$ 234</u>

DOLORES COUNTY
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Public Health Fund

For the Year Ended December 31, 2023

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
Revenues				
Intergovernmental Grants	\$ 970,428	\$ 970,428	\$ 442,373	\$ (528,055)
Total intergovernmental revenues	<u>970,428</u>	<u>970,428</u>	<u>442,373</u>	<u>(528,055)</u>
Charges for services Public health	5,300	5,300	7,196	1,896
Total charges for services	<u>5,300</u>	<u>5,300</u>	<u>7,196</u>	<u>1,896</u>
Miscellaneous		-	4,152	4,152
Total revenues	<u>975,728</u>	<u>975,728</u>	<u>453,721</u>	<u>(522,007)</u>
Expenditures				
Health and welfare	1,076,974	1,076,974	554,958	522,016
Total expenditures	<u>1,076,974</u>	<u>1,076,974</u>	<u>554,958</u>	<u>522,016</u>
Excess (deficit) of revenues over (under) expenditures	<u>(101,246)</u>	<u>(101,246)</u>	<u>(101,237)</u>	<u>9</u>
Other financing sources (uses)				
Operating transfers in	101,250	101,250	102,617	1,367
Total other financing sources (uses)	<u>101,250</u>	<u>101,250</u>	<u>102,617</u>	<u>1,367</u>
Excess (deficit) of revenues and other financing sources over (under) expenditures and other financing uses	<u>4</u>	<u>4</u>	<u>1,380</u>	<u>1,376</u>
Fund Balances beginning of the year	-	-	159,436	159,436
Fund Balances end of the year	<u>\$ 4</u>	<u>\$ 4</u>	<u>\$ 160,816</u>	<u>\$ 160,812</u>

DOLORES COUNTY, COLORADO

Statement of Revenues, Expenditures, and Changes in Net Position - Budget and Actual

Proprietary Fund

Dove Creek Mandatory Pest Control District

For the Year Ended December 31, 2023

	Budgeted Amounts		(Non GAAP Basis)	Variance
	Original	Final	Actual Amounts	Favorable (Unfavorable)
Operating Revenues				
Weed control revenue	\$ 88,850	\$ 88,850	\$ 40,251	\$ (48,599)
Total local sources	<u>88,850</u>	<u>88,850</u>	<u>40,251</u>	<u>(48,599)</u>
Operating Expenses				
Chemicals	37,000	37,000	21,120	15,880
Salaries and benefits	139,097	139,097	124,126	14,971
Supplies	44,000	44,000	1,382	42,618
Professional fees	3,000	3,000	1,100	1,900
Telephone and utilities	9,300	9,300	6,722	2,578
Insurance	3,000	3,000		3,000
Travel	3,000	3,000	3,012	(12)
Office	450	450	243	207
Dues and meetings	2,000	2,000	1,154	846
Repairs	9,000	9,000	6,207	2,793
Treasurer's fees	7,000	7,000	4,910	2,090
Miscellaneous	4,000	4,000	2,293	1,707
Capital outlay	20,000	20,000	5,945	14,055
Total Operating Expenses	<u>280,847</u>	<u>280,847</u>	<u>178,214</u>	<u>102,633</u>
Operating income (loss)	<u>(191,997)</u>	<u>(191,997)</u>	<u>(137,963)</u>	<u>54,034</u>
Non-Operating Revenue				
Property tax	91,758	91,758	90,228	(1,530)
Specific ownership tax	7,000	7,000	5,604	(1,396)
Delinquent tax and interest	75	75	274	199
Impact aid	100	100	92	(8)
Operating transfers in			936	936
Total Non-Operating Revenue	<u>98,933</u>	<u>98,933</u>	<u>97,134</u>	<u>(1,799)</u>
Change in net position non GAAP basis	(93,064)	(93,064)	(40,829)	52,235
Add capital outlay			5,945	5,945
Less depreciation expense			(19,654)	(19,654)
Change in net position	<u>(93,064)</u>	<u>(93,064)</u>	<u>(54,538)</u>	<u>38,526</u>
Net position beginning of the year	1,126,265	1,126,265	1,130,619	4,354
Net position end of the year	<u>\$ 1,033,201</u>	<u>\$ 1,033,201</u>	<u>\$ 1,076,081</u>	<u>\$ 42,880</u>

INFORMATION REQUIRED BY OVERSIGHT AUTHORITIES

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT
AUDITING STANDARDS

To the Board of County Commissioners
Dolores County, Colorado
Dove Creek, Colorado 81324

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, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Dolores County, Colorado, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise Dolores County, Colorado's basic financial statements, and have issued our report thereon dated July 19, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Dolores County, Colorado's internal control over financial reporting (internal control) as a basis for designing 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 Dolores County, Colorado's internal control. Accordingly, we do not express an opinion on the effectiveness of Dolores 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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Dolores 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 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.



Majors and Haley, P.C.
July 19, 2024

Majors and Haley, P.C.
Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of County Commissioners
Dolores County, Colorado
Dove Creek, Colorado 81324

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Dolores 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 Dolores County Colorado's major federal programs for the year ended December 31, 2023. Dolores 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, Dolores 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, 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; 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 Dolores 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 Dolores 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 Dolores 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 Dolores 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 Dolores County, Colorado's compliance with the requirements of each major federal program as a whole.

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 Dolores 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 Dolores 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 Dolores 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.



Majors and Haley, P.C.
July 19, 2024

DOLORES COUNTY COLORADO
Schedule of Expenditures of Federal Awards By Grant
For the Year Ended December 31, 2023

<i>Federal Grantor/Program or Cluster Title</i>	<i>Federal CFDA Number</i>	<i>Pass-through Grantor and Number</i>	<i>Federal Expenditures(\$)</i>
CCDF Cluster-Cluster			
Department of Health and Human Services Child Care and Development Block Grant			
Child Care and Development Block Grant	93.575	Colorado Department of Human Services	\$ 4,300
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	Colorado Department of Human Services	8,113
			<u>12,413</u>
Total CCDF Cluster-Cluster			
Forest Service Schools and Roads Cluster-Cluster			
United States Department of Agriculture Schools and Roads - Grants to Counties	10.666	Direct Program	422,055
			<u>422,055</u>
Total Forest Service Schools and Roads Cluster-Cluster			
Medicaid Cluster-Cluster			
Department of Health and Human Services Medical Assistance Program	93.778	Colorado Department of Human Services	81,487
			<u>81,487</u>
Total Medicaid Cluster-Cluster			
SNAP Cluster-Cluster			
United States Department of Agriculture State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	Colorado Department of Human Services	68,850
			<u>68,850</u>
Total SNAP Cluster-Cluster			
Other Programs			
Department of Homeland Security Emergency Management Performance Grants	97.042	Colorado Department of Public Safety	69,500
Department of Transportation Formula Grants for Rural Areas and Tribal Transit Program	20.509	Colorado Department of Transportation	92,387
Department of Health and Human Services Public Health Emergency Preparedness	93.069	Colorado Department of Public Health and Environment	17,526
Guardianship Assistance	93.090	Colorado Department of Human Services	331
Immunization Cooperative Agreements	93.268	Colorado Department of Public Health and Environment	102,051
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	Colorado Department of Public Health and Environment	70,655
Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	93.354	Colorado Department of Public Health and Environment	47,157
Temporary Assistance for Needy Families (TANF) State Programs	93.558	Colorado Department of Human Services	57,793
Child Support Enforcement	93.563	Colorado Department of Human Services	15,324
Child Support Enforcement Research	93.564	Colorado Department of Human Services	-3,378
Low-Income Home Energy Assistance	93.568	Colorado Department of Human Services	93,044
Stephanie Tubbs Jones Child Welfare Services Program	93.645	Colorado Department of Human Services	3,768
Foster Care Title IV-E	93.658	Colorado Department of Human Services	55,242
Adoption Assistance	93.659	Colorado Department of Human Services	9,370
Social Services Block Grant	93.667	Colorado Department of Human Services	23,867
Elder Abuse Prevention Interventions Program	93.747	Colorado Department of Human Services	789
Centers for Disease Control and Prevention Collaboration with Academia to Strengthen Public Health	93.967	Colorado Department of Public Health and Environment	15,167
Maternal and Child Health Services Block Grant to the States	93.994	Colorado Department of Public Health and Environment	3,500

The accompanying notes are an integral part of this schedule

DOLORS COUNTY COLORADO
Schedule of Expenditures of Federal Awards By Grant
For the Year Ended December 31, 2023

<i>Federal Grantor/Program or Cluster Title</i>	<i>Federal CFDA Number</i>	<i>Pass-through Grantor and Number</i>	<i>Federal Expenditures(\$)</i>
Department of Housing and Urban Development Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	14.228	Colorado Department of Local Affairs	62,737
Department of the Treasury Coronavirus State and Local Fiscal Recovery Funds (Alternative Compliance Examination)	21.027	Direct Program	2,041
Local Assistance and Tribal Consistency Fund	21.032	Direct Program	719,100
United States Department of Agriculture WIC Special Supplemental Nutrition Program for Women, Infants, and Children	 10.557	 Colorado Department of Public Health and Environment	 10,618
Total Other Programs			<u>1,468,589</u>
Total Expenditures of Federal Awards			<u><u>\$ 2,053,394</u></u>

The accompanying notes are an integral part of this schedule

DOLORES COUNTY, COLORADO

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS For the Year Ended December 31, 2023

Organization

The accompanying schedule of expenditures of federal awards presents the activity of all federal award programs of Dolores County, Colorado for the year ended December 31, 2023. All federal awards received directly from federal agencies as well as federal awards passed through other governmental agencies, are included on the schedule.

Basis Of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the County and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in the schedule may differ from amounts presented in, or used in, the preparation of the basic financial statements.

Indirect Costs

The County has not elected to use the 10% *de minimis* indirect cost rate as allowed in the Uniform Guidance, Section 414.

Food Distribution

Non-monetary assistance is reported in the Schedule at the fair market value of the commodities received and disbursed.

Sub-recipients

Dolores County had no sub-recipients of federal funds for the year ended December 31, 2023.

DOLORES COUNTY, COLORADO
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 For the Year Ended December 31, 2023

Section 1- Summary of Auditors' Results

Financial Statements

Type of auditors' report issued	Unmodified Opinion	
Internal control over financial reporting:		
Material weakness(es) identified?	_____ yes	_____ X _____ no
Significant deficiency(ies) identified not considered to be material weaknesses?	_____ yes	_____ X _____ no

Federal Awards

Internal control over major programs:		
Material weakness(es) identified?	_____ yes	_____ X _____ no
Significant deficiency(ies) identified not considered to be material weaknesses?	_____ yes	_____ X _____ no

Type of auditors' report issued on compliance
for major programs: Unmodified Opinion

Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance	_____ yes	_____ X _____ no
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Identification of major programs:

CFDA Number	Name of Federal Program or Cluster
10.666	Schools and Roads Grants to Counties

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

Auditee qualified as low-risk auditee	_____ X _____ yes	_____ _____ no
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Section 2- Findings under Generally Accepted Government Auditing Standards

There were no findings required to be reported under Generally Accepted Government Auditing Standards

Section 3- Findings and Questioned Costs Under Uniform Guidance

There were no findings or questioned cost for federal awards as defined in the Uniform Guidance.

DOLORES COUNTY, COLORADO

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the Year Ended December 31, 2023

There were no prior year findings or questioned costs noted that were reportable under the Uniform Guidance criteria.

DOLORES COUNTY, COLORADO

SCHEDULE OF CORRECTIVE ACTION PLAN
For the Year Ended December 31, 2023

There were no audit findings to be included in the current audit report; therefore, a corrective action plan is not necessary.

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): 12/23
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This Information From The Records Of: Dolores County, Colorado	Prepared By: Majors and Haley P.C.
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I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES		III. EXPENDITURES FOR ROAD AND STREET PURPOSES	
ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway expenditures:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	\$ 13,702.00
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	\$ 4,053,850.00
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	\$ 8,005.00	b. Snow and ice removal	\$ 896,789.00
3. Other local imposts (from page 2)	\$ 400,667.00	c. Other Increase in supply inventory	\$ (125,331.00)
4. Miscellaneous local receipts (from page 2)	\$ 208,146.00	d. Total (a. through c.)	\$ 771,458.00
5. Transfers from toll facilities		4. General administration & miscellaneous	\$ 233,179.00
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	
a. Bonds - Original Issues		6. Total (1 through 5)	\$ 5,072,189.00
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes	\$ 2,536,736.00	1. Bonds:	
d. Total (a. + b. + c.)	\$ 2,536,736.00	a. Interest	
7. Total (1 through 6)	\$ 3,153,554.00	b. Redemption	
B. Private Contributions		c. Total (a. + b.)	\$ -
C. Receipts from State government		2. Notes:	
(from page 2)	\$ 1,756,175.00	a. Interest	\$ 93,614.00
D. Receipts from Federal Government		b. Redemption	\$ 300,624.00
(from page 2)	\$ 229,233.00	c. Total (a. + b.)	\$ 394,238.00
E. Total receipts (A.7 + B + C + D)	\$ 5,138,962.00	3. Total (1.c + 2.c)	\$ 394,238.00
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total expenditures (A.6 + B.3 + C + D)	\$ 5,466,427.00

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)		\$ 2,539,379.00	\$ 300,624.00	\$ 2,238,755.00

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

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	\$ 3,920,162.00	\$ 5,138,962.00	\$ 5,466,427.00	\$ 3,592,697.00	\$ -

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT

STATE:
COLORADO
 YEAR ENDING (mm/yy):
12/23

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 Assesments	\$ 374,596.00	a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes		c. Parking Garage Fees	
2. Infrastructure & Impact Fees	\$ 3,163.00	d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	\$ 141,800.00
5. Specific Ownership &/or Other	\$ 22,908.00	g. Other Misc. Receipts	\$ 9,103.00
6. Total (1. through 5.)	\$ 26,071.00	h. Other Reimbursements	\$ 57,243.00
c. Total (a. + b.)	\$ 400,667.00	i. Total (a. through h.)	\$ 208,146.00
<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.)	\$ 1,747,915.00	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	\$ 229,233.00
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	\$ 8,260.00	d. Federal Transit Administration	
d. DOLA Grant		e. U.S. Corps of Engineers	
e. Other		f. Other Federal ARPA	
f. Total (a. through e.)	\$ 8,260.00	g. Total (a. through f.)	\$ 229,233.00
4. Total (1. + 2. + 3.f)	\$ 1,756,175.00	3. Total (1. + 2.g)	\$ 229,233.00
<i>(Carry forward to page 1)</i>		<i>(Carry forward to page 1)</i>	

III. EXPENDITURES FOR ROAD AND STREET PURPOSES - DETAIL

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs			\$ -
b. Engineering Costs			\$ -
c. Construction:			
(1). New Facilities			\$ -
(2). Capacity Improvements			\$ -
(3). System Preservation		\$ 13,702.00	\$ 13,702.00
(4). System Enhancement And Operation			\$ -
(5). Total Construction (1)+(2)+(3)+(4)	\$ -	\$ 13,702.00	\$ 13,702.00
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.4)	\$ -	\$ 13,702.00	\$ 13,702.00

(Carry forward to page 1)

Notes and Comments: