

Lincoln County, Colorado

Financial Statements

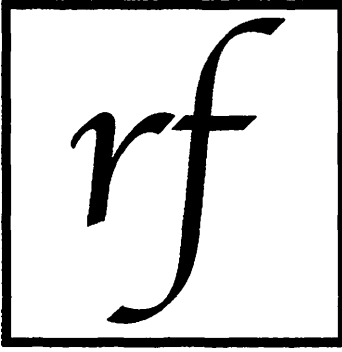
December 31, 2023

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*Independent Auditor's Report*

Board of County Commissioners  
Lincoln County  
Hugo, CO

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

*Opinions*

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

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

We did not audit the financial statements of Lincoln Community Hospital, which represents 34 percent, 25 percent, and 63 percent, respectively, of the assets, net position, and revenues of the statement of net activities. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for Lincoln Community Hospital, is based solely on the report of the other auditors.

*Basis for Opinions*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audit contained in *Government Auditing Standards*, issued by the Comptroller general of the United States. The financial statements of Lincoln County Hospital were also audited under the standards applicable to the financial audit contained in *Government Auditing Standards*. 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 Lincoln County, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

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

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

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

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

In performing an audit in accordance with GAAS, we:

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

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

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

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 29 through 33 be presented to

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

Management has elected to omit the management's discussion and analysis. The omission of this information does not affect our opinion on the basic financial statements.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The supplementary information on pages 34 through 48 including the schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated September 4, 2024, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

*rfarmer, llc*

September 4, 2024

**Lincoln County**  
**Statement of Net Position**  
**December 31, 2023**

	<u>Governmental Activities</u>	<u>Component Unit Lincoln Community Hospital</u>
<b>ASSETS</b>		
Cash and Equivalents	\$ 15,564,827	\$ 3,600,717
Receivables	6,649,723	6,507,694
Inventories	259,822	444,482
Prepaid Expenses	-	230,654
Noncurrent cash	-	296,260
Capital Assets		
Land, construction in progress, right to use assets	109,425	2,088,179
Buildings	9,472,871	6,945,621
Equipment and Furniture	14,473,074	4,776,075
Less: Accumulated Depreciation	<u>(13,507,247)</u>	<u>(7,260,628)</u>
Total Capital Assets	<u>10,548,123</u>	<u>6,549,247</u>
Deferred Outflows of Resources - Pensions	<u>756,208</u>	<u>-</u>
 Total Assets	 <u>33,778,703</u>	 <u>17,629,054</u>
<b>LIABILITIES</b>		
Accounts payable and accrued expenses	78,867	5,803,265
Unearned Revenues	170,253	-
Long-term liabilities:		
Due within one year		
Current portion of long term debt	-	396,857
Due in more than one year		
Long-term debt, excluding current portion above	-	1,994,450
Accrued interest		
Compensated Absences	318,063	-
Landfill Closure Payable	657,846	-
Net Pension Liability	3,127,031	-
Total Liabilities	<u>4,352,060</u>	<u>8,194,572</u>
Deferred Inflows of Resources - Pensions	853,700	-
Deferred property taxes	<u>5,888,233</u>	<u>1,268,235</u>
Total Deferred Inflow of Resources	<u>6,741,933</u>	<u>1,268,235</u>
<b>NET POSITION</b>		
Investment in capital assets	10,548,123	3,433,203
Restricted for:		
Expendable	-	282,270
Restricted TABOR	425,000	-
Unrestricted	11,711,587	3,901,189
Total net position	<u>\$ 22,684,710</u>	<u>\$ 7,616,662</u>

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

**Lincoln County**  
**Statement of Activities**  
**For the Year Ended December 31, 2023**

Functions/Programs	Program Revenue			Net (Expense) Revenue and Changes in Net Position		Component Unit Lincoln Community Hospital
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	
<b>Primary government</b>						
Governmental Activities						
General Government	\$ 4,711,981	\$ 563,712	\$ 636,738	\$ -	\$ (3,511,531)	\$ -
Public Safety	3,473,459	186,115	-	-	(3,287,344)	-
Highway and Streets	5,242,351	81,312	2,547,919	-	(2,613,120)	-
Public Health	1,031,518	130,969	461,097	-	(439,452)	-
Culture and Recreation	419,002	-	40,935	-	(378,067)	-
Tourism	160,935	147,896	-	-	(13,039)	-
Public Welfare	3,797,367	-	3,582,411	-	(214,956)	-
<b>Total primary government</b>	<b>18,836,613</b>	<b>1,110,004</b>	<b>7,269,100</b>	<b>-</b>	<b>(10,457,509)</b>	<b>-</b>
<b>Component Units</b>						
Lincoln Community Hospital	30,563,180	25,257,348	-	78,729		(5,227,103)
<b>Total component units</b>	<b>\$ 30,563,180</b>	<b>\$ 25,257,348</b>	<b>\$ -</b>	<b>\$ 78,729</b>		<b>(5,227,103)</b>
<b>General revenues:</b>						
Taxes:						
Property taxes, levied for general purposes					5,785,995	596,548
SO and sales tax					3,141,420	-
Contributions					-	3,568,429
Unrestricted investment earnings					388,564	249,572
Miscellaneous					17,029	-
Special item - gain (loss) on disposition of asset					10,238	-
Interest Expense					-	(362,470)
Transfers					-	712,079
Total general revenues, special items, and transfers					9,343,246	4,764,158
Change in net position					(1,114,263)	(462,945)
Net position - beginning					23,798,973	8,076,994
Net position - ending					\$ 22,684,710	\$ 7,614,049

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

**Lincoln County  
Balance Sheet  
Governmental Funds  
December 31, 2023**

	<u>General</u>	<u>Road &amp; Bridge Fund</u>	<u>Human Services Fund</u>	<u>Capital Projects Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>						
Cash and cash equivalents	\$ 6,235,084	\$ 2,392,516	\$ 1,467,406	\$ 3,674,189	\$ 1,795,628	\$ 15,564,823
Taxes receivable, net	2,627,058	2,264,705	368,024	317,059	317,058	5,893,904
Other receivables	425,118	185,011	84,318	-	61,371	755,818
Inventories	8,000	251,827	-	-	-	259,827
Total assets	<u>9,295,260</u>	<u>5,094,059</u>	<u>1,919,748</u>	<u>3,991,248</u>	<u>2,174,057</u>	<u>22,474,372</u>
<b>LIABILITIES AND FUND BALANCES</b>						
Liabilities:						
Accounts payable	19,775	20,612	31,083	2,480	4,917	78,867
Unearned revenues	-	-	170,253	-	-	170,253
Total liabilities	<u>19,775</u>	<u>20,612</u>	<u>201,336</u>	<u>2,480</u>	<u>4,917</u>	<u>249,120</u>
Deferred cash in-flow resources:						
Deferred property taxes	<u>2,627,058</u>	<u>2,264,705</u>	<u>362,353</u>	<u>317,059</u>	<u>317,058</u>	<u>5,888,233</u>
Fund balances:						
Non-spendable:						
Inventories	8,000	251,827	-	-	-	259,827
Restricted--TABOR	425,000	-	-	-	-	425,000
Unassigned	6,215,427	-	-	-	-	6,215,427
Committed	-	2,556,915	1,356,059	3,671,709	1,852,082	9,436,765
Total fund balances	<u>6,648,427</u>	<u>2,808,742</u>	<u>1,356,059</u>	<u>3,671,709</u>	<u>1,852,082</u>	<u>16,337,019</u>
Total liabilities and fund balances	<u>\$ 9,295,260</u>	<u>\$ 5,094,059</u>	<u>\$ 1,919,748</u>	<u>\$ 3,991,248</u>	<u>\$ 2,174,057</u>	<u>\$ 22,474,372</u>

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

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

Total fund balance, governmental funds	\$	16,337,019
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not current financial resources and therefore are not reported in this fund financial statement, but are reported in the governmental activities of the Statement of Net Position.		10,548,123
Certain other long-term assets are not available to pay current period expenditures and therefore are not reported in this fund financial statement, but are reported in the governmental activities of the Statement of Net Position.		756,208
Some liabilities, (such as Notes Payable, Capital Lease Contract Payable, Long-term Compensated Absences, and Net Pension Liability), are not due and payable in the current period and are not included in the fund financial statement, but are included in the governmental activities of the Statement of Net Position.		<u>(4,956,640)</u>
Net Position of Governmental Activities in the Statement of Net Position	\$	<u><u>22,684,710</u></u>

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

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

	General	Road & Bridge Fund	Human Services Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>						
Property Taxes	\$ 1,866,940	\$ 2,222,505	\$ 362,133	\$ 355,639	\$ 266,706	\$ 5,073,923
SO Tax	199,762	232,082	40,948	39,547	27,846	540,185
Sales and misc. taxes	2,601,235	-	-	-	147,896	2,749,131
Intergovernmental	280,875	2,535,767	3,582,411	-	522,292	6,921,345
Charges for services	744,439	73,789	-	-	296,788	1,115,016
Investment earnings	381,665	2,654	427	440	3,377	388,563
Miscellaneous	59,661	19,675	10,521	120,000	2,019	211,876
Total revenues	<u>6,134,577</u>	<u>5,086,472</u>	<u>3,996,440</u>	<u>515,626</u>	<u>1,266,924</u>	<u>17,000,039</u>
<b>EXPENDITURES</b>						
Current:						
General government	3,888,829	67,459	-	68,729	12,814	4,037,831
Public Safety	3,166,879	-	-	-	84,221	3,251,100
Public Works	-	4,387,390	-	-	-	4,387,390
Health and sanitation	30,996	-	-	-	891,858	922,854
Culture and recreation	288,149	-	-	-	56,992	345,141
Tourism	-	-	-	-	160,935	160,935
Client services	-	-	3,784,666	-	-	3,784,666
Capital Outlay	-	608,576	-	335,811	52,679	997,066
Total Expenditures	<u>7,374,853</u>	<u>5,063,425</u>	<u>3,784,666</u>	<u>404,540</u>	<u>1,259,499</u>	<u>17,886,983</u>
Excess (deficiency) of revenues over expenditures	<u>(1,240,276)</u>	<u>23,047</u>	<u>211,774</u>	<u>111,086</u>	<u>7,425</u>	<u>(886,944)</u>
<b>SPECIAL ITEM</b>						
Proceeds from sale of assets	10,238	-	-	-	-	10,238
Net change in fund balances	<u>(1,230,038)</u>	<u>23,047</u>	<u>211,774</u>	<u>111,086</u>	<u>7,425</u>	<u>(876,706)</u>
Fund balances - beginning	7,878,465	2,785,695	1,144,285	3,560,623	1,844,657	17,213,725
Fund balances - ending	<u>\$ 6,648,427</u>	<u>\$ 2,808,742</u>	<u>\$ 1,356,059</u>	<u>\$ 3,671,709</u>	<u>\$ 1,852,082</u>	<u>\$ 16,337,019</u>

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

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

Net change in fund balances - total governmental funds: \$ (876,706)

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

Governmental funds report outlays for capital assets as expenditures because such outlays use current financial resources. In contrast, the Statement of Activities reports only a portion of the outlay as expense. The outlay is allocated over the assets' estimated useful lives as depreciation expense for the period.

This is the amount by which capital outlays of \$997,066 is less than depreciation of \$1,415,426 in the current period. (418,360)

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

Decrease (Increase) in accrued compensated absences and landfill costs not reflected on Governmental funds and adjustment to capital lease debt (58,935)

Pension (expenses) revenues per the actuarial study in a defined benefit plan not reflected in the governmental funds 239,738

Change in net position of governmental activities \$ (1,114,263)

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

**Lincoln County  
Custodial Funds  
Statement of Custodial Net Position  
December 31, 2023**

**ASSETS:**

Cash and cash equivalents	\$ 17,975,679
Total assets	<u>17,975,679</u>

**LIABILITIES:**

Due to other governmental units	17,975,679
Total Liabilities	<u>\$ 17,975,679</u>

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

**Lincoln County  
Custodial Funds  
Statement of Changes in Custodial Funds  
December 31, 2023**

**ADDITIONS:**

Collections for other governments		
Treasurer	<u>\$ 27,299,784</u>	27,299,784
Collection for the County		
Sheriff Inmate account	<u>97,109</u>	97,109
Total additions		<u>27,396,893</u>

**DEDUCTIONS:**

Disbursements to other governments		
Treasurer	<u>(28,165,573)</u>	(28,165,573)
Disbursements for the County		
Sheriff Inmate account	<u>(107,813)</u>	(107,813)
Total Deductions		<u>(28,273,386)</u>

Change in Net Position		(876,493)
Net position, beginning of the year		<u>18,852,172</u>
Net position, end of the year		<u><u>\$ 17,975,679</u></u>

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

**Lincoln County, Colorado**  
**Notes to Financial Statements**  
**December 31, 2023**

**Note 1      Summary of Significant Accounting Policies**

The financial statements of Lincoln County, Colorado (the County) have been prepared in conformity with generally accepted accounting principles as applicable to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Reporting Entity

The financial reporting entity consists of (1) primary government, (2) organizations for which the primary government is financially accountable and (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The reporting entity's financial statements should present the funds of the primary government (including its blended component units, if any) with discretely presented component units reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the County.

Based on the above criteria, the Lincoln Community Hospital is included in the County's basic financial statements using the discrete presentation. The Hospital is governed by a board appointed by the County Commissioners. The Hospital is fiscally dependent on the County because the Hospital's budget is approved by the County Commissioners. Complete financial statements of the Hospital can be obtained directly at the Lincoln Community Hospital, PO Box 248, Hugo, CO 80821.

Government-Wide and Fund Financial Statements

The government-wide financial statements (the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the County. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or activity are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include (1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and individual enterprise funds are reported as separate columns in the fund financial statements.

## Measurement Focus, Basis of Accounting and Financial Statement Presentations

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the 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.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the County's governmental and business-type activities. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current periods, or soon enough thereafter, to pay liabilities of the current period. For this purpose, revenues are considered to be available if collected within 60 days after year-end. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments are recorded only when payment is due.

Property taxes, franchise fees, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Sales tax collected and held at year end on behalf of the County is also recognized as revenue if collected within 60 days after year end. Expenditure-driven grants are recognized as revenue when qualifying expenditures have been incurred and all other grant requirements have been met. All other revenue items are considered to be measurable and available only when cash is received by the government.

### Fund Accounting

The accounts of the County are organized on the basis of funds and account groups, 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, liabilities, 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. The County reports the following major governmental funds:

*General Fund* - The general fund is the general operating fund of the County. It is used to account for all financial resources except those required to be accounted for in another fund. The main sources of revenues are property taxes and sales taxes.

*Road and Bridge Fund* - This fund records costs related to County road and bridge construction and maintenance. By state law, Colorado counties are required to maintain a Road and Bridge Fund and a portion of road and bridge taxes is allocated to cities and towns for their road and street activities. The main sources of revenues are highway user trust fund and property taxes.

*Human Services Fund* - This fund administers social services programs under state and federal regulations. Colorado counties are required by law to maintain a Human Services Fund.

*Capital Projects Fund* – This fund accounts for major construction projects and the majority of the County’s capital outlay.

Receivables

For all revenue, the County uses sixty days as receivable under the modified accrual basis of accounting, except in instances where grant funds are involved and the criteria of receiving reimbursement has been met as of year-end.

Inventory

Inventory is valued at lower of cost (first in, first out) or market. Inventory in the special revenue fund consists of expendable supplies held for consumption. The cost is recorded as an expenditure at the time individual inventory items are purchased. Reported inventories are equally offset by a fund balance reserve which indicates that they do not constitute “available spendable resources” even though they are a component of net current assets.

Prepayments

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.

Capital Assets

Capital assets, which include land, land improvements, buildings, furnishings, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are capitalized at actual or estimated costs. Donations of such assets are recorded at estimated fair value at the time of donation. Capital assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements.

Maintenance, repairs, and minor renovations are recorded as expenditures when incurred. Major additions and improvements are capitalized. When assets used in the operation of a government fund type are sold, the proceeds of the sale are recorded as revenues in the appropriate government fund. The County reports gains and losses on the disposal of capital assets (carrying value less sale proceeds, if any) in the government-wide statement of activities and enterprise fund operating statement. Interest incurred during the construction phase of capital assets of business-type activities is included in the capitalized value of the assets constructed.

Capital assets are defined by the government as assets with an initial individual cost of more than \$5, 000 and an estimated useful life in excess of one year. The County’s capital assets are depreciated using the straight-line method over the estimated useful lives of the fixed assets. Depreciation of all capital assets used in governmental activities and by proprietary funds is charged as an expense against their operations. Estimated useful lives are:

Land improvements	15 to 50 years
Buildings and building improvements	15 to 50 years
Furniture, fixtures, and equipment	3 to 50 years

As a Phase 3 government, as defined in GASB 34, the County has elected to not report major general infrastructure assets retroactively; therefore, the government-wide financial statements

do not reflect infrastructure assets completed prior to January 1, 2004. There have been no infrastructure additions since January 1, 2004, so as of the current year-end the County is not reporting any infrastructure assets.

### Property Taxes

Property taxes are levied on November 1 and attach as an enforceable lien on the property on January 1. Taxes are payable in full on April 30 or in two installments on February 28 and June 15. Delinquent notices for unpaid taxes are sent to property owners in July and properties are subject to tax sale in November. The County bills and collects its own property taxes and also taxes for the schools, town, and special districts. Collections of the County taxes and remittance of them to the schools, town and special districts are accounted for in the agency funds. County property taxes are recognized when levied to the extent that they result in current receivables and deferred revenues and are recorded on the balance sheet of the appropriate fund.

### Compensated Absences

Vacation and sick pay is accrued when earned in the government-wide statements according to the County's vacation and sick pay policy at the employee's prevailing wage as of the last day of the year.

### Fund Equity

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

*Non-spendable fund balance* – The portion of fund balance that cannot be spent because it is either not in spendable form (such as inventory and prepaid amounts) 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 the limitations imposed by the County's highest level of decision-making authority, the County Commissioners, or other individuals authorized to assign funds to be used for a specific purpose. This classification is necessary to indicate that those funds are, at a minimum, intended to be used for the purpose of that particular fund.

*Assigned fund balance* – The portion of fund balance set aside for planned or intended purposes but are neither restricted nor committed. The intended use may be expressed by the County Commissioners or other individuals authorized to assign funds to be used for a specific purpose. Assigned fund balances in special revenue funds will also include any remaining fund balance that is not restricted or committed. This classification is necessary to indicate that those funds are, at a minimum, intended to be used for the purpose of that particular fund.

*Unassigned fund balance* – The residual portion of fund balance that does not meet any of the above criteria. The County will only report a positive unassigned fund balance in the General Fund.

When both restricted and unrestricted fund balances are available for use, it is the County’s policy to use restricted amounts first. Unrestricted fund balance will be used in the following order: committed, assigned and unassigned.

**Note 2            Budgetary Information**

An annual budget and appropriation resolution is adopted by the Board of County Commissioners in accordance with the Colorado State Budget Act. The County follows these procedures in establishing the budgetary data reflected in the financial statements.

1. On or about September 1, the various department heads submit to the Board of County Commissioners a proposed operating budget for their department for the fiscal year commencing the following January 1. After a review and discussion with each department head, the Board adopts a preliminary operating budget for each fund including proposed expenditures and the means of financing them.
2. A notice is published informing the public that the proposed budget is available for inspection.
3. Prior to December 22, the budget is legally enacted through passage of a resolution by the Board of County Commissioners. Once enacted, budgets may be amended by passage of a supplemental appropriation approved by the County Commissioners. The final amended budget is used in the financial statements. All appropriations lapse at year end. Supplemental budgets were adopted for 2023.
4. Budgets for the general, special revenue and capital projects funds are adopted on a basis consistent with generally accepted accounting principles. (GAAP).

The legal level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established at the individual fund level for all funds.

Encumbrance accounting (open purchase orders, contracts in process and other commitments for the expenditures of funds in future periods) is not used by the County for either budget or financial reporting purposes.

The Public Health Fund overspent its 2023 budget, which may be a violation of Colorado Revised Statutes.

**Note 3            Deposits and Investments**

Deposits

The County’s deposits at year-end are as follows:

Insured (FDIC)	\$     500,000
Collateralized by securities held by the pledging financial institution’s trust department or agent in the County’s name and U.S. Obligations	10,779,479
COLOTRUST, CSAFE, and CSIP	4,282,848
<b>Total</b>	<b>\$ 15,562,327</b>

Deposits are exposed to custodial credit risk (the risk that, in the event of the failure of a depository financial institution, the government would not be able to recover deposits or would not be able to recover collateral securities that are in the possession of an outside party)

if they are not covered by depository insurance and are collateralized with securities held by the pledging financial institution, except for deposits collateralized by certain types of collateral pools including a single financial institution collateral pool where the fair value of the pool is equal to or exceeds all uninsured public deposits held by the financial institution (e.g. deposits insured by The Public Deposit Protection Act (PDPA)). Accordingly, none of the County's deposits at year-end are deemed to be exposed to custodial credit risk. The County has no policy regarding custodial credit risk for deposits.

### Investments

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

1. Repurchase agreements in obligations of the United States;
2. Obligations of the United States or obligations unconditionally guaranteed by the United States;
3. General obligation or revenue bonds of any state, District of Columbia, U.S. territory or any of their subdivisions, with certain limitations;
4. Bankers' acceptance issued by a state or national bank, with certain limitations;
5. Commercial paper, with certain limitations;
6. Any obligation, certificate of participation or lease/purchase of the investing public entity;
7. Money market fund, with certain limitations, which invest in the types of securities listed above;
8. Guaranteed investment contracts, with certain limitations;
9. Participation with other local governments in pooled investment funds (trust). These trusts are supervised by participating governments and must comply with the same restrictions on cash deposits and investments. These trusts are "COLOTRUST," "Jefftrust" and "C Safe."

Colorado State Statutes authorize the County to invest in obligations of the U.S. Treasury, agencies and instrumentalities, commercial paper, repurchase agreements, money market funds and local government investment pools with a maturity date no more than five years from the date of purchase. Investments are reported at fair value, which approximates cost, except for non-participating contracts, which are reported at amortized cost.

COLOTRUST PRIME and PLUS+ pools are a 2a7-like investment pool. The following facts are relevant for 2a7-like investment pools:

- Credit risk: COLOTRUST PRIME and PLUS+ Portfolios are rated AAAM by S&P.
- Custodial credit risk: COLOTRUST PRIME and PLUS+ participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.
- Concentration of credit risk: Pooled investments are excluded from the 5 percent disclosure requirement.

The Pension Fund investments are special managed accounts consisting of individual stocks and other investments and are not subject to credit ratings.

Interest Rate Risk: The County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value loss resulting from increasing interest rates.

Credit Risk: With the exception of the Employee Pension Fund, the County does not have a formal investment policy that would further limit its investment choices beyond those listed above which are approved by Colorado Statutes.

All public funds within the jurisdiction of the Lincoln County Treasurer shall be invested in accordance with Colorado State Statutes and resolutions enacted by the Board of County Commissioners in a manner that seeks to accomplish the following objectives in the following priority:

*Safety:* To ensure the safety of all public funds, investments shall be made so as to minimize the potential for capital losses arising from changes in market value or default.

Safety of principal is the foremost objective of the investment program. Investments of Lincoln County will be made in a manner that seeks to ensure the preservation of capital in the Portfolio. To attain this objective, the Lincoln County Treasurer will endeavor to mitigate credit and interest rate risks.

Credit risk: Lincoln County will minimize credit risk, which is the risk of loss due to the failure of the security issuer or backer, by:

- Limiting investments to the types of securities listed in the Authorized Investments section of this Policy.
- Diversifying the investment portfolio so that the impact of potential losses from any one type of security or from any one individual issuer will be minimized.

Interest rate risk: Lincoln County will minimize interest rate risk, which is the risk that the market value of securities in the portfolio will fall due to changes in market interest rates, by:

- Structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity.

*Liquidity:* To ensure that adequate funds are available at all times to promptly pay all of the County's financial obligations, without need for the sale of investments at the risk of market losses due to untimely liquidation.

The Employee Pension Fund must achieve a minimum of two of the three performance criteria. For 3, 5, 10 and 15 years, the investment selection must be in the top (40%) of its peer group for annualized return. This benchmark can be overridden if the fund illustrates that its risk (standard deviation) has been below industry peers for given time frames.

**Note 4 Capital Assets**

A summary of changes in governmental activity capital assets is as follows:

	<u>Jan 1, 2023</u>	<u>Additions</u>	<u>Deletions</u>	<u>Dec 31, 2023</u>
<b>Non-Depreciable Assets:</b>				
Land	\$ 109,425	\$ -	\$ -	\$ 109,425
<b>Total Non-Depreciable Assets</b>	<u>109,425</u>	<u>-</u>	<u>-</u>	<u>109,425</u>
<b>Depreciable Assets:</b>				
Buildings	9,472,351	-	-	9,472,351
Furniture, Fixtures & Equipment	13,475,607	997,067	-	14,472,674
<b>Total Depreciable Assets</b>	<u>22,948,358</u>	<u>997,067</u>	<u>-</u>	<u>23,945,425</u>
<b>Total Accumulated Depreciation</b>	<u>(12,091,301)</u>	<u>(1,415,426)</u>	<u>-</u>	<u>(13,506,727)</u>
<b>Total Depreciable Assets, Net</b>	<u>10,857,057</u>	<u>(418,359)</u>	<u>-</u>	<u>10,438,698</u>
<b>Total Capital Assets, Net</b>	<u>\$ 10,966,482</u>	<u>\$ (418,359)</u>	<u>\$ -</u>	<u>\$ 10,548,123</u>

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

General Government	\$ 278,138
Public Safety	209,628
Highway and Roads	787,504
Health	52,748
Human Services	12,766
Culture and Recreation	74,642
<b>Total Depreciation Expense</b>	<u>\$ 1,415,426</u>

**Note 5 Long Term Debt**

Landfill Closure and Post Closure Costs

State and federal laws and regulations require the County to place a final cover on each of the units located at the landfill site as the capacity of those units is maximized. In addition, the County is required to perform certain maintenance and monitoring functions at the site for 30 years after closure. Although closure costs will be paid throughout the life of the site as individual units are closed, and post closure care costs will be paid only near or after the date that the landfill stops accepting waste, government accounting standards require that the County report a portion of these closure and post closure care costs in each period based on landfill capacity used as of each balance sheet date. Estimated landfill closure and post-closure care costs of \$657,846 at year end, represent the cumulative amount reported to date.

The landfill is comprised of cells 1, 2, and 3. Currently, the County is using cell 3 as cells 1 and 2 are closed or in a closing stage.

Closure and post-closure care financial assurances are being met by the local financial test.

**Changes in Long-Term Debt**

The changes in long-term debt during the current year are summarized as follows:

	<u>Jan 1, 2023</u>	<u>Additions</u>	<u>Deletions</u>	<u>Dec 31, 2023</u>	<u>Due Within One Year</u>
Compensated Absences	\$ 302,166	\$ 15,897	\$ -	\$ 318,063	\$ -
Landfill Closure Costs	614,809	43,037	-	657,846	-
<b>Total</b>	<b>\$ 916,975</b>	<b>\$ 58,934</b>	<b>\$ -</b>	<b>\$ 975,909</b>	<b>\$ -</b>

Compensated absences are normally paid from the funds reporting payroll and related expenditures, including the General Fund, Road and Bridge Fund, Social Services Fund, Landfill Fund, Library Fund and Emergency 911 Fund. Landfill Closure Costs are payable from the Landfill Fund. The lease purchase was paid by the Road & Bridge Fund.

**Note 6**

**Pension Plans**

**Lincoln County Employee Pension Plan – A Single Employer Plan**

**Statement of Pension Expense under GASB Statement No. 68 - Fiscal Year Ended December 31, 2023**

**A. Expense:**

1. Service Cost	\$ 281,072
2. Interest on Total Pension Liability	456,084
3. Current-Period Benefit Changes	-
4. Employee Contributions (made negative for addition here)	(195,284)
5. Projected Earnings on Plan Investments (made negative for addition here)	(231,723)
6. Pension Plan Administrative Expense	16,348
7. Other Changes in Plan Fiduciary Net Position	-
8. Recognition of Outflow (Inflow) of Resources due to Liabilities	(128,373)
9. Recognition of Outflow (Inflow) of Resources due to Assets	66,602
<b>Total Pension Expense</b>	<b>\$ 264,726</b>

Statement of Outflows and Inflows Arising from Current Reporting Period – Fiscal Year Ended December 31, 2023

**A. Outflows (Inflows) of Resourced due to Liabilities:**

1. Difference between expected and actual experience of the Total Pension Liability (gains) or losses	\$ -
2. Assumption Changes (gains) or losses	\$ -
3. Recognition period for Liabilities: Average of the expected remaining service lives of all employees (in years)	8.8259
4. Outflow (Inflow) of Resources to be recognized in the current pension expense for the difference between expected and actual experience of the Total Pension Liability	\$ -
5. Outflow (Inflow) of Resources to be recognized in the current pension expense for assumption changes	\$ -
6. Outflow (Inflow) of Resources to be recognized in the current pension expense due to Liabilities	\$ -
7. Deferred Outflow (Inflow) of Resources to be recognized in future pension expenses for the difference between expected and actual experience of the Total pension Liability	\$ -
8. Deferred outflow (Inflow) of Resources to be recognized in future pension expenses for assumption changes	\$ -
9. Deferred Outflow (Inflow) of Resources to be recognized in future pension expenses due to Liabilities	\$ -

**B. Outflows (Inflows) of Resourced due to Assets:**

1. Net Difference between projected and actual earnings on pension plan investments (gains) or losses	\$ (167,677)
2. Recognition period for Assets (in years)	5.0
3. Outflow (Inflow) of Resources to be recognized in the current pension expense due to Assets	\$ (33,535)
4. Deferred outflow (Inflow) of Resources to be recognized in future pension expenses due to Assets	\$ (134,142)

Deferred Outflows and Inflows of Resources by Source – Fiscal Year Ended December 31, 2023

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Difference between expected and actual experience	\$ 191,672	\$ 116,719
Changes in assumptions	-	547,820
Net difference between projected and actual earnings on pension plan investments	564,536	189,161
Total	<u>\$ 756,208</u>	<u>\$ 853,700</u>

Deferred Outflows and Deferred Inflows of Resources by Year to be Recognized in Future Pension Expenses

Year Ending December 31	
2024	\$ (9,891)
2025	7,414
2026	26,270
2027	(103,510)
2028	11,329
Thereafter	(29,104)
Total	\$ (97,492)

Statement of Changes in Net Pension Liability and Related Ratios – Current Reporting Period – Fiscal Year Ended December 31, 2023

<b>A. Total pension liability:</b>	
1. Service cost	\$ 281,072
2. Interest on the total pension liability	456,074
3. Changes of benefit terms	-
4. Difference between expected and actual experience of the total pension liability	-
5. Changes of assumptions	-
6. Benefit payments, including refunds of employee contributions	(876,194)
7. Net change in total pension liability	(139,048)
8. Total pension liability - beginning	6,807,876
9. Total pension liability – ending	<u>\$ 6,668,828</u>
<b>B. Plan fiduciary net position:</b>	
1. Contributions – employer	\$ 366,980
2. Contributions – employee	195,284
3. Net investment income (loss)	399,400
4. Benefit payments, including refunds of employee contributions	(876,194)
5. Pension plan administrative expense	(16,348)
6. Other	-
7. Net change in plan fiduciary net position	69,122
8. Plan fiduciary net position - beginning	4,472,675
9. Plan fiduciary net position – ending	<u>\$ 3,541,797</u>
<b>C. Net pension liability</b>	<u>\$ 3,127,031</u>
<b>D. Plan fiduciary net position as a percentage of the total pension liability</b>	53.11%
<b>E. Covered-employee payroll</b>	\$ 4,469,834
<b>F. Net pension liability as a percentage of covered-employee payroll</b>	69.96%

**Schedules of Required Supplementary Information**  
**Schedule of Changes in Net Pension Liability and Related Ratios - Multiyear**

Fiscal Year Ending December 31,	2023	2022	2021	2020	2019	2018	2017
<b>Total pension liability:</b>							
Service cost	\$ 281,072	\$ 285,221	\$ 283,058	\$ 270,848	\$ 190,669	\$ 300,859	\$ 292,096
Interest on the total pension liability	456,074	463,139	442,903	392,041	339,131	254,635	239,951
Changes of benefit terms	-	-	-	-	348,575	-	-
Difference between expected and actual experience	-	(151,765)	-	318,884	-	47,456	-
Changes of assumptions	-	-	-	-	-	(1,460,096)	-
Benefit payments, including refunds of employee contributions	(876,194)	(520,772)	(357,866)	(167,701)	(156,358)	(227,946)	(158,720)
<b>Net change in total pension liability</b>	<b>(139,048)</b>	<b>75,823</b>	<b>368,095</b>	<b>814,072</b>	<b>722,017</b>	<b>(1,085,092)</b>	<b>373,327</b>
<b>Total pension liability - beginning</b>	<b>6,807,876</b>	<b>6,732,053</b>	<b>6,363,958</b>	<b>5,549,886</b>	<b>4,827,869</b>	<b>5,912,961</b>	<b>5,539,634</b>
<b>Total pension liability - ending</b>	<b>\$ 6,668,828</b>	<b>\$ 6,807,876</b>	<b>\$ 6,732,053</b>	<b>\$ 6,363,958</b>	<b>\$ 5,549,886</b>	<b>\$ 4,827,869</b>	<b>\$ 5,912,961</b>
<b>Plan fiduciary net position:</b>							
Employer contributions	\$ 366,980	\$ 371,989	\$ 335,688	\$ 343,989	\$ 315,716	\$ 113,912	\$ 113,028
Employee contributions	195,284	199,793	167,122	170,877	110,360	105,775	104,955
Pension plan net investment income	399,400	(653,534)	351,090	305,624	427,951	(216,749)	218,049
Benefit payments, including refunds of employee contributions	(876,194)	(520,772)	(357,866)	(167,701)	(156,358)	(227,946)	(158,720)
Pension plan administrative expense	(16,348)	(9,573)	(17,034)	(12,724)	(19,271)	(16,823)	(15,083)
Other	-	-	-	-	9,500	-	64,000
<b>Net change in plan fiduciary net position</b>	<b>69,122</b>	<b>(612,097)</b>	<b>479,000</b>	<b>640,065</b>	<b>687,898</b>	<b>(241,831)</b>	<b>326,229</b>
<b>Plan fiduciary net position - beginning</b>	<b>4,472,675</b>	<b>4,084,772</b>	<b>3,605,772</b>	<b>2,965,707</b>	<b>2,277,809</b>	<b>2,519,640</b>	<b>2,193,411</b>
<b>Plan fiduciary net position - ending</b>	<b>\$ 3,541,797</b>	<b>\$ 3,472,675</b>	<b>\$ 4,084,772</b>	<b>\$ 3,605,772</b>	<b>\$ 2,965,707</b>	<b>\$ 2,277,809</b>	<b>\$ 2,519,640</b>
<b>Net pension liability - Ending</b>	<b>\$ 3,127,031</b>	<b>\$ 3,335,201</b>	<b>\$ 2,647,281</b>	<b>\$ 2,758,186</b>	<b>\$ 2,584,179</b>	<b>\$ 2,550,060</b>	<b>\$ 3,393,321</b>
Plan fiduciary net position as a percentage of the total pension liability	53.11%	51.01%	60.68%	56.66%	53.44%	47.18%	42.61%
Covered-employee payroll	\$ 4,469,834	\$ 4,115,744	\$ 4,084,532	\$ 3,965,565	\$ 9,198,226	\$ 3,105,074	\$ 3,211,442
Net pension liability as a percentage of covered-employee payroll	69.96%	81.04%	64.81%	69.55%	80.80%	82.13%	105.66%

Notes to Schedule of Contributions

**Valuation Date:** December 31, 2022  
**Notes:** Actuarially determined contribution rates are calculated as of January 1 each year for implementation the following fiscal year.

**Methods and Assumptions Used to Determine Contribution Rates:**

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level percentage of Payroll, Closed
Remaining Amortization Period	9 Years
Asset Valuation Method	Market Value
Inflation	2.50%
Salary Increases	3.00%
Investment Rate of Return	7.00% (Net of Expenses)
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition.
Mortality	RP-2014 generational mortality tables with blue collar adjustment projected with Scale MP-2017.

**Other Information:**

**Notes:** There were no benefit changes during the year.

Sensitivity of Net Pension Liability to the Single Discount Rate Assumption

Regarding the sensitivity of the net pension liability to changes in the Single Discount Rate, the following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.00%, as well as what the plan's net pension liability would be if it were calculated using a Single discount Rate that is one percent lower or one percent higher.

<b>1% Decrease</b>	<b>Current Single Discount Rate Assumption</b>	<b>1% Increase</b>
<b>6.00%</b>	<b>7.00%</b>	<b>8.00%</b>
\$3,798,473	\$3,127,031	\$2,551,396

Local Government

*Participation* – Each Eligible Employee shall become a Participant on the Entry Date coincident with or next following such Employee's attainment of age 18 and completion of one Year of Service, provided that such Employee is still employed on such Entry Date. However, an Employee who is elected to the position held by such Employee with the Employer shall become a Participant upon the entry date coincident with or next following the date upon which the Employee formally assumes such position.

*Required Participant Contributions* – Participants shall be required to make monthly after-tax deduction contributions to the Trust under this Plan as a condition to participation, in an amount equal to 4.50% of such Participant's Compensation.

*Employer Contributions* – The Employer intends to contribute from time to time to the Trustee such amounts as may be actuarially determined as necessary to provide the benefits under the Plan and to fund the Plan in accordance with minimum standards applicable to the Plan. Any forfeitures arising under the Plan shall not be applied to

increase the benefits any Participant would otherwise receive under the Plan but shall be applied to reduce the Employer contribution under the Plan.

*Credited Service* – “Year of Service” for purposes of both eligibility and vesting shall mean a twelve-consecutive month period in which the Employee is credited with at least 1,500 Hours of Service (1,000 Hours of Service prior to January 1, 1992).

*Final Average Compensation* – For individuals commencing participation in the plan prior to January 1, 2020, the Participant's Final Average Compensation is the average monthly compensation for the highest Year of Service of the last 2 Years of Service preceding termination of employment, or the average monthly compensation of total Years of Service if fewer than 2 Years of Service. For individuals commencing participation in the plan on or after January 1, 2020, the Participant's Final Average Compensation is the average monthly compensation for the Participant's last 5 consecutive Years of Service, or the average monthly compensation for total Years of Service if fewer than 5 total years.

*Normal Form of Retirement Benefits* – Life Annuity.

*Accrued Benefit* – 1.750% of average monthly compensation multiplied by total number of years of participation.

*Death Benefit* – Present value of accrued benefits.

*Vesting Schedule*

For individuals commencing participation in the Plan prior to January 1, 2020:

<u>Years of Service</u>	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>
Percent Vested	0.00	0.00	0.00	62.50	100.00

For individuals commencing participation in the Plan on or after January 1, 2020:

<u>Years of Service</u>	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>
Percent Vested	0.00	0.00	0.00	0.00	100.00

Service is calculated using all years of service.

The County Commissioners make and approve any changes to the plan.

Actuarial Valuation Date	December 31, 2022
Measurement Date of the Net Pension Liability	December 31, 2023
Employer's Fiscal Year Ending Date (Reporting Date)	December 31, 2023

**Membership**

Number of:	
- Retirees and Beneficiaries	15
- Inactive, Nonretired Members	3
- Active Members	87
- Total	<u>105</u>
Covered Payroll	<u>\$ 4,469,834</u>

**Net Pension Liability**

Total Pension Liability	\$ 6,668,828
Plan Fiduciary Net Position	<u>3,541,797</u>
Net Pension Liability	<u>3,127,031</u>

Plan Fiduciary Net Position as a Percentage of Total Pension Liability	53.11%
Net Pension Liability as a Percentage of Covered Payroll	69.96%

**Development of the Single Discount Rate**

Single Discount Rate	7.00%
Long-Term Expected Rate of Investment Return	7.00%
Long-Term Municipal Bond Rate*	3.77%
Last year ending December 31 in the 2020 to 2119 projection period for which projected benefit payments are fully funded	2123

<b>Total Pension Expense</b>	<u>\$ 264,716</u>
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Deferred Compensation Plan

A deferred compensation plan under Section 457 of the Internal Revenue Code (IRC) is available to all employees for voluntary contributions of up to a maximum specified by the Internal Revenue Service. Employees are eligible to participate immediately upon his or her date of employment or reemployment. In accordance with the terms of the plan, distribution is not available to employees until retirement, death or in the event of an unforeseen emergency. The plan is administered by CRA, and plan provisions are established and may be amended by the County Commissioners.

**Note 7 Risk Management**

Due to the County's potential exposure to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters, the County participates in the following public entity risk pools:

### County Worker's Compensation Pool

Due to the high cost of obtaining worker's compensation insurance the County joined together with the Counties in the State of Colorado to form the County Worker's Compensation Pool (CWCP), a public entity risk pool operating as a common risk management and insurance program for member counties. The County pays an annual contribution to CWCP for its worker's compensation insurance coverage. The intergovernmental agreement of formation of CWCP provides that the pool will be financially self-sustaining through member contributions and additional assessments, if necessary, and the Pool will purchase excess insurance through commercial companies for members' claims in excess of specified self-insured retention, which is determined each policy year. There have been no significant reductions in coverage from the prior year and settled claims have not exceeded coverage in any of the past three fiscal years.

### Colorado Counties Casualty and Property Pool

Due to the high cost of property and liability insurance 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 operating as a common risk management and insurance program for member counties. The County pays an annual contribution to CAPP for its property and casualty insurance coverage. The intergovernmental agreement of formation of CAPP provides that the pool will be financially self-sustaining through member contributions and additional assessments, if necessary, and the Pool will purchase excess insurance through commercial companies for members' claims in excess of a specified self-insured retention, which is determined each policy year. There have been no significant reductions in coverage from the prior year and settled claims have not exceeded coverage in any of the past three years.

## **Note 8      Commitments and Contingencies**

### TABOR

In November 1992, the Colorado voters passed a constitutional amendment (Tabor Amendment) to the State Constitution (Article X, Section 20) which requires voter approval for any increases in mill levies, revenue limits, spending limits, and creation of multi-year debt. In addition, the amendment requires that a 3% reserve be established for emergencies.

The initial base for local government spending and revenue limits is 1992 fiscal year spending (as defined by TABOR). Future spending and revenue limits are determined based on the prior year's spending (as defined under TABOR) adjusted for the inflation and annual local growth. Revenue in excess of the spending limit must be refunded in the next fiscal year unless voters approve retention of such revenue. In November 1995, the voters approved a ballot issue which read, in part, that the County "be... permitted to retain, appropriate, and utilize, by retention for reserve, carry-over fund balance, or expenditures in 1995, and all subsequent years, notwithstanding any limitation of Article X, Section 20 of the Colorado Constitution." This ballot issue also included a provision that, although the revenue and spending limitations of TABOR would not apply in 1995 and subsequent years, any future increase in tax rates or mill levy or imposition of any new tax would continue to require consent of the voters.

The County has reserved \$425,000 within the General Fund for the emergency reserve under the Tabor Amendment.

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

The County believes that it is in compliance with the provisions of the Tabor Amendment except as indicated above. However, many provisions of the Tabor Amendment are complex and subject to further interpretation and will require judicial interpretation.

**Note 9**

**Joint Venture**

District Attorney for the Eighteenth Judicial District is a joint venture between four counties. The District Attorney represents the people of the counties and is established by state statute. The District Attorney is an elected office and the counties comprising the District other than approving their respective budgets do not exercise oversight responsibility, significantly affect operations, nor do they have any financial obligation beyond the budget.

The report of the Office of the District Attorney for the Eighteenth District may be obtained at the following address:

Office of the District Attorney  
Eighteenth Judicial District  
7305 S. Potomac St., Suite 300  
Englewood, CO 80112-4031  
720-874-8500

**Lincoln County**  
**Budget and Actual**  
**General**  
**For the year ended December 31, 2023**

	<u>Budgeted Amounts</u>		<u>Actual Amounts, Budgetary Basis</u>
	<u>Original</u>	<u>Final</u>	
<b>REVENUES</b>			
Property Taxes	\$ 4,711,441	\$ 4,711,441	\$ 1,866,940
Sales and miscellaneous taxes	2,100,000	2,100,000	2,601,235
SO Taxes	210,000	210,000	199,762
Intergovernmental	907,135	907,135	280,875
Charges for services	712,984	712,984	744,439
Investment earnings	140,000	140,000	381,665
Miscellaneous	4,200	4,200	59,661
Total revenues	<u>8,785,760</u>	<u>8,785,760</u>	<u>6,134,577</u>
<b>EXPENDITURES</b>			
Current:			
General government	5,153,403	5,153,403	3,888,829
Public Safety	3,348,868	3,348,868	3,166,879
Health and sanitation	34,996	34,996	30,996
Culture and recreation	304,371	304,371	288,149
Capital Outlay	59,715	59,715	-
Total Expenditures	<u>8,901,353</u>	<u>8,901,353</u>	<u>7,374,853</u>
Excess (deficiency) of revenues over expenditures	<u>(115,593)</u>	<u>(115,593)</u>	<u>(1,240,276)</u>
<b>SPECIAL ITEM</b>			
Proceeds from sale capital assets	-	-	10,238
Net change in fund balances	<u>(115,593)</u>	<u>(115,593)</u>	<u>(1,230,038)</u>
Fund balances - beginning	7,688,482	7,688,482	7,878,465
Fund balances - ending	<u>\$ 7,572,889</u>	<u>\$ 7,572,889</u>	<u>\$ 6,648,427</u>

**Lincoln County  
Budget and Actual  
Road & Bridge Fund  
For the year ended December 31, 2023**

	<u>Budgeted Amounts</u>		<u>Actual Amounts, Budgetary Basis</u>
	<u>Original</u>	<u>Final</u>	
<b>REVENUES</b>			
Property Taxes	\$ 2,222,378	\$ 2,222,378	\$ 2,222,505
Sales and miscellaneous taxes	180,000	180,000	232,082
Intergovernmental	2,564,337	2,564,337	2,535,767
Charges for services	-	-	73,789
Investment earnings	2,000	2,000	2,654
Miscellaneous	16,000	16,000	19,675
Total revenues	<u>4,984,715</u>	<u>4,984,715</u>	<u>5,086,472</u>
<b>EXPENDITURES</b>			
Current:			
General government	70,000	70,000	67,459
Highways and roads	5,194,695	5,194,695	4,387,390
Capital Outlay	600,000	600,000	608,576
Total Expenditures	<u>5,864,695</u>	<u>5,864,695</u>	<u>5,063,425</u>
Excess (deficiency) of revenues over expenditures	<u>(879,980)</u>	<u>(879,980)</u>	<u>23,047</u>
Net change in fund balances	(879,980)	(879,980)	23,047
Fund balances - beginning	2,312,618	-	2,785,695
Fund balances - ending	<u>\$ 1,432,638</u>	<u>\$ (879,980)</u>	<u>\$ 2,808,742</u>

**Lincoln County  
Budget and Actual  
Human Services Fund  
For the year ended December 31, 2023**

	<u>Budgeted Amounts</u>		<u>Actual Amounts, Budgetary Basis</u>
	<u>Original</u>	<u>Final</u>	
<b>REVENUES</b>			
Property Taxes	\$ 355,580	\$ 355,580	\$ 362,133
SO Taxes	-	-	40,948
Intergovernmental	3,309,646	3,704,703	3,582,411
Investment earnings	-	-	427
Miscellaneous	34,000	34,000	10,521
Total revenues	<u>3,699,226</u>	<u>4,094,283</u>	<u>3,996,440</u>
<b>EXPENDITURES</b>			
Current:			
Welfare	4,308,201	4,703,258	3,784,666
Total Expenditures	<u>4,308,201</u>	<u>4,703,258</u>	<u>3,784,666</u>
Excess (deficiency) of revenues over expenditures	<u>(608,975)</u>	<u>(608,975)</u>	<u>211,774</u>
Net change in fund balances	(608,975)	(608,975)	211,774
Fund balances - beginning	1,156,905	1,156,905	1,144,285
Fund balances - ending	<u>\$ 547,930</u>	<u>\$ 547,930</u>	<u>\$ 1,356,059</u>

**Lincoln County  
Budget and Actual  
Capital Projects Fund  
For the year ended December 31, 2023**

	<b>Budgeted Amounts</b>		<b>Actual Amounts, Budgetary Basis</b>
	<b>Original</b>	<b>Final</b>	
<b>REVENUES</b>			
Property Taxes	\$ 355,580	\$ 355,580	\$ 355,639
Sales and miscellaneous taxes	65,000	65,000	39,547
Investment earnings	800	800	440
Miscellaneous	-	-	120,000
Total revenues	<u>421,380</u>	<u>421,380</u>	<u>515,626</u>
<b>EXPENDITURES</b>			
General Government	72,000	72,000	68,729
Capital Outlay	1,184,500	1,184,500	335,811
Total Operating Expenses	<u>1,256,500</u>	<u>1,256,500</u>	<u>404,540</u>
Operating income (loss)	<u>(835,120)</u>	<u>(835,120)</u>	<u>111,086</u>
Net change in fund balances	(835,120)	(835,120)	111,086
Fund balances - beginning	3,476,410	3,476,410	3,560,623
Fund balances - ending	<u>\$ 2,641,290</u>	<u>\$ 2,641,290</u>	<u>\$ 3,671,709</u>

**Lincoln County, Colorado**  
**Schedule of Contributions Multiyear**  
**Last 10 Fiscal Years (to be Built Prospectively)**

<b>FYE Ending December 31,</b>	<b>Actuarially Determined Contribution</b>	<b>Actual Contribution*</b>	<b>Contribution Deficiency (Excess)</b>	<b>Covered Payroll</b>	<b>Actual Contribution as a Percentage of Covered Payroll</b>
2017	\$ 261,508	\$ 113,028	\$ 148,480	\$ 3,211,442	3.52%
2018	321,950	113,912	208,038	3,105,074	3.67%
2019	339,176	315,716	23,460	3,198,226	9.87%
2020	349,351	343,989	5,362	3,965,565	8.67%
2021	389,918	335,688	54,230	4,084,532	8.22%
2022	401,241	371,989	29,252	4,115,744	9.04%
2023	488,035	366,980	12,155	4,469,834	8.21%
2024	509,567	TBD	TBD	TBD	TBD

Lincoln County  
Balance Sheet  
Other Governmental Funds  
December 31, 2023

	Conservation Trust	Library Fund	Public Health	Emergency 911 Fund	Lodging Tax Tourism Fund	Landfill Fund	Total Governmental Funds
Cash and cash equivalents	\$ 134,388	\$ 28,298	\$ 97,981	\$ 409,037	\$ 228,052	\$ 897,872	\$ 1,795,628
Taxes receivable, net	-	90,588	45,294	-	-	181,176	317,058
Other receivables	-	-	36,608	16,871	-	7,892	61,371
Total assets	134,388	118,886	179,883	425,908	228,052	1,086,940	2,174,057

**ASSETS**

Cash and cash equivalents  
Taxes receivable, net  
Other receivables  
Total assets

**LIABILITIES AND FUND BALANCES**

Liabilities:

Accounts payable	-	82	1,074	3,761	-	-	4,917
Total liabilities	-	82	1,074	3,761	-	-	4,917
Deferred cash in-flow resources	-	-	-	-	-	-	-
Deferred property taxes	-	90,588	45,294	-	-	181,176	317,058

Fund balances:

Committed	134,388	28,216	133,515	422,147	228,052	905,764	1,852,082
Total fund balances	134,388	28,216	133,515	422,147	228,052	905,764	1,852,082
Total liabilities and fund balances	\$ 134,388	\$ 118,886	\$ 179,883	\$ 425,908	\$ 228,052	\$ 1,086,940	\$ 2,174,057

**Lincoln County**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**

For the Year Ended December 31, 2023

	Conservation Trust	Library Fund	Public Health	Emergency 911 Fund	Lodging Tax Tourism Fund	Landfill Fund	Total-Other Governmental Funds
<b>REVENUES</b>							
Property Taxes	\$ -	\$ 44,451	\$ 44,451	\$ -	\$ -	\$ 177,804	\$ 266,706
SO Taxes	-	4,641	4,641	-	-	18,564	27,846
Lodging Taxes	-	-	-	-	147,896	-	147,896
Intergovernmental	35,068	5,867	481,357	-	-	-	522,292
Charge for services	-	-	-	186,115	-	110,673	296,788
Investment earnings	3,058	53	53	-	-	213	3,377
Miscellaneous	-	-	783	-	-	1,236	2,019
Total revenues	38,126	55,012	531,285	186,115	147,896	308,490	1,266,924
<b>EXPENDITURES</b>							
Current:							
General government	-	-	6,383	-	-	6,431	12,814
Public Safety	-	-	-	84,221	-	-	84,221
Health and sanitation	-	-	608,920	-	-	282,938	891,858
Culture and recreation	-	56,992	-	-	-	-	56,992
Tourism	-	-	-	-	160,935	-	160,935
Capital Outlay	52,679	-	-	-	-	-	52,679
Total Expenditures	52,679	56,992	615,303	84,221	160,935	289,369	1,259,499
Excess (deficiency) of revenues over expenditures	(14,553)	(1,980)	(84,018)	101,894	(13,039)	19,121	7,425
Net change in fund balances	(14,553)	(1,980)	(84,018)	101,894	(13,039)	19,121	7,425
Fund balances - beginning	148,941	30,196	217,533	320,253	241,091	886,643	1,844,657
Fund balances - ending	\$ 134,388	\$ 28,216	\$ 133,515	\$ 422,147	\$ 228,052	\$ 905,764	\$ 1,852,082

**Lincoln County  
Budget and Actual  
Library Fund  
For the year ended December 31, 2023**

	<b>Budgeted Amounts</b>		<b>Actual Amounts, Budgetary Basis</b>
	<b>Original</b>	<b>Final</b>	
<b>REVENUES</b>			
Property Taxes	\$ 44,448	\$ 44,448	\$ 44,451
SO Taxes	4,500	4,500	4,641
Intergovernmental	-	-	5,867
Investment earnings	-	-	53
Miscellaneous	5,500	5,500	-
Total revenues	<u>54,448</u>	<u>54,448</u>	<u>55,012</u>
<b>EXPENDITURES</b>			
Current:			
Culture and recreation	60,638	60,638	56,992
Capital Outlay	5,000	5,000	-
Total Expenditures	<u>65,638</u>	<u>65,638</u>	<u>56,992</u>
Excess (deficiency) of revenues over expenditures	<u>(11,190)</u>	<u>(11,190)</u>	<u>(1,980)</u>
Net change in fund balances	(11,190)	(11,190)	(1,980)
Fund balances - beginning	26,334	26,334	30,196
Fund balances - ending	<u>\$ 15,144</u>	<u>\$ 15,144</u>	<u>\$ 28,216</u>

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

	<u>Budgeted Amounts</u>		<u>Actual Amounts, Budgetary Basis</u>
	<u>Original</u>	<u>Final</u>	
<b>REVENUES</b>			
Intergovernmental	\$ 25,000	\$ 25,000	\$ 35,068
Investment earnings	2,000	2,000	3,058
Total revenues	<u>27,000</u>	<u>27,000</u>	<u>38,126</u>
<b>EXPENDITURES</b>			
Current:			
Culture and recreation	5,000	5,000	-
Capital Outlay	<u>65,000</u>	<u>65,000</u>	<u>52,679</u>
Total Expenditures	<u>70,000</u>	<u>70,000</u>	<u>52,679</u>
Excess (deficiency) of revenues over expenditures	<u>(43,000)</u>	<u>(43,000)</u>	<u>(14,553)</u>
Net change in fund balances	(43,000)	(43,000)	(14,553)
Fund balances - beginning	147,924	147,924	148,941
Fund balances - ending	<u>\$ 104,924</u>	<u>\$ 104,924</u>	<u>\$ 134,388</u>

**Lincoln County  
Budget and Actual  
Emergency 911 Fund  
For the year ended December 31, 2023**

	<u>Budgeted Amounts</u>		<u>Actual Amounts, Budgetary Basis</u>
	<u>Original</u>	<u>Final</u>	
<b>REVENUES</b>			
Charges for services	\$ 175,000	\$ 175,000	\$ 186,115
Total revenues	<u>175,000</u>	<u>175,000</u>	<u>186,115</u>
<b>EXPENDITURES</b>			
Current:			
Public Safety	<u>187,382</u>	<u>187,382</u>	<u>84,221</u>
Total Expenditures	<u>187,382</u>	<u>187,382</u>	<u>84,221</u>
over expenditures	<u>(12,382)</u>	<u>(12,382)</u>	<u>101,894</u>
Net change in fund balances	(12,382)	(12,382)	101,894
Fund balances - beginning	<u>440,424</u>	<u>440,424</u>	<u>320,253</u>
Fund balances - ending	<u>\$ 428,042</u>	<u>\$ 428,042</u>	<u>\$ 422,147</u>

**Lincoln County  
Budget and Actual  
Public Health  
For the year ended December 31, 2023**

	<b>Budgeted Amounts</b>		<b>Actual Amounts, Budgetary Basis</b>
	<b>Original</b>	<b>Final</b>	
<b>REVENUES</b>			
Property Taxes	\$ 44,448	\$ 44,448	\$ 44,451
SO Taxes	4,500	4,500	4,641
Intergovernmental	685,540	690,511	481,357
Investment earnings	-	-	53
Miscellaneous	-	-	783
Total revenues	<u>734,488</u>	<u>739,459</u>	<u>531,285</u>
<b>EXPENDITURES</b>			
Current:			
General government	6,500	6,500	6,383
Health	602,578	607,549	608,920
Total Expenditures	<u>609,078</u>	<u>614,049</u>	<u>615,303</u>
Excess (deficiency) of revenues over expenditures	<u>125,410</u>	<u>125,410</u>	<u>(84,018)</u>
Net change in fund balances	125,410	125,410	(84,018)
Fund balances - beginning	170,913	170,913	217,533
Fund balances - ending	<u>\$ 296,323</u>	<u>\$ 296,323</u>	<u>\$ 133,515</u>

**Lincoln County  
Budget and Actual  
Landfill Fund  
For the year ended December 31, 2023**

	<b>Budgeted Amounts</b>		<b>Actual Amounts, Budgetary Basis</b>
	<b>Original</b>	<b>Final</b>	
<b>REVENUES</b>			
Property Taxes	\$ 177,790	\$ 177,790	\$ 177,804
Sales and miscellaneous taxes	15,000	15,000	18,564
Charge for Services	115,000	115,000	110,673
Investment earnings	200	200	213
Miscellaneous	2,000	2,000	1,236
Total revenues	<u>309,990</u>	<u>309,990</u>	<u>308,490</u>
<b>EXPENDITURES</b>			
General government	6,500	6,500	6,431
Health and Sanitation	478,523	478,523	282,938
Total Operating Expenses	<u>485,023</u>	<u>485,023</u>	<u>289,369</u>
Operating income (loss)	<u>(175,033)</u>	<u>(175,033)</u>	<u>19,121</u>
Net change in fund balances	(175,033)	(175,033)	19,121
Fund balances - beginning	874,293	874,293	886,643
Fund balances - ending	<u>\$ 699,260</u>	<u>\$ 699,260</u>	<u>\$ 905,764</u>

**Lincoln County  
Budget and Actual  
Lodging Tax Tourism Fund  
For the year ended December 31, 2023**

	<u>Budgeted Amounts</u>		<u>Actual Amounts, Budgetary Basis</u>
	<u>Original</u>	<u>Final</u>	
<b>REVENUES</b>			
Lodging Taxes	\$ 160,000	\$ 160,000	\$ 147,896
Total revenues	<u>160,000</u>	<u>160,000</u>	<u>147,896</u>
<b>EXPENDITURES</b>			
Current:			
Tourism	<u>180,000</u>	<u>180,000</u>	<u>160,935</u>
Total Expenditures	<u>180,000</u>	<u>180,000</u>	<u>160,935</u>
Excess (deficiency) of revenues over expenditures	<u>(20,000)</u>	<u>(20,000)</u>	<u>(13,039)</u>
Net change in fund balances	(20,000)	(20,000)	(13,039)
Fund balances - beginning	217,048	217,048	241,091
Fund balances - ending	<u>\$ 197,048</u>	<u>\$ 197,048</u>	<u>\$ 228,052</u>

<b>LOCAL HIGHWAY FINANCE REPORT</b>		City or County: Lincoln
		YEAR ENDING : December 2023
This Information From The Records Of Lincoln County:	Prepared By: Phone:	Jacob Piper 719-743-2810

**I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE**

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

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

**III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES**

ITEM	AMOUNT	ITEM	AMOUNT
<b>A. Receipts from local sources:</b>		<b>A. Local highway disbursements:</b>	
1. Local highway-user taxes		1. Capital outlay (from page 2)	0
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	4,995,966
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	
2. General fund appropriations	449,149	b. Snow and ice removal	0
3. Other local imposts (from page 2)	2,454,587	c. Other	0
4. Miscellaneous local receipts (from page 2)	96,118	d. Total (a. through c.)	0
5. Transfers from toll facilities		4. General administration & miscellaneous	67,459
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	449,149
a. Bonds - Original Issues		6. Total (1 through 5)	5,512,574
b. Bonds - Refunding Issues		<b>B. Debt service on local obligations:</b>	
c. Notes	0	1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	
7. Total (1 through 6)	2,999,854	b. Redemption	
<b>B. Private Contributions</b>		c. Total (a. + b.)	0
<b>C. Receipts from State government</b> (from page 2)	2,535,767	2. Notes:	
<b>D. Receipts from Federal Government</b> (from page 2)	0	a. Interest	0
<b>E. Total receipts (A.7 + B + C + D)</b>	5,535,621	b. Redemption	0
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	0
		<b>C. Payments to State for highways</b>	
		<b>D. Payments to toll facilities</b>	
		<b>E. Total disbursements (A.6 + B.3 + C + D)</b>	
			5,512,574

**IV. LOCAL HIGHWAY DEBT STATUS**  
(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
<b>A. Bonds (Total)</b>				0
1. Bonds (Refunding Portion)				
<b>B. Notes (Total)</b>	234,316	0	234,316	0

**V. LOCAL ROAD AND STREET FUND BALANCE**

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	2,288,568	5,535,621	5,512,574	2,311,615	0

Notes and Comments:

**LOCAL HIGHWAY FINANCE REPORT**

STATE:  
Colorado  
YEAR ENDING (mm/yy):  
December 2023

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

ITEM	AMOUNT	ITEM	AMOUNT
<b>A.3. Other local imposts:</b>		<b>A.4. Miscellaneous local receipts:</b>	
a. Property Taxes and Assessments	2,222,505	a. Interest on investments	2,654
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes		c. Parking Garage Fees	
2. Infrastructure & Impact Fees		d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	0
4. Licenses	0	f. Charges for Services	73,789
5. Specific Ownership &/or Other	232,082	g. Other Misc. Receipts	19,675
6. Total (1. through 5.)	232,082	h. Other lease purchase agreements	0
c. Total (a. + b.)	2,454,587	i. Total (a. through h.)	96,118
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
<b>C. Receipts from State Government</b>		<b>D. Receipts from Federal Government</b>	
1. Highway-user taxes	2,530,091	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	0
a. State bond proceeds		b. FEMA	0
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	0	d. Federal Transit Admin	
d. Other (Specify) Mineral leasing	1,248	e. U.S. Corps of Engineers	
e. Other (Specify) Taylor Grazing	4,428	f. Other Federal	
f. Total (a. through e.)	5,676	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	2,535,767	3. Total (1. + 2.g)	
			(Carry forward to page 1)

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

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
<b>A.1. Capital outlay:</b>			
a. Right-Of-Way Costs			0
b. Engineering Costs			0
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements			0
(3). System Preservation			0
(4). System Enhancement & Operation		0	0
(5). Total Construction (1) + (2) + (3) + (4)	0	0	0
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	0	0
			(Carry forward to page 1)

Notes and Comments:

**Lincoln County**  
**Schedule of Expenditures of Federal Awards**  
**For the year ended December 31, 2023**

<b>GRANT TITLE</b>	<b>FEDERAL ALN</b>	<b>AMOUNT OF AWARD EXPENDED</b>	
<b>DEPARTMENT OF HEALTH &amp; HUMAN SERVICES:</b>			
<b>CCDF Cluster</b>			
CCDF Disc.	Colorado Dept of Human Services	93.575	\$ 36,920
IV-D Administration	Colorado Dept of Human Services	93.563	93,431
Title IV-E FC	Colorado Dept of Human Services	93.658	118,035
Block Grant- Title XX	Colorado Dept of Human Services	93.667	44,793
IV-B Child Care	Colorado Dept of Human Services	93.645	6,849
CO Works- TANF	Colorado Dept of Human Services	93.558	101,738
IV-E Relation Guard	Colorado Dept of Human Services	93.090	816
Coronavirus Relief Funds	Colorado Dept of Human Services	93.747	5,786
IV-E Adoption	Colorado Dept of Human Services	93.659	<u>99,577</u>
			507,945
<b>DEPARTMENT OF HEALTH CARE POLICY &amp; FINANCING</b>			
Medicaid Title XIX	Colorado Dept of Health Care Policy & Fin.	93.778	<u>143,861</u>
			143,861
<b>DEPARTMENT OF PUBLIC HEALTH &amp; ENVIRONMENT</b>			
EPR	Colorado Dept of Public Health & Envir.	93.069	79,517
ELC	Colorado Dept of Public Health & Envir.	93.323	57,164
IMM Core JG20CH	Colorado Dept of Public Health & Envir.	93.268	58,224
COVID-19 and OPHP LPHA	Colorado Dept of Public Health & Envir.	93.354	23,578
OPHP CDC Infrastructure	Colorado Dept of Public Health & Envir.	93.967	21,656
OPHP PBG	Colorado Dept of Public Health & Envir.	93.991	5,117
OPPI program	Colorado Dept of Public Health & Envir.	93.994	<u>4,530</u>
			249,786
<b>U. S. TREASURY</b>			
Colorado Dept of Public Health & Envir	Public Health	21.027	<u>6,750</u>
			6,750
<b>DEPARTMENT OF AGRICULTURE:</b>			
Food Stamp Admin.	Colorado Dept of Human Services	10.561	<u>103,866</u>
			103,866
Women, Infant & Children	Colorado Dept of Public Health & Envir.	10.557	48,562
Special Supplemental Nutrition Program for Women, Infant & Children	Colorado Dept of Public Health & Envir.	10.557	<u>135,874</u>
			184,436
<b>TOTAL FEDERAL FINANCIAL AWARDS</b>			<u><u>\$1,196,644</u></u>

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**NOTE 1: BASIS OF PRESENTATION**

Lincoln County does not use the de minimis indirect cost rate.

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Lincoln County and is presented on the modified accrual basis of accounting.

**Lincoln County Colorado  
Schedule of Findings and Questioned Costs  
December 31, 2023**

**Section I: Summary of Auditor's Results**

***Financial Statements***

Type of auditor's report issued: **Unmodified**

Internal control over financial reporting:

Are any material weaknesses identified?	None Noted
Are any significant deficiencies identified?	None Noted
Is any noncompliance material to financial statements noted?	None Noted

***Federal Awards***

Are any material weaknesses identified?	None Noted
Are any significant deficiencies identified?	None Noted
Type of auditor's report issued on compliance for major federal programs:	<b>Unmodified</b>
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No
Identification of major federal programs:	
Assistance Listing Number (ALN):	Name of federal program:
93.658	Title IV-E FC
93.558	CO Works-TANF
93.778	Medicaid Title XIX
Dollar threshold used to distinguish between type A and type B programs:	\$750,000
Auditee qualified as a low-risk auditee?	Yes

**Section II: Financial Statement Findings**

There are not any findings that are required to be reported.

**Section III: Federal Awards Findings**

There are not any findings that are required to be reported.



*Independent Auditor's Report*

Board of County Commissioners  
Lincoln County  
Hugo CO

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of Lincoln County as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise Lincoln County's basic financial statements, and have issued our report thereon September 4, 2024.

***Report on Internal Control over Financial Reporting***

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

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

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

*r farmer, llc*

*a certified <sup>46</sup> public accounting and consulting firm*

### ***Report on Compliance and Other Matters***

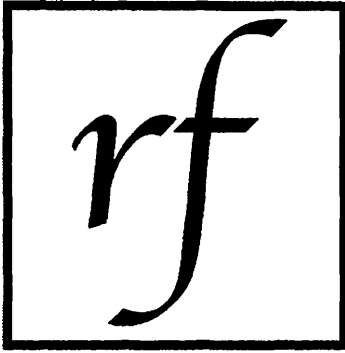
As part of obtaining reasonable assurance about whether Lincoln County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material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

### **Purpose of this Report**

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

*rfarmer, llc*

September 4, 2024



*Independent Auditor's Report*

Board of County Commissioners  
Lincoln County

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

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

We have audited Lincoln County'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 Lincoln County's major federal programs for the year ended December 31, 2023. Lincoln County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Lincoln County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2023.

***Basis for Opinion on Each Major Federal Program***

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

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

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of

*rfarmer, llc*

*a certified<sup>48</sup> public accounting and consulting firm*

laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Lincoln County's federal programs.

### ***Auditor's Responsibilities for the Audit of Compliance***

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

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

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

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

### **Report on Internal Control Over Compliance**

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

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

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

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

*rfarmer, llc*

September 4, 2024