

HINSDALE COUNTY, COLORADO

FINANCIAL STATEMENTS AND REPORT OF
INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

December 31, 2023

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INDEPENDENT AUDITOR'S REPORT

To the Board of County Commissioners
Hinsdale County, Colorado

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Hinsdale County, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Hinsdale County's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Hinsdale 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 Hinsdale County, Colorado and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Hinsdale County, Colorado's basic financial statements. The accompanying combining and individual nonmajor fund financial statements 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 August 16, 2024, on our consideration of the Hinsdale County, Colorado's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Hinsdale County, Colorado's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Hinsdale County, Colorado's internal control over financial reporting and compliance.

Blair and Associates, P.C.

Cedaredge, Colorado
August 16, 2024

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HINSDALE COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2023

This management's discussion and analysis of Hinsdale County financial statements provides an overview of the County's financial activities for the fiscal year ended December 31, 2023. The intent of this discussion and analysis is to look at the County's financial performance as a whole; it should be read in conjunction with the basic financial statements and notes to enhance the reader's understanding of the County's overall financial performance.

USING THE BASIC FINANCIAL STATEMENTS

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

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

Government-wide Statements

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

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

HINSDALE COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2023

Fund Financial Statements

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

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

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

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

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

THE COUNTY AS A WHOLE

Statement of Net Position

The perspective of the Statement of Net Position is of the County as a whole. Following is a summary of the County's net position for the fiscal years 2022 and 2023.

	2022			2023		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Current and Other assets	4,731,972	166,335	4,898,307	5,682,953	74,301	5,757,254
Capital Assets	3,878,071	23,865	3,901,936	3,968,102	49,920	4,018,022
Total Assets	8,610,043	190,200	8,800,243	9,651,055	124,221	9,775,276
Long-Term Liabilities outstanding	127,675	0	127,675	62,250	0	62,250
Other Liabilities	266,577	8,866	275,443	248,729	15,088	263,817
Deferred Inflows: Property Taxes	1,038,174	0	1,038,174	1,029,172	0	1,029,172
Total Liabilities	1,432,426	8,866	1,441,292	1,340,151	15,088	1,355,239
Net Position:						
Net investment in Capital Assets	3,878,071	23,865	3,901,936	3,968,102	49,920	4,018,022
Restricted for TABOR	124,658	0	124,658	124,658	0	124,658
Unrestricted	3,174,888	157,469	3,332,357	4,218,144	59,213	4,277,357
Total Net Position	7,177,617	181,334	7,358,951	8,310,904	109,133	8,420,037

HINSDALE COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2023

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

Statement of Activities

The perspective of the Statement of Activities is of the County as a whole. The Statement of Activities reflects the cost of program services and the charges for services and sales, grants and contributions offsetting those services. The following detail reflects the total cost of services supported by program revenues, sales taxes, and general property taxes, as well as other general revenues, resulting in the overall change in net position for the fiscal years 2022 and 2023.

	2022			2023		
REVENUES:	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Program Revenues:						
Charges for Services	736,196	259,970	996,166	478,968	275,563	769,274
Grants & Contributions	4,347,978	0	4,347,978	8,303,723	5,000	8,308,723
General Revenues:						
Taxes	2,695,383	0	2,695,383	3,961,332	0	3,961,332
Interest & Other Revenue	210,908	0	210,908	526,656	24,743	526,656
Total Revenues	7,990,465	259,970	8,250,435	13,270,679	305,306	13,565,985
EXPENSES:						
General Government	4,666,314	0	4,666,314	9,228,070	0	9,228,070
Public Safety	726,941	0	726,941	860,825	0	860,825
Health & Welfare	142,549	0	142,549	60,142	0	60,142
Highways & Streets	1,636,104	0	1,636,104	1,983,297	0	1,983,297
Culture & Recreation	143,123	0	143,123	166,472	0	166,472
Transfer Station/Recreation		249,397	249,397	0	382,358	382,358
Interest Expense	0	0	0	0	0	0
Total Expenses	7,315,031	249,397	7,564,428	12,298,806	382,358	12,681,164
Increase (Decrease) in net position:	675,434	10,573	691,007	981,873	-77,052	894,821
Net Position January 1	6,502,183	165,761	6,667,944	7,177,617	181,344	7,358,951
Prior Period Adj	0	0	0	0	0	0
Net Position January 1 restated	6,502,183	165,761	6,667,944	7,177,617	186,185	7,358,951
Net Position December 31	7,177,617	181,344	7,358,951	8,310,904	109,133	8,420,037

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

The County operated at an increase in net position for governmental activities in 2023.

HINSDALE COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2023

The County's Major Funds

The County's procedures in establishing budgetary data reflected in the financial statements are summarized in Note B of the financial statements. An amended budget was adopted by the County during the fiscal year 2023.

General Fund Budgetary Highlights

General Fund Resources (Inflows)

The County's final revenues in the amount of \$11,353,561 were higher than the budget expectations of \$10,482,545 by \$871,016 due to the revenue created by the Office of Emergency Management All Hazards Team program implemented in 2022 and transfers from this fund to GF. There was also an increase in Federal Leasing/Severance Tax and an increase in Sales Tax revenue.

General Fund Charges to Appropriations (Outflows)

The County's final expenditures of \$10,088,895 is greater than the appropriated budget of \$9,513,148 by \$575,747 due to expenditures from payroll increases, grants and transfer to Capital Reserve

Road and Bridge Budgetary Highlights

Road and Bridge Fund Resources (Inflows)

The County's final revenues in the amount of \$1,847,150 were less than the budget expectations of \$1,967,576 by \$120,426 mainly due to an increase in materials sold and work for others with the work at the County owned Wupperman Campground.

Road and Bridge Fund Resources (Outflows)

The County's final expenditures in the amount of \$1,746,211 was more than the budget expectations of \$1,720,137 by \$26,074 mostly due to work at the County owned Wupperman Campground and

Emergency Services Fund Budgetary Highlights

Emergency Management Resources (Inflows)

The County's final revenues in the amount of \$6,910,256 were more than the budget expectations of \$6,308,878 by \$601,378 due to increasing the number of All Hazards Team employees for year 2023 and this increased earned revenue.

Emergency Management Resources (Outflows)

The County's final expenditures of \$5,999,343 were more than the budget expectations of \$5,400,121 by \$599,222 due to increasing the number of All Hazards Team employees for year 2023.

HINSDALE COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2023

CAPITAL ASSETS

At the end of 2023, the County had a total \$3,968,102 invested in capital assets of governmental activities. The amount of capital assets for business-type activities totalled \$49,920 after accumulated depreciation. See Note E Capital Assets.

LONG-TERM DEBT

The balance of Long-Term Debt at the end of 2023 is \$62,250 in Compensated balances.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

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

HINSDALE COUNTY
Attn: Lynn McNitt, Accounting and Finance Director
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HINSDALE COUNTY, COLORADO
STATEMENT OF NET POSITION
December 31, 2023

	Governmental Activities	Business-Type Activities	Total	Component Unit Silver Thread
ASSETS				
Current Assets				
Cash and cash equivalents	\$ 3,842,287	\$ 35,608	\$ 3,877,895	\$ 803,455
Accounts receivable	701,725	38,693	740,418	-
Interfund receivable (payable)	-	-	-	98,972
Property taxes receivable	1,029,172	-	1,029,172	-
Inventories	109,769	-	109,769	-
Total current assets	<u>5,682,953</u>	<u>74,301</u>	<u>5,757,254</u>	<u>902,427</u>
Noncurrent Assets				
Capital Assets				
Land	2,307,400	6,327	2,313,727	-
Buildings	2,188,770	-	2,188,770	-
Machinery and equipment	2,993,879	313,184	3,307,063	-
Vehicles	1,211,803	-	1,211,803	-
Less Accumulated depreciation	<u>(4,733,750)</u>	<u>(269,591)</u>	<u>(5,003,341)</u>	<u>-</u>
Total noncurrent assets	<u>3,968,102</u>	<u>49,920</u>	<u>4,018,022</u>	<u>-</u>
Total Assets	<u>9,651,055</u>	<u>124,221</u>	<u>9,775,276</u>	<u>902,427</u>
LIABILITIES				
Current Liabilities				
Accounts payable	180,748	8,288	189,036	11,085
Accrued liabilities	5,731	-	5,731	-
Deposits Payable	-	6,800	6,800	-
Compensated absences	62,250	-	62,250	-
Total current liabilities	<u>248,729</u>	<u>15,088</u>	<u>263,817</u>	<u>11,085</u>
Noncurrent liabilities				
Compensated absences	62,250	-	62,250	-
Total noncurrent liabilities	<u>62,250</u>	<u>-</u>	<u>62,250</u>	<u>-</u>
Total Liabilities	<u>310,979</u>	<u>15,088</u>	<u>326,067</u>	<u>11,085</u>
Deferred Inflows of Resources				
Property taxes	<u>1,029,172</u>	<u>-</u>	<u>1,029,172</u>	<u>-</u>
NET POSITION				
Invested in capital assets	3,968,102	49,920	4,018,022	-
Restricted for:				
TABOR	124,658	-	124,658	14,627
Unrestricted	<u>4,218,144</u>	<u>59,213</u>	<u>4,277,357</u>	<u>876,715</u>
Total net position	<u>\$ 8,310,904</u>	<u>\$ 109,133</u>	<u>\$ 8,420,037</u>	<u>\$ 891,342</u>

See accompanying notes to the basic financial statements

HINSDALE COUNTY, COLORADO
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2023

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position Primary Government			Component Unit
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	TOTAL	Silver Thread
Primary government:								
Governmental activities:								
General government	\$ 9,272,696	\$ 700,189	\$ 316,187	\$ -	\$ (8,256,320)	\$ -	\$ (8,256,320)	\$ -
Public Safety	880,994	9,066	6,999,655	-	6,127,727	-	6,127,727	-
Heath and welfare	111,655	142,139	-	75,693	106,177	-	106,177	-
Highway and streets	1,706,065	396,994	396,824	-	(912,247)	-	(912,247)	-
Culture and Recreation	166,472	-	5,000	4,935	(156,537)	-	(156,537)	-
Total governmental activities	12,137,882	1,248,388	7,717,666	80,628	(3,091,200)	-	(3,091,200)	-
Business-Type Activities								
Recreation	132,462	54,010	-	-	-	(78,452)	(78,452)	-
Transfer Station	249,896	221,553	5,000	-	-	(23,343)	(23,343)	-
Total Business-Type Activities	382,358	275,563	5,000	-	-	(101,795)	(101,795)	-
Total Primary Government	12,520,240	1,523,951	7,722,666	80,628				
Component Unit								
Public Health	742,739	199,504	661,161	-				117,926
General Revenues								
Taxes:								
General property taxes					1,020,190	-	1,020,190	-
Specific ownership tax					96,482	-	96,482	-
Sales and Use Tax					690,376	-	690,376	-
Highway Users Tax					834,627	-	834,627	-
Other Taxes					1,319,657	-	1,319,657	-
Other Revenue					108,102	14,743	122,845	-
Gain on Disposal of assets					10,590	-	10,590	-
Interest on Investments					154,463	-	154,463	-
Transfers					(10,000)	10,000	-	-
Total General Revenues					4,224,487	24,743	4,249,230	-
Changes in Net Position					1,133,287	(77,052)	1,056,235	117,926
Net Position-January 1					7,177,617	186,185	7,363,802	773,416
Net Position-December 31					\$ 8,310,904	\$ 109,133	\$ 8,420,037	\$ 891,342

See accompanying notes to the basic financial statements

HINSDALE COUNTY, COLORADO
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2023

	General	Road and Bridge	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and Investments	\$ 3,532,915	\$ 93,169	\$ 216,203	\$ 3,842,287
Accounts receivable	555,543	146,182	-	701,725
Property tax receivable	957,236	55,640	16,296	1,029,172
Due from other funds	56,458	-	-	56,458
Inventory	20,729	89,040	-	109,769
Total assets	\$ 5,122,881	\$ 384,031	\$ 232,499	\$ 5,739,411
Liabilities:				
Accounts payable	\$ 141,995	\$ 22,032	\$ 16,721	\$ 180,748
Accrued liabilities	4,773	958	-	5,731
Due to other funds	-	-	56,458	56,458
Total liabilities	146,768	22,990	73,179	242,937
Deferred Inflows of Resources				
Property Taxes	957,236	55,640	16,296	1,029,172
Fund balances:				
Non-spendable				
Inventory	20,729	89,040	-	109,769
Restricted				
TABOR emergency reserve	171,864	-	-	171,864
Human services	-	-	7,213	7,213
Marketing and advertising	-	-	12,472	12,472
Open space	19,341	-	29,312	48,653
Retirement	57,733	-	-	57,733
Snow grooming	-	-	27,481	27,481
Schools and roads	-	-	1,786	1,786
Road Maintenance and construction	-	216,361	-	216,361
Public safety	1,524,691	-	-	1,524,691
Assigned				
Capital purchases	-	-	64,760	64,760
Unassigned	2,224,519	-	-	2,224,519
Total fund balances	4,018,877	305,401	143,024	4,467,302
Total liabilities and fund balances	\$ 5,122,881	\$ 384,031	\$ 232,499	\$ 5,739,411

See accompanying notes to the basic financial statements

HINSDALE COUNTY, COLORADO
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO THE STATEMENT OF NET POSITION
December 31, 2023

Total governmental fund balances **\$ 4,467,302**

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

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

Cost	8,701,852	
Accumulated Depreciation	<u>(4,733,750)</u>	3,968,102

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

Compensated absences	(124,500)
Lease payable	<u>-</u>

Net position of governmental activities **\$ 8,310,904**

HINSDALE COUNTY, COLORADO
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended December 31, 2023

	General	Road and Bridge	Other Governmental Funds	Total Governmental Funds
REVENUES				
Taxes	\$ 2,830,366	\$ 985,317	\$ 145,649	\$ 3,961,332
Intergovernmental	7,875,992	396,824	30,907	8,303,723
Licenses and permits	54,860	-	-	54,860
Interest on Investments	154,463	-	-	154,463
Charges for services	237,689	241,279	-	478,968
Reimbursement	155,353	-	-	155,353
Miscellaneous	44,838	111,652	5,490	161,980
Total revenues	11,353,561	1,735,072	182,046	13,270,679
EXPENDITURES				
Current:				
General government	3,228,727	-	-	3,228,727
Judicial	5,999,343	-	-	5,999,343
Public safety	860,825	-	-	860,825
Health and welfare	-	-	60,142	60,142
Highways and streets	-	1,594,827	-	1,594,827
Culture and recreation	-	-	166,472	166,472
Capital outlay	-	314,039	-	314,039
Debt service payments	-	74,431	-	74,431
Total expenditures	10,088,895	1,983,297	226,614	12,298,806
Excess (deficiency) of revenues over expenditures	1,264,666	(248,225)	(44,568)	971,873
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	31,028	31,028
Transfers (out)	(115,000)	73,972	-	(41,028)
Sale of assets	12,750	-	-	12,750
Total other financing sources (uses)	(102,250)	73,972	31,028	2,750
Net change to fund balance	1,162,416	(174,253)	(13,540)	974,623
Fund balance, January 1	2,856,461	479,654	156,564	3,492,679
Fund balance, December 31	\$ 4,018,877	\$ 305,401	\$ 143,024	\$ 4,467,302

See accompanying notes to the basic financial statements

HINSDALE COUNTY, COLORADO
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
Year Ended December 31, 2023

Net change in fund balances - total governmental funds	\$ 974,623
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Amounts reported for governmental activities in the statement of activities are different because:

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

Capital Outlays	317,306	
Depreciation expense	<u>(225,015)</u>	92,291

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

Principal payments on debt	91,037
Increase in Compensated absences	(22,404)

Loss on disposal of assets	(2,260)
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Change in net position of governmental funds	<u><u>\$1,133,287</u></u>
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HINSDALE COUNTY, COLORADO
STATEMENT OF NET POSITION-PROPRIETARY FUNDS
December 31, 2023

ASSETS	Business-Type Activities- Enterprise Fund		
	Transfer Station Fund	Recreation Fund	Total
Current assets			
Cash and equivalents	\$ (20,183)	\$ 55,791	\$ 35,608
Accounts receivable	39,378	(685)	38,693
Land	291	6,036	6,327
Machinery and equipment	262,817	50,367	313,184
Accumulated Depreciation	(224,045)	(45,546)	(269,591)
Total assets	\$ 58,258	\$ 65,963	\$ 124,221
Liabilities			
Accounts payable	\$ 5,077	\$ 3,211	\$ 8,288
Deposits payable	6,800	-	6,800
	11,877	3,211	15,088
Net Position			
Unrestricted	46,381	62,752	109,133
Total Net Position	46,381	62,752	109,133
TOTAL LIABILITIES AND NET POSITON	\$ 58,258	\$ 65,963	\$ 124,221

See accompanying notes to the basic financial statements

HINSDALE COUNTY, COLORADO
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUND
For the Year Ended December 31, 2023

	<u>Transfer Station</u> <u>Fund</u>	<u>Recreation</u> <u>Fund</u>	<u>Total</u>
Operating Revenues			
Intergovernmental	\$ 5,000	\$ -	\$ 5,000
Disposal fees	221,553	-	221,553
Campground fees	-	54,010	54,010
Miscellaneous	14,743	-	14,743
Total operating revenues	<u>241,296</u>	<u>54,010</u>	<u>295,306</u>
Operating expenses			
Payroll expenses	32,546	-	32,546
Insurance	2,205	2,511	4,716
Sanitation and maintenance expenses	178,572	121,623	300,195
Supplies	31,063	5,483	36,546
Depreciation	2,572	2,409	4,981
Miscellaneous	2,938	436	3,374
Total Operating expenses	<u>249,896</u>	<u>132,462</u>	<u>382,358</u>
Excess (deficiency) of revenues over expenditures	(8,600)	(78,452)	(87,052)
Transfers In/(out)	-	10,000	10,000
Total other financing sources (uses)	<u>-</u>	<u>10,000</u>	<u>10,000</u>
Excess (deficiency) of revenues over expenditures and other sources (uses)	(8,600)	(68,452)	(77,052)
Fund balance, January 1	54,981	131,204	186,185
Fund balance, December 31	<u>\$ 46,381</u>	<u>\$ 62,752</u>	<u>\$ 109,133</u>

See accompanying notes to the basic financial statements

HINSDALE COUNTY, COLORADO
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
For the Year Ended December 31, 2023

	Transfer Station	Recreation	
	Fund	Fund	Total
Cash Flows From Operating Activities			
Cash received from customers	\$ 219,239	\$ 54,695	\$ 273,934
Cash payments to supplies for goods and services	(211,411)	(127,199)	(338,610)
Cash payments to employees for services	(32,546)	-	(32,546)
Net cash provided (used) by operating activities	(24,718)	(72,504)	(97,222)
Cash flows from Noncapital Financing activities			
Transfers	-	10,000	10,000
Net cash provided by noncapital financing activities	-	10,000	10,000
Cash flows from Capital and Related Financing activities			
Acquisition of capital assets	(26,184)	-	(26,184)
Net cash provided by (used) by capital and related financing activities	(26,184)	-	(26,184)
Net increase (decrease) in cash and equivalents	(50,902)	(62,504)	(113,406)
Cash balances, January 1	30,719	118,295	149,014
Cash balances, December 31	\$ (20,183)	\$ 55,791	\$ 35,608
Reconciling of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ (8,600)	\$ (78,452)	\$ (87,052)
Adjustments to reconcile operating income (loss) from operations to net cash provided (used) by operating activities:			
Depreciation expense	2,572	2,409	4,981
(Increase) decrease in accounts receivable	(22,057)	685	(21,372)
Increase (decrease) in deposits payable	-	-	-
Increase (decrease) in accounts payable	3,367	2,854	6,221
Net cash provided (used) by operating activities	\$ (24,718)	\$ (72,504)	\$ (97,222)

See accompanying notes to the basic financial statements

HINSDALE COUNTY, COLORADO
STATEMENT OF FIDUCIARY NET POSITION
December 31, 2023

	Custodial Funds
Assets	
Cash and Investments	\$ 147,295
Due from Other Governments	189,307
Total Assets	\$ 336,602
Liabilities	
Due to Other Governments	\$ 322,571
Total Liabilities	322,571
Net Position, Restricted for Other Governments	\$ 14,031

See accompanying notes to the basic financial statements

HINSDALE COUNTY, COLORADO
STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS
For the Year Ended December 31, 2023

	Custodial Funds
Additions:	
Collections for other Governments	\$ 2,176,301
Public Trustee Activity	3,152
Total Additions	<u>2,179,453</u>
Disbursements:	
Disbursements for other Governments	2,226,576
Public Trustee Expense	2,946
Total Disbursements	<u>2,229,522</u>
Change in Net Position	(50,069)
Beginning Net Position	33,762
Ending Net Position	<u><u>\$ 14,031</u></u>

See accompanying notes to the basic financial statements

**HINSDALE COUNTY, COLORADO
SILVER THREAD PUBLIC HEALTH DISTRICT
BALANCE SHEET
GENERAL FUND
December 31, 2023**

	Custodial Funds
ASSETS	
Cash and Investments	\$ 803,455
Accounts Receivable	98,972
Total Assets	\$ 902,427
Liabilities:	
Accounts Payable	\$ 11,085
Total Liabilities	11,085
Fund Balance	
Restricted	
TABOR emergency reserve	14,627
Unassigned	876,715
Total Fund Balance	\$ 891,342

See accompanying notes to the basic financial statements

HINSDALE COUNTY, COLORADO
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
SILVER THREAD PUBLIC HEALTH DISTRICT
GOVERNMENTAL FUND
For the Year Ended December 31, 2023

	Total
REVENUES	
Intergovernmental Revenue	\$ 516,726
Charges for Services	199,504
Miscellaneous	<u>144,435</u>
Total revenues	<u>860,665</u>
EXPENDITURES	
Current:	
Public Health	<u>742,739</u>
Total expenditures	<u>742,739</u>
Excess (deficiency) of revenues over expenditures	<u>117,926</u>
Fund balance, January 1	<u>773,416</u>
Fund balance, December 31	<u><u>\$ 891,342</u></u>

See accompanying notes to the basic financial statements

HINSDALE COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

Primary Government

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

Component Unit

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

Government-Wide Financial Statements

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

HINSDALE COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES- CONTINUED

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

- Charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and
- Grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included in program revenues are reported as general revenues.

Fund Financial Statements

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

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

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

The County reports the following major governmental funds:

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

HINSDALE COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES- CONTINUED

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

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

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

Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the enterprise fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

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

HINSDALE COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES- CONTINUED

Assets, Liabilities, and Net Position or Equity

Cash

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

Investments

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

Property Taxes

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

Receivables

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

Allowance for doubtful accounts

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

Inter-fund transactions

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

HINSDALE COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES- CONTINUED

Assets, Liabilities, and Net Position or Equity - continued

Inventories and Prepaid Items

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

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

Capital Assets

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

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

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

Long-Term Obligations

Long-term debt and other long-term obligations are recorded as liabilities in the Government-wide Financial Statements. In the fund financial statements for governmental fund types, debt proceeds are reported as another financing source. The County has no long-term debt at December 31, 2023.

HINSDALE COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES- CONTINUED

Assets, Liabilities, and Net Position or Equity - continued

Compensated Absences

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

Unearned Revenue

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

Deferred inflows

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

Fund Equity

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

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

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

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

HINSDALE COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES- CONTINUED

Assets, Liabilities, and Net Position or Equity - continued

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

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

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

Use of Estimates

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

NOTE B - CASH, DEPOSITS, AND INVESTMENTS

A summary of cash and investments as of December 31, 2023, follows:

Petty Cash	\$ 1,781
Cash Deposits	1,418,727
Investments	3,597,470
Total Cash and Investments	<u>\$ 5,017,978</u>

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

Pooled cash and investments	\$ 3,877,921
Agency cash and investments	336,602
Total county cash and investments	<u>4,214,523</u>
Silver Thread Public Health Department	
Pooled cash and investments	803,455
Total pooled cash and investments	<u>\$ 5,017,978</u>

HINSDALE COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE B - CASH, DEPOSITS, AND INVESTMENTS – CONTINUED

Cash Deposits

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

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

Custodial Credit Risk- Deposits

Custodial credit risk is the risk that in the event of the failure of a depository institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. At December 31, 2023, the County had bank deposits totaling \$1,407,924, of this, \$489,872 was covered by FDIC. The remaining balance of \$918,052 was covered by PDPA.

Investments

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

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

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

HINSDALE COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE B - CASH, DEPOSITS, AND INVESTMENTS – CONTINUED

Investments - continued

Credit Risk

The County's investment policy calls for investment diversification within the portfolio to avoid unreasonable risk inherent in over investing in specific instruments, individual financial institutions or maturities. The County's investment policy allows for the County to invest in local government investment pools. As of December 31, 2023, the local government investment pools (ColoTrust and CSAFE) in which the County had invested, were rated AAAM by Standard & Poor's.

Interest Rate Risk

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

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

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

HINSDALE COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE D – INTER-FUND ACTIVITY

The County reports inter-fund balances between many of its funds. The balances resulted from the time lag between the dates that (1) inter-fund goods and services are provided, or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. Inter-fund balances are generally expected to be repaid within one year of the financial statement date. Inter-fund transfers for the year ended December 31, 2023, are as follows:

	Transfers	
	In	Out
General Fund	\$ -	\$ 115,000
Road and Bridge Fund	73,972	-
Recreation Fund	10,000	-
Title III Fund	3,000	15,972
Human Services Fund	44,000	-
Totals	<u>\$ 130,972</u>	<u>\$ 130,972</u>

NOTE E – CAPITAL ASSETS

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

	Balance January 1, 2023	Additions	Dispositions	Balance December 31, 2023
Governmental Activities				
Capital assets not being depreciated				
Land	\$ 2,307,400	\$ -	\$ -	\$ 2,307,400
	<u>2,307,400</u>	<u>-</u>	<u>-</u>	<u>2,307,400</u>
Capital assets being depreciated				
Buildings and Improvements	2,103,186	85,584	-	2,188,770
Machinery and Equipment	2,895,712	98,167	-	2,993,879
Vehicles	1,192,988	133,555	(114,740)	1,211,803
	<u>6,191,886</u>	<u>317,306</u>	<u>(114,740)</u>	<u>6,394,452</u>
Less accumulated depreciation:				
Buildings and Improvements	(1,410,338)	(30,191)	-	(1,440,529)
Machinery and Equipment	(2,325,811)	(30,604)	-	(2,356,415)
Vehicles	(885,066)	(164,220)	112,480	(936,806)
Total Accumulated Depreciation	<u>(4,621,215)</u>	<u>(225,015)</u>	<u>112,480</u>	<u>(4,733,750)</u>
Total Capital assets depreciated, net	<u>1,570,671</u>	<u>92,291</u>	<u>(2,260)</u>	<u>1,660,702</u>
Total Governmental Activities Capital Assets Net	<u>\$ 3,878,071</u>	<u>\$ 92,291</u>	<u>\$ (2,260)</u>	<u>\$ 3,968,102</u>

HINSDALE COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE E – CAPITAL ASSETS – CONTINUED

	Balance 12/31/2023	Additions	Dispositions	Balance 12/31/2023
Business-type Activities				
Capital assets not being depreciated				
Land	\$ 6,327	\$ -	\$ -	\$ 6,327
Capital assets being depreciated				
Equipment	287,000	26,184	-	313,184
Less: Accumulated depreciation	(264,610)	(4,981)	-	(269,591)
Total capital assets being depreciated	22,390	21,203	-	43,593
Total Capital Assets Net	<u>\$ 28,717</u>	<u>\$ 21,203</u>	<u>\$ -</u>	<u>\$ 49,920</u>

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

Governmental Activities	
General Government	\$ 42,095
Public Safety	20,169
Health and Welfare	51,513
Highways and Streets	111,238
Total Depreciation Expense	<u>\$ 225,015</u>

NOTE F – LONG- TERM LIABILITIES

Long- term liability balances for the year ended December 31, 2023, were as follows:

	Balance January 1, 2023	Additions	Reductions	Balance December 31, 2023	Due within one year
Governmental Activities					
Compensated absences	\$ 102,096	\$ 22,404	\$ -	\$ 124,500	\$ 62,250
Lease payable	91,037	-	(91,037)	-	-
Total	<u>\$ 193,133</u>	<u>\$ 22,404</u>	<u>\$ (91,037)</u>	<u>\$ 124,500</u>	<u>\$ 62,250</u>

HINSDALE COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE G – RETIREMENT

Pension Plans

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

Defined Contribution Pension Plan

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

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

During the year, the County's required and actual contributions amounted to \$86,394 which was four percent (4%) of its current year covered payroll of \$2,159,850. The County's total payroll for 2023 was \$5,926,154.

Deferred Compensation Plan

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

Deferred Compensation Plan

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

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

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

HINSDALE COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE H – TABOR AMENDMENT RESERVE

Colorado voters passed an amendment to the State Constitution, Article X, Section 20, which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local governments. The amendment is complex and subject to judicial interpretation. The County believes it is in compliance with the requirements of the amendment.

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

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

NOTE I – RISK MANAGEMENT

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

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

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

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

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

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

HINSDALE COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE J – COMMITMENTS AND CONTINGENCIES

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

NOTE K – INTERGOVERNMENTAL AGREEMENTS

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

NOTE L – BUDGET VIOLATIONS

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

REQUIRED SUPPLEMENTARY INFORMATION

HINSDALE COUNTY, COLORADO
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year Ended December 31, 2023

	Budgeted		Actual	Variance
	Original	Final		
REVENUES				
Taxes	\$ 2,573,166	\$ 2,558,796	\$ 2,830,366	271,570
Intergovernmental	4,283,124	7,561,369	7,875,992	314,623
Licenses and permits	68,000	68,000	54,860	(13,140)
Interest on Investments	34,045	46,420	154,463	108,043
Charges for services	229,000	229,000	237,689	8,689
Reimbursement	10,200	10,200	155,353	145,153
Miscellaneous	8,760	8,760	44,838	36,078
Total revenues	<u>7,206,295</u>	<u>10,482,545</u>	<u>11,353,561</u>	<u>871,016</u>
EXPENDITURES				
General Government	3,125,477	3,202,766	3,228,727	(25,961)
EMS Services	2,842,256	5,400,121	5,999,343	(599,222)
Public Safety	784,656	904,261	860,825	43,436
Capital Outlay	6,000	6,000	-	6,000
Total department expenses	<u>6,758,389</u>	<u>9,513,148</u>	<u>10,088,895</u>	<u>(575,747)</u>
Excess (deficiency) of Revenues over (under) expenditures	447,906	969,397	1,264,666	295,269
OTHER FINANCING SOURCES (USES)				
Transfers in	553,000	578,000	1,021,467	443,467
Transfers out	(810,000)	(810,000)	(1,136,467)	(326,467)
Sale of Asset	-	-	12,750	12,750
Total other financing sources (uses)	<u>(257,000)</u>	<u>(232,000)</u>	<u>(102,250)</u>	<u>129,750</u>
Excess (deficiency) of Revenues over (under) expenditures	190,906	737,397	1,162,416	425,019
Fund balance, January 1	<u>1,862,487</u>	<u>1,862,487</u>	<u>2,856,461</u>	<u>993,974</u>
Fund balance, December 31	<u>\$ 2,053,393</u>	<u>\$ 2,599,884</u>	<u>\$ 4,018,877</u>	<u>\$ 1,418,993</u>

See accompanying notes to the basic financial statements

HINSDALE COUNTY, COLORADO
ROAD AND BRIDGE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended December 31, 2023

	Budgeted		Actual	Variance
	Original	Final		
REVENUES				
Property taxes	\$ 923,338	\$ 923,338	\$ 985,317	\$ 61,979
Intergovernmental:	527,000	1,027,160	396,824	(630,336)
Charges for Services	191,000	191,000	241,279	50,279
Miscellaneous	1,007,500	1,007,500	111,652	(895,848)
Total revenues	<u>2,648,838</u>	<u>3,148,998</u>	<u>1,735,072</u>	<u>(1,413,926)</u>
EXPENDITURES				
Current Expenditures				
Highway and Streets	2,521,432	2,810,256	1,594,827	1,215,429
Capital Outlay	55,000	55,000	314,039	(259,039)
Lease Payments	80,000	80,000	74,431	5,569
Total Expenditures	<u>2,656,432</u>	<u>2,945,256</u>	<u>1,983,297</u>	<u>961,959</u>
Excess (deficiency) of revenues over expenditures	(7,594)	203,742	(248,225)	(451,967)
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	73,972	73,972
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>73,972</u>	<u>73,972</u>
Net change to fund balance	(7,594)	203,742	(174,253)	(377,995)
Fund balance, January 1	<u>134,813</u>	<u>134,813</u>	<u>479,654</u>	<u>344,841</u>
Fund balance, December 31	<u>\$ 127,219</u>	<u>\$ 338,555</u>	<u>\$ 305,401</u>	<u>\$ (33,154)</u>

See accompanying notes to the basic financial statements

NOTE RSI 1 – BUDGETARY INFORMATION

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

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

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

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

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

SUPPLEMENTARY INFORMATION

HINSDALE COUNTY, COLORADO
BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
December 31, 2023

	Title III Fund	Human Services Fund	Lodging Tax Fund	Ambulance Replacement Fund	Conservation Trust Fund	Snow Grooming Fund	Total Non-Major Governmental Fund
ASSETS							
Cash and cash equivalents	\$ 37,915	\$ 23,934	\$ 32,801	\$ 64,760	\$ 29,312	\$ 27,481	\$ 216,203
Property taxes receivable	-	16,296	-	-	-	-	16,296
Total assets	<u>\$ 37,915</u>	<u>\$ 40,230</u>	<u>\$ 32,801</u>	<u>\$ 64,760</u>	<u>\$ 29,312</u>	<u>\$ 27,481</u>	<u>\$ 232,499</u>
Liabilities:							
Accounts Payable	\$ -	\$ 16,721	\$ -	\$ -	\$ -	\$ -	\$ 16,721
Due to other funds	36,129	-	20,329	-	-	-	56,458
Total liabilities	<u>36,129</u>	<u>16,721</u>	<u>20,329</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>73,179</u>
Deferred inflows							
Property taxes	-	16,296	-	-	-	-	16,296
Fund balances							
Restricted:							
Open Space	-	-	-	-	29,312	-	29,312
Snow Grooming	-	-	-	-	-	27,481	27,481
Schools and roads	1,786	-	-	-	-	-	1,786
Assigned:							
Ambulance replacement	-	-	-	64,760	-	-	64,760
Marketing and advertising	-	-	12,472	-	-	-	12,472
Unassigned	-	7,213	-	-	-	-	7,213
Total fund balances	<u>1,786</u>	<u>7,213</u>	<u>12,472</u>	<u>64,760</u>	<u>29,312</u>	<u>27,481</u>	<u>143,024</u>
Total liabilities and fund balances	<u>\$ 37,915</u>	<u>\$ 40,230</u>	<u>\$ 32,801</u>	<u>\$ 64,760</u>	<u>\$ 29,312</u>	<u>\$ 27,481</u>	<u>\$ 232,499</u>

HINSDALE COUNTY, COLORADO
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
For the Year Ended December 31, 2023

	Title III Fund	Human Services Fund	Lodging Tax Fund	Ambulance Replacement Fund	Conservation Trust Fund	Snow Grooming Fund	Total Non-Major Governmental Fund
REVENUES							
Taxes	\$ -	\$ 17,574	\$ 128,075	\$ -	\$ -	\$ -	\$ 145,649
Intergovernmental	25,972	-	-	-	4,935	-	30,907
Miscellaneous	888	-	-	3,257	1,345	-	5,490
Total revenues	<u>26,860</u>	<u>17,574</u>	<u>128,075</u>	<u>3,257</u>	<u>6,280</u>	<u>-</u>	<u>182,046</u>
EXPENDITURES							
Current:							
Health and Welfare	-	60,142	-	-	-	-	60,142
Culture and Recreation	35,317	-	131,155	-	-	-	166,472
Total expenditures	<u>35,317</u>	<u>60,142</u>	<u>131,155</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>226,614</u>
Excess (deficiency) of revenues over expenditures	(8,457)	(42,568)	(3,080)	3,257	6,280	-	(44,568)
OTHER FINANCING SOURCES (USES)							
Transfers in/(out)	(15,972)	44,000	-	3,000	-	-	31,028
Total other financing sources (uses)	<u>(15,972)</u>	<u>44,000</u>	<u>-</u>	<u>3,000</u>	<u>-</u>	<u>-</u>	<u>31,028</u>
Excess (deficiency) of revenues over expenditures and other sources (uses)	(24,429)	1,432	(3,080)	6,257	6,280	-	(13,540)
Fund balance, January 1	26,215	5,781	15,552	58,503	23,032	27,481	156,564
Fund balance, December 31	<u>\$ 1,786</u>	<u>\$ 7,213</u>	<u>\$ 12,472</u>	<u>\$ 64,760</u>	<u>\$ 29,312</u>	<u>\$ 27,481</u>	<u>\$ 143,024</u>

HINSDALE COUNTY, COLORADO
TITLE III
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended December 31, 2023

	Budgeted			
	Original	Final	Actual	Variance
REVENUES				
Intergovernmental	\$ 16,000	\$ 26,787	\$ 25,972	\$ (815)
Interest Income	20	20	888	868
Total revenues	<u>16,020</u>	<u>26,807</u>	<u>26,860</u>	<u>53</u>
EXPENDITURES				
Culture and Recreation	<u>26,117</u>	<u>26,117</u>	<u>35,317</u>	<u>(9,200)</u>
Total expenditures	<u>26,117</u>	<u>26,117</u>	<u>35,317</u>	<u>(9,200)</u>
Excess (deficiency) of revenues over expenditures	(10,097)	690	(8,457)	9,253
OTHER FINANCING SOURCES (USES)				
Transfers In/(out)	<u>-</u>	<u>-</u>	<u>(15,972)</u>	<u>(15,972)</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(15,972)</u>	<u>(15,972)</u>
Excess (deficiency) of revenues over expenditures and other sources	(10,097)	690	(24,429)	(25,119)
Fund balance, January 1	<u>22,172</u>	<u>22,172</u>	<u>26,215</u>	<u>4,043</u>
Fund balance, December 31	<u>\$ 12,075</u>	<u>\$ 22,862</u>	<u>\$ 1,786</u>	<u>(21,076)</u>

HINSDALE COUNTY, COLORADO
HUMAN SERVICES FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended December 31, 2023

	Budgeted			
	Original	Final	Actual	Variance
REVENUES				
Taxes	\$ 18,042	\$ 18,042	\$ 17,574	\$ (468)
Total revenues	<u>18,042</u>	<u>18,042</u>	<u>17,574</u>	<u>(468)</u>
EXPENDITURES				
Health and Welfare	61,070	61,070	60,142	928
Total expenditures	<u>61,070</u>	<u>61,070</u>	<u>60,142</u>	<u>928</u>
Excess (deficiency) of revenues over expenditures	(43,028)	(43,028)	(42,568)	(1,396)
OTHER FINANCING SOURCES (USES)				
Transfers In/(out)	44,000	44,000	44,000	-
Total other financing sources (uses)	<u>44,000</u>	<u>44,000</u>	<u>44,000</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures and other sources (uses)	972	972	1,432	(460)
Fund balance, January 1	<u>45</u>	<u>45</u>	<u>5,781</u>	<u>5,736</u>
Fund balance, December 31	<u>\$ 1,017</u>	<u>\$ 1,017</u>	<u>\$ 7,213</u>	<u>\$ 6,196</u>

HINSDALE COUNTY, COLORADO
LODGING TAX FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended December 31, 2023

	Budgeted		Actual	Variance
	Original	Final		
REVENUES				
Lodging Tax	\$ 110,000	\$ 132,000	\$ 128,075	\$ (3,925)
Total revenues	<u>110,000</u>	<u>132,000</u>	<u>128,075</u>	<u>(3,925)</u>
EXPENDITURES				
Culture and Recreation	109,110	131,174	131,155	19
Total expenditures	<u>109,110</u>	<u>131,174</u>	<u>131,155</u>	<u>19</u>
Excess (deficiency) of revenues over expenditures	890	826	(3,080)	(3,906)
Fund balance, January 1	<u>13,355</u>	<u>13,355</u>	<u>15,552</u>	<u>(2,197)</u>
Fund balance, December 31	<u>\$ 14,245</u>	<u>\$ 14,181</u>	<u>\$ 12,472</u>	<u>\$ (1,709)</u>

HINSDALE COUNTY, COLORADO
AMBULANCE REPLACEMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended December 31, 2023

	Budgeted			
	Original	Final	Actual	Variance
REVENUES				
Interest Income	\$ 300	\$ 3,000	\$ 3,257	\$ 257
Total revenues	<u>300</u>	<u>3,000</u>	<u>3,257</u>	<u>257</u>
EXPENDITURES				
Ambulance Replacement Expenses	18,000	-	-	-
Total expenditures	<u>18,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	(17,700)	3,000	3,257	257
OTHER FINANCING SOURCES (USES)				
Transfers In/(out)	3,000	3,000	3,000	-
Total other financing sources (uses)	<u>3,000</u>	<u>3,000</u>	<u>3,000</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures and other sources (uses)	(14,700)	6,000	6,257	(257)
Fund balance, January 1	<u>55,213</u>	<u>55,213</u>	<u>58,503</u>	<u>3,290</u>
Fund balance, December 31	<u>\$ 40,513</u>	<u>\$ 61,213</u>	<u>\$ 64,760</u>	<u>\$ 3,547</u>

HINSDALE COUNTY, COLORADO
CONSERVATION TRUST FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended December 31, 2023

	Budgeted			
	Original	Final	Actual	Variance
REVENUES				
Intergovernmental	\$ 4,500	\$ 4,500	\$ 4,935	\$ 435
Interest on Investments	225	1,710	1,345	(365)
Total revenues	<u>4,725</u>	<u>6,210</u>	<u>6,280</u>	<u>70</u>
EXPENDITURES				
Operating Expenditures	55	55	-	55
Total expenditures	<u>55</u>	<u>55</u>	<u>-</u>	<u>55</u>
Excess (deficiency) of revenues over expenditures	4,670	6,155	6,280	125
Fund balance, January 1	<u>22,799</u>	<u>22,799</u>	<u>23,032</u>	<u>233</u>
Fund balance, December 31	<u>\$ 27,469</u>	<u>\$ 28,954</u>	<u>\$ 29,312</u>	<u>\$ 358</u>

HINSDALE COUNTY, COLORADO
SNOW GROOMING FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended December 31, 2023

	Budgeted			
	Original	Final	Actual	Variance
REVENUES				
Trail maintenance fees	\$ -	\$ -	\$ -	\$ -
Miscellaneous sources	-	-	-	-
Total revenues	-	-	-	-
EXPENDITURES				
Operating Expenditures	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	-	-	-	-
OTHER FINANCING SOURCES (USES)				
Transfers In/(out)	(27,419)	(27,419)	-	27,419
Total other financing sources (uses)	(27,419)	(27,419)	-	27,419
Excess (deficiency) of revenues over expenditures and other sources (uses)	(27,419)	(27,419)	-	(27,419)
Fund balance, January 1	27,419	27,419	27,481	62
Fund balance, December 31	\$ -	\$ -	\$ 27,481	\$ 27,481

HINSDALE COUNTY, COLORADO
TRANSFER STATION FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended December 31, 2023

	Budgeted			
	Original	Final	Actual	Variance
REVENUES				
Intergovernmental revenue	\$ 5,000	\$ 5,000	\$ 5,000	\$ -
Disposal fees	220,400	241,169	221,553	(19,616)
Miscellaneous	-	-	14,743	14,743
Total revenues	<u>225,400</u>	<u>246,169</u>	<u>241,296</u>	<u>(4,873)</u>
EXPENDITURES				
Operating expenses	<u>243,893</u>	<u>274,808</u>	<u>247,324</u>	<u>27,484</u>
Total expenditures	<u>243,893</u>	<u>274,808</u>	<u>247,324</u>	<u>27,484</u>
Excess (deficiency) of revenues over expenditures	(18,493)	(28,639)	(6,028)	22,611
Fund balance, January 1	<u>50,884</u>	<u>50,884</u>	<u>54,981</u>	<u>4,097</u>
Fund balance, December 31	<u>\$ 32,391</u>	<u>\$ 22,245</u>	<u>\$ 48,953</u>	<u>\$ 26,708</u>
Reconciliation to GAAP basis:				
Depreciation Expense			<u>(2,572)</u>	
Net Position at end of year, GAAP basis			<u>\$ 46,381</u>	

HINSDALE COUNTY, COLORADO
RECREATION FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended December 31, 2023

	Budgeted			
	Original	Final	Actual	Variance
REVENUES				
Recreation fees	\$ 50,500	\$ 67,739	54,010	\$ (13,729)
Total revenues	<u>50,500</u>	<u>67,739</u>	<u>54,010</u>	<u>(13,729)</u>
EXPENDITURES				
Operating expenses	72,211	126,705	130,053	(3,348)
Total expenditures	<u>72,211</u>	<u>126,705</u>	<u>130,053</u>	<u>(3,348)</u>
Excess (deficiency) of revenues over expenditures	(21,711)	(58,966)	(76,043)	(17,077)
OTHER FINANCING SOURCES (USES)				
Transfers In/(out)	-	-	10,000	10,000
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>10,000</u>	<u>10,000</u>
Excess (deficiency) of revenues over expenditures and other sources (uses)	(21,711)	(58,966)	(66,043)	7,077
Fund balance, January 1	<u>134,149</u>	<u>134,149</u>	<u>131,204</u>	<u>(2,945)</u>
Fund balance, December 31	<u>\$ 112,438</u>	<u>\$ 75,183</u>	<u>\$ 65,161</u>	<u>\$ (10,022)</u>
Reconciliation to GAAP basis:				
Depreciation Expense			(2,409)	
Net Position at end of year, GAAP basis			<u>\$ 62,752</u>	

HINSDALE COUNTY, COLORADO
SILVER THREAD PUBLIC HEALTH DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL- GENERAL FUND
For the Year Ended December 31, 2023

	Budgeted		Actual	Variance
	Original	Final		
REVENUES				
Intergovernmental revenue	\$ 590,260	\$ 590,260	\$ 516,726	\$ (73,534)
Charges for services	242,719	242,719	199,504	(43,215)
Contributions	98,604	98,604	144,435	45,831
Total revenues	<u>931,583</u>	<u>931,583</u>	<u>860,665</u>	<u>(70,918)</u>
EXPENDITURES				
Public Health	879,284	879,284	742,739	136,545
Total expenditures	<u>879,284</u>	<u>879,284</u>	<u>742,739</u>	<u>136,545</u>
Excess (deficiency) of revenues over expenditures	52,299	52,299	117,926	65,627
Fund balance, January 1	<u>616,999</u>	<u>616,999</u>	<u>773,416</u>	<u>156,417</u>
Fund balance, December 31	<u><u>\$ 669,298</u></u>	<u><u>\$ 669,298</u></u>	<u><u>\$ 891,342</u></u>	<u><u>\$ 222,044</u></u>

**HINSDALE COUNTY, COLORADO
COMBINING BALANCE SHEET
GENERAL FUND AND SUB-FUNDS
December 31, 2023**

	General Fund	EMS Fund	Retirement Fund	Emergency Management Fund	Governmental Funds
ASSETS					
Cash and Investments	\$ 2,379,275	\$ 757,956	\$ 58,220	\$ 337,464	\$ 3,532,915
Accounts receivable	151,470	392,653	-	11,420	555,543
Property taxes receivable	906,019	-	51,217	-	957,236
Due from other funds	20,329	36,129	-	-	56,458
Inventory	-	20,729	-	-	20,729
Total assets	\$ 3,457,093	\$ 1,207,467	\$ 109,437	\$ 348,884	\$ 5,122,881
Liabilities:					
Accounts payable	\$ 131,423	\$ 4,196	\$ -	\$ 6,376	\$ 141,995
Accrued Liabilities	3,927	36	487	323	4,773
Total liabilities	135,350	4,232	487	6,699	146,768
Deferred Inflows of Resources					
Property taxes	906,019	-	51,217	-	957,236
Fund balances:					
Nonspendable					
Inventory	-	20,729	-	-	20,729
Restricted					
TABOR	171,864	-	-	-	171,864
Assigned					
Public Safety	-	1,182,506	-	342,185	1,524,691
Retirement	-	-	57,733	-	57,733
Open Space	19,341	-	-	-	19,341
Unassigned	2,224,519	-	-	-	2,224,519
Total fund balances	2,415,724	1,203,235	57,733	342,185	4,018,877
Total liabilities and fund balances	\$ 3,457,093	\$ 1,207,467	\$ 109,437	\$ 348,884	\$ 5,122,881

HINSDALE COUNTY, COLORADO
COMBINING BUDGET TO ACTUAL SCHEDULE- GENERAL FUND AND SUB-FUNDS
For the Year Ended December 31, 2023

	GENERAL FUND			EMS FUND			RETIREMENT FUND			EMERGENCY MANAGEMENT FUND			COMBINED GENERAL FUND		
	Budgeted		Actual	Budgeted		Actual	Budgeted		Actual	Budgeted		Actual	Budgeted		Actual
	Original	Final		Original	Final		Original	Final		Original	Final		Original	Final	
REVENUES															
Taxes	\$2,491,833	\$ 2,491,833	\$ 2,764,870	\$ -	\$ -	\$ -	\$ 81,333	\$ 66,963	\$ 65,496	\$ -	\$ -	\$ -	\$ 2,573,166	\$ 2,558,796	\$ 2,830,366
Intergovernmental	1,001,025	1,127,764	876,337	3,159,719	6,140,228	6,761,870	-	-	-	122,380	293,377	237,785	4,283,124	7,561,369	7,875,992
Licenses and permits	68,000	68,000	54,860	-	-	-	-	-	-	-	-	-	68,000	68,000	54,860
Interest on Investments	34,045	46,420	154,463	-	-	-	-	-	-	-	-	-	34,045	46,420	154,463
Charges for services	61,500	61,500	95,368	165,500	165,500	133,255	-	-	-	2,000	2,000	9,066	229,000	229,000	237,689
Reimbursement	4,000	4,000	140,476	-	-	-	-	-	-	6,200	6,200	14,877	10,200	10,200	155,353
Miscellaneous	810	810	292	3,150	3,150	15,131	-	-	-	4,800	4,800	29,415	8,760	8,760	44,838
Total revenues	<u>3,661,213</u>	<u>3,800,327</u>	<u>4,086,666</u>	<u>3,328,369</u>	<u>6,308,878</u>	<u>6,910,256</u>	<u>81,333</u>	<u>66,963</u>	<u>65,496</u>	<u>135,380</u>	<u>306,377</u>	<u>291,143</u>	<u>7,206,295</u>	<u>10,482,545</u>	<u>11,353,561</u>
EXPENDITURES															
General Government	3,045,012	3,112,907	3,138,931	-	-	-	80,465	89,859	89,796	-	-	-	3,125,477	3,202,766	3,228,727
EMS Services	-	-	-	2,842,256	5,400,121	5,999,343	-	-	-	-	-	-	2,842,256	5,400,121	5,999,343
Public Safety	101,166	101,166	75,589	-	-	-	-	-	-	683,490	803,095	785,236	784,656	904,261	860,825
Capital Outlay	6,000	6,000	-	-	-	-	-	-	-	-	-	-	6,000	6,000	-
Total department expenses	<u>3,152,178</u>	<u>3,220,073</u>	<u>3,214,520</u>	<u>2,842,256</u>	<u>5,400,121</u>	<u>5,999,343</u>	<u>80,465</u>	<u>89,859</u>	<u>89,796</u>	<u>683,490</u>	<u>803,095</u>	<u>785,236</u>	<u>6,758,389</u>	<u>9,513,148</u>	<u>10,088,895</u>
Excess (deficiency) of Revenues over (under) expenditures	509,035	580,254	872,146	486,113	908,757	910,913	868	(22,896)	(24,300)	(548,110)	(496,718)	(494,093)	447,906	969,397	1,264,666
OTHER FINANCING SOURCES (USES)															
Transfers in	30,000	30,000	398,467	-	-	75,000	-	25,000	25,000	523,000	523,000	523,000	553,000	578,000	1,021,467
Transfers out	(592,000)	(592,000)	(918,467)	(218,000)	(218,000)	(218,000)	-	-	-	-	-	-	(810,000)	(810,000)	(1,136,467)
Sale of Asset	-	-	-	-	-	-	-	-	-	-	-	12,750	-	-	12,750
Total other financing sources (uses)	<u>(562,000)</u>	<u>(562,000)</u>	<u>(520,000)</u>	<u>(218,000)</u>	<u>(218,000)</u>	<u>(143,000)</u>	<u>-</u>	<u>25,000</u>	<u>25,000</u>	<u>523,000</u>	<u>523,000</u>	<u>535,750</u>	<u>(257,000)</u>	<u>(232,000)</u>	<u>(102,250)</u>
Excess (deficiency) of Revenues over (under) expenditures	(52,965)	18,254	352,146	268,113	690,757	767,913	868	2,104	700	(25,110)	26,282	41,657	190,906	737,397	1,162,416
Fund balance, January 1	<u>1,524,981</u>	<u>1,524,981</u>	<u>2,063,578</u>	<u>5,654</u>	<u>5,654</u>	<u>435,322</u>	<u>53,737</u>	<u>53,737</u>	<u>57,033</u>	<u>278,115</u>	<u>278,115</u>	<u>300,528</u>	<u>1,862,487</u>	<u>1,862,487</u>	<u>2,856,461</u>
Fund balance, December 31	<u>\$ 1,472,016</u>	<u>\$ 1,543,235</u>	<u>\$ 2,415,724</u>	<u>\$ 273,767</u>	<u>\$ 696,411</u>	<u>\$ 1,203,235</u>	<u>\$ 54,605</u>	<u>\$ 55,841</u>	<u>\$ 57,733</u>	<u>\$ 253,005</u>	<u>\$ 304,397</u>	<u>\$ 342,185</u>	<u>\$ 2,053,393</u>	<u>\$ 2,599,884</u>	<u>\$ 4,018,877</u>

HINSDALE, COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2023

Federal Grantor/Pass Through Grantor/Program Title	Federal Assistance Listing Number	Major Program	Federal Expenditures
DEPARTMENT OF AGRICULTURE			
Passed Through Colorado Department of Local Affairs			
Schools and Roads-Grants to States			
Title I	10.665	No	\$ 148,412
Title II	10.665	No	25,972
Total Department of Agriculture			<u>\$ 174,384</u>
DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Passed Through Colorado Department of Public Health and Environment:			
Public Health Emergency Preparedness	93.069	No	\$ 28,141
Childhood Immunization	93.268	No	3,525
Maternal and Child Health Services Block Grant	93.994	No	7,000
Epidemiology and Laboratory Capacity for Infectious Diseases	93.323	No	83,466
Passed Through Colorado Department of Human Services			
Guardianship Assistance Recovery	93.090	No	58
Temporary Assistance to Needy Families	93.558	No	8,950
Child Support Enforcement (Title IV-d)	93.563	No	1,195
Child Care and Development Block Grant	93.575	No	3,741
Foster Care - Title IV-E	93.658	No	16,835
Adoption Assistance	93.659	No	372
Social Services Block Grant	93.667	No	4,176
Medical Assistance program	93.778	No	436
Total Department of Health and Human Services			<u>\$ 157,895</u>
DEPARTMENT OF TREASURY			
Coronavirus State and Local Fiscal Recovery Funds	21.027	Yes	\$ 331,371
Local Assistance and Tribal Consistency Fund	21.032	No	234,300
			<u>\$ 565,671</u>

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

Federal Grantor/Pass Through Grantor/Program Title	Federal Assistance Listing Number	Major Program	Expenditures
DEPARTMENT OF ENVIRONMENTAL PROTECTION AGENCY			
Brownfields Multipurpose, Assessment, Revolving Loan Fund, and Cleanup Cooperative Agreements	66.818	No	<u>\$ 49,721</u>
DEPARTMENT OF HOMELAND SECURITY			
Passed Through Colorado Department of Local Affairs: Emergency Management Agency	97.042	No	<u>\$ 64,711</u>
Total Federal Awards			<u><u>\$ 1,012,382</u></u>

HINSDALE COUNTY, COLORADO
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year ended December 31, 2023

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

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

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

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

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

NOTE B - REPORTING ENTITY

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

NOTE C - PASS-THROUGH AWARDS

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

NOTE D – NON-CASH AWARDS EXPENDED

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

HINSDALE COUNTY, COLORADO
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year ended December 31, 2023

NOTE E – CONTRACT WITH OTHER GOVERNMENTS

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

Guardianship Assistance Recovery	93.090	\$ 58
Temporary Assistance to Needy Families	93.558	8,950
Child Support Enforcement	93.563	1,195
Child Care and Development Block Grant	93.575	3,741
Foster Care-Title IV-E	93.658	16,835
Adoption Assistance	93.659	372
Social Service Block Grant	93.667	4,176
Medical Assistance Program	93.778	<u>436</u>
Total programs administered by Gunnison County		<u>\$ 35,763</u>

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



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

INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Hinsdale County, Colorado

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Hinsdale County, Colorado, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise Hinsdale County, Colorado's basic financial statements, and have issued our report thereon dated August 16, 2024.

Internal Control over Financial Reporting

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

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

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

To the Board of Commissioners
Hinsdale County, Colorado
Page Two

Compliance and Other Matters

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

Purpose of this Report

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

Blair and Associates, P.C.

Cedaredge, Colorado
August 16, 2024



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
Hinsdale County, Colorado

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

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

In our opinion, Hinsdale County, Colorado complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 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 Hinsdale County, Colorado and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Hinsdale County, Colorado's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control over Compliance

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

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

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

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

Blair and Associates, P.C.

Cedaredge, Colorado

August 16, 2024

Hinsdale County, Colorado
Schedule of Findings and Questioned Costs
Year ended December 31, 2023

Section I - Summary of Auditor's Results

Financial Statements

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

Federal Awards

Internal Control over major programs:	
Material weakness identified	None Noted
Significant deficiency identified	None Noted

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

CFDA Number(s)

Name of Federal Program or Cluster

21.027

Coronavirus State and Local Fiscal Recovery
Funds

Dollar threshold used to distinguish between
Type A and Type B programs:

\$ 750,000

Auditee qualified as low risk auditee?

Yes

Hinsdale County, Colorado
SCHEDULE OF FINDINGS AND QUESTIONED COSTS — CONTINUED
Year ended December 31, 2023

SECTION II — FINDINGS RELATED TO FINANCIAL STATEMENTS

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

SECTION III — FINDINGS RELATED TO FEDERAL AWARDS

None noted in the current year audit.

Hinsdale County, Colorado
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
Year ended December 31, 2023

SECTION II — FINDINGS RELATED TO FINANCIAL STATEMENTS

None

SECTION III — FINDINGS RELATED TO FEDERAL AWARDS

None

LOCAL HIGHWAY FINANCE REPORT		STATE: COLORADO	
		YEAR ENDING (mm/yy): 12/2023	
This Information From The Records Of: HINSDALE COUNTY		Prepared By: LYNN MCNITT	
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
1. Total receipts available			
2. Minus amount used for collection expenses			
3. Minus amount used for nonhighway purposes			
4. Minus amount used for mass transit			
5. Remainder used for highway purposes			
II. RECEIPTS FOR ROAD AND STREET PURPOSES		III. EXPENDITURES FOR ROAD AND STREET PURPOSES	
ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway expenditures:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	\$ 749,217.86
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	\$ 188,712.77
2. General fund appropriations		b. Snow and ice removal	\$ 84,138.00
3. Other local imposts (from page 2)	\$ 117,884.92	c. Other	\$ 155,029.60
4. Miscellaneous local receipts (from page 2)	\$ 368,018.54	d. Total (a. through c.)	\$ 427,880.37
5. Transfers from toll facilities		4. General administration & miscellaneous	\$ 805,768.09
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	
a. Bonds - Original Issues		6. Total (1 through 5)	\$ 1,982,866.32
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	\$ -	a. Interest	
7. Total (1 through 6)	\$ 485,903.46	b. Redemption	
B. Private Contributions		c. Total (a. + b.)	\$ -
C. Receipts from State government (from page 2)	\$ 843,575.20	2. Notes:	
D. Receipts from Federal Government (from page 2)	\$ 479,565.44	a. Interest	
E. Total receipts (A.7 + B + C + D)	\$ 1,809,044.10	b. Redemption	
		c. Total (a. + b.)	\$ -
		3. Total (1.c + 2.c)	\$ -
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total expenditures (A.6 + B.3 + C + D)	\$ 1,982,866.32
IV. LOCAL HIGHWAY DEBT STATUS (Show all entries at par)			
	Opening Debt	Amount Issued	Closing Debt
A. Bonds (Total)			\$ -
1. Bonds (Refunding Portion)			\$ -
B. Notes (Total)			\$ -
V. LOCAL ROAD AND STREET FUND BALANCE (RECEIPTS AND DISBURSEMENTS ONLY)			
	A. Beginning Balance	B. Total Receipts	C. Total Disbursements
	\$ 447,835.00	\$ 1,809,044.10	\$ 1,982,866.32
		D. Ending Balance	E. Reconciliation
		\$ 274,012.78	\$ -
Notes and Comments:			