

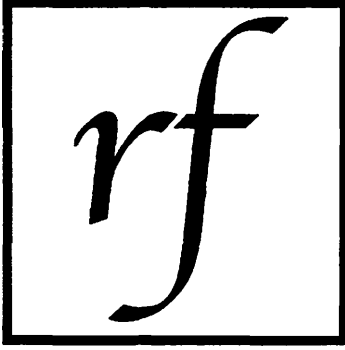
Lincoln County, Colorado
Financial Statements
December 31, 2024

**Lincoln County, Colorado
Table of Contents
December 31, 2024**

	Page
Table of Contents	i
Independent Auditor’s Report	1
Government-Wide Financial Statements:	
Statement of Net Position	4
Statement of Activities	5
Fund Financial Statements:	
Balance Sheet- Governmental Funds	6
Reconciliation of the Governmental Fund Balance Sheet to the Statement of Net Position	7
Statement of Revenues, Expenditures, and Changes in Fund Balances- Governmental Funds	8
Reconciliation of the Statement of Revenues, Expenditures, and Changes In Fund Balances of Governmental Funds to the Statement of Activities	9
Statement of Net Position - Custodial Funds	10
Statement of Changes in Fiduciary Funds - Custodial Funds	11
Notes to the Financial Statements	12
Required Supplementary Information:	
Schedule of Revenues and Expenditures - Budget & Actual - General Fund	29
Schedule of Revenues and Expenditures - Budget & Actual - Road & Bridge Fund	30
Schedule of Revenues and Expenditures - Budget & Actual - Human Services Fund	31
Schedule of Revenues and Expenditures – Budget & Actual – Capital Projects	32
Schedule of Contributions Multiyear – Last 10 Years	33

**Lincoln County, Colorado
Table of Contents
December 31, 2024**

	Page
Supplementary Information:	
Balance Sheet - Other Governmental Funds	34
Statement of Revenues, Expenditures and Changes in Fund Balances - Other Governmental Funds	35
Schedule of Revenues and Expenditures - Budget & Actual - Library Fund	36
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Conservation Trust Fund	37
Schedule of Revenues and Expenditures- Budget & Actual - Emergency 911 Fund	38
Schedule of Revenues and Expenditures - Budget & Actual - Public Health	39
Schedule of Revenues and Expenditures - Budget & Actual - Landfill Fund	40
Schedule of Revenues and Expenditures - Budget & Actual – Lodging Tax Tourism Fund	41
Local Highway Finance Report	42
Schedule of Expenditures of Federal Awards	44
Schedule of Findings and Questioned Costs	45
Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	46
Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance in Accordance with the Uniform Guidance	48



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, 2024, 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, 2024, 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 41 percent, 31 percent, and 65 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 45 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 August 13, 2025, 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

August 13, 2025

Lincoln County
Statement of Net Position
December 31, 2024

	Governmental Activities	Component Unit Lincoln Community Hospital
ASSETS		
Cash and Equivalents	\$ 14,852,072	\$ 4,505,973
Receivables	7,765,294	7,642,509
Inventories	259,827	415,911
Prepaid Expenses	-	292,404
Noncurrent cash	-	309,360
Capital Assets		
Land, construction in progress, right to use assets	109,425	819,909
Construction in progress--Infrastructure	452,380	-
Buildings	9,472,871	7,101,054
Equipment and Furniture	12,755,329	13,166,346
Less: Accumulated Depreciation	(11,873,453)	(10,180,771)
Total Capital Assets	10,916,552	10,906,538
Deferred Outflows of Resources - Pensions	1,156,363	-
Total Assets	34,950,108	24,072,695
LIABILITIES		
Accounts payable and accrued expenses	1,267,961	8,085,613
Unearned Revenues	170,253	-
Long-term liabilities:		
Due within one year:		
Current portion of debt	105,402	743,476
Due in more than one year:		
Long-term debt, excluding current portion above	-	4,641,176
Compensated Absences	360,287	-
Landfill Closure Payable	725,998	-
Net Pension Liability	3,736,520	-
Total Liabilities	6,366,421	13,470,265
Deferred Inflows of Resources - Pensions	656,900	-
Deferred property taxes	6,732,044	1,224,008
Total Deferred Inflow of Resources	7,388,944	1,224,008
NET POSITION		
Investment in capital assets	10,548,123	5,521,886
Restricted for:		
Restricted TABOR	475,000	295,292
Unrestricted	10,171,620	3,561,244
Total net position	\$ 21,194,743	\$ 9,378,422

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

Lincoln County
Statement of Activities
For the Year Ended December 31, 2024

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	Total	
Primary government							
Governmental Activities							
General Government	\$ 5,249,866	\$ 624,279	\$ 540,712	\$ 126,667	\$ (3,958,208)	\$ (3,958,208)	\$ -
Public Safety	3,955,387	188,130	-	-	(3,767,257)	(3,767,257)	-
Highway and Streets	5,676,933	154,085	2,747,733	367,244	(2,407,871)	(2,407,871)	-
Public Health	1,164,440	149,637	567,288	-	(447,515)	(447,515)	-
Culture and Recreation	429,531	-	37,372	-	(392,159)	(392,159)	-
Tourism	174,655	149,943	-	-	(24,712)	(24,712)	-
Public Welfare	3,855,547	-	3,375,253	-	(480,294)	(480,294)	-
Total primary government	<u>20,506,359</u>	<u>1,266,074</u>	<u>7,268,358</u>	<u>493,911</u>	<u>(11,478,016)</u>	<u>(11,478,016)</u>	<u>-</u>
Component Units							
Lincoln Community Hospital	31,849,109	30,132,879	-	2,916,338			1,200,108
Total component units	<u>\$ 31,849,109</u>	<u>\$ 30,132,879</u>	<u>\$ -</u>	<u>\$ 2,916,338</u>			<u>1,200,108</u>
General revenues:							
Taxes:							
Property taxes, levied for general purposes					6,280,397	6,280,397	667,711
SO and sales tax					2,954,219	2,954,219	-
Contributions					-	-	137,381
Unrestricted investment earnings					714,835	714,835	112,417
Miscellaneous					13,594	13,594	-
Special item - gain (loss) on disposition of asset					25,000	25,000	-
Interest Expense					-	-	(310,563)
Transfers					-	-	724,706
Total general revenues, special items, and transfers					<u>9,988,045</u>	<u>9,988,045</u>	<u>1,331,652</u>
Change in net position					<u>(1,489,971)</u>	<u>(1,489,971)</u>	<u>2,531,760</u>
Net position - beginning					22,684,714	22,684,714	6,846,662
Net position - ending					<u>\$ 21,194,743</u>	<u>\$ 21,194,743</u>	<u>\$ 9,378,422</u>

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

**Lincoln County
Balance Sheet
Governmental Funds
December 31, 2024**

	<u>General</u>	<u>Road & Bridge Fund</u>	<u>Human Services Fund</u>	<u>Capital Projects Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS						
Cash and cash equivalents	\$ 4,951,647	\$ 3,301,574	\$ 1,287,047	\$ 3,477,483	\$ 1,834,326	\$ 14,852,077
Taxes receivable, net	4,371,456	1,748,583	355,388	-	262,288	6,737,715
Other receivables	522,163	208,863	200,682	-	95,870	1,027,578
Inventories	8,000	251,827	-	-	-	259,827
Total assets	<u>9,853,266</u>	<u>5,510,847</u>	<u>1,843,117</u>	<u>3,477,483</u>	<u>2,192,484</u>	<u>22,877,197</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	161,056	87,756	42,615	2,480	18,694	312,601
Unearned revenues	-	955,361	170,253	-	-	1,125,614
Total liabilities	<u>161,056</u>	<u>1,043,117</u>	<u>212,868</u>	<u>2,480</u>	<u>18,694</u>	<u>1,438,215</u>
Deferred cash in-flow resources:						
Deferred property taxes	<u>4,371,456</u>	<u>1,748,583</u>	<u>349,717</u>	<u>-</u>	<u>262,288</u>	<u>6,732,044</u>
Fund balances:						
Non-spendable:						
Inventories	8,000	251,827	-	-	-	259,827
Restricted--TABOR	475,000	-	-	-	-	475,000
Unassigned	4,837,754	-	-	-	-	4,837,754
Committed	-	2,467,320	1,280,532	3,475,003	1,911,502	9,134,357
Total fund balances	<u>5,320,754</u>	<u>2,719,147</u>	<u>1,280,532</u>	<u>3,475,003</u>	<u>1,911,502</u>	<u>14,706,938</u>
Total liabilities and fund balances	<u>\$ 9,853,266</u>	<u>\$ 5,510,847</u>	<u>\$ 1,843,117</u>	<u>\$ 3,477,483</u>	<u>\$ 2,192,484</u>	<u>\$ 22,877,197</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, 2024

Total fund balance, governmental funds	\$ 14,706,938
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.	10,916,552
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.	1,156,363
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>(5,585,110)</u>
Net Position of Governmental Activities in the Statement of Net Position	<u>\$ 21,194,743</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, 2024

	General	Road & Bridge Fund	Human Services Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
REVENUES						
Property Taxes	\$ 2,033,613	\$ 2,414,815	\$ 387,090	\$ 338,055	\$ 338,103	\$ 5,511,676
SO Tax	208,428	248,128	41,727	35,100	34,376	567,759
Sales and misc. taxes	2,386,460	-	-	-	149,943	2,536,403
Intergovernmental	425,778	3,100,365	3,375,253	-	636,059	7,537,455
Charges for services	778,235	88,762	-	-	306,345	1,173,342
Investment earnings	690,118	3,599	599	503	20,017	714,836
Miscellaneous	94,414	79,936	1,134	-	5,713	181,197
Total revenues	<u>6,617,046</u>	<u>5,935,605</u>	<u>3,805,803</u>	<u>373,658</u>	<u>1,490,556</u>	<u>18,222,668</u>
EXPENDITURES						
Current:						
General government	4,164,184	82,635	-	14,280	14,012	4,275,111
Public Safety	3,478,615	-	-	-	203,416	3,682,031
Public Works	-	4,883,739	-	-	-	4,883,739
Health and sanitation	26,153	-	-	-	958,741	984,894
Culture and recreation	284,560	-	-	-	69,042	353,602
Tourism	-	-	-	-	174,655	174,655
Client services	-	-	3,881,330	-	-	3,881,330
Capital Outlay	16,207	1,164,231	-	556,083	11,272	1,747,793
Total Expenditures	<u>7,969,719</u>	<u>6,130,605</u>	<u>3,881,330</u>	<u>570,363</u>	<u>1,431,138</u>	<u>19,983,155</u>
Excess (deficiency) of revenues over expenditures	<u>(1,352,673)</u>	<u>(195,000)</u>	<u>(75,527)</u>	<u>(196,705)</u>	<u>59,418</u>	<u>(1,760,487)</u>
OTHER FINANCING SOURCES (USES)						
Proceeds from capital leases	-	105,402	-	-	-	105,402
Total other financing sources and uses	<u>-</u>	<u>105,402</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>105,402</u>
SPECIAL ITEM						
Proceeds from sale of assets	25,000	-	-	-	-	25,000
Net change in fund balances	<u>(1,327,673)</u>	<u>(89,598)</u>	<u>(75,527)</u>	<u>(196,705)</u>	<u>59,418</u>	<u>(1,630,085)</u>
Fund balances - beginning	6,648,427	2,808,745	1,356,059	3,671,708	1,852,084	16,337,023
Fund balances - ending	<u>\$ 5,320,754</u>	<u>\$ 2,719,147</u>	<u>\$ 1,280,532</u>	<u>\$ 3,475,003</u>	<u>\$ 1,911,502</u>	<u>\$ 14,706,938</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, 2024

Net change in fund balances - total governmental funds: \$ (1,630,085)

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 \$1,747,793 is more than depreciation of \$1,379,364 in the current period. 368,429

Governmental funds report debt issued as current financial resources. In contrast, the Statement of Activities treats such issuance of debt as a liability. Governmental funds report repayment of bond principal as an expenditure, In contrast, the Statement of Activities treats such repayments as a reduction in long-term liabilities. (105,402)

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 (110,376)

Pension (expenses) revenues per the actuarial study in a defined benefit plan not reflected in the governmental funds (12,537)

Change in net position of governmental activities \$ (1,489,971)

Lincoln County
Custodial Funds
Statement of Custodial Net Position
December 31, 2024

ASSETS:

Cash and cash equivalents	\$ 17,545,826
Total assets	<u>17,545,826</u>

LIABILITIES:

Due to other governmental units	17,545,826
Total Liabilities	<u>\$ 17,545,826</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, 2024

ADDITIONS:

Collections for other governments

Treasurer	<u>\$ 30,158,240</u>	30,158,240
-----------	----------------------	------------

Collection for the County

Sheriff Inmate account	<u>147,146</u>	147,146
------------------------	----------------	---------

Total additions		<u>30,305,386</u>
-----------------	--	-------------------

DEDUCTIONS:

Disbursements to other governments

Treasurer	<u>(30,591,687)</u>	(30,591,687)
-----------	---------------------	--------------

Disbursements for the County

Sheriff Inmate account	<u>(143,552)</u>	(143,552)
------------------------	------------------	-----------

Total Deductions		<u>(30,735,239)</u>
------------------	--	---------------------

Change in Net Position		(429,853)
------------------------	--	-----------

Net position, beginning of the year		<u>17,975,679</u>
-------------------------------------	--	-------------------

Net position, end of the year		<u><u>\$ 17,545,826</u></u>
-------------------------------	--	-----------------------------

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

Lincoln County, Colorado
Notes to Financial Statements
December 31, 2024

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.

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	10,867,383
COLOTRUST, CSAFE, and CSIP	<u>3,484,694</u>
Total	<u>\$ 14,852,077</u>

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," "CSIP" and "CSAFE."

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

- Credit risk: COLOTRUST Portfolios are rated AAAM by S&P.
- Custodial credit risk: COLOTRUST 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:

	Beginning Balance	Additions	Deletions	Ending Balance
Non-Depreciable Assets:				
Land	\$ 109,425	\$ -	\$ -	\$ 109,425
Total Non-Depreciable Assets	109,425	-	-	109,425
Depreciable Assets:				
Buildings	9,472,351	-	-	9,472,351
Furniture, Fixtures & Equipment	14,473,074	1,747,793	(3,013,158)	13,207,709
Total Depreciable Assets	23,945,425	1,747,793	(3,013,158)	22,680,060
Less: Accumulated Depreciation	(13,506,727)	(1,379,364)	3,013,158	(11,872,933)
Total Depreciable Assets, Net	10,438,698	368,429	-	10,807,127
Total Capital Assets, Net	\$ 10,548,123	\$ 368,429	\$ -	\$ 10,916,552

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

General Government	\$ 264,778
Public Safety	255,244
Highway and Roads	710,561
Health	54,202
Human Services	17,397
Culture and Recreation	77,182
Total Depreciation Expense	\$ 1,379,364

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 \$725,998 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>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Compensated Absences	\$ 318,063	\$ 42,224	\$ -	\$ 360,287	\$ -
Landfill Closure Costs	657,846	68,152	-	725,998	-
Total	<u>\$ 975,909</u>	<u>\$ 110,376</u>	<u>\$ -</u>	<u>\$ 1,086,285</u>	<u>\$ -</u>

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.

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, 2024

A. Expense:

1. Service Cost	\$ 319,390
2. Interest on Total Pension Liability	449,485
3. Current-Period Benefit Changes	-
4. Employee Contributions (made negative for addition here)	(206,816)
5. Projected Earnings on Plan Investments (made negative for addition here)	(239,448)
6. Pension Plan Administrative Expense	9,858
7. Other Changes in Plan Fiduciary Net Position	-
8. Recognition of Outflow (Inflow) of Resources due to Liabilities	(47,931)
9. Recognition of Outflow (Inflow) of Resources due to Assets	107,850
Total Pension Expense	<u>\$ 392,388</u>

Statement of Outflows and Inflows Arising from Current Reporting Period – Fiscal Year Ended December 31, 2024

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

1. Difference between expected and actual experience of the Total Pension Liability (gains) or losses	\$ 656,170
2. Assumption Changes (gains) or losses	\$ 53,802
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	\$ 74,346
5. Outflow (Inflow) of Resources to be recognized in the current pension expense for assumption changes	<u>\$ 6,096</u>
6. Outflow (Inflow) of Resources to be recognized in the current pension expense due to Liabilities	\$ 80,442
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	\$ 581,824
8. Deferred outflow (Inflow) of Resources to be recognized in future pension expenses for assumption changes	<u>\$ 47,706</u>
9. Deferred Outflow (Inflow) of Resources to be recognized in future pension expenses due to Liabilities	<u><u>\$ 629,530</u></u>

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

1. Net Difference between projected and actual earnings on pension plan investments (gains) or losses	\$ (53,158)
2. Recognition period for Assets (in years)	5.0000
3. Outflow (Inflow) of Resources to be recognized in the current pension expense due to Assets	<u>\$ (10,632)</u>
4. Deferred outflow (Inflow) of Resources to be recognized in future pension expenses due to Assets	<u><u>\$ (42,526)</u></u>

Deferred Outflows and Inflows of Resources by Source – Fiscal Year Ended December 31, 2024

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 732,300	\$ 99,196
Changes in assumptions	47,706	395,774
Net difference between projected and actual earnings on pension plan investments	<u>376,357</u>	<u>161,930</u>
Total	<u><u>\$ 1,156,363</u></u>	<u><u>\$ 656,900</u></u>

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

<u>Year Ending December 31</u>	
2025	\$ 77,224
2026	96,080
2027	(33,700)
2028	81,141
2029	62,919
Thereafter	<u>215,739</u>
Total	<u>\$ 499,403</u>

Statement of Changes in Net Pension Liability and Related Ratios – Current Reporting Period – Fiscal Year Ended December 31, 2024

A. Total pension liability:	
1. Service cost	\$ 319,390
2. Interest on the total pension liability	449,485
3. Changes of benefit terms	-
4. Difference between expected and actual experience of the total pension liability	656,170
5. Changes of assumptions	53,802
6. Benefit payments, including refunds of employee contributions	<u>(823,138)</u>
7. Net change in total pension liability	655,709
8. Total pension liability - beginning	<u>6,668,828</u>
9. Total pension liability – ending	<u>\$ 7,324,537</u>
B. Plan fiduciary net position:	
1. Contributions – employer	\$ 379,794
2. Contributions – employee	206,816
3. Net investment income (loss)	292,606
4. Benefit payments, including refunds of employee contributions	(823,138)
5. Pension plan administrative expense	(9,858)
6. Other	-
7. Net change in plan fiduciary net position	<u>46,220</u>
8. Plan fiduciary net position - beginning	<u>3,541,797</u>
9. Plan fiduciary net position – ending	<u>\$ 3,588,017</u>
C. Net pension liability	<u>\$ 3,736,520</u>
D. Plan fiduciary net position as a percentage of the total pension liability	48,99%
E. Covered-employee payroll	\$ 4,703,835
F. Net pension liability as a percentage of covered-employee payroll	79,44%

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

Fiscal Year Ending December 31,	2024	2023	2022	2021	2020	2019	2018	2017
Total pension liability:								
Service cost	319,390	281,072	285,221	283,058	270,848	190,669	300,859	292,096
Interest on the total pension liability	449,485	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	656,170	-	(151,765)	-	318,884	-	47,456	-
Changes of assumptions	53,802	-	-	-	-	-	(1,460,096)	-
Benefit payments, including refunds of employee contributions	(823,138)	(876,194)	(520,772)	(357,866)	(167,701)	(156,358)	(227,946)	(158,720)
Net change in total pension liability	655,709	(139,048)	75,823	368,095	814,072	722,017	(1,085,092)	373,327
Total pension liability - beginning	6,668,828	6,807,876	6,732,053	6,363,958	5,549,886	4,827,869	5,912,961	5,539,634
Total pension liability – ending (a)	7,324,537	6,668,828	6,807,876	6,732,053	6,363,958	5,549,886	4,827,869	5,912,961
Plan fiduciary net position:								
Employer contributions	379,794	366,980	371,989	335,688	343,989	315,716	113,912	113,028
Employee contributions	206,816	195,284	199,793	167,122	170,877	110,360	105,775	104,955
Pension plan net investment income	292,606	399,400	(653,534)	351,090	305,624	427,951	(216,749)	218,049
Benefit payments, including refunds of employee contributions	(823,138)	(876,194)	(520,772)	(357,866)	(167,701)	(156,358)	(227,946)	(158,720)
Pension plan administrative expense	(9,858)	(16,348)	(9,573)	(17,034)	(12,724)	(19,271)	(16,823)	(15,083)
Other	-	-	-	-	-	9,500	-	64,000
Net change in plan fiduciary net position	46,220	69,122	(612,097)	479,000	640,065	687,898	(241,831)	326,229
Plan fiduciary net position - beginning	3,541,797	3,472,675	4,084,772	3,605,772	2,965,707	2,277,809	2,519,640	2,193,411
Plan fiduciary net position – ending (b)	3,588,017	3,541,797	3,472,675	4,084,772	3,605,772	2,965,707	2,277,809	2,519,640
Net pension liability - Ending (a-b)	3,736,520	3,127,031	3,335,201	2,647,281	2,758,186	2,584,179	2,550,060	3,393,321
Plan fiduciary net position as a percentage of the total pension liability	48.99%	53.11%	51.01%	60.68%	56.66%	53.44%	47.18%	42.61%
Covered-employee payroll	4,703,835	4,469,834	4,115,744	4,084,532	3,965,565	3,198,226	3,105,074	3,211,442
Net pension liability as a percentage of covered-employee payroll	79.44%	69.96%	81.04%	64.81%	69.55%	80.80%	82.13%	105.66%

Notes to Schedule of Contributions

Valuation Date: December 31, 2024
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	8 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	Pub-2010 General Below-Median Income Amount-Weighted Healthy Annuitant Tables projected with the Ultimate MP-2020 projection scale.

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.

1% Decrease	Current Single Discount Rate Assumption	1% Increase
6.00%	7.00%	8.00%
<u>\$ 4,415,046</u>	<u>\$ 3,736,520</u>	<u>\$ 3,149,716</u>

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, 2024
Measurement Date of the Net Pension Liability	December 31, 2024
Employer's Fiscal Year Ending Date (Reporting Date)	December 31, 2024

Membership

Number of:	
- Retirees and Beneficiaries	16
- Inactive, Nonretired Members	2
- Active Members	87
- Total	<u>105</u>
Covered Payroll	<u>\$ 4,703,835</u>

Net Pension Liability

Total Pension Liability	\$ 7,324,537
Plan Fiduciary Net Position	<u>3,588,017</u>
Net Pension Liability	<u>3,736,520</u>

Plan Fiduciary Net Position as a Percentage of Total Pension Liability	48.99%
Net Pension Liability as a Percentage of Covered Payroll	79.44%

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*	4.08%
Last year ending December 31 in the 2020 to 2119 projection period for which projected benefit payments are fully funded	2124

Total Pension Expense	<u>\$ 392,388</u>
------------------------------	-------------------

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 \$475,000 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

Required Supplementary Information

Lincoln County
Budget and Actual
General
For the year ended December 31, 2024

	Budgeted Amounts		Actual Amounts, Budgetary Basis
	Original	Final	
REVENUES			
Property Taxes	\$ 2,627,058	\$ 2,627,058	\$ 2,033,613
Sales and miscellaneous taxes	2,500,000	2,500,000	2,386,460
SO Taxes	210,000	210,000	208,428
Intergovernmental	678,150	678,150	425,778
Charges for services	747,384	747,384	778,235
Investment earnings	150,000	150,000	690,118
Miscellaneous	22,300	22,300	94,414
Total revenues	<u>6,934,892</u>	<u>6,934,892</u>	<u>6,617,046</u>
EXPENDITURES			
Current:			
General government	5,522,249	5,522,249	4,164,184
Public Safety	3,540,018	3,540,018	3,478,615
Health and sanitation	33,796	33,796	26,153
Culture and recreation	314,537	314,537	284,560
Capital Outlay	5,000	5,000	16,207
Total Expenditures	<u>9,415,600</u>	<u>9,415,600</u>	<u>7,969,719</u>
Excess (deficiency) of revenues over expenditures	<u>(2,480,708)</u>	<u>(2,480,708)</u>	<u>(1,352,673)</u>
SPECIAL ITEM			
Proceeds from sale capital assets	-	-	25,000
Net change in fund balances	<u>(2,480,708)</u>	<u>(2,480,708)</u>	<u>(1,327,673)</u>
Fund balances - beginning	6,494,949	6,494,949	6,648,427
Fund balances - ending	<u>\$ 4,014,241</u>	<u>\$ 4,014,241</u>	<u>\$ 5,320,754</u>

**Lincoln County
Budget and Actual
Road & Bridge Fund
For the year ended December 31, 2024**

	<u>Budgeted Amounts</u>		<u>Actual Amounts, Budgetary Basis</u>
	<u>Original</u>	<u>Final</u>	
REVENUES			
Property Taxes	\$ 2,264,705	\$ 2,264,705	\$ 2,414,815
Sales and miscellaneous taxes	180,000	180,000	248,128
Intergovernmental	5,709,917	5,709,917	3,100,365
Charges for services	70,000	70,000	88,762
Investment earnings	2,000	2,000	3,599
Miscellaneous	16,000	16,000	79,936
Total revenues	<u>8,242,622</u>	<u>8,242,622</u>	<u>5,935,605</u>
EXPENDITURES			
Current:			
General government	70,000	70,000	82,635
Highways and roads	4,827,028	4,827,028	4,883,739
Capital Outlay	<u>4,928,603</u>	<u>4,928,603</u>	<u>1,164,231</u>
Total Expenditures	<u>9,825,631</u>	<u>9,825,631</u>	<u>6,130,605</u>
Excess (deficiency) of revenues over expenditures	<u>(1,583,009)</u>	<u>(1,583,009)</u>	<u>(195,000)</u>
OTHER FINANCING SOURCES (USES)			
Proceeds from capital leases	-	-	105,402
Transfers in	<u>765,721</u>	<u>765,721</u>	<u>-</u>
Total other financing sources and uses	<u>765,721</u>	<u>765,721</u>	<u>105,402</u>
Net change in fund balances	(817,288)	(817,288)	(89,598)
Fund balances - beginning	<u>2,668,392</u>	<u>2,668,392</u>	<u>2,808,745</u>
Fund balances - ending	<u>\$ 1,851,104</u>	<u>\$ 1,851,104</u>	<u>\$ 2,719,147</u>

**Lincoln County
Budget and Actual
Human Services Fund
For the year ended December 31, 2024**

	Budgeted Amounts		Actual Amounts, Budgetary Basis
	Original	Final	
REVENUES			
Property Taxes	\$ 362,353	\$ 362,353	\$ 387,090
SO Taxes	-	-	41,727
Intergovernmental	3,154,502	3,549,559	3,375,253
Investment earnings	-	-	599
Miscellaneous	34,000	34,000	1,134
Total revenues	<u>3,550,855</u>	<u>3,945,912</u>	<u>3,805,803</u>
EXPENDITURES			
Current:			
Welfare	<u>3,823,611</u>	<u>4,218,667</u>	<u>3,881,330</u>
Total Expenditures	<u>3,823,611</u>	<u>4,218,667</u>	<u>3,881,330</u>
Excess (deficiency) of revenues over expenditures	<u>(272,756)</u>	<u>(272,755)</u>	<u>(75,527)</u>
Net change in fund balances	(272,756)	(272,755)	(75,527)
Fund balances - beginning	1,352,565	1,352,565	1,356,059
Fund balances - ending	<u>\$ 1,079,809</u>	<u>\$ 1,079,810</u>	<u>\$ 1,280,532</u>

**Lincoln County
Budget and Actual
Capital Projects Fund
For the year ended December 31, 2024**

	Budgeted Amounts		Actual Amounts, Budgetary Basis
	Original	Final	
REVENUES			
Property Taxes	\$ 317,059	\$ 317,059	\$ 338,055
Sales and miscellaneous taxes	65,000	65,000	35,100
Intergovernmental	34,850	34,850	-
Investment earnings	500	500	503
Total revenues	<u>417,409</u>	<u>417,409</u>	<u>373,658</u>
EXPENDITURES			
General Government	376,600	376,600	14,280
Capital Outlay	<u>1,055,000</u>	<u>1,055,000</u>	<u>556,083</u>
Total Operating Expenses	<u>1,431,600</u>	<u>1,431,600</u>	<u>570,363</u>
Operating income (loss)	<u>(1,014,191)</u>	<u>(1,014,191)</u>	<u>(196,705)</u>
OTHER FINANCING SOURCES (USES)			
Transfers out	<u>(765,721)</u>	<u>(765,721)</u>	<u>-</u>
Total other financing sources and uses	<u>(765,721)</u>	<u>(765,721)</u>	<u>-</u>
Net change in fund balances	(1,779,912)	(1,779,912)	(196,705)
Fund balances - beginning	<u>3,470,934</u>	<u>3,470,934</u>	<u>3,671,708</u>
Fund balances - ending	<u>\$ 1,691,022</u>	<u>\$ 1,691,022</u>	<u>\$ 3,475,003</u>

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

FYE Ending December 31,	Actuarially Determined Contribution	Actual Contribution*	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a Percentage of Covered Payroll
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	121,055	4,469,834	8.21%
2024	509,567	379,794	129,773	4,703,835	8.07%
2025	659,203	TBD	TBD	TBD	TBD

Supplementary Information

**Lincoln County
Balance Sheet
Other Governmental Funds
December 31, 2024**

	<u>Conservation Trust</u>	<u>Library Fund</u>	<u>Public Health</u>	<u>Emergency 911 Fund</u>	<u>Lodging Tax Tourism Fund</u>	<u>Landfill Fund</u>	<u>Total Governmental Funds</u>
ASSETS							
Cash and cash equivalents	\$ 182,772	\$ 74,085	\$ 155,768	\$ 393,519	\$ 203,340	\$ 824,842	\$ 1,834,326
Taxes receivable, net	-	43,715	43,715	-	-	174,858	262,288
Other receivables	-	-	62,748	13,342	-	19,780	95,870
Total assets	<u>182,772</u>	<u>117,800</u>	<u>262,231</u>	<u>406,861</u>	<u>203,340</u>	<u>1,019,480</u>	<u>2,192,484</u>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable	-	86	10,602	-	-	8,006	18,694
Total liabilities	<u>-</u>	<u>86</u>	<u>10,602</u>	<u>-</u>	<u>-</u>	<u>8,006</u>	<u>18,694</u>
Deferred cash in-flow resources							
Deferred property taxes	-	43,715	43,715	-	-	174,858	262,288
Fund balances:							
Committed	182,772	73,999	207,914	406,861	203,340	836,616	1,911,502
Total fund balances	<u>182,772</u>	<u>73,999</u>	<u>207,914</u>	<u>406,861</u>	<u>203,340</u>	<u>836,616</u>	<u>1,911,502</u>
Total liabilities and fund balances	<u>\$ 182,772</u>	<u>\$ 117,800</u>	<u>\$ 262,231</u>	<u>\$ 406,861</u>	<u>\$ 203,340</u>	<u>\$ 1,019,480</u>	<u>\$ 2,192,484</u>

Lincoln County
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2024

	<u>Conservation Trust</u>	<u>Library Fund</u>	<u>Public Health</u>	<u>Emergency 911 Fund</u>	<u>Lodging Tax Tourism Fund</u>	<u>Landfill Fund</u>	<u>Total-Other Governmental Funds</u>
REVENUES							
Property Taxes	\$ -	\$ 96,617	\$ 48,300	\$ -	\$ -	\$ 193,186	\$ 338,103
SO Taxes	-	9,563	4,963	-	-	19,850	34,376
Lodging Taxes	-	-	-	-	149,943	-	149,943
Intergovernmental	28,872	8,500	598,687	-	-	-	636,059
Charge for services	-	-	-	188,130	-	118,215	306,345
Investment earnings	19,512	145	72	-	-	288	20,017
Miscellaneous	-	-	1,150	-	-	4,563	5,713
Total revenues	<u>48,384</u>	<u>114,825</u>	<u>653,172</u>	<u>188,130</u>	<u>149,943</u>	<u>336,102</u>	<u>1,490,556</u>
EXPENDITURES							
Current:							
General government	-	-	7,479	-	-	6,533	14,012
Public Safety	-	-	-	203,416	-	-	203,416
Health and sanitation	-	-	566,048	-	-	392,693	958,741
Culture and recreation	-	69,042	-	-	-	-	69,042
Tourism	-	-	-	-	174,655	-	174,655
Capital Outlay	-	-	5,247	-	-	6,025	11,272
Total Expenditures	<u>-</u>	<u>69,042</u>	<u>578,774</u>	<u>203,416</u>	<u>174,655</u>	<u>405,251</u>	<u>1,431,138</u>
Excess (deficiency) of revenues over expenditures	<u>48,384</u>	<u>45,783</u>	<u>74,398</u>	<u>(15,286)</u>	<u>(24,712)</u>	<u>(69,149)</u>	<u>59,418</u>
Net change in fund balances	48,384	45,783	74,398	(15,286)	(24,712)	(69,149)	59,418
Fund balances - beginning	134,388	28,216	133,516	422,147	228,052	905,765	1,852,084
Fund balances - ending	<u>\$ 182,772</u>	<u>\$ 73,999</u>	<u>\$ 207,914</u>	<u>\$ 406,861</u>	<u>\$ 203,340</u>	<u>\$ 836,616</u>	<u>\$ 1,911,502</u>

**Lincoln County
Budget and Actual
Library Fund
For the year ended December 31, 2024**

	<u>Budgeted Amounts</u>		<u>Actual Amounts, Budgetary Basis</u>
	<u>Original</u>	<u>Final</u>	
REVENUES			
Property Taxes	\$ 90,588	\$ 90,588	\$ 96,617
SO Taxes	4,500	4,500	9,563
Intergovernmental	-	-	8,500
Investment earnings	-	-	145
Miscellaneous	8,500	8,500	-
Total revenues	<u>103,588</u>	<u>103,588</u>	<u>114,825</u>
EXPENDITURES			
Current:			
Culture and recreation	69,935	69,935	69,042
Capital Outlay	<u>5,000</u>	<u>5,000</u>	<u>-</u>
Total Expenditures	<u>74,935</u>	<u>74,935</u>	<u>69,042</u>
Excess (deficiency) of revenues over expenditures	<u>28,653</u>	<u>28,653</u>	<u>45,783</u>
Net change in fund balances	28,653	28,653	45,783
Fund balances - beginning	<u>24,372</u>	<u>24,372</u>	<u>28,216</u>
Fund balances - ending	<u>\$ 53,025</u>	<u>\$ 53,025</u>	<u>\$ 73,999</u>

**Lincoln County
Budget and Actual
Conservation Trust
For the year ended December 31, 2024**

	Budgeted Amounts		Actual Amounts, Budgetary Basis
	Original	Final	
REVENUES			
Intergovernmental	\$ 30,000	\$ 30,000	\$ 28,872
Investment earnings	2,000	2,000	19,512
Total revenues	<u>32,000</u>	<u>32,000</u>	<u>48,384</u>
EXPENDITURES			
Current:			
Culture and recreation	5,000	5,000	-
Capital Outlay	65,000	65,000	-
Total Expenditures	<u>70,000</u>	<u>70,000</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(38,000)</u>	<u>(38,000)</u>	<u>48,384</u>
Net change in fund balances	(38,000)	(38,000)	48,384
Fund balances - beginning	132,319	132,319	134,388
Fund balances - ending	<u>\$ 94,319</u>	<u>\$ 94,319</u>	<u>\$ 182,772</u>

**Lincoln County
Budget and Actual
Emergency 911 Fund
For the year ended December 31, 2024**

	<u>Budgeted Amounts</u>		<u>Actual Amounts, Budgetary Basis</u>
	<u>Original</u>	<u>Final</u>	
REVENUES			
Charges for services	\$ 201,000	\$ 201,000	\$ 188,130
Miscellaneous	1,000	1,000	-
Total revenues	<u>202,000</u>	<u>202,000</u>	<u>188,130</u>
EXPENDITURES			
Current:			
Public Safety	<u>380,200</u>	<u>380,200</u>	<u>203,416</u>
Total Expenditures	<u>380,200</u>	<u>380,200</u>	<u>203,416</u>
over expenditures	<u>(178,200)</u>	<u>(178,200)</u>	<u>(15,286)</u>
Net change in fund balances	(178,200)	(178,200)	(15,286)
Fund balances - beginning	467,504	467,504	422,147
Fund balances - ending	<u>\$ 289,304</u>	<u>\$ 289,304</u>	<u>\$ 406,861</u>

**Lincoln County
Budget and Actual
Public Health
For the year ended December 31, 2024**

	Budgeted Amounts		Actual Amounts, Budgetary Basis
	Original	Final	
REVENUES			
Property Taxes	\$ 45,294	\$ 45,294	\$ 48,300
SO Taxes	4,500	4,500	4,963
Intergovernmental	528,482	533,453	598,687
Investment earnings	-	-	72
Miscellaneous	5,000	5,000	1,150
Total revenues	<u>583,276</u>	<u>588,247</u>	<u>653,172</u>
EXPENDITURES			
Current:			
General government	9,000	9,000	7,479
Health	630,604	635,575	566,048
Capital Outlay	-	-	5,247
Total Expenditures	<u>639,604</u>	<u>644,575</u>	<u>578,774</u>
Excess (deficiency) of revenues over expenditures	<u>(56,328)</u>	<u>(56,328)</u>	<u>74,398</u>
Net change in fund balances	(56,328)	(56,328)	74,398
Fund balances - beginning	128,200	128,200	133,516
Fund balances - ending	<u>\$ 71,872</u>	<u>\$ 71,872</u>	<u>\$ 207,914</u>

**Lincoln County
Budget and Actual
Landfill Fund
For the year ended December 31, 2024**

	<u>Budgeted Amounts</u>		<u>Actual Amounts, Budgetary Basis</u>
	<u>Original</u>	<u>Final</u>	
REVENUES			
Property Taxes	\$ 181,176	\$ 181,176	\$ 193,186
Sales and miscellaneous taxes	17,000	17,000	19,850
Charge for Services	110,000	110,000	118,215
Investment earnings	200	200	288
Miscellaneous	2,000	2,000	4,563
Total revenues	<u>310,376</u>	<u>310,376</u>	<u>336,102</u>
EXPENDITURES			
General government	6,500	6,500	6,533
Health and Sanitation	506,478	506,478	392,693
Total Operating Expenses	<u>519,478</u>	<u>519,478</u>	<u>405,251</u>
Operating income (loss)	<u>(209,102)</u>	<u>(209,102)</u>	<u>(69,149)</u>
Net change in fund balances	(209,102)	(209,102)	(69,149)
Fund balances - beginning	890,882	890,882	905,765
Fund balances - ending	<u>\$ 681,780</u>	<u>\$ 681,780</u>	<u>\$ 836,616</u>

**Lincoln County
Budget and Actual
Lodging Tax Tourism Fund
For the year ended December 31, 2024**

	<u>Budgeted Amounts</u>		<u>Actual Amounts, Budgetary Basis</u>
	<u>Original</u>	<u>Final</u>	
REVENUES			
Lodging Taxes	\$ 140,000	\$ 140,000	\$ 149,943
Total revenues	<u>140,000</u>	<u>140,000</u>	<u>149,943</u>
EXPENDITURES			
Current:			
Tourism	<u>180,000</u>	<u>180,000</u>	<u>174,655</u>
Total Expenditures	<u>180,000</u>	<u>180,000</u>	<u>174,655</u>
Excess (deficiency) of revenues over expenditures	<u>(40,000)</u>	<u>(40,000)</u>	<u>(24,712)</u>
Net change in fund balances	(40,000)	(40,000)	(24,712)
Fund balances - beginning	172,091	172,091	228,052
Fund balances - ending	<u>\$ 132,091</u>	<u>\$ 132,091</u>	<u>\$ 203,340</u>

LOCAL HIGHWAY FINANCE REPORT	City or County: Lincoln
	YEAR ENDING : December 2024

This Information From The Records Of Lincoln County:	Prepared By: Jacob Piper Phone: 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
A. Receipts from local sources:		A. Local highway disbursements:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	0
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	6,047,970
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	496,069	b. Snow and ice removal	0
3. Other local imposts (from page 2)	2,662,943	c. Other	0
4. Miscellaneous local receipts (from page 2)	277,699	d. Total (a. through c.)	0
5. Transfers from toll facilities		4. General administration & miscellaneous	82,635
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	496,069
a. Bonds - Original Issues		6. Total (1 through 5)	6,626,674
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes	0	1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	
7. Total (1 through 6)	3,436,711	b. Redemption	
B. Private Contributions		c. Total (a. + b.)	0
C. Receipts from State government (from page 2)	3,100,365	2. Notes:	
D. Receipts from Federal Government (from page 2)	0	a. Interest	0
E. Total receipts (A.7 + B + C + D)	6,537,076	b. Redemption	0
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	0
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total disbursements (A.6 + B.3 + C + D)	6,626,674

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)				0
1. Bonds (Refunding Portion)				
B. Notes (Total)	0	0	0	0

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	2,808,745	6,537,076	6,626,674	2,719,147	0

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT

STATE:
Colorado
YEAR ENDING (mm/yy):
December 2024

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments	2,414,815	a. Interest on investments	3,599
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	88,762
5. Specific Ownership &/or Other	248,128	g. Other Misc. Receipts	79,936
6. Total (1. through 5.)	248,128	h. Other lease purchase agreements	105,402
c. Total (a. + b.)	2,662,943	i. Total (a. through h.)	277,699
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	3,094,689	1. FHWA (from Item 1.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)	3,100,365	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)
A.1. Capital outlay:			
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, 2024

GRANT TITLE	FEDERAL ALN	AMOUNT OF AWARD EXPENDED	
DEPARTMENT OF HEALTH & HUMAN SERVICES:			
CCDF Cluster			
CCDF Disc.	Colorado Dept of Human Services	93.575	\$ 31,071
CCDF Match/Mand	Colorado Dept of Human Services	93.596	13,030
IV-D Administration	Colorado Dept of Human Services	93.563	95,667
LEAP	Colorado Dept of Human Services	93.568	964
Title IV-E FC	Colorado Dept of Human Services	93.658	127,307
Block Grant- Title XX	Colorado Dept of Human Services	93.667	46,089
IV-B Child Care	Colorado Dept of Human Services	93.645	2,632
CO Works- TANF	Colorado Dept of Human Services	93.558	89,936
IV-E Relation Guard	Colorado Dept of Human Services	93.090	1,542
IV-E PREV	Colorado Dept of Human Services	93.472	5,039
Kinship	Colorado Dept of Human Services	93.471	8,758
Coronavirus Relief Funds	Colorado Dept of Human Services	93.747	7,121
IV-E Adoption	Colorado Dept of Human Services	93.659	103,625
SLFRF	Colorado Dept of Human Services	21.027	<u>4,522</u>
			537,303
DEPARTMENT OF HEALTH CARE POLICY & FINANCING			
Medicaid Title XIX	Colorado Dept of Health Care Policy & Fin.	93.778	<u>134,585</u>
			134,585
DEPARTMENT OF PUBLIC HEALTH & ENVIRONMENT			
MRC Strong	Colorado Dept of Public Health & Envir.	93.008	4,800
EPR	Colorado Dept of Public Health & Envir.	93.069	26,519
ELC	Colorado Dept of Public Health & Envir.	93.323	39,539
IMM Core JG20CH	Colorado Dept of Public Health & Envir.	93.268	65,092
COVID-19 and OPHP LPHA	Colorado Dept of Public Health & Envir.	93.354	6,971
OPHP CDC Infrastructure	Colorado Dept of Public Health & Envir.	93.967	82,346
OPHP PBG	Colorado Dept of Public Health & Envir.	93.991	10,234
OPPI program	Colorado Dept of Public Health & Envir.	93.994	<u>5,662</u>
			241,163
U. S. DEPARTMENT OF HOMELAND SECURITY			
Federal Emergency Management Agency		97.036	<u>367,244</u>
			367,244
U. S. TREASURY			
Colorado Dept of Public Health & Envir	Public Health	21.027	<u>70,462</u>
			70,462
DEPARTMENT OF AGRICULTURE:			
Food Stamp Admin.	Colorado Dept of Human Services	10.561	<u>111,005</u>
			111,005
Women, Infant & Children	Colorado Dept of Public Health & Envir.	10.557	36,587
Special Supplemental Nutrition Program for Women, Infant & Children	Colorado Dept of Public Health & Envir.	10.557	<u>110,471</u>
			<u>147,058</u>
TOTAL FEDERAL FINANCIAL AWARDS			<u><u>\$1,608,820</u></u>

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

NOTE 1: BASIS OF PRESENTATION

Lincoln County does not use the de minimus 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, 2024**

Section I: Summary of Auditor's Results

Financial Statements

Type of report issued: **Unmodified**

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

Federal Awards

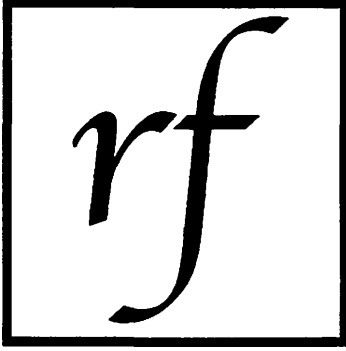
Internal control over major federal programs:			
•Material weakness(es) identified?	___ Yes	_X_ No	
•Significant deficiency(ies) identified?	___ Yes	_X_ None Reported	
Type of auditor's report issued on compliance for major federal programs: Unmodified			
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	___ Yes	_X_ No	
Identification of major federal programs:			
Assistance Listing Number:	21.027 97.036	Name of Federal Program or Cluster:	SLFRF FEMA
Dollar threshold used to distinguish between type A and type B programs:	\$750,000		
Auditee qualified as a low-risk auditee?	_X_ Yes	___ No	

Section II: Financial Statement Findings:

There are not any findings to report.

Section III: Federal Awards Findings:

There are not any findings to report.



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, 2024, and the related notes to the financial statements, which collectively comprise Lincoln County's basic financial statements, and have issued our report thereon August 13, 2025.

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 ⁴⁶ public accounting and consulting firm

Report on Compliance and Other Matters

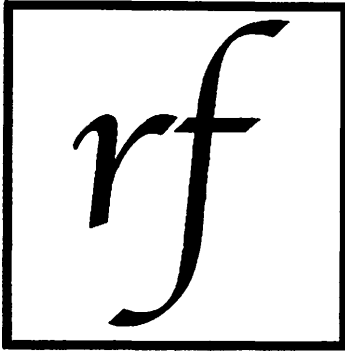
As part of obtaining reasonable assurance about whether Lincoln County’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material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

August 13, 2025



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, 2024. 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, 2024.

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

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

August 13, 2025