

MINERAL COUNTY, COLORADO

FINANCIAL STATEMENTS

December 31, 2024



Wall,
Smith,
Bateman Inc.
Certified Public Accountants

MINERAL COUNTY, COLORADO
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INDEPENDENT AUDITORS' REPORT



Wall,
Smith,
Bateman Inc.

To the Board of County Commissioners
Mineral County, Colorado
Creede, Colorado

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Mineral County, Colorado (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, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County, as of December 31, 2024, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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.

Auditors' 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 Auditors' report that includes our

Certified Public Accountants

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, 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. Our opinions on the basic financial statements are not affected by this missing information.

Accounting principles generally accepted in the United States of America require that major fund budgetary comparison information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate

operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining fund financial schedules, 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*, and the Local Highway Finance Report are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining fund financial schedules, the schedule of expenditures of federal awards, and the Local Highway Finance Report are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 23, 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 the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

Wall, Smith, Bateman Inc.

Wall, Smith, Bateman Inc.
Alamosa, Colorado

May 23, 2025

MINERAL COUNTY, COLORADO
BASIC FINANCIAL STATEMENTS

MINERAL COUNTY, COLORADO
STATEMENT OF NET POSITION
December 31, 2024

	<u>Primary Government</u>		<u>TOTAL</u>
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	
ASSETS			
Current Assets			
Cash and Investments	\$ 4,510,973	\$ 15,246	\$ 4,526,219
Accounts Receivable	26,448	-	26,448
Due from Other Governments	413,080	-	413,080
Property Taxes Receivable	1,459,504	-	1,459,504
Leases Receivable	60,047	-	60,047
Inventories	245,182	34,410	279,592
Total Current Assets	<u>6,715,234</u>	<u>49,656</u>	<u>6,764,890</u>
Noncurrent Assets			
Capital Assets			
Land	870,392	77,300	947,692
Land Improvements	4,473,012	-	4,473,012
Buildings and Improvements	7,290,800	876,859	8,167,659
Equipment	5,434,867	14,438	5,449,305
Infrastructure	635,989	15,974	651,963
Less: Accumulated Depreciation	<u>(8,460,549)</u>	<u>(503,147)</u>	<u>(8,963,696)</u>
Total Noncurrent Assets	<u>10,244,511</u>	<u>481,424</u>	<u>10,725,935</u>
TOTAL ASSETS	<u>16,959,745</u>	<u>531,080</u>	<u>17,490,825</u>
LIABILITIES			
Current Liabilities			
Accounts Payable	101,028	1,638	102,666
Payroll Taxes Payable	(5,271)	(763)	(6,034)
Due to Other Governments	8,934	-	8,934
Unearned Revenue	263,918	-	263,918
Financed Purchase Agreements (Current Portion)	172,747	-	172,747
Compensated Absences (Current Portion)	94,385	-	94,385
Total Current Liabilities	<u>635,741</u>	<u>875</u>	<u>636,616</u>
Noncurrent Liabilities			
Financed Purchase Agreements	272,331	-	272,331
Compensated Absences	46,100	6,718	52,818
Landfill Closure and Postclosure Care Liability	15,000	-	15,000
Total Noncurrent Liabilities	<u>333,431</u>	<u>6,718</u>	<u>340,149</u>
TOTAL LIABILITIES	<u>969,172</u>	<u>7,593</u>	<u>976,765</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenue - Property Tax (Current)	1,459,504	-	1,459,504
Unavailable Revenue - Leases	60,047	-	60,047
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>1,519,551</u>	<u>-</u>	<u>1,519,551</u>
NET POSITION			
Net Investment in Capital Assets	9,784,433	481,424	10,265,857
Restricted for			
TABOR	150,000	-	150,000
Forest Reserve Title III	312,067	-	312,067
Endowment - Nonexpendable	74,476	-	74,476
Unrestricted	<u>4,150,046</u>	<u>42,063</u>	<u>4,192,109</u>
TOTAL NET POSITION	<u>\$ 14,471,022</u>	<u>\$ 523,487</u>	<u>\$ 14,994,509</u>

The accompanying notes are an integral part of this financial statement.

MINERAL COUNTY, COLORADO
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2024

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
		Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Primary Government			
					Governmental Activities	Business-Type Activities	TOTAL	
Primary Government:								
Governmental Activities:								
General Government	\$ 3,076,716	\$ 181,883	\$ 719,505	\$ 1,487,143	\$ (688,185)	\$ -	\$ (688,185)	
Public Safety	878,981	6,243	158,147	8,646	(705,945)	-	(705,945)	
Health and Welfare	579,435	158,381	271,706	-	(149,348)	-	(149,348)	
Highways and Streets	885,769	11,631	939,244	-	65,106	-	65,106	
Auxiliary Services	140,798	64,176	19,824	-	(56,798)	-	(56,798)	
Culture and Recreation	131,831	-	8,146	-	(123,685)	-	(123,685)	
Interest on long-term debt	16,254	-	-	-	(16,254)	-	(16,254)	
Total Governmental Activities	5,709,784	422,314	2,116,572	1,495,789	(1,675,109)	-	(1,675,109)	
Business-Type Activities								
Mining Museum	226,435	167,315	44,035	-	-	(15,085)	(15,085)	
Total Business-Type Activities	226,435	167,315	44,035	-	-	(15,085)	(15,085)	
Total Primary Government	\$ 5,936,219	\$ 589,629	\$ 2,160,607	\$ 1,495,789	(1,675,109)	(15,085)	(1,690,194)	
General Revenues:								
Taxes:								
					1,627,813	-	1,627,813	
					845,691	-	845,691	
					285,020	-	285,020	
					209,621	-	209,621	
					182,277	-	182,277	
					20,304	2,121	22,425	
					-	-	-	
					3,170,726	2,121	3,172,847	
					Change in Net Position	1,495,617	(12,964)	1,482,653
					Net Position - Beginning	12,975,405	536,451	13,511,856
					Net Position - Ending	\$ 14,471,022	\$ 523,487	\$ 14,994,509

The accompanying notes are an integral part of this financial statement.

MINERAL COUNTY, COLORADO
GOVERNMENTAL FUNDS
BALANCE SHEET
December 31, 2024

	GENERAL FUND	ROAD AND BRIDGE FUND	AMBULANCE FUND	NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS					
Cash and Investments	\$ 1,009,575	\$ 2,425,762	\$ 684,567	\$ 391,069	\$ 4,510,973
Accounts Receivable	14,846	-	4,575	7,027	26,448
Due from Other Governments	186,032	48,221	134,500	44,327	413,080
Due from Other Funds	82,152	-	-	-	82,152
Property Taxes Receivable	1,365,257	45,215	-	49,032	1,459,504
Leases Receivable	23,319	-	-	36,728	60,047
Inventory	2,372	219,472	-	23,338	245,182
TOTAL ASSETS	\$ 2,683,553	\$ 2,738,670	\$ 823,642	\$ 551,521	\$ 6,797,386
LIABILITIES AND FUND BALANCE					
LIABILITIES					
Accounts Payable	\$ 134,923	\$ 8,904	\$ 5,067	\$ (47,866)	\$ 101,028
Payroll Taxes Payable	(5,445)	137	37	-	(5,271)
Due to Other Governments	-	-	-	8,934	8,934
Due to Other Funds	-	-	-	82,152	82,152
Unearned Revenue	260,216	-	-	3,702	263,918
TOTAL LIABILITIES	389,694	9,041	5,104	46,922	450,761
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue - Property Tax	1,365,257	45,215	-	49,032	1,459,504
Unavailable Revenue - Leases	23,319	-	-	36,728	60,047
TOTAL DEFERRED INFLOWS OF RESOURCES	1,388,576	45,215	-	85,760	1,519,551
FUND BALANCE					
Nonspendable:					
Inventory	2,372	219,472	-	23,338	245,182
Permanent Fund - Nonexpendable	-	-	-	74,476	74,476
Restricted:					
Tabor Amendment Reserve	150,000	-	-	-	150,000
Forest Service - Title III	-	312,067	-	-	312,067
Committed:					
Contingencies	101,451	-	-	-	101,451
Capital Projects	200,000	329,864	-	-	529,864
Highways and Streets	-	1,823,011	-	-	1,823,011
Health and Welfare	-	-	818,538	146,331	964,869
Culture and Recreation	-	-	-	164,588	164,588
Mining Claims	-	-	-	10,000	10,000
Search and Rescue	273,559	-	-	-	273,559
Airport	-	-	-	106	106
Unassigned	177,901	-	-	-	177,901
TOTAL FUND BALANCE	905,283	2,684,414	818,538	418,839	4,827,074
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	\$ 2,683,553	\$ 2,738,670	\$ 823,642	\$ 551,521	\$ 6,797,386

The accompanying notes are an integral part of this financial statement.

MINERAL COUNTY, COLORADO
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO THE STATEMENT OF NET POSITION
December 31, 2024

Total governmental fund balances	\$ 4,827,074
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	10,244,511
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	
Financed Purchase Agreements	(445,078)
Landfill Closure and Postclosure Care Liability	(15,000)
Compensated Absences	<u>(140,485)</u>
Net position of governmental activities	<u><u>\$ 14,471,022</u></u>

The accompanying notes are an integral part of this financial statement.

MINERAL COUNTY, COLORADO
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
For the Year Ended December 31, 2024

	GENERAL FUND	ROAD AND BRIDGE FUND	AMBULANCE FUND	NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES					
Taxes	\$ 2,309,029	\$ 42,706	\$ 218,141	\$ 188,648	\$ 2,758,524
Intergovernmental Revenue	2,291,562	886,054	15,834	487,110	3,680,560
Licenses and Permits	51,359	-	-	-	51,359
Charges for Services	246,468	11,631	85,970	42,814	386,883
Other	216,698	78,070	17,955	15,352	328,075
TOTAL REVENUES	5,115,116	1,018,461	337,900	733,924	7,205,401
EXPENDITURES					
Current Expenditures					
General Government	2,568,277	125,226	-	120,645	2,814,148
Public Safety	720,963	-	-	-	720,963
Highways and Streets	-	698,715	-	-	698,715
Health and Welfare	-	-	148,795	219,643	368,438
Culture and Recreation	-	-	-	131,831	131,831
Auxiliary Services	140,798	-	-	-	140,798
Capital Outlay	1,535,466	-	8,314	222,740	1,766,520
Debt Service	40,446	50,920	-	-	91,366
TOTAL EXPENDITURES	5,005,950	874,861	157,109	694,859	6,732,779
Excess (deficiency) of revenues over expenditures	109,166	143,600	180,791	39,065	472,622
OTHER FINANCING SOURCES (USES)					
Transfers In	-	-	-	41,892	41,892
Transfers Out	(24,000)	(17,892)	-	-	(41,892)
Debt Proceeds	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	(24,000)	(17,892)	-	41,892	-
Net Change in Fund Balances	85,166	125,708	180,791	80,957	472,622
Fund Balance at beginning of year	820,117	2,558,706	637,747	337,882	4,354,452
Fund Balance at end of year	\$ 905,283	\$ 2,684,414	\$ 818,538	\$ 418,839	\$ 4,827,074

The accompanying notes are an integral part of this financial statement.

MINERAL COUNTY, COLORADO
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2024

Net change in fund balances - total governmental funds \$ 472,622

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

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

Capital Asset Additions	\$ 1,882,086	
Capital Asset Deletions Net of Accumulated Depreciation	(4,170)	
Depreciation Expense	<u>(923,095)</u>	
		954,821

Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. This is the activity in debt in the current period.

Financed Purchase Agreements Principal Payments		75,112
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Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Compensated Absences		<u>(6,938)</u>
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Change in net position of governmental activities		<u><u>\$ 1,495,617</u></u>
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MINERAL COUNTY, COLORADO
PROPRIETARY FUND
STATEMENT OF NET POSITION
December 31, 2024

	MINING MUSEUM FUND
ASSETS	
Current Assets	
Cash	\$ 15,246
Inventories	34,410
Total Current Assets	49,656
Noncurrent Assets	
Capital Assets	
Land	77,300
Buildings	876,859
Equipment	14,438
Infrastructure	15,974
Less: Accumulated Depreciation	(503,147)
Total Noncurrent Assets	481,424
TOTAL ASSETS	531,080
LIABILITIES	
Current Liabilities	
Accounts Payable	1,638
Payroll Taxes Payable	(763)
Due to Other Funds	-
Total Current Liabilities	875
Noncurrent Liabilities	
Compensated Absences Payable	6,718
Total Noncurrent Liabilities	6,718
TOTAL LIABILITIES	7,593
NET POSITION	
Net Investment in Capital Assets	481,424
Unrestricted	42,063
TOTAL NET POSITION	\$ 523,487

The accompanying notes are an integral part of this financial statement.

MINERAL COUNTY, COLORADO
PROPRIETARY FUND - MINING MUSEUM FUND
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION
For the Year Ended December 31, 2024

	MINING MUSEUM FUND
OPERATING REVENUES	
Charges for Services	
Museum Tour Revenue	\$ 84,559
Museum Gift Shop Revenue	56,166
Community Center Events	26,590
	167,315
Total Charges for Services	167,315
Total Operating Revenues	167,315
OPERATING EXPENSES	
Salaries	87,193
Fringe Benefits	27,927
Supplies & Equipment	32,852
Professional Fees	3,225
Utilities	15,081
Depreciation Expense	31,553
Office Expense	18,426
Event Expense	9,630
Miscellaneous	548
	226,435
Total Operating Expenses	226,435
Operating Income (Loss)	(59,120)
NONOPERATING REVENUES (EXPENSES)	
Other	
Intergovernmental Revenue	25,803
Donations	18,232
Miscellaneous	2,121
	46,156
Total Nonoperating Revenues (Expenses)	46,156
OPERATING TRANSFERS	
Transfers In	-
Changes in Net Position	(12,964)
Net Position Beginning of Year	536,451
Net Position End of Year	\$ 523,487

The accompanying notes are an integral part of this financial statement.

MINERAL COUNTY, COLORADO
PROPRIETARY FUND
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2024

	MINING MUSEUM FUND
CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash received from customers	\$ 167,315
Cash payments to suppliers for goods and services	(84,828)
Cash payments to employees for services	(113,397)
	(30,910)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	(30,910)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:	
Cash received (payments) from other activities	20,353
Cash received from grantors	25,803
Cash received (payments) on interfund borrowing	-
	-
NET CASH PROVIDED (USED) BY NON-CAPITAL FINANCING ACTIVITIES	46,156
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Cash paid to purchase capital assets	-
	-
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	-
CASH FLOWS FROM INVESTING ACTIVITIES	-
Net Increase (Decrease) in Cash and Cash Equivalents	15,246
Cash and Cash Equivalents, Beginning of Year	-
Cash and Cash Equivalents, End of Year	\$ 15,246
Operating Income (Loss)	\$ (59,120)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:	
Depreciation Expense	31,553
(Increase) Decrease in Inventories	(3,790)
Increase (Decrease) in Checks in Excess of Deposits	-
Increase (Decrease) in Accounts Payable and Payroll Taxes Payable	(1,276)
Increase (Decrease) in Compensated Absences Payable	1,723
	28,210
Total Adjustments	28,210
Net Cash Provided (Used) by Operating Activities	\$ (30,910)

The accompanying notes are an integral part of this financial statement.

MINERAL COUNTY, COLORADO
FIDUCIARY FUNDS
STATEMENT OF NET POSITION
December 31, 2024

	<u>CUSTODIAL FUNDS</u>			PRIVATE- PURPOSE	TOTAL
	<u>COUNTY TREASURER</u>	<u>COUNTY CLERK</u>	<u>PUBLIC TRUSTEE</u>	<u>TRUST FUND</u>	
ASSETS					
Cash and Cash Equivalents	\$ 199,933	\$ 27,201	\$ 101	\$ 889,706	\$ 1,116,941
Property Tax Receivable	2,399,494	-	-	-	2,399,494
TOTAL ASSETS	<u>2,599,427</u>	<u>27,201</u>	<u>101</u>	<u>889,706</u>	<u>3,516,435</u>
LIABILITIES					
Funds Held for Others	61,326	27,201	101	-	88,628
Due to Other Governments	-	-	-	-	-
TOTAL LIABILITIES	<u>61,326</u>	<u>27,201</u>	<u>101</u>	<u>-</u>	<u>88,628</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue - Property Tax	2,399,494	-	-	-	2,399,494
NET POSITION					
Restricted for:					
Individuals, Organizations, and Other Governments	138,607	-	-	889,706	1,028,313
TOTAL NET POSITION	<u>\$ 138,607</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 889,706</u>	<u>\$ 1,028,313</u>

MINERAL COUNTY, COLORADO
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
December 31, 2024

	CUSTODIAL FUNDS			PRIVATE- PURPOSE	TOTAL
	COUNTY TREASURER	COUNTY CLERK	PUBLIC TRUSTEE	TRUST FUND	
ADDITIONS					
Tax Collections for Other Governments	\$ 3,245,642	\$ -	\$ -	\$ -	\$ 3,245,642
Public Trustee Activity	-	-	638	-	638
County Clerk Collections	332,178	817,967	-	-	1,150,145
Miscellaneous	-	-	-	50,314	50,314
Total Additions	<u>3,577,820</u>	<u>817,967</u>	<u>638</u>	<u>50,314</u>	<u>4,446,739</u>
DEDUCTIONS					
Taxes and Miscellaneous Disbursement	3,245,642	-	-	-	3,245,642
Public Trustee Disbursements	-	-	638	-	638
County Clerk Disbursements	252,648	817,967	-	-	1,070,615
Miscellaneous	-	-	-	-	-
Total Deductions	<u>3,498,290</u>	<u>817,967</u>	<u>638</u>	<u>-</u>	<u>4,316,895</u>
Net Increase (Decrease) in Net Position	79,530	-	-	50,314	129,844
Net Position - Beginning of the Year	<u>59,077</u>	<u>-</u>	<u>-</u>	<u>839,392</u>	<u>898,469</u>
Net Position - End of the Year	<u>\$ 138,607</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 889,706</u>	<u>\$ 1,028,313</u>

MINERAL COUNTY, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

REPORTING ENTITY

Primary Government

Mineral County was created as a quasi-municipal corporation by the legislature for the purpose of exercising a part of the political power of the State of Colorado. The County provides the following services: general administration, property tax collection and distribution, public safety (sheriff), land use planning and regulations, highways and streets, health and welfare, and culture and recreation.

The accounting policies of Mineral County conform to U.S. generally accepted accounting principles as applicable to governments. The following is a summary of the more significant accounting policies:

Component Units

The County's combined financial statements include the accounts of all County operations. The criteria for including organizations as component units within the County's reporting entity, as set forth in Section 2100 of GASB's *Codification of Governmental Accounting and Financial Reporting Standards*, include whether:

- The organization is legally separate (can sue and be sued in their own name)
- The County holds the corporate powers of the organization
- The County appoints a voting majority of the organization's board
- The County is able to impose its will on the organization
- The organization has the potential to impose a financial benefit/burden on the County
- There is fiscal dependency by the organization on the County
- The organization is financially accountable to the County
- The organization receives or holds funds that are for the benefit of the County; and the County has access to a majority of the funds held; and the funds that are accessible are also significant to the County

Based on the aforementioned criteria, the County does not have any component units.

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements include the statement of net position and the statement of activities. Government-wide statements report information on all of the activities of the County and its component units, except for the County fiduciary activity. The effect of interfund transfers has been removed from the government-wide statements but continues to be reflected in the fund statements. Mainly taxes and intergovernmental revenues support governmental activities.

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

MINERAL COUNTY, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2024

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

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

MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

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

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. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are generally 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.

Sales and use taxes, other taxes, charges for services, intergovernmental revenues, and interest are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the County.

The County reports the following major governmental funds:

- The **General Fund** is the general operating fund of the County. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- The **Road and Bridge Fund** is used to account for the maintenance and improvements of streets and highways. The sources of funds include property taxes, highway users fees, and other revenue sources.
- The **Ambulance Fund** is used to collect payments and provide ambulance services to citizens of the County.

Proprietary fund financial statements are used to account for activities, which are similar to those often found in the private sector. The measurement focus is based upon determination of net income, financial position, and cash flows. The County's proprietary fund is the Mining Museum Fund. The revenue for the Mining Museum Fund comes from admission to the museum, gift shop sales, community room rental fees, and liquor sales. Expenses incurred are for the purchase of supplies, salaries, benefits, and office expenses.

The Proprietary funds are accounted for using the accrual basis of accounting as follows:

- Revenues are recognized when earned, and expenses are recognized when the liabilities are incurred.

MINERAL COUNTY, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2024

- Current-year contributions, administrative expenses, and premium payments, which are not received or paid until the subsequent year, are accrued.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the County's own programs. The fiduciary fund financial statements consist of custodial funds and the Whitney Newton Private-Purpose Trust Fund, that are fiduciary in nature and present changes in fiduciary net position. Fiduciary funds are accounted for using the economic resources measurement and accrual basis of accounting. These funds are used to account for assets that the County holds for others in a fiduciary capacity.

The County reports the following custodial funds:

- The *County Treasurer Fund* accounts for monies collected (principally tax collections) by the Mineral County Treasurer for various local government entities within the County.
- The *Clerk and Recorder Fund* accounts for the receipt and disbursement of revenues received by the clerk and recorder office for disbursement to other governments and recording funds to be used by the clerk and recorder.
- The *Public Trustee Fund* was established to account for expenditures for the Public Trustee's Office. The Public Trustee is appointed by the Governor of Colorado for a four-year term. This office administers foreclosures including issuance of Public Trustee deeds, cure of default and lien redemptions.

The County reports the following private-purpose trust fund:

- The County holds and administers the Whitney Newton Trust Fund in a fiduciary capacity based on trust arrangements.

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regards to interfund activities, payables, and receivables. All internal balances in the statement of net position have been eliminated.

ASSETS, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION / FUND BALANCE

Cash

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

Investments

All investments, if any, are recorded at fair market value.

Property Taxes

Property taxes attach as an enforceable lien on property as of January 1 each year. The taxes are payable in two installments on February 28 and June 15 or in full on April 30. The County Treasurer bills and collects all property taxes for the County. Property tax revenue is recognized by the County to the extent it results in a current receivable.

MINERAL COUNTY, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2024

The 2024 property tax levy due January 1, 2025, has been recorded in the financial statements as a receivable and a corresponding deferred inflows of resources.

Receivables/Payables From Other County Funds

Balances that originate from current lending/borrowing arrangements between funds are referred to as “Due To/From Other Funds.”

Inventories and Prepaid Items

Inventory in the Road and Bridge Fund and the Airport Fund are stated at cost and consists of expendable supplies held for use. Inventory in the Mining Museum Fund is stated at cost and consists of expendable supplies held for resale. The cost value of all other inventories has been recorded as an expenditure at the time the individual inventory items were purchased. Inventory policy on government-wide statements is consistent with the fund statements.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

Capital Assets

Capital Assets, which include land, construction in progress, buildings and improvements, equipment, and infrastructure (e.g. roads, bridges, sidewalks, underground pipe, traffic signals, and similar items), are reported in the applicable governmental and business-type activities columns in the government-wide financial statements. The County defines capital assets as assets with an initial, individual cost of more than \$5,000. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The Mining Museum has received numerous donations of historical mining objects to be used for display. It has been determined that there is no objective measurable basis for determining a fair value for these items. Therefore, no value for these items has been recorded in the financial statements.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

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

Assets	Years
Land Improvements	20
Buildings	10-60
Equipment	3-30
Infrastructure	15-20

Leases

Lessor: The County recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

At the commencement of a lease, the County initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflows of resources is initially measured as the initial amount of the lease

MINERAL COUNTY, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2024

receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflows of resources is recognized as revenues over the life of the lease term.

Key estimates and judgments include how the County determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The County uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The County monitors changes in circumstance that would require a remeasurement of its lease, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

Long-Term Obligations

Long-term debt and other long-term obligations are recorded as liabilities in the government-wide financial statements. In the fund financial statements for governmental fund types, debt proceeds are reported as an other financing source and debt payments are reported as debt service expenditures.

Compensated Absences

County employees may earn and accumulate unused vacation and sick leave benefits. All vacation and sick leave pay is accrued when incurred in the government-wide financial statements. A liability is reported in governmental funds only if they have matured, for example, as a result of employee resignations or retirements. Accrued vacation and sick leave is paid upon separation.

Unearned Revenue

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

Deferred Inflows of Resources

In addition to liabilities, the statement of net position and governmental funds balance sheet report a separate section of deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future periods and will not be recognized as an inflow of resources (revenue) until that time.

Encumbrances

The County does not record purchase orders in the accounting system until invoices are ready for payment. Unfulfilled purchase commitments outstanding at the end of the budget year are rebudgeted in the succeeding year. End of the year fund balance intended to be used in the succeeding year is reported as assigned fund balance.

MINERAL COUNTY, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2024

Net Position

Net position represents the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources. Net position should be displayed in the following three components:

- *Net investment in capital assets* – consists of capital assets, net accumulated depreciation, reduced by the outstanding balances of any borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt should be included in this component of net position.
- *Restricted* – consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Restricted assets consist of assets that have limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.
- *Unrestricted* – consists of the net amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted components of net position.

Fund Balance

Fund balances are reported based on the extent to which the County is bound to honor constraints for the specific purpose on which amounts in the fund can be spent. Fund balances are classified in one of the following five categories:

- *Nonspendable Fund Balance* – are amounts that cannot be spent because they are not in spendable form—such as inventory, prepaid expenditures, or are legally or contractually required to be maintained intact.
- *Restricted Fund Balance* – are restricted when constraints placed on the use of resources are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.
- *Committed Fund Balance* – are amounts that can only be used for specific purposes as a result of constraints imposed by the Board of County Commissioners, the highest level of decision making authority, through resolution or ordinance. Committed amounts cannot be used for any other purpose unless the Board removes those constraints by taking the same type of action. Committed fund balances differ from restricted balances because the constraints on their use do not come from outside parties, constitutional provisions, or enabling legislation.
- *Assigned Fund Balance* – are amounts a government intends to use for a specific purpose; intent can be expressed by the Board of County Commissioners or by an official or body to which the governing body delegates the authority.
- *Unassigned Fund Balance* – are amounts that are available for any purpose; these amounts are reported only in the General Fund.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance/net position is available, the County considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, and unassigned fund balances are available, the County considers amounts to have been spent

MINERAL COUNTY, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2024

first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board of County Commissioners has provided otherwise in its commitment or assignment actions.

Use of Estimates

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

New Accounting Pronouncement

During fiscal year 2024, the County adopted the provisions of GASB Statement No. 101, *Compensated Absences*, that aligns the recognition and measurement guidance for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means under a unified model. In addition, it amended certain previously required disclosures. There is no effect on beginning net position as a result of the implementation of this standard.

NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgets and Budgetary Accounting

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

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

Formal budgetary integration is employed as a management control device for all funds of the County. All budgets are adopted on a basis consistent with U.S. generally accepted accounting principles (GAAP). The County adopted a budget for all funds except Mining Claims Fund. No actual expenditures were reported in 2024.

The total expenditures for each fund cannot exceed the budgeted amount unless a supplemental appropriation is adopted. The Board of County Commissioners adopted supplemental appropriations during 2024. All budget amounts presented in the accompanying supplementary information reflect the original budget and the final amended budget.

MINERAL COUNTY, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2024

NOTE 3 CASH, DEPOSITS, AND INVESTMENTS

A summary of cash and investments for the County are as follows:

Cash on hand	\$ 201
Cash deposited with banks	1,394,516
Investments- Whitney Newton Trust certificates of deposit	889,706
Investments- COLOTrust	3,358,737
Total cash, deposits, and investments: (book balance)	5,643,160
Less: amounts related to Fiduciary Funds	(1,116,941)
Total cash, deposits, and investments	\$ 4,526,219

Cash and Deposits

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

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized in accordance with the PDPA. PDPA allows the institution to create a single collateral pool for all public funds to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to the aggregate uninsured deposits. All deposits made by the County Treasurer in 2024 were done so in eligible public depositories, as defined by the Public Deposit Protection Act of 1989.

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the County’s deposits may not be returned to it. The County does not have a deposit policy for custodial credit risk. At December 31, 2024, \$452,557 was exposed to custodial credit risk. Deposits exposed to credit risk are collateralized with securities held by the pledging financial institutions through PDPA.

Restricted Cash

Cash and investments of \$109,063 in the General Fund are restricted for the closure and post-closure liability related to the Mineral County Landfill.

Investments

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local government entities may invest. They include:

- Obligations of the United States and certain U.S. Government agency securities
- Certain international agency securities
- General obligation and revenue bonds of U.S. local government entities
- Bankers’ acceptances of certain banks
- Commercial paper
- Local government investment pools

MINERAL COUNTY, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2024

- Repurchase agreements
- Money market funds
- Guaranteed investment contracts
- Corporate or bank debt issued by eligible corporations or banks

Custodial Credit Risk – Investments

The County does not have a formal investment policy, they refer to Colorado State Statutes for investment guidance, which calls for diversification within the portfolio to avoid unreasonable risks inherent in over investing in specific instruments, individual financial institutions, or maturities. As of December 31, 2024, the local government investment pools (ColoTrust) in which the County had invested were rated AAAM.

The Whitney Newton Trust funds are invested in cash funds with an investment company. At December 31, 2024, \$0 was exposed to custodial credit risk. The limit of Securities Investor Protection Corporation (SIPC) is \$500,000, which includes a \$250,000 limit for cash.

Interest Rate Risk

Colorado Revised Statutes limit investment maturities to five years or less from the date of purchase. This limit on investment maturities is a means of limiting exposure to fair values arising from increasing interest rates.

Fair Value

Fair value investments classified at Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Fair value investments classified as Level 2 of the fair value hierarchy are valued using the active market rates for the underlying securities. Fair value investments classified as Level 3 of the fair value hierarchy are valued using non-observable inputs.

Colorado Government Liquid Asset Trust (ColoTrust) is an investment vehicle established for local government entities in Colorado pursuant to Part 7 of Article 75 of Title 24 of the Colorado Revised Statutes, to pool surplus funds for investment purposes. ColoTrust operates similarly to a money market fund and each share is equal in value to \$1.00. The fair value of the position in the pool is the same as the value of the pool shares. The designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. Substantially all securities owned by the pool are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by the pool. Investments of the pools consist of U.S. Treasury bills, notes and note strips, and repurchase agreements collateralized by U.S. Treasury Notes. ColoTrust is rated AAAM by Standard and Poor's.

NOTE 4 PROPERTY TAXES RECEIVABLE

At December 31, 2024, the County had an estimated property tax receivable as follows:

General Fund	\$ 1,365,257
Road and Bridge Fund	45,215
Public Welfare Fund	49,032
	<hr/>
	\$ 1,459,504
	<hr/>

MINERAL COUNTY, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2024

NOTE 5 ACCOUNTS RECEIVABLE

Accounts receivable at December 31, 2024, consisted of the following:

<i>Governmental Activities</i>	
General Fund	\$ 14,846
Ambulance Fund	4,575
Public Welfare Fund	<u>7,027</u>
Total Accounts Receivable, Net	<u><u>\$ 26,448</u></u>

NOTE 6 SOCIAL SERVICES

The Mineral County Department of Social Services is operated by the Rio Grande County Department of Social Services. Therefore, the State Department of Social Service remits the Mineral County Funds directly to Rio Grande County. Rio Grande County bills Mineral County for the applicable program liabilities and management fees.

NOTE 7 INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Interfund Receivables and Payables

The County reports interfund balances between many of its funds. The balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. Interfund balances are generally expected to be repaid within one year of the financial statement date.

Interfund receivables and payables for the year ended December 31, 2024 consisted of the following:

Receivable Fund	Payable Fund	Amount
General Fund	Airport Fund	<u><u>\$ 82,152</u></u>

Interfund Transfers

Interfund transfers for the year ended December 31, 2024 consisted of the following:

Transfers In	Transfers Out	Amount
Search and Rescue	General Fund	\$ 5,000
Airport Fund	Road and Bridge Fund	17,892
Airport Fund	General Fund	<u>24,000</u>
		<u><u>\$ 46,892</u></u>

The General Fund and Road and Bridge Fund transferred funds into the Search and Rescue and Airport funds to subsidize the fund and provide matching (in-kind) for the grant, respectively.

MINERAL COUNTY, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2024

NOTE 8 LEASES RECEIVABLE

The County is the lessor for multiple hangers at the County airport and the dental clinic office space. The lease terms are five to twenty-five years, including the noncancellable period of the lease and extensions the County is reasonably certain to exercise with each contract. The airport hangar lease agreements allow for a 1.5% annual increase to the lease payments on the anniversary of the agreement. The dental clinic lease agreement allows for a 2% annual increase to the lease payments on the anniversary of the agreement. During the year ended December 31, 2024, the County recorded \$10,946 in lease revenue and \$2,226 in interest income related to these agreements.

At December 31, 2024, the County recorded \$60,047 in lease receivables for these arrangements. Also, the County has a deferred inflows of resources associated with these leases that will be recognized as revenue over the lease terms. As of December 31, 2024 the balance of deferred inflows was \$60,047.

A summary of the lease receivable schedule at December 31, 2024 was as follows:

	Principal	Interest	Total
2025	\$ 15,578	\$ 1,834	\$ 17,412
2026	12,250	1,418	13,668
2027	2,455	1,146	3,601
2028	2,597	1,059	3,656
2029	2,744	966	3,710
2030-2034	9,488	3,579	13,067
2035-2039	7,270	2,075	9,345
2040-2044	6,333	902	7,235
2045	1,332	47	1,379
	\$ 60,047	\$ 13,026	\$ 73,073

MINERAL COUNTY, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2024

NOTE 9 CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2024, was as follows:

	Balance 12/31/2023	Additions	Deletions	Balance 12/31/2024
<i>Governmental Activities</i>				
Capital assets not being depreciated				
Land	\$ 870,392	\$ -	\$ -	\$ 870,392
Construction in Progress	-	-	-	-
Total capital assets not being depreciated	<u>870,392</u>	<u>-</u>	<u>-</u>	<u>870,392</u>
Capital assets being depreciated				
Land Improvements	4,433,012	40,000	-	4,473,012
Buildings and Improvements	5,895,346	1,395,454	-	7,290,800
Equipment	5,245,585	230,987	41,705	5,434,867
Infrastructure	420,344	215,645	-	635,989
Total capital assets being depreciated	<u>15,994,287</u>	<u>1,882,086</u>	<u>41,705</u>	<u>17,834,668</u>
Less: accumulated depreciation for:				
Land Improvements	1,101,201	188,651	-	1,289,852
Buildings and Improvements	2,637,100	271,253	-	2,908,353
Equipment	3,650,908	420,609	37,535	4,033,982
Infrastructure	185,780	42,582	-	228,362
Total accumulated depreciation	<u>7,574,989</u>	<u>923,095</u>	<u>37,535</u>	<u>8,460,549</u>
Total capital assets being depreciated, net	<u>8,419,298</u>	<u>958,991</u>	<u>4,170</u>	<u>9,374,119</u>
Governmental Activities Capital Assets, net	<u>\$ 9,289,690</u>	<u>\$ 958,991</u>	<u>\$ 4,170</u>	<u>\$ 10,244,511</u>
	Balance 12/31/2023	Additions	Deletions	Balance 12/31/2024
<i>Business-type Activities</i>				
Capital assets not being depreciated				
Land	\$ 77,300	\$ -	\$ -	77,300
Total capital assets not being depreciated	<u>77,300</u>	<u>-</u>	<u>-</u>	<u>77,300</u>
Capital assets being depreciated				
Buildings and Improvements	876,859	-	-	876,859
Equipment	14,438	-	-	14,438
Infrastructure	15,974	-	-	15,974
Total capital assets being depreciated	<u>907,271</u>	<u>-</u>	<u>-</u>	<u>907,271</u>
Less: accumulated depreciation	<u>471,594</u>	<u>31,553</u>	<u>-</u>	<u>503,147</u>
Total capital assets being depreciated, net	<u>435,677</u>	<u>(31,553)</u>	<u>-</u>	<u>404,124</u>
Business-type Activities Capital Assets, net	<u>\$ 512,977</u>	<u>\$ (31,553)</u>	<u>\$ -</u>	<u>\$ 481,424</u>

MINERAL COUNTY, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2024

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

<i>Governmental activities:</i>	
General Government	\$ 367,026
Public Safety	158,018
Highways and Streets	187,054
Health and Welfare	210,997
	<u>\$ 923,095</u>
 <i>Business-type activities:</i>	
Mining Museum	<u>\$ 31,553</u>

NOTE 10 LONG-TERM LIABILITIES

Changes in Long-term Liabilities

Long-term liability activity for the year ended December 31, 2024, was as follows:

	Balance 12/31/2023	Additions	Deletions	Balance 12/31/2024	Due Within One Year
<i>Governmental Activities:</i>					
Financed Purchase Agreements	\$ 520,190	\$ -	\$ 75,112	\$ 445,078	\$ 172,747
Landfill Closure and Postclosure	15,000	-	-	15,000	-
Compensated Absences	133,547	6,938	-	140,485	94,385
Total Governmental Activities	<u>\$ 668,737</u>	<u>\$ 6,938</u>	<u>\$ 75,112</u>	<u>\$ 600,563</u>	<u>\$ 267,132</u>
 <i>Business-Type Activities:</i>					
Compensated Absences	\$ 4,995	\$ 1,723*	\$ -	\$ 6,718	\$ -
Total Business-Type Activities	<u>\$ 4,995</u>	<u>\$ 1,723</u>	<u>\$ -</u>	<u>\$ 6,718</u>	<u>\$ -</u>

*The change in the compensated absences liability is presented as a net change.

Governmental Activities

Financed Purchase Agreements

A financed purchase agreement, dated November 4, 2015, was initiated with Caterpillar Financial Services Corporation and Mineral County, Colorado in the amount of \$195,250 for the purchase of a motor grader. On December 10, 2021 the County chose to renew this agreement for the remaining balance of \$137,680. Payments are due in annual installments of \$14,291, which include interest at a rate of 2.906%, paid out of the Road and Bridge Fund. Final payment is due December 9, 2025. Principal balance at December 31, 2024 was \$106,276. The grader is included in capital assets at a cost of \$329,950 with accumulated depreciation of \$197,970.

A financed purchase agreement, dated February 26, 2019, was initiated with Dominion Voting Systems, Inc and Mineral County, Colorado in the amount of \$109,534 for the purchase of an election system. Payments are due in annual installments of \$13,691, which include interest at a rate of 0.00%, paid out of the General Fund. Final payment is due in January 2026. Principal balance at December 31, 2024 was \$27,383. The software and equipment is included in capital assets at a cost of \$109,543 with accumulated depreciation of \$109,543 at December 31, 2024.

MINERAL COUNTY, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2024

A financed purchase agreement, dated June 22, 2022, was initiated with Caterpillar Financial Services Corporation and Mineral County, Colorado in the amount of \$405,512 for the purchase of a motor grader. Payments are due in annual installments of \$36,629, which include interest at a rate of 2.989%, paid out of the Road and Bridge Fund. Final payment is due January 21, 2030. Principal balance at December 31, 2024 was \$251,459. The grader is included in capital assets at a cost of \$405,512 with accumulated depreciation of \$135,171.

A financed purchase agreement, dated March 29, 2022, was initiated with Siemens Financial Services Corporation and Mineral County, Colorado in the amount of \$115,578 for the purchase of an x-ray machine. Payments are due in monthly installments of \$2,230, which include interest at a rate of 6.120%, paid out of the General Fund. Final payment is due May 16, 2027. Principal balance at December 31, 2024 was \$59,960. The x-ray machine is included in capital assets at a cost of \$115,578 with accumulated depreciation of \$34,673.

The annual debt service for the agreements are as follows:

	Principal	Interest	Total
2025	172,747	13,758	186,505
2026	68,835	8,240	77,075
2027	41,778	5,999	47,777
2028	31,720	4,909	36,629
2029	32,668	3,961	36,629
2030	97,330	3,149	100,479
	\$ 445,078	\$ 40,016	\$ 485,094

Landfill Closure and Postclosure Care Accrual

In November 2020 the County purchased 68 acres which included the area under special use permit from the Forest Service for the operation and maintenance of the existing Solid Waste Disposal Site. In 2021 a new trench (taking up approximately 1 ½ acres of land) was constructed on the original approximate 12 acres of area permitted before the purchase. In 2022 a survey was completed indicating that approximately ¼ of the trench was filled in 12 months. State and federal laws and regulations require the County to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site after closure. Small landfill waivers have been granted for various closure and postclosure monitoring requirements. The recognition of the liability for closure and postclosure care costs is based on landfill capacity used to date. Management estimates that 93% of the landfill has been used to date. The total estimated costs of closure and postclosure are \$15,000. The County has restricted cash of \$109,063 in the General Fund to cover these costs. Actual costs may be higher due to inflation, changes in technology, or changes in regulations. Should additional costs arise, they will be provided for by the General and Contingency Funds.

NOTE 11 DEFINED CONTRIBUTION PLAN

All eligible employees, participate in the Colorado County Officials and Employees Retirement Association (CCOERA) (the Plan), a defined contribution plan, authorized by state statute. The Plan is a tax qualified plan under Section 401(a) of the Internal Revenue Code and all contributions by or on behalf of employees are tax deferred until time of withdrawal.

Employees are eligible immediately upon their employment with the County and participation is mandatory. Employee contributions are always 100% vested, and the employer match follows a five-year vesting schedule.

MINERAL COUNTY, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2024

Employees are fully vested after a five-year participation period, or at the age of 55, whichever is earlier. Elected officials are 100% vested immediately upon participation.

The County must contribute a minimum of 3% and a maximum of 6% of the compensation of each employee. For 2024, the contribution rate was 4%. Each participant contributes a minimum amount equal to the County's contribution, and are permitted to make additional contributions up to applicable Internal Revenue Code Limits. For the year ended December 31, 2024, employee contributions totaled \$60,581 and the County recognized pension expense of \$59,981. The County recognized \$0 of forfeitures in retirement expense during 2024.

Plan benefits depend solely on amounts contributed to the plan plus investment earnings, less administrative expenses. The Plan may be amended by resolution of the Board of County Commissioners but it may not be amended beyond the limits established by state statute.

NOTE 12 DEFERRED COMPENSATION PLAN

The County also offers its employees an additional voluntary deferred compensation plan created in accordance with Internal Revenue Code 457(f), administered by Colorado County Officials and Employees Retirement Association (CCOERA) (the Plan).

The Plan permits the employees to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergencies. The County has no other liability other than to make the required monthly contribution.

NOTE 13 TABOR AMENDMENT RESERVE

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

Fiscal year spending and revenue limits are determined based on the prior years' spending adjusted for inflation and local growth. Revenue in excess of the limit must be refunded unless the voters approve retention of such revenue. The County passed a ballot issue on November 7, 1995, allowing the County to retain revenue from all sources not excluded from fiscal year spending, including sales tax, fees for services, state grants, local grants, and miscellaneous income. If such revenue exceeds the limits in dollars for each succeeding fiscal year, as such limits are defined in Article X, Section 20, Paragraph (7), spending limits, Colorado Constitution, and the Authority to expend such excess revenues for the purposes of providing for the health, safety, and welfare of the people of Mineral County, provided that no county tax shall be created without further voter approval.

The amendment also requires that Emergency Reserves be established. These reserves must be at least 3 percent of fiscal year spending in 1995 and thereafter. This Emergency Reserve has been presented as a restricted net position/fund balance in the financial statements. The County is not allowed to use the Emergency Reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

NOTE 14 COLORADO CONTRABAND FORFEITURE ACT

We have reviewed financial activity in the Sheriff's Department for compliance with the Colorado Revised Statute 16-13-506. There were no sales of contraband during the year ended December 31, 2024.

MINERAL COUNTY, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2024

NOTE 15 RISK MANAGEMENT

Colorado Counties Casualty and Property Pool (CAPP)

The County is exposed to various risks of loss related to property and casualty losses. The County joined together with other counties in the State of Colorado to form the Colorado Counties Casualty and Property Pool (CAPP), a public entity risk pool currently operating as a common risk management and insurance program for member counties. The County pays an annual contribution to CAPP for its property and casualty insurance coverage. The inter-governmental agreement of formation of CAPP provides that the pool will be financially self-sustaining through member contributions and additional assessments, if necessary, and the Pool will purchase excess insurance through commercial companies for members' claims in excess of a specified self-insured retention that is determined each policy year. There have been no significant reductions in insurance coverage. Settled claims from these risks have not exceeded insurance coverage for the current year or the three prior years.

At December 31, 2024, CAPP had assets of \$33,762,267 liabilities of \$23,939,800 (including \$22,655,070 reserved for losses and claims), and members' equity of \$9,822,467. The liability amount includes no long-term debt. Total revenues for the year ended December 31, 2024, amounted to \$17,520,103 and total expenses were \$17,773,221 resulting in net (loss) income before return of surplus of (\$253,118).

Colorado Workers' Compensation Pool (CWCP)

The County is exposed to various risks of loss related to injuries of employees while on the job. The County has joined together with other counties in the State of Colorado to form the Colorado Workers' Compensation Pool (CWCP), a public entity risk pool currently operating as a common risk management and insurance program for member counties. The County pays an annual contribution to CWCP for its workers' compensation insurance coverage. The intergovernmental agreement of formation of CWCP provides that the pool will be financially self-sustaining through member contributions and additional assessments, if necessary, and the Pool will purchase excess insurance through commercial companies for members' claims in excess of a specified self-insured retention that is determined each policy year. There have been no significant reductions in insurance coverage. Settled claims from these risks have not exceeded insurance coverage for the current year or the three prior years.

At December 31, 2024, CWCP had assets of \$56,681,598 liabilities of \$31,081,500 (including \$25,576,065 reserved for losses and claims) and members' equity of \$25,600,098. The liability amount includes no long-term debt. Total revenues for the year ended December 31, 2024, amounted to \$11,279,000 total expenses were \$7,047,665 resulting in net gain before return of surplus of \$4,231,335.

NOTE 16 COMMITMENTS AND CONTINGENCIES

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

Litigation

The County is a party to various legal actions normally associated with governmental activities, the aggregate effect of which, in management's and legal counsel's opinion, would not be material to its financial statements.

Insurance Pools

The County is a member of the Colorado Counties Casualty and Property Pool (CAPP) and the Colorado Workers' Compensation Pool (CWCP). CAPP and CWCP have a legal obligation for claims against its members to the extent

MINERAL COUNTY, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2024

that funds are available in their annually established loss funds and amounts are available from insurance providers under excess specific and aggregate insurance contracts. Losses incurred in excess of lost funds are direct liabilities of the participating members. CAPP and CWCP have indicated that the amount of any excess losses would be billed to members in proportion to their contributions in the year such excess occurs. The ultimate liability to the County resulting from claims not covered by CAPP and CWCP is not presently determinable.

MINERAL COUNTY, COLORADO

REQUIRED SUPPLEMENTARY INFORMATION

In addition to the basic financial statements, a budgetary comparison schedule is required for the General Fund and, if applicable, each of the County's major special revenue funds.

MINERAL COUNTY, COLORADO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended December 31, 2024

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE
				(NEGATIVE)
REVENUES				
Taxes	\$ 2,197,447	\$ 2,627,447	\$ 2,309,029	\$ (318,418)
Intergovernmental Revenue	1,688,485	1,688,485	2,291,562	603,077
Licenses and Permits	30,100	30,100	51,359	21,259
Charges for Services	178,135	178,135	246,468	68,333
Other	78,650	78,650	216,698	138,048
TOTAL REVENUES	4,172,817	4,602,817	5,115,116	512,299
EXPENDITURES				
Current Expenditures				
General Government	2,159,120	2,664,120	2,568,277	95,843
Public Safety	815,339	815,339	720,963	94,376
Auxiliary Services	143,138	143,138	140,798	2,340
Capital Outlay	1,380,995	1,380,995	1,535,466	(154,471)
Debt Service	40,447	40,447	40,446	1
TOTAL EXPENDITURES	4,539,039	5,044,039	5,005,950	38,089
Excess (deficiency) of revenues over expenditures	(366,222)	(441,222)	109,166	550,388
OTHER FINANCING SOURCES (USES)				
Transfers In	5,000	5,000	5,000	-
Transfers Out	(40,000)	(40,000)	(29,000)	11,000
Debt Proceeds	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	(35,000)	(35,000)	(24,000)	11,000
Net Change in Fund Balance	(401,222)	(476,222)	85,166	561,388
Fund Balance at beginning of year	770,944	770,944	820,117	49,173
Fund Balance at end of year	\$ 369,722	\$ 294,722	\$ 905,283	\$ 610,561

Notes to Required Supplementary Information

The basis of budgeting is the same as GAAP.

The schedule is presented on the GAAP basis.

MINERAL COUNTY, COLORADO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
ROAD AND BRIDGE FUND
For the Year Ended December 31, 2024

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE
				(NEGATIVE)
REVENUES				
Taxes	\$ 42,341	\$ 42,341	\$ 42,706	\$ 365
Intergovernmental Revenue	819,866	819,866	886,054	66,188
Charges for Service	2,000	2,000	11,631	9,631
Other	20,000	20,000	78,070	58,070
TOTAL REVENUES	884,207	884,207	1,018,461	134,254
EXPENDITURES				
General Government	78,125	93,125	125,226	(32,101)
Highways and Streets	737,105	737,105	698,715	38,390
Capital Outlay	-	-	-	-
Debt Service	50,921	50,921	50,920	1
TOTAL EXPENDITURES	866,151	881,151	874,861	6,290
Excess (deficiency) of revenues over expenditures	18,056	3,056	143,600	140,544
OTHER FINANCING SOURCES (USES)				
Transfers Out	-	-	(17,892)	(17,892)
TOTAL OTHER FINANCING SOURCES (USES)	-	-	(17,892)	(17,892)
Net Change in Fund Balance	18,056	3,056	125,708	122,652
Fund Balance at beginning of year	2,687,501	2,687,501	2,558,706	(128,795)
Fund Balance at end of year	\$ 2,705,557	\$ 2,690,557	\$ 2,684,414	\$ (6,143)

Notes to Required Supplementary Information

The basis of budgeting is the same as GAAP.

The schedule is presented on the GAAP basis.

MINERAL COUNTY, COLORADO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
AMBULANCE FUND
For the Year Ended December 31, 2024

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE
				(NEGATIVE)
REVENUES				
Taxes	\$ 90,000	\$ 90,000	\$ 218,141	\$ 128,141
Intergovernmental Revenue	27,500	27,500	15,834	(11,666)
Charges for Service	65,000	65,000	85,970	20,970
Other	14,000	14,000	17,955	3,955
TOTAL REVENUES	196,500	196,500	337,900	141,400
EXPENDITURES				
Health and Welfare	189,856	189,856	148,795	41,061
Capital Outlay	9,500	9,500	8,314	1,186
TOTAL EXPENDITURES	199,356	199,356	157,109	42,247
Excess (deficiency) of revenues over expenditures	(2,856)	(2,856)	180,791	183,647
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
Net Change in Fund Balance	(2,856)	(2,856)	180,791	183,647
Fund Balance at beginning of year	431,156	431,156	637,747	206,591
Fund Balance at end of year	\$ 428,300	\$ 428,300	\$ 818,538	\$ 390,238

Notes to Required Supplementary Information

The basis of budgeting is the same as GAAP.

The schedule is presented on the GAAP basis.

MINERAL COUNTY, COLORADO

SUPPLEMENTARY INFORMATION

The combining financial statements represent the second level of financial reporting for the County. These financial statements present more detailed information for the individual funds in a format that segregates information by fund type.

MINERAL COUNTY, COLORADO
COMBINING SCHEDULE - BALANCE SHEET
GENERAL FUND
December 31, 2024

	GENERAL FUND	CONTINGENCY FUND	SEARCH AND RESCUE FUND	ELIMINATIONS	TOTAL
ASSETS					
Cash and Investments	\$ 484,459	\$ 251,451	\$ 273,665	\$ -	\$ 1,009,575
Accounts Receivable	14,846	-	-	-	14,846
Due from Other Governments	186,032	-	-	-	186,032
Due from Other Funds	82,152	-	-	-	82,152
Property Taxes Receivable	1,365,257	-	-	-	1,365,257
Leases Receivable	23,319	-	-	-	23,319
Inventory	2,372	-	-	-	2,372
TOTAL ASSETS	\$ 2,158,437	\$ 251,451	\$ 273,665	\$ -	\$ 2,683,553
LIABILITIES AND FUND BALANCE					
LIABILITIES					
Accounts Payable	\$ 134,817	\$ -	\$ 106	\$ -	\$ 134,923
Payroll Taxes Payable	(5,445)	-	-	-	(5,445)
Due to Other Funds	-	-	-	-	-
Unearned Revenue	260,216	-	-	-	260,216
TOTAL LIABILITIES	389,588	-	106	-	389,694
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue - Property Tax	1,365,257	-	-	-	1,365,257
Unavailable Revenue - Leases	23,319	-	-	-	23,319
TOTAL DEFERRED INFLOWS OF RESOURCES	1,388,576	-	-	-	1,388,576
FUND BALANCE					
Nonspendable	2,372	-	-	-	2,372
Restricted	-	150,000	-	-	150,000
Committed	200,000	101,451	273,559	-	575,010
Unassigned	177,901	-	-	-	177,901
TOTAL FUND BALANCE	380,273	251,451	273,559	-	905,283
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	\$ 2,158,437	\$ 251,451	\$ 273,665	\$ -	\$ 2,683,553

MINERAL COUNTY, COLORADO
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GENERAL FUND
For the Year Ended December 31, 2024

	<u>GENERAL FUND</u>	<u>CONTINGENCY FUND</u>	<u>SEARCH AND RESCUE FUND</u>	<u>ELIMINATIONS</u>	<u>TOTAL</u>
REVENUES					
Taxes	\$ 2,309,029	\$ -	\$ -	\$ -	\$ 2,309,029
Intergovernmental Revenue	2,282,916	-	8,646	-	2,291,562
Licenses and Permits	51,359	-	-	-	51,359
Charges for Services	246,468	-	-	-	246,468
Interest on Investments	74,128	13,080	-	-	87,208
Other	37,802	-	91,688	-	129,490
TOTAL REVENUES	<u>5,001,702</u>	<u>13,080</u>	<u>100,334</u>	<u>-</u>	<u>5,115,116</u>
EXPENDITURES					
Current Expenditures					
General Government	2,568,277	-	-	-	2,568,277
Public Safety	704,981	-	15,982	-	720,963
Health and Welfare	-	-	-	-	-
Auxiliary Services	140,798	-	-	-	140,798
Capital Outlay	1,523,466	-	12,000	-	1,535,466
Debt Service	40,446	-	-	-	40,446
TOTAL EXPENDITURES	<u>4,977,968</u>	<u>-</u>	<u>27,982</u>	<u>-</u>	<u>5,005,950</u>
Excess (deficiency) of revenues over expenditures	<u>23,734</u>	<u>13,080</u>	<u>72,352</u>	<u>-</u>	<u>109,166</u>
OTHER FINANCING SOURCES (USES)					
Transfers In	-	-	5,000	(5,000)	-
Transfers Out	(29,000)	-	-	5,000	(24,000)
Debt Proceeds	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>(29,000)</u>	<u>-</u>	<u>5,000</u>	<u>-</u>	<u>(24,000)</u>
Net Change in Fund Balances	(5,266)	13,080	77,352	-	85,166
Fund Balance at beginning of year	<u>385,539</u>	<u>238,371</u>	<u>196,207</u>	<u>-</u>	<u>820,117</u>
Fund Balance at end of year	<u>\$ 380,273</u>	<u>\$ 251,451</u>	<u>\$ 273,559</u>	<u>\$ -</u>	<u>\$ 905,283</u>

MINERAL COUNTY, COLORADO
NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for specific revenues that are legally restricted to be expended for particular purposes.

Public Welfare Fund – This fund is used to account for social services provided for County citizens.

Conservation Trust Fund – This fund is used to account for the County share of the state lottery program. The monies may be expended only for the acquisition, development, and maintenance of parks, and other public recreational facilities.

Tourism Fund – This fund is used to account for the County share of the lodging tax collected on each hotel/motel that is rented in Mineral County. The monies may be expended to promote Mineral County to tourists.

Airport Fund – This fund is used to for improvements and to account for airport operations.

Mining Claims Fund – This fund is used to collect sale proceeds and grants and donations to preserve, restore, and potentially rehabilitate buildings on Mining Claims received.

PERMANENT FUNDS

Permanent Funds are used to account for resources that are legally restricted to the extent that only earnings, and not principal, may be used for the purposes that support the County's programs.

Health Clinic and EMT Facility Endowment Fund – This fund is used to account for all donations collected by the County for the future use of the Mineral County Health Clinic and EMT Facility.

MINERAL COUNTY, COLORADO
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
December 31, 2024

	NONMAJOR SPECIAL REVENUE FUNDS					NONMAJOR PERMANENT FUND	TOTAL NONMAJOR GOVERNMENTAL
	PUBLIC WELFARE FUND	CONSERVATION TRUST FUND	TOURISM FUND	AIRPORT FUND	MINING CLAIMS FUND	CLINIC ENDOWMENT FUND	
ASSETS							
Cash and Investments	\$ 142,005	\$ 51,111	\$ 113,477	\$ -	\$ 10,000	\$ 74,476	\$ 391,069
Accounts Receivable	7,027	-	-	-	-	-	7,027
Due from Other Governments	2,556	-	-	41,771	-	-	44,327
Property Taxes Receivable	49,032	-	-	-	-	-	49,032
Leases Receivable	-	-	-	36,728	-	-	36,728
Inventory	-	-	-	23,338	-	-	23,338
TOTAL ASSETS	\$ 200,620	\$ 51,111	\$ 113,477	\$ 101,837	\$ 10,000	\$ 74,476	\$ 551,521
LIABILITIES							
Accounts Payable	\$ (7,379)	\$ -	\$ -	\$ (40,487)	\$ -	\$ -	\$ (47,866)
Due to Other Governments	8,934	-	-	-	-	-	8,934
Due to Other Funds	-	-	-	82,152	-	-	82,152
Unearned Revenue	3,702	-	-	-	-	-	3,702
TOTAL LIABILITIES	5,257	-	-	41,665	-	-	46,922
DEFERRED INFLOWS OF RESOURCES							
Unavailable Revenue - Property Tax	49,032	-	-	-	-	-	49,032
Unavailable Revenue - Leases	-	-	-	36,728	-	-	36,728
TOTAL DEFERRED INFLOWS OF RESOURCES	49,032	-	-	36,728	-	-	85,760
FUND BALANCE							
Nonspendable:							
Inventory	-	-	-	23,338	-	-	23,338
Permanent Fund - nonexpendable	-	-	-	-	-	74,476	74,476
Committed:							
Health and Welfare	146,331	-	-	-	-	-	146,331
Culture and Recreation	-	51,111	113,477	-	-	-	164,588
Mining Claims	-	-	-	-	10,000	-	10,000
Airport	-	-	-	106	-	-	106
TOTAL FUND BALANCE	146,331	51,111	113,477	23,444	10,000	74,476	418,839
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	\$ 200,620	\$ 51,111	\$ 113,477	\$ 101,837	\$ 10,000	\$ 74,476	\$ 551,521

MINERAL COUNTY, COLORADO
NONMAJOR GOVERNMENTAL FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
For the Year Ended December 31, 2024

	NONMAJOR SPECIAL REVENUE FUNDS					NONMAJOR PERMANENT FUND	TOTAL NONMAJOR GOVERNMENTAL
	PUBLIC WELFARE FUND	CONSERVATION TRUST FUND	TOURISM FUND	AIRPORT FUND	MINING CLAIMS FUND	CLINIC ENDOWMENT FUND	
REVENUES							
Taxes	\$ 68,016	\$ -	\$ 120,632	\$ -	\$ -	\$ -	\$ 188,648
Intergovernmental Revenue	220,716	8,146	-	258,248	-	-	487,110
Charges for Services	-	-	-	42,814	-	-	42,814
Other	-	959	-	620	10,000	3,773	15,352
TOTAL REVENUES	288,732	9,105	120,632	301,682	10,000	3,773	733,924
EXPENDITURES							
Current Expenditures							
General Government	-	-	-	120,645	-	-	120,645
Health and Welfare	219,643	-	-	-	-	-	219,643
Culture and Recreation	-	5,880	125,951	-	-	-	131,831
Capital Outlay	-	-	-	222,740	-	-	222,740
TOTAL EXPENDITURES	219,643	5,880	125,951	343,385	-	-	694,859
Excess (deficiency) of revenues over expenditures	69,089	3,225	(5,319)	(41,703)	10,000	3,773	39,065
OTHER FINANCING SOURCES (USES)							
Transfers In	-	-	-	41,892	-	-	41,892
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	41,892	-	-	41,892
Net Change in Fund Balances	69,089	3,225	(5,319)	189	10,000	3,773	80,957
Fund Balance at beginning of year	77,242	47,886	118,796	23,255	-	70,703	337,882
Fund Balance at end of year	\$ 146,331	\$ 51,111	\$ 113,477	\$ 23,444	\$ 10,000	\$ 74,476	\$ 418,839

MINERAL COUNTY, COLORADO
ALL NON-MAJOR GOVERNMENTAL FUNDS AND PROPRIETARY FUND
SCHEDULE OF EXPENDITURES/EXPENSES
BUDGET AND ACTUAL
For the Year Ended December 31, 2024

	<u>BUDGETED AMOUNTS</u>		<u>EXPENDITURES</u>	<u>ADJUSTMENTS</u>	<u>EXPENDITURES</u>	<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>REPORTED ON</u>	<u>TO BUDGETARY</u>	<u>ON THE</u>	<u>FINAL BUDGET</u>
			<u>THE GAAP</u>	<u>BASIS</u>	<u>BASIS</u>	<u>BUDGETARY</u>
			<u>BASIS</u>	<u>BASIS</u>	<u>BASIS</u>	<u>(NEGATIVE)</u>
Governmental Funds						
Non-major Governmental Funds						
Special Revenue Funds						
Public Welfare Fund	\$ 375,797	\$ 375,797	\$ 219,643	\$ -	\$ -	\$ 156,154
Conservation Trust Fund	15,000	15,000	5,880	-	-	9,120
Tourism Fund	132,000	132,000	125,951	-	-	6,049
Airport Fund	329,150	344,150	343,385	-	-	765
Total Non-major Governmental Funds	<u>\$ 851,947</u>	<u>\$ 866,947</u>	<u>\$ 694,859</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 172,088</u>
Proprietary Fund						
Mining Museum Fund	<u>\$ 429,285</u>	<u>\$ 429,285</u>	<u>\$ 226,435</u>	<u>\$ (31,553)</u>	<u>\$ 194,882</u>	<u>\$ 234,403</u>

Adjustments to budgetary basis include principal reductions on long-term debt, costs of capitalized assets, and depreciation expense, where applicable.

MINERAL COUNTY, COLORADO

OTHER SCHEDULES AND REPORTS

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

LOCAL HIGHWAY FINANCE REPORT	City or County: Mineral County
	YEAR ENDING : December 2024
This Information From The Records Of (example - City of _ or County of Mineral County)	Prepared By: J. Kukuk Phone: 719-658-2360

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:	486,824
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	2,036
2. General fund appropriations		b. Snow and ice removal	109,313
3. Other local imposts (from page 2)	42,706	c. Other	
4. Miscellaneous local receipts (from page 2)	89,701	d. Total (a. through c.)	111,349
5. Transfers from toll facilities		4. General administration & miscellaneous	207,829
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	35,831
a. Bonds - Original Issues		6. Total (1 through 5)	841,833
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)	132,407	b. Redemption	
B. Private Contributions		c. Total (a. + b.)	0
C. Receipts from State government (from page 2)	662,878	2. Notes:	
D. Receipts from Federal Government (from page 2)	223,176	a. Interest	11,837
E. Total receipts (A.7 + B + C + D)	1,018,461	b. Redemption	39,083
		c. Total (a. + b.)	50,920
		3. Total (1.c + 2.c)	50,920
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total disbursements (A.6 + B.3 + C + D)	892,753

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)	396,618	0	39,083	357,535

V. LOCAL ROAD AND STREET FUND BALANCE

A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
2,558,706	1,018,461	892,753	2,684,414	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	38,397	a. Interest on investments	78,070
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	
4. Licenses		f. Charges for Services	9,843
5. Specific Ownership &/or Other	4,309	g. Other Misc. Receipts	1,788
6. Total (1. through 5.)	4,309	h. Other	0
c. Total (a. + b.)	42,706	i. Total (a. through h.)	89,701
	(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	661,040	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	223,176
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	1,838	d. Federal Transit Admin	
d. Other (Specify)		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	0
f. Total (a. through e.)	1,838	g. Total (a. through f.)	223,176
4. Total (1. + 2. + 3.f)	662,878	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	0
(4). System Enhancement & Operation	0	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:

MINERAL COUNTY, COLORADO

SINGLE AUDIT SECTION

MINERAL COUNTY, COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2024

<i>Federal Grantor/Program or Cluster Title</i>	<i>Assistance Listing Number</i>	<i>Pass-through Grantor and Number</i>	<i>Passed-through to Subrecipients (\$)</i>	<i>Federal Expenditures (\$)</i>
<i>CCDF Cluster</i>				
<i>U.S. Department of Health and Human Services</i>				
Child Care and Development Block Grant	93.575	Colorado Department of Human Services, N/A	\$ -	\$ 4,954
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	Colorado Department of Human Services, N/A	-	2,820
<i>Total CCDF Cluster</i>			<u>-</u>	<u>7,774</u>
<i>SNAP Cluster</i>				
<i>U.S. Department of Agriculture</i>				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	Colorado Department of Human Services, N/A	-	588
<i>Total SNAP Cluster</i>			<u>-</u>	<u>588</u>
<i>Medical Assistance Program (Medicaid Cluster)</i>				
<i>U.S. Department of Health and Human Services</i>				
Grants to States for Medicaid	93.778	Colorado Department of Health Care Policy and Financing, N/A	-	526
<i>Total Medical Assistance Program (Medicaid Cluster)</i>			<u>-</u>	<u>526</u>
<i>Forest Service Schools and Roads Cluster</i>				
<i>U.S. Department of Agriculture</i>				
Schools and Roads - Grants to States, Title I	10.665	Colorado Department of Treasury, N/A	125,226	210,777
Schools and Roads - Grants to States, Title III	10.665	Colorado Department of Treasury, N/A	-	12,399
<i>Total Forest Service Schools and Roads Cluster</i>			<u>125,226</u>	<u>223,176</u>
<i>Total All Clusters</i>			<u>125,226</u>	<u>232,064</u>
<i>Other Programs</i>				
<i>U.S. Department of Agriculture</i>				
Community Facilities Loans and Grants	10.766		-	929,200
Law Enforcement Agreements	10.704		-	4,900
Cooperative Forestry Assistance	10.664		-	1,000
<i>Total U.S. Department of Agriculture</i>			<u>-</u>	<u>935,100</u>
<i>U.S. Department of Housing and Urban Development</i>				
Rural Capacity Building for Community Development and Affordable Housing Grants	14.265	Colorado Department of Local Affairs, N/A	420,000	420,000
<i>Total U.S. Department of Housing and Urban Development</i>			<u>420,000</u>	<u>420,000</u>

MINERAL COUNTY, COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2024

<i>Federal Grantor/Program or Cluster Title</i>	<i>Assistance Listing Number</i>	<i>Pass-through Grantor and Number</i>	<i>Passed-through to Subrecipients (\$)</i>	<i>Federal Expenditures (\$)</i>
U.S. Department of Homeland Security				
Emergency Management Performance Grant	97.042	Colorado Division of Homeland Security & Emergency Management	-	40,320
<i>Total U.S. Department of Homeland Security</i>			-	40,320
U.S. Department of the Treasury				
Coronavirus State and Local Fiscal Recovery Funds	21.027	Colorado Department of Local Affairs	-	47,332
Coronavirus State and Local Fiscal Recovery Funds	21.027	Colorado Department of Human Services, N/A	-	230
Local Assistance and Tribal Consistency Fund	21.032	Colorado Department of Local Affairs	-	109,641
<i>Total U.S. Department of the Treasury</i>			-	157,203
U.S. Department of Health and Human Services				
Guardianship Assistance	93.090	Colorado Department of Human Services,N/A	-	6
Title IV-E Kinship Navigator Program	93.471	Colorado Department of Human Services, N/A	-	35
Title IV-E Prevention Program	93.472	Colorado Department of Human Services, N/A	-	18
COVID-19 Temporary Assistance for Needy Families	93.558	Colorado Department of Human Services,N/A	-	116
Temporary Assistance for Needy Families	93.558	Colorado Department of Human Services,N/A	-	1,104
Child Support Services	93.563	Colorado Department of Human Services,N/A	-	466
Low-Income Home Energy Assistance	93.568	Colorado Department of Human Services,N/A	-	16,047
Foster Care Title IV-E	93.658	Colorado Department of Human Services,N/A	-	450
Adoption Assistance	93.659	Colorado Department of Human Services,N/A	-	20
Social Services Block Grant	93.667	Colorado Department of Human Services,N/A	-	43
<i>Total U.S. Department of Health and Human Services</i>			-	18,305
<i>Total Other Programs</i>			545,226	1,570,928
<i>Total Expenditures of Federal Awards</i>			<u>\$ 670,452</u>	<u>\$ 1,802,992</u>

MINERAL COUNTY, COLORADO
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2024

NOTE 1 BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of the Mineral County, Colorado under programs of the federal government for the year ended December 31, 2024. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Mineral County, Colorado, it is not intended to and does not present the financial position, changes in net position, or cash flows of Mineral County, Colorado.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available. Schools and Roads - Grants to States, Title I and Rural Capacity Building for Community Development and Affordable Housing Grants were passed through to subrecipients. The County did not elect to use the 10-percent de minimis indirect cost rate as allowed under Uniform Guidance for the year ended December 31, 2024.

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



Wall,
Smith,
Bateman Inc.

To the Board of County Commissioners
Mineral County, Colorado
Creede, Colorado

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Mineral County, Colorado (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, and have issued our report thereon dated May 23, 2025.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

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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.

Wall, Smith, Bateman Inc.

Wall, Smith, Bateman Inc.
Alamosa, Colorado

May 23, 2025

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



**Wall,
Smith,
Bateman Inc.**

To the Board of County Commissioners
Mineral County, Colorado
Creede, Colorado

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Mineral County, Colorado's (the County) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended December 31, 2024. The County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 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; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

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Auditors' Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' 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.

Wall, Smith, Bateman Inc.

Wall, Smith, Bateman Inc.
Alamosa, Colorado

May 23, 2025

MINERAL COUNTY, COLORADO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended December 31, 2024

Section I – Summary of Auditors’ Results

Financial Statements

Type of auditors’ report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? _____yes X no
- Significant deficiency(ies) identified that are **not** considered to be material weakness(es)? _____yes X none reported
- Noncompliance material to financial statements noted? _____yes X no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? _____yes X no
- Significant deficiency(ies) identified that are **not** considered to be material weakness(es)? _____yes X none reported

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)? _____yes X no

Identification of major programs:

<u>Assistance Listing Number(s)</u>	<u>Name of Federal Program or Cluster</u>
10.766	Community Facilities Loans and Grants

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

Auditee qualified as a low-risk auditee? _____yes X no

Section II – Financial Statement Findings

None

Section III – Federal Award Findings and Questioned Costs

None

MINERAL COUNTY, COLORADO
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
December 31, 2024

Section II – Financial Statement Findings

**Finding 2023-001: Internal Control Over Financial Reporting
(Repeat of Finding 2022-001 and 2021-001)**

Type of finding: Internal Control (material weakness)

Condition: The County does not have a complete system of internal control to prevent or detect and correct financial misstatements.

Recommendation: The County should continue to research and correct the general ledger cash balances and perform a secondary review of year-end reconciliations and adjusting entries to ensure the financial statements are properly stated.

Status: Implemented.