

SAGUACHE COUNTY, COLORADO

FINANCIAL STATEMENTS

December 31, 2024



Wall,
Smith,
Bateman Inc.
Certified Public Accountants

SAGUACHE COUNTY, COLORADO
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INDEPENDENT AUDITORS' REPORT

To the Board of County Commissioners
Saguache County, Colorado
Saguache, Colorado



Wall,
Smith,
Bateman Inc.

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Saguache 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 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 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

Certified Public Accountants

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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 opinion on the basic financial statements is not affected by this missing information.

Accounting principles generally accepted in the United States of America require that the 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 accompanying combining nonmajor fund financial schedules, the schedule of expenditures of federal awards, and the Local Highway Finance Report as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial 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 August 06, 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

August 06, 2025

SAGUACHE COUNTY, COLORADO
BASIC FINANCIAL STATEMENTS

SAGUACHE COUNTY, COLORADO

STATEMENT OF NET POSITION

December 31, 2024

	Primary Government		
	Governmental Activities	Business-Type Activities	TOTAL
ASSETS			
Current Assets:			
Cash and Cash Equivalents	\$ 14,920,945	\$ 303,199	\$ 15,224,144
Accounts Receivable	185,143	-	185,143
Property Taxes Receivable	2,620,131	-	2,620,131
Due from Other Governments	1,750,440	-	1,750,440
Inventory	1,100,431	-	1,100,431
Total Current Assets	<u>20,577,090</u>	<u>303,199</u>	<u>20,880,289</u>
Noncurrent Assets:			
Capital assets not being depreciated	828,571	114,000	942,571
Capital assets, net of accumulated depreciation	6,824,054	142,861	6,966,915
Total Noncurrent Assets	<u>7,652,625</u>	<u>256,861</u>	<u>7,909,486</u>
TOTAL ASSETS	<u>28,229,715</u>	<u>560,060</u>	<u>28,789,775</u>
LIABILITIES			
Current Liabilities:			
Accounts Payable	817,764	(165)	817,599
Security Deposits	180,000	12,189	192,189
Unearned Grant Revenue	3,256,237	-	3,256,237
Notes Payable	-	14,280	14,280
Leases Payable	35,855	-	35,855
Compensated Absences	282,047	-	282,047
Total Current Liabilities	<u>4,571,903</u>	<u>26,304</u>	<u>4,598,207</u>
Noncurrent Liabilities:			
Notes Payable	-	210,139	210,139
Leases Payable	172,071	-	172,071
Compensated Absences	190,154	-	190,154
Closure and Post Closure Costs	814,200	-	814,200
Total Noncurrent Liabilities	<u>1,176,425</u>	<u>210,139</u>	<u>1,386,564</u>
TOTAL LIABILITIES	<u>5,748,328</u>	<u>236,443</u>	<u>5,984,771</u>
DEFERRED INFLOWS OF RESOURCES - CURRENT			
Deferred Revenue - Property Tax	<u>2,620,131</u>	<u>-</u>	<u>2,620,131</u>
NET POSITION			
Net Investment in Capital Assets	7,444,699	32,442	7,477,141
Restricted for TABOR	455,000	-	455,000
Unrestricted	<u>11,961,557</u>	<u>291,175</u>	<u>12,252,732</u>
TOTAL NET POSITION	<u>\$ 19,861,256</u>	<u>\$ 323,617</u>	<u>\$ 20,184,873</u>

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

SAGUACHE 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	\$ 7,983,712	\$ 842,765	\$ 1,757,096	\$ 156,613	\$ (5,227,238)	\$ -	\$ (5,227,238)
Public Safety	2,582,529	247,542	203,896	-	(2,131,091)	-	(2,131,091)
Health and Welfare	6,962,747	282,610	6,315,221	88,882	(276,034)	-	(276,034)
Public Works	4,343,231	346,207	4,545,353	-	548,329	-	548,329
Culture and Recreation	306,562	-	13,694	-	(292,868)	-	(292,868)
Interest on Long-Term Debt	8,055	-	-	-	(8,055)	-	(8,055)
Total Governmental Activities	22,186,836	1,719,124	12,835,260	245,495	(7,386,957)	-	(7,386,957)
Business-Type Activities:							
Housing Authority	285,856	183,034	109,312	-	-	6,490	6,490
Total Business-Type Activities	285,856	183,034	109,312	-	-	6,490	6,490
Total Primary Government	\$ 22,472,692	\$ 1,902,158	\$ 12,944,572	\$ 245,495	(7,386,957)	6,490	(7,380,467)
General Revenues:							
Taxes:							
General Property Taxes - Net					2,776,170	-	2,776,170
Sales Taxes					2,039,671	-	2,039,671
Other Taxes					538,261	-	538,261
Payment in Lieu of Taxes					1,345,831	-	1,345,831
Interest on Investments					777,802	441	778,243
Miscellaneous					241,646	14,932	256,578
Total General Revenues					7,719,381	15,373	7,734,754
Change in Net Position					332,424	21,863	354,287
Net Position - Beginning of Year					19,528,832	301,754	19,830,586
Net Position - Ending					\$ 19,861,256	\$ 323,617	\$ 20,184,873

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

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

	GENERAL FUND	ROAD AND BRIDGE FUND	SOCIAL SERVICES FUND	PUBLIC SAFETY FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS						
Cash and Investments	\$ 8,045,449	\$ 1,963,591	\$ 414,778	\$ 3,184,397	\$ 1,312,730	\$ 14,920,945
Accounts Receivable	(3,163)	-	-	-	188,306	185,143
Property Taxes Receivable	2,190,601	-	371,485	-	58,045	2,620,131
Due from Other Funds	7,595	-	-	-	-	7,595
Due from Other Governments	1,057,557	262,927	429,956	-	-	1,750,440
Inventory	-	1,100,431	-	-	-	1,100,431
TOTAL ASSETS	<u>\$ 11,298,039</u>	<u>\$ 3,326,949</u>	<u>\$ 1,216,219</u>	<u>\$ 3,184,397</u>	<u>\$ 1,559,081</u>	<u>\$ 20,584,685</u>
LIABILITIES AND FUND BALANCE						
LIABILITIES						
Accounts Payable	\$ 630,123	\$ 151,419	\$ 5,489	\$ 12,372	\$ 18,361	\$ 817,764
Security Deposits	180,000	-	-	-	-	180,000
Due to Other Funds	-	-	-	-	7,595	7,595
Unearned Grant Revenue	2,946,377	-	251,394	-	58,466	3,256,237
TOTAL LIABILITIES	<u>3,756,500</u>	<u>151,419</u>	<u>256,883</u>	<u>12,372</u>	<u>84,422</u>	<u>4,261,596</u>
DEFERRED INFLOWS OF RESOURCES						
Unearned Revenue - Property Tax	2,190,601	-	371,485	-	58,045	2,620,131
FUND BALANCE						
Nonspendable	-	1,100,431	-	-	-	1,100,431
Restricted	455,000	-	-	-	-	455,000
Committed	1,742,264	2,075,099	587,851	3,172,025	1,416,614	8,993,853
Unassigned	3,153,674	-	-	-	-	3,153,674
TOTAL FUND BALANCE	<u>5,350,938</u>	<u>3,175,530</u>	<u>587,851</u>	<u>3,172,025</u>	<u>1,416,614</u>	<u>13,702,958</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 11,298,039</u>	<u>\$ 3,326,949</u>	<u>\$ 1,216,219</u>	<u>\$ 3,184,397</u>	<u>\$ 1,559,081</u>	<u>\$ 20,584,685</u>

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

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

Total governmental fund balances	\$ 13,702,958
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Amounts reported for governmental activities in the statement of
net position are different because:

Capital assets and leased assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	7,652,625
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Long-term liabilities are not due and payable in the current period and,
therefore, are not reported in the funds.

Compensated Absences	\$	(472,201)	
Landfill Closure and Post-Closure Costs		(814,200)	
Leased Purchase Agreements Payable		(207,926)	
		<u> </u>	<u>(1,494,327)</u>

Net position of governmental activities	\$ 19,861,256
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SAGUACHE 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	SOCIAL SERVICES FUND	PUBLIC SAFETY FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES						
Taxes	\$ 2,861,473	\$ -	\$ 446,650	\$ 1,107,453	\$ 938,526	\$ 5,354,102
Intergovernmental Revenue	5,002,084	3,141,455	5,846,002	-	482,913	14,472,454
Licenses and Permits	117,267	25,601	-	-	-	142,868
Charges for Services	1,231,954	320,606	-	-	280,810	1,833,370
Interest on Deposits	777,774	-	28	-	-	777,802
Miscellaneous	209,613	10,041	20,626	-	-	240,280
TOTAL REVENUES	10,200,165	3,497,703	6,313,306	1,107,453	1,702,249	22,820,876
EXPENDITURES						
Current Expenditures:						
General Government	7,696,875	-	-	-	-	7,696,875
Public Safety	2,137,362	-	-	49,713	273,677	2,460,752
Health and Welfare	31,689	-	6,144,233	-	807,148	6,983,070
Public Works	104,409	3,550,620	-	-	322,363	3,977,392
Culture and Recreation	-	-	-	-	308,390	308,390
Capital Outlay	703,272	242,135	53,546	184,535	-	1,183,488
Debt Service	33,342	-	-	-	-	33,342
TOTAL EXPENDITURES	10,706,949	3,792,755	6,197,779	234,248	1,711,578	22,643,309
Excess (deficiency) of revenues over expenditures	(506,784)	(295,052)	115,527	873,205	(9,329)	177,567
OTHER FINANCING SOURCES (USES)						
Transfers In	850,000	-	-	-	50,000	900,000
Transfers Out	(50,000)	-	-	(850,000)	-	(900,000)
Sale of Fixed Assets	-	1,366	-	-	-	1,366
Lease Proceeds	51,638	-	-	-	-	51,638
TOTAL OTHER FINANCING SOURCES (USES)	851,638	1,366	-	(850,000)	50,000	53,004
Net Change in Fund Balance	344,854	(293,686)	115,527	23,205	40,671	230,571
Fund Balance at Beginning of Year	5,006,084	3,469,216	472,324	3,148,820	1,375,943	13,472,387
Fund Balance at End of Year	\$ 5,350,938	\$ 3,175,530	\$ 587,851	\$ 3,172,025	\$ 1,416,614	\$ 13,702,958

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

SAGUACHE 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	\$	230,571
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Amounts reported for governmental activities in the statements 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 and lease assets in the current period.

Capital asset additions	\$	1,161,628	
Depreciation and amortization expense		(862,283)	
Deletions net of accumulated depreciation		-	
Lease asset additions		51,638	
			350,983

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. Repayment of principal include:

Lease payments		56,247	
Lease proceeds		(51,638)	
			4,609

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		(220,208)	
Landfill closure and post-closure costs		(33,531)	
			(253,739)

Change in net position of governmental funds	\$	332,424
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SAGUACHE COUNTY, COLORADO
PROPRIETARY FUND TYPES
STATEMENT OF NET POSITION
December 31, 2024

**Business-type
Activities**

**HOUSING
AUTHORITY**

ASSETS

Current Assets:

Cash and Cash Equivalents	\$ 303,199
Accounts Receivable	-
Total Current Assets	<u>303,199</u>

Noncurrent Assets:

Capital Assets:	
Capital assets not being depreciated	114,000
Capital assets, net of accumulated depreciation	<u>142,861</u>
Total Noncurrent Assets	<u>256,861</u>

TOTAL ASSETS

560,060

LIABILITIES

Current Liabilities:

Accounts Payable	(165)
Unearned Revenue	-
Security Deposit	12,189
Notes Payable (current portion)	<u>14,280</u>
Total Current Liabilities	<u>26,304</u>

Noncurrent Liabilities:

Notes Payable	<u>210,139</u>
Total Noncurrent Liabilities	<u>210,139</u>

TOTAL LIABILITIES

236,443

NET POSITION

Net Investment in Capital Assets	32,442
Unrestricted	<u>291,175</u>

TOTAL NET POSITION

\$ 323,617

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

SAGUACHE COUNTY, COLORADO
PROPRIETARY FUND TYPES
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION
For the Year Ended December 31, 2024

	Business-type Activities
	HOUSING AUTHORITY
OPERATING REVENUES	
Rent from Tenants	\$ 183,034
HUD Operating Subsidy	109,312
Contributions and Donations	-
Miscellaneous	14,932
Total Charges for Services	307,278
Total operating revenues	307,278
OPERATING EXPENSES	
Administrative	164,261
Utilities	59,536
Operating and Maintenance	22,514
Insurance	20,990
Depreciation Expense	11,015
Total operating expenses	278,316
Operating Income (Loss)	28,962
NONOPERATING REVENUES (EXPENSES)	
Interest on Investments	441
Grant Revenue	-
Interest Expense	(7,540)
Total Nonoperating Revenues (Expenses)	(7,099)
Changes in Net Position	21,863
Net Position, Beginning of Year	301,754
Net Position, End of Year	\$ 323,617

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

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

	Business-type Activities
	HOUSING AUTHORITY
Cash flows from operating activities:	
Cash received from tenants and others	\$ 202,358
Cash received from HUD operating subsidy	109,312
Cash paid to employees for services	(164,261)
Cash paid to suppliers and service providers	(114,264)
Net cash provided (used) by operating activities:	33,145
Cash flows from noncapital financing activities:	
Grant Revenue	(21,250)
Net cash provided (used) by noncapital financing activities	(21,250)
Cash flows from capital and related financing activities:	
Payment of note principal and interest	(21,505)
Purchase of capital assets	-
Net cash provided (used) by capital and related financing activities	(21,505)
Cash flows from investing activities:	
Interest received	441
Net cash provided (used) by investing activities	441
Increase (decrease) in cash and investments	(9,169)
Cash and cash equivalents, Beginning of the Year	312,368
Cash and cash equivalents, End of the Year	\$ 303,199
Operating income (loss)	\$ 28,962
Adjustments to reconcile net income to net cash provided (used) by operating activities	
Depreciation	11,015
(Increase) Decrease in Accounts Receivable	4,006
Increase (Decrease) in Accounts Payable	(11,224)
Increase (Decrease) in Security Deposits	386
Total adjustments	4,183
Net cash provided (used) by operating activities	\$ 33,145

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

SAGUACHE COUNTY, COLORADO**FIDUCIARY FUND****STATEMENT OF NET POSITION****December 31, 2024**

	PUBLIC TRUSTEE	COUNTY TREASURER	COUNTY SHERIFF	COUNTY CLERK	TOTAL CUSTODIAL FUNDS
ASSETS					
Cash and Cash Equivalents	\$ 4,833	\$ 633,430	\$ 58,406	\$ 353,002	\$ 1,049,671
Property Tax Receivable	-	11,743,508	-	-	11,743,508
TOTAL ASSETS	<u>4,833</u>	<u>12,376,938</u>	<u>58,406</u>	<u>353,002</u>	<u>12,793,179</u>
LIABILITIES					
Due to Other Governments	-	633,430	-	195,496	828,926
Deposits held for Others	-	-	-	-	-
TOTAL LIABILITIES	<u>-</u>	<u>633,430</u>	<u>-</u>	<u>195,496</u>	<u>828,926</u>
DEFERRED INFLOWS OF RESOURCES					
Property Taxes	-	11,743,508	-	-	11,743,508
NET POSITION					
Restricted for:					
Individuals, Organizations, and Other Governments	<u>4,833</u>	<u>-</u>	<u>58,406</u>	<u>157,506</u>	<u>220,745</u>
TOTAL NET POSITION	<u><u>\$ 4,833</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 58,406</u></u>	<u><u>\$ 157,506</u></u>	<u><u>\$ 220,745</u></u>

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

SAGUACHE COUNTY, COLORADO
FIDUCIARY FUND
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
December 31, 2024

	PUBLIC TRUSTEE	COUNTY TREASURER	COUNTY SHERIFF	COUNTY CLERK	TOTAL CUSTODIAL FUNDS
ADDITIONS					
Tax Collections for Other Governments	\$ -	\$ 8,324,113	\$ -	\$ -	\$ 8,324,113
Public Trustee Activity	31,191	-	-	-	31,191
Held for Others	-	-	66,291	2,853,114	2,919,405
Miscellaneous	-	6,880,075	-	-	6,880,075
Total Additions	<u>31,191</u>	<u>15,204,188</u>	<u>66,291</u>	<u>2,853,114</u>	<u>18,154,784</u>
DEDUCTIONS					
Taxes Disbursed	-	15,204,188	-	-	15,204,188
Public Trustee Disbursements	30,610	-	-	-	30,610
Funds Held for Others	-	-	23,923	2,839,819	2,863,742
Total Deductions	<u>30,610</u>	<u>15,204,188</u>	<u>23,923</u>	<u>2,839,819</u>	<u>18,098,540</u>
Net Increase (Decrease) in Fiduciary Net Position	<u>581</u>	<u>-</u>	<u>42,368</u>	<u>13,295</u>	<u>56,244</u>
Net Position - Beginning of the Year	<u>4,252</u>	<u>-</u>	<u>16,038</u>	<u>144,211</u>	<u>164,501</u>
Net Position - End of the Year	<u>\$ 4,833</u>	<u>\$ -</u>	<u>\$ 58,406</u>	<u>\$ 157,506</u>	<u>\$ 220,745</u>

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

SAGUACHE 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

Saguache County is a political subdivision organized under the statutes of the State of Colorado. The County is governed by a three-member Board of County Commissioners (the Board). Each commissioner is elected at-large by the voters of the County to represent one of the three separate districts and must reside in the district for which he or she is elected. There are also six other elected officials - assessor, clerk and recorder, coroner, sheriff, district attorney, and treasurer. The treasurer is also the County Public Trustee.

The County provides a wide range of services to its residents including general administration, public safety, highways and streets, health and social services, public improvements, planning, zoning, airport, predatory animal and weed control.

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

The Saguache County Housing Authority (the Authority) is administered and governed by the Saguache County Commissioners. The Authority is blended into the County's financial statements as an Enterprise Fund.

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

SAGUACHE COUNTY, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

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:

- 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 and proprietary 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. 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. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the County.

Grant revenue is recognized when compliance and matching requirements are met. A receivable is established when the related expenditures exceed revenue receipts.

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 highway user's fees and other revenue sources.
- The *Social Services Fund* is used to account for the operations of social programs; i.e. Temporary Aid to Needy Families, Old Age Pension, Aid to the Blind, Aid to the Needy and Disabled, among others. Financing is provided by grants, allotments, and property tax revenue.
- The *Public Safety Fund* is used to account for an approved one and one-half sales tax revenue specifically to be used for the operations of law enforcement.

SAGUACHE COUNTY, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

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. 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 other revenues and expenses are reported as non-operating.

- The *Housing Authority Fund* is reported as an enterprise fund. The principal operating revenue of the Housing Authority Fund are monthly unit rental fees charged to tenants.

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 that are fiduciary in nature and present changes in fiduciary net position. Custodial funds are accounted for using the accrual basis of accounting. These funds are used to account for assets that the County holds for others in a fiduciary capacity.

- 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 Treasurer Fund* accounts for monies collected (principally tax collections) by the Saguache County Treasurer for various local government entities within the County.
- The *County Sheriff Fund* is used to account for funds collected for and disbursed for inmates and search and rescue.
- The *Clerk and Recorder Fund* accounts for four checking accounts for the collection of various taxes, fees, and surcharges which are reimbursed to the State of Colorado, other taxing entities and remaining funds are used at the Clerk's discretion.

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

SAGUACHE COUNTY, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

Inventories and Prepaid Items

Inventory is valued at the lower of cost (last-in, first-out) or market. Inventory in the Road and Bridge Fund consists of expendable supplies held for use. Reported inventories are equally offset by a fund balance reserve, which indicates that they do not constitute "available spendable resources", even though they are a component of net current assets. Inventory policy on government-wide statements is consistent with fund statements.

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

Capital Assets

Capital Assets, which include land, buildings and improvements, vehicles and equipment, construction in progress, and infrastructure assets (e.g. roads, bridges, sidewalks, underground pipe, traffic signals, and similar items), are reported in the applicable governmental activities columns in the government-wide financial statements. The County defines capital assets as assets with an initial, individual cost of more than \$5,000. 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 costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and Improvements	7-40
Vehicles and Equipment	5-15
Infrastructure	25-40

Leases

Lessee: The County recognizes lease liabilities and intangible right-to-use lease assets in the government-wide financial statements. The County recognizes lease liabilities with an initial, individual value of \$15,000 or more.

At the commencement of a lease, the County initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of the lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

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

- The County uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the County generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the leases. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the County is reasonably certain to exercise.

The County monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

SAGUACHE COUNTY, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

Compensated Absences

Annual leave may be accrued to the maximum of:

Under 5 years	144 hours
5 but less than 10 years	168 hours
10 - 15 or (20) years	192 hours

Upon separation from the County, an employee shall be paid for the amount of annual leave that he/she has accrued, subject to the limitation above. All vacation 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.

Unearned Revenue

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

Deferred Inflows of Resources

In addition to liabilities, the statement of net position reports 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.

Net Position

Net position represents the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources. Net position is 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 the 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 the following five categories:

- *Nonspendable Fund Balance*- amounts that cannot be spent because they are not in spendable form-such as inventory and prepaid expenses.

SAGUACHE COUNTY, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

- *Restricted Fund Balance*- amounts 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*- 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*- 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*- 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 net position/fund balance 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 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.

SAGUACHE COUNTY, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

	General Fund	Road and Bridge Fund	Social Services Fund	Public Safety Fund	Other Governmental Funds	Total Governmental Funds
Nonspendable						
Inventory	\$ -	1,100,431	\$ -	\$ -	\$ -	\$ 1,100,431
	-	1,100,431	-	-	-	1,100,431
Restricted						
TABOR	455,000	-	-	-	-	455,000
	455,000	-	-	-	-	455,000
Committed						
Contingencies	500,000	-	-	-	21,500	521,500
Capital Expenditures	838,158	-	-	-	-	838,158
Landfill	404,106	-	-	-	-	404,106
Public Safety	-	-	-	3,172,025	-	3,172,025
Health and Welfare	-	-	587,851	-	247,836	835,687
Highways and Streets	-	2,075,099	-	-	-	2,075,099
Culture and Recreation	-	-	-	-	401,715	401,715
Emergency Services	-	-	-	-	258,327	258,327
Renewable Energy	-	-	-	-	397,236	397,236
LaGarita Fire Station	-	-	-	-	90,000	90,000
	1,742,264	2,075,099	587,851	3,172,025	1,416,614	8,993,853
Unassigned	3,153,674	-	-	-	-	3,153,674
Total Fund Balance	\$ 5,350,938	\$ 3,175,530	\$ 587,851	\$ 3,172,025	\$ 1,416,614	\$ 13,702,958

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 re-budgeted in the succeeding year.

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.

Reclassifications

Certain reclassifications were made to fiscal year 2023 financial statements in order to conform to the fiscal year 2024 financial statement presentation.

New Accounting Pronouncements

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

SAGUACHE COUNTY, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

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

Saguache 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 31.

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), with the exception of the enterprise funds which budget capital outlay versus depreciation expenses.

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.

Stewardship

Expenditures in the Blue Waters Housing Authority Fund exceeded appropriations by \$3,395, during 2024. This may be a violation of Colorado State Statutes.

NOTE 3 CASH, DEPOSITS, AND INVESTMENTS

A summary of cash, deposits, and investments for the County are as follow:

Cash on Hand	\$ 3,103
Cash Deposited in Banks	1,141,222
ColoTrust	7,527,228
C-SAFE	7,602,262
Total Cash, Deposits, and Investments (Book Balance)	<u>16,273,815</u>
Less amounts related to Custodial Funds	<u>(1,049,671)</u>
Total Cash, Deposits, and Investments on Statement of Net Position	<u><u>\$ 15,224,144</u></u>

Cash and Deposits

Colorado State Statutes and the County Treasurer's investment policy 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

SAGUACHE COUNTY, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

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.

Custodial Credit Risk – Deposits

The County's investment policy addresses custodial credit risk. At December 31, 2024, \$1,026,443 was exposed to custodial credit risk. Those deposits exposed to credit risk are collateralized with securities held by the pledging financial institutions through PDPA.

Investments

The County's investment policy and 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
- Repurchase agreements
- Money market funds
- Guaranteed investments contracts
- Corporate or bank debt issued by eligible corporations or banks

Custodial Credit Risk - Investments

The County's investment policy calls for investment diversification within the portfolio to avoid unreasonable risks inherent in over investing in specific instruments, individual financial institutions, or maturities. The policy allows for the investment in local government investment pools.

Interest Rate Risk

Colorado Revised Statutes and the County's investment policy 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

SAGUACHE COUNTY, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

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.

The Colorado Surplus Asset Fund Trust (C-SAFE) investments are valued using the net asset value per share (or its equivalent) of the investments. The investments do not have any unfunded commitments, redemption restrictions or redemption notice periods. C-SAFE investments conform to Colorado Statutes CRS 24-75-601 et. seq. and therefore invests primarily in securities of the United States Treasury, United States Agencies, Primary Dealer Repurchase Agreements, highly rated commercial paper, highly rated corporate bonds, Colorado depositories collateralized at 102% of market value according to the guidelines of the Public Deposit Protection Act. C-SAFE measures all of its investments at amortized cost. C-SAFE 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 divided among the funds as follows:

General Fund	\$ 2,190,601
Social Services Fund	371,485
Public Health Fund	58,045
	<u>\$ 2,620,131</u>

NOTE 5 INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The County reports interfund balances between many of its funds. The balances result 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, were as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Conservation Fund	\$ 7,595
	Total	<u>\$ 7,595</u>

Interfund transfers for the year ended December 31, 2024, were as follows:

<u>Transfer In</u>	<u>Transfer Out</u>	<u>Amount</u>
General Fund	Public Safety Fund	\$ 850,000
Public Health Fund	General Fund	50,000
	Total	<u>\$ 900,000</u>

The Public Safety Fund transferred funds to the General Fund to support the sheriff's expenditures. The General Fund transferred funds to supplement the Public Health Fund.

SAGUACHE COUNTY, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 6 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	\$ 231,693	\$ -	\$ -	\$ 231,693
Construction in Progress	327,810	269,068	-	596,878
Total capital assets not being depreciated	<u>559,503</u>	<u>269,068</u>	<u>-</u>	<u>828,571</u>
Capital assets being depreciated:				
Buildings and Improvements	8,164,403	6,240	-	8,170,643
Vehicles and Heavy Equipment	9,449,430	779,858	119,057	10,110,231
Equipment	1,178,586	-	-	1,178,586
Infrastructure	2,376,701	106,462	-	2,483,163
Total capital assets being depreciated	<u>21,169,120</u>	<u>892,560</u>	<u>119,057</u>	<u>21,942,623</u>
Lease assets being depreciated:				
Equipment	301,817	51,638	59,279	294,176
Total lease assets being depreciated	<u>301,817</u>	<u>51,638</u>	<u>59,279</u>	<u>294,176</u>
Less accumulated depreciation for:				
Buildings and Improvements	6,678,490	79,416	-	6,757,906
Vehicles and Heavy Equipment	7,022,144	509,443	119,057	7,412,530
Equipment	504,629	104,331	-	608,960
Infrastructure	434,253	110,888	-	545,141
Lease Assets	89,282	58,205	59,279	88,208
Total accumulated depreciation	<u>14,728,798</u>	<u>862,283</u>	<u>178,336</u>	<u>15,412,745</u>
Total capital assets being depreciated, net	<u>6,742,139</u>	<u>81,915</u>	<u>-</u>	<u>6,824,054</u>
<i>Governmental Activities Capital Assets, net</i>	<u><u>\$ 7,301,642</u></u>	<u><u>\$ 350,983</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 7,652,625</u></u>

SAGUACHE COUNTY, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

	Balance 12/31/2023	Additions	Deletions	Balance 12/31/2024
<i>Business-type Activities:</i>				
Capital assets not being depreciated:				
Land	\$ 114,000	\$ -	\$ -	\$ 114,000
Total capital assets not being depreciated	<u>114,000</u>	<u>-</u>	<u>-</u>	<u>114,000</u>
Capital assets being depreciated:				
Buildings and Improvements	1,110,835	-	-	1,110,835
Furniture and Equipment	71,636	-	-	71,636
Total capital assets being depreciated	<u>1,182,471</u>	<u>-</u>	<u>-</u>	<u>1,182,471</u>
Less accumulated depreciation for:				
Buildings and Improvements	956,959	11,015	-	967,974
Furniture and Equipment	71,636	-	-	71,636
Total accumulated depreciation	<u>1,028,595</u>	<u>11,015</u>	<u>-</u>	<u>1,039,610</u>
Total capital assets being depreciated, net	<u>153,876</u>	<u>(11,015)</u>	<u>-</u>	<u>142,861</u>
<i>Business-type Activities Capital Assets, net</i>	<u><u>\$ 267,876</u></u>	<u><u>\$ (11,015)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 256,861</u></u>

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

Governmental Activities:	
General Government	\$ 179,420
Public Safety	121,777
Health and Welfare	31,721
Public Works	529,365
Culture and Recreation	<u>-</u>
	<u><u>\$ 862,283</u></u>
Business-type Activities:	
Housing Authority	<u><u>\$ 11,015</u></u>

SAGUACHE COUNTY, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 7 LONG-TERM LIABILITIES

Changes in Long-term Liabilities

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

	12/31/2023			12/31/2024	Due Within
	Balance	Additions	Deletions	Balance	One Year
<i>Governmental Activities:</i>					
Leases Payable	\$ 212,535	\$ 51,638	\$ 56,247	\$ 207,926	\$ 35,855
Landfill Closure and Post-Closure	780,669	33,531	-	814,200	-
Compensated Absences	251,993	220,208	-	472,201	282,047
	<u>1,245,197</u>	<u>305,377</u>	<u>56,247</u>	<u>1,494,327</u>	<u>317,902</u>
Total Governmental Activities	<u>\$ 1,245,197</u>	<u>\$ 305,377</u>	<u>\$ 56,247</u>	<u>\$ 1,494,327</u>	<u>\$ 317,902</u>
<i>Business-Type Activities:</i>					
DOLA-Division of Housing	\$ 128,949	\$ -	\$12,872	\$ 116,077	\$ 13,111
US Department of Agriculture					
Blue Waters Hacienda Project, 2005	109,435	-	1,093	108,342	1,169
	<u>238,384</u>	<u>-</u>	<u>13,965</u>	<u>224,419</u>	<u>14,280</u>
Total Business-Type Activities	<u>\$ 238,384</u>	<u>\$ -</u>	<u>\$ 13,965</u>	<u>\$ 224,419</u>	<u>\$ 14,280</u>

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

GOVERNMENTAL ACTIVITIES:

Lease Agreements

The County, as a lessee, has entered into lease agreements for equipment with lease terms of 5 to 7 years. The total costs of these right-to-use lease assets are recorded as \$294,176 less accumulated depreciation of \$88,208. The County has determined that as of December 31, 2024, there is no loss associated with an impairment of the right-to-use lease asset.

The future lease payments under lease agreements as of December 31, 2024 are as follows:

	Principal	Interest	Total
2025	\$ 35,855	\$ 7,872	\$ 43,727
2026	33,268	6,454	39,722
2027	27,974	5,223	33,197
2028	26,892	4,184	31,076
2029	25,847	3,121	28,968
2030-2032	58,090	4,682	62,772
	<u>\$ 207,926</u>	<u>\$ 31,536</u>	<u>\$ 239,462</u>

SAGUACHE COUNTY, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

Landfill Closure and Post-Closure Care Costs

State and Federal law 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 for thirty years after closure. The County uses the “Local Government Finance Test” as its financial mechanism to assure full payment of all closure, post closure, and if applicable, corrective action estimated costs. The estimated liability for landfill closure and post closure care costs represents the County’s total current estimate of such future costs, and is based on the estimated amount to be paid if all equipment, facilities, and services required to close, monitor and maintain the landfill were acquired as of December 31, 2024. As of December 31, 2024, the County estimated that existing landfill capacity was approximately 64% utilized (filled), and that the existing landfill was expected to be filled to capacity in fiscal year 2042. The \$814,200 reported as landfill closure and post-closure care liability at December 31, 2024 represents the cumulative amount reported to date based on the use of 64% of the estimated capacity of the landfill. The aggregate estimated liability of \$1,272,188 is comprised of \$404,106 of estimated closure costs and \$868,082 of estimated post closure costs. The County will recognize the remaining estimated cost of closure and post-closure care of \$457,988 as the remaining estimated capacity is filled. However, the actual costs of closure and post closure may be higher, due to inflation, changes in technology, or changes in the landfill laws and regulations.

BUSINESS-TYPE ACTIVITIES:

Colorado Department of Local Affairs – Division of Housing

The Housing Authority has entered into a mortgage note payable with Colorado Department of Local Affairs – Division of Housing (DOH) to refinance the construction of two projects operated by the Housing Authority. The note has an original principal balance in the amount of \$341,000, maturing May 2033, payable in semi-annual blended payments of \$7,585 beginning November 30, 2003, and with a stated interest rate of 2% annum. The mortgage is secured by a deed of trust on the Housing Authority’s Puerto Del Norte Haciendas housing project, which is located in Saguache County.

The 2009 and 2010 payments were deferred due to cash flow shortages. Payments resumed in December 2011. The note maturity date was extended until December 2035. Due to extra payments made in 2022, the note maturity date was shortened back to May 2033.

United States Department of Agriculture

The Housing Authority has entered into a mortgage note payable with the United States Department of Agriculture (USDA), with an original principal amount of \$118,592, maturing December 2054, payable in blended monthly payments of \$528, and with a stated interest rate of 6.75% per annum. The mortgage note was entered into to refinance the construction of two projects operated by the Housing Authority and is secured by a deed of trust on the Housing Authority’s Blue Waters Haciendas housing project, which is located in Saguache County.

SAGUACHE COUNTY, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

The annual debt service for the mortgage notes payable is as follows:

	Principal	Interest	Total
2025	\$ 14,280	\$ 7,221	\$ 21,501
2026	14,600	6,905	21,505
2027	14,735	6,770	21,505
2028	15,097	6,408	21,505
2029	15,472	6,034	21,506
2030-2034	58,023	24,323	82,346
2035-2039	13,174	18,497	31,671
2040-2044	18,445	13,226	31,671
2045-2049	25,825	5,846	31,671
2050-2054	34,768	76	34,844
	\$ 224,419	\$ 95,306	\$ 319,725

NOTE 8 EMPLOYEE BENEFITS

Defined Contribution Plan

All eligible employees, participate in the Colorado Retirement Association (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 the employees are tax deferred until time of withdrawal. Employees are eligible after completing 60 days of eligible employment with the County and participation is mandatory. Employee contributions are 100% vested and employer contributions are vested on a graded pro rata monthly at 25% of the annual rate.

The County must contribute 5% of the compensation of each participant. Each participant must contribute a minimum of 3%, and is permitted to make additional contributions. For the year ended December 31, 2024, total employee contributions to the Plan were \$164,034 and the County recognized pension expense of \$264,446. The County recognized \$3,451 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 of state statute.

Deferred Compensation Plan

The County also offers its employees an additional voluntary deferred compensation plan created in accordance with the Internal Revenue Code 457(f), administered by the Colorado Retirement Association (the Plan). The Plan permits 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. Total employer and employee contributions for 2024 were \$78,040. The County has no other liability other than to make the required monthly contribution.

Cafeteria Plan

The County also offers its employees a cafeteria compensation plan organized under Section 125 of the Internal Revenue Code, which includes the following benefits: medical, disability, accident and/or term life insurance, and health expense reimbursement. No cost to the County is recognized, as the plan is a salary reduction plan.

SAGUACHE COUNTY, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

Post-Employment Health Care Benefits

All County employees covered by COBRA insurance may continue their health insurance after a reduction in work hours or termination of employment. The County recognizes no cost for such coverage, as those electing to continue COBRA coverage must reimburse the County for 100% of their premium cost for the extended coverage period.

NOTE 9 COLORADO CONTRABAND FORFEITURE ACT

The County has reviewed financial activities in the Sheriff's Department for compliance with the above referenced act. There were no sales of contraband during the year ended December 31, 2024.

NOTE 10 TABOR AMENDMENT RESERVE

In November 1992, Colorado voters amended Article X of the Colorado Constitution by adding section 20; commonly known as the Taxpayer's Bill of Rights ("TABOR"). TABOR contains revenue, spending, tax and debt limitations that apply to the State of Colorado and local governments. TABOR requires, with certain exceptions, advance voter approval for any new tax, tax rate policy change directly causing a net tax revenue gain to any local government.

The initial base for local government spending and revenue limits is 1992 fiscal year spending. Future spending and revenue limits are determined based on the prior year's fiscal spending adjusted for inflation in the prior calendar year plus annual local growth. Fiscal year spending is generally defined as expenditures and reserve increases with certain exceptions. Revenue, if any, in excess of fiscal year spending limits must be refunded in the next fiscal year unless voters approve retention of such revenue.

Except for refinancing bonded debt at a lower interest rate or adding new employees to existing pension plans, TABOR requires advance voter approval for the creation of any multiple-fiscal year debt or other obligation unless adequate present cash reserves are pledged irrevocably and held for payments in all future fiscal years. TABOR also required local governments to establish emergency reserves to be used for declared emergencies only. Emergencies, as defined by TABOR, exclude economic conditions, revenue shortfalls, or salary or fringe benefit increases. These reserves are required to be 3% or more of fiscal year spending. Fiscal year spending excludes enterprise spending. The Emergency Reserve has been presented as a restriction of fund balance in the County funds and restricted net position on the Statement of Net Position.

The County's management believes it is in compliance with the financial provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of its provisions, including the interpretation of how to calculate fiscal year spending limits, will require judicial interpretation.

The electorate of the County passed a referendum allowing the County to collect and expend the full revenues generated during 1997 and each subsequent year, from its existing tax rates, to receive and expand all sales and property revenues without regard to Article X, Section 20 of the Colorado Constitution of law. Approval of this question does not authorize any increase in property tax rates of any kind above the 1995 rates.

NOTE 11 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

SAGUACHE COUNTY, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

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 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 income before return of surplus of \$4,231,335.

NOTE 12 COMMITMENTS AND CONTINGENCIES

Grant Programs

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.

Construction Projects

Saguache Clinic – Saguache Clinic reconstruction started in July 2022 and should be completed in August 2025. The total cost was estimated at \$600,000 with funding provided by a Grant Award of \$250,000. As of December 31, 2024, \$541,498 has been spent for the completion of this project.

SAGUACHE 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.

SAGUACHE 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 FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
Taxes	\$ 3,107,641	\$ 3,107,641	\$ 2,861,473	\$ (246,168)
Intergovernmental Revenue	3,533,037	4,705,857	5,002,084	296,227
Licenses and Permits	145,600	145,600	117,267	(28,333)
Charges for Services	1,124,838	1,124,838	1,231,954	107,116
Interest Revenue	660,100	660,100	777,774	117,674
Miscellaneous	371,493	371,493	209,613	(161,880)
TOTAL REVENUES	8,942,709	10,115,529	10,200,165	84,636
EXPENDITURES				
General Government	5,962,988	7,135,808	7,696,875	(561,067)
Public Safety	2,772,128	2,772,128	2,137,362	634,766
Health and Welfare	6,200	6,200	31,689	(25,489)
Public Works	42,000	42,000	104,409	(62,409)
Culture and Recreation	-	-	-	-
Capital Outlay	920,734	920,734	703,272	217,462
Debt Service	38,500	38,500	33,342	5,158
TOTAL EXPENDITURES	9,742,550	10,915,370	10,706,949	208,421
Excess (deficiency) of revenues over expenditures	(799,841)	(799,841)	(506,784)	293,057
OTHER FINANCING SOURCES (USES)				
Transfers In	850,000	850,000	850,000	-
Transfers Out	(50,000)	(50,000)	(50,000)	-
Lease Proceeds	-	-	51,638	51,638
TOTAL OTHER FINANCING SOURCES (USES)	800,000	800,000	851,638	51,638
Net Change in Fund Balance	159	159	344,854	344,695
Fund Balance at Beginning of Year	5,006,084	5,006,084	5,006,084	-
Fund Balance at End of Year	\$ 5,006,243	\$ 5,006,243	\$ 5,350,938	\$ 344,695

Notes to Required Supplementary Information

The basis of budgeting is the same as GAAP.

The schedule is presented on the GAAP basis.

SAGUACHE 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 FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental Revenue	3,125,843	3,125,843	3,141,455	15,612
License and Permits	31,000	31,000	25,601	(5,399)
Charges for Services	163,000	324,500	320,606	(3,894)
Miscellaneous	18,000	18,000	10,041	(7,959)
TOTAL REVENUES	3,337,843	3,499,343	3,497,703	(1,640)
EXPENDITURES				
Public Works	3,397,803	3,459,303	3,550,620	(91,317)
Capital Outlay	417,000	417,000	242,135	174,865
Debt Service	-	-	-	-
TOTAL EXPENDITURES	3,814,803	3,876,303	3,792,755	83,548
Excess (deficiency) of revenues over expenditures	(476,960)	(376,960)	(295,052)	81,908
OTHER FINANCING SOURCES (USES)				
Transfer in	-	-	-	-
Sale of Capital Assets	3,000	3,000	1,366	(1,634)
TOTAL OTHER FINANCING SOURCES (USES)	3,000	3,000	1,366	(1,634)
Net Change in Fund Balance	(473,960)	(373,960)	(293,686)	80,274
Fund Balance at Beginning of Year	3,469,216	3,469,216	3,469,216	-
Fund Balance at End of Year	\$ 2,995,256	\$ 3,095,256	\$ 3,175,530	\$ 80,274

Notes to Required Supplementary Information

The basis of budgeting is the same as GAAP.

The schedule is presented on the GAAP basis.

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

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
REVENUES				
Taxes	\$ 471,031	\$ 471,031	\$ 446,650	\$ (24,381)
Intergovernmental Revenue	7,852,078	7,852,078	5,846,002	(2,006,076)
Interest Revenue	-	-	28	28
Miscellaneous	-	-	20,626	20,626
TOTAL REVENUES	8,323,109	8,323,109	6,313,306	(2,009,803)
EXPENDITURES				
Health and Welfare	8,220,109	8,220,109	6,144,233	2,075,876
Capital Outlay	103,000	103,000	53,546	49,454
TOTAL EXPENDITURES	8,323,109	8,323,109	6,197,779	2,125,330
Net Change in Fund Balance	-	-	115,527	115,527
Fund Balance at Beginning of Year	472,324	472,324	472,324	-
Fund Balance at End of Year	\$ 472,324	\$ 472,324	\$ 587,851	\$ 115,527

Notes to Required Supplementary Information

The basis of budgeting is the same as GAAP.

The schedule is presented on the GAAP basis.

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

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
Taxes	\$ 1,000,000	\$ 1,100,000	\$ 1,107,453	\$ 7,453
Intergovernmental Revenue	-	-	-	-
Miscellaneous	-	-	-	-
TOTAL REVENUES	<u>1,000,000</u>	<u>1,100,000</u>	<u>1,107,453</u>	<u>7,453</u>
EXPENDITURES				
Public Safety	50,000	90,000	49,713	40,287
Capital Outlay	100,000	160,000	184,535	(24,535)
TOTAL EXPENDITURES	<u>150,000</u>	<u>250,000</u>	<u>234,248</u>	<u>15,752</u>
Excess (deficiency) of revenues over expenditures	850,000	850,000	873,205	23,205
OTHER FINANCING SOURCES (USES)				
Transfer in	(850,000)	(850,000)	(850,000)	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>(850,000)</u>	<u>(850,000)</u>	<u>(850,000)</u>	<u>-</u>
Net Change in Fund Balance	-	-	23,205	23,205
Fund Balance at Beginning of Year	<u>3,148,820</u>	<u>3,148,820</u>	<u>3,148,820</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 3,148,820</u>	<u>\$ 3,148,820</u>	<u>\$ 3,172,025</u>	<u>\$ 23,205</u>

Notes to Required Supplementary Information

The basis of budgeting is the same as GAAP.
The schedule is presented on the GAAP basis.

SAGUACHE 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.

SAGUACHE 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 HEALTH FUND– This fund is used to account for multiple programs of providing health services to County residents. Financing is provided by grants and fees for services.

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 Saguache County. The monies may be expended to promote Saguache County to tourists.

SALES TAX – EMERGENCY SERVICES FUND, SALES TAX – YOUTH AND SENIORS FUND, AND SALES TAX – RENEWABLE ENERGY FUND – These funds are used to account for the expenditure of County sales tax collected for emergency services, youth and senior activities, and renewable energy activities, respectively.

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

	NONMAJOR SPECIAL REVENUE FUNDS						
	PUBLIC HEALTH FUND	CONSERVATION TRUST FUND	TOURISM FUND	SALES TAX- EMERGENCY SERVICES FUND	SALES TAX- YOUTH AND SENIORS FUND	SALES TAX- RENEWABLE ENERGY FUND	TOTAL NONMAJOR GOVERNMENTAL
ASSETS							
Cash and Cash Equivalents	\$ 128,157	\$ 131,367	\$ 186,922	\$ 348,327	\$ 113,721	\$ 404,236	\$ 1,312,730
Accounts Receivable	188,306	-	-	-	-	-	188,306
Property Tax Receivable	58,045	-	-	-	-	-	58,045
Due from Other Governments	-	-	-	-	-	-	-
Due from Other Funds	-	-	-	-	-	-	-
TOTAL ASSETS	<u><u>\$ 374,508</u></u>	<u><u>\$ 131,367</u></u>	<u><u>\$ 186,922</u></u>	<u><u>\$ 348,327</u></u>	<u><u>\$ 113,721</u></u>	<u><u>\$ 404,236</u></u>	<u><u>\$ 1,559,081</u></u>
LIABILITIES AND FUND BALANCE							
LIABILITIES							
Accounts Payable	\$ 10,161	\$ -	\$ 1,200	\$ -	\$ -	\$ 7,000	\$ 18,361
Due to Other Funds	-	7,595	-	-	-	-	7,595
Deferred Grant Revenue	58,466	-	-	-	-	-	58,466
TOTAL LIABILITIES	<u>68,627</u>	<u>7,595</u>	<u>1,200</u>	<u>-</u>	<u>-</u>	<u>7,000</u>	<u>84,422</u>
DEFERRED INFLOWS OF RESOURCES							
Unearned Revenue - Property Tax	58,045	-	-	-	-	-	58,045
FUND BALANCE							
Committed	247,836	123,772	185,722	348,327	113,721	397,236	1,416,614
TOTAL FUND BALANCE	<u>247,836</u>	<u>123,772</u>	<u>185,722</u>	<u>348,327</u>	<u>113,721</u>	<u>397,236</u>	<u>1,416,614</u>
TOTAL LIABILITIES AND FUND BALANCE	<u><u>\$ 374,508</u></u>	<u><u>\$ 131,367</u></u>	<u><u>\$ 186,922</u></u>	<u><u>\$ 348,327</u></u>	<u><u>\$ 113,721</u></u>	<u><u>\$ 404,236</u></u>	<u><u>\$ 1,559,081</u></u>

SAGUACHE 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						
	PUBLIC HEALTH FUND	CONSERVATION TRUST FUND	TOURISM FUND	SALES TAX- EMERGENCY SERVICES FUND	SALES TAX- YOUTH AND SENIORS FUND	SALES TAX- RENEWABLE ENERGY FUND	TOTAL NONMAJOR GOVERNMENTAL
REVENUES							
Taxes	\$ 69,768	\$ -	\$ 127,713	\$ 246,101	\$ 246,101	\$ 248,843	\$ 938,526
Intergovernmental Revenue	469,219	13,694	-	-	-	-	482,913
Charges for Services	280,810	-	-	-	-	-	280,810
Miscellaneous	-	-	-	-	-	-	-
TOTAL REVENUES	819,797	13,694	127,713	246,101	246,101	248,843	1,702,249
EXPENDITURES							
Current Expenditures							
General Government	-	-	-	-	-	-	-
Public Safety	-	-	-	273,677	-	-	273,677
Health and Welfare	807,148	-	-	-	-	-	807,148
Public Works	-	-	-	-	-	322,363	322,363
Culture and Recreation	-	-	54,631	-	253,759	-	308,390
Capital Outlay	-	-	-	-	-	-	-
TOTAL EXPENDITURES	807,148	-	54,631	273,677	253,759	322,363	1,711,578
Excess (deficiency) of revenues over expenditures	12,649	13,694	73,082	(27,576)	(7,658)	(73,520)	(9,329)
OTHER FINANCING SOURCES (USES)							
Transfer In	50,000	-	-	-	-	-	50,000
Transfer Out	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	50,000	-	-	-	-	-	50,000
Net Change in Fund Balance	62,649	13,694	73,082	(27,576)	(7,658)	(73,520)	40,671
Fund Balance at Beginning of Year	185,187	110,078	112,640	375,903	121,379	470,756	1,375,943
Fund Balance at End of Year	\$ 247,836	\$ 123,772	\$ 185,722	\$ 348,327	\$ 113,721	\$ 397,236	\$ 1,416,614

SAGUACHE COUNTY, COLORADO
ENTERPRISE FUND TYPES
COMBINING SCHEDULE OF NET POSITION
December 31, 2024

	HOUSING AUTHORITY			TOTAL
	SAGUACHE HOUSING AUTHORITY	BLUE WATERS	PUERTO DEL NORTE HACIENDAS	ENTERPRISE FUND
ASSETS				
Current Assets:				
Cash and Cash Equivalents	\$ 34,985	\$ 135,913	\$ 132,301	\$ 303,199
Accounts Receivable	-	-	-	-
Total Current Assets	34,985	135,913	132,301	303,199
Noncurrent Assets:				
Capital Assets:				
Capital assets not being depreciated	62,000	36,000	16,000	114,000
Capital assets, net of accumulated depreciation	-	-	142,861	142,861
Total Noncurrent Assets	62,000	36,000	158,861	256,861
TOTAL ASSETS	96,985	171,913	291,162	560,060
LIABILITIES				
Current Liabilities:				
Accounts Payable	-	(165)	-	(165)
Unearned Revenue	-	-	-	-
Security Deposit	-	2,560	9,629	12,189
Notes Payable (current portion)	-	1,169	13,111	14,280
Total Current Liabilities	-	3,564	22,740	26,304
Noncurrent Liabilities:				
Notes Payable	-	107,173	102,966	210,139
Total Noncurrent Liabilities	-	107,173	102,966	210,139
TOTAL LIABILITIES	-	110,737	125,706	236,443
NET POSITION				
Net Investment in Capital Assets	62,000	(72,342)	42,784	32,442
Unrestricted	34,985	133,518	122,672	291,175
TOTAL NET POSITION	\$ 96,985	\$ 61,176	\$ 165,456	\$ 323,617

SAGUACHE COUNTY, COLORADO
ENTERPRISE FUND TYPES
COMBINING SCHEDULE OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION
For the Year Ended December 31, 2024

	HOUSING AUTHORITY			TOTAL
	SAGUACHE HOUSING AUTHORITY	BLUE WATERS	PUERTO DEL NORTE HACIENDAS	ENTERPRISE FUND
OPERATING REVENUES				
Rent from Tenants	\$ -	\$ 43,959	\$ 139,075	\$ 183,034
HUD Operating Subsidy	-	103,148	6,164	109,312
Contributions and Donations	-	-	-	-
Miscellaneous	7,505	3,821	3,606	14,932
Total operating revenues	<u>7,505</u>	<u>150,928</u>	<u>148,845</u>	<u>307,278</u>
OPERATING EXPENSES				
Administrative	-	96,769	67,492	164,261
Utilities	-	26,965	32,571	59,536
Operating and Maintenance	627	9,786	12,101	22,514
Insurance	-	9,026	11,964	20,990
Depreciation Expense	-	-	11,015	11,015
Total operating expenses	<u>627</u>	<u>142,546</u>	<u>135,143</u>	<u>278,316</u>
Operating Income (Loss)	<u>6,878</u>	<u>8,382</u>	<u>13,702</u>	<u>28,962</u>
NONOPERATING REVENUES (EXPENSES)				
Interest on Investments	-	348	93	441
Grant Revenue	-	-	-	-
Interest Expense	-	(5,241)	(2,299)	(7,540)
Total Nonoperating Revenues (Expenses)	<u>-</u>	<u>(4,893)</u>	<u>(2,206)</u>	<u>(7,099)</u>
Changes in Net Position	6,878	3,489	11,496	21,863
Net Position, Beginning of Year	<u>90,107</u>	<u>57,687</u>	<u>153,960</u>	<u>301,754</u>
Net Position, End of Year	<u>\$ 96,985</u>	<u>\$ 61,176</u>	<u>\$ 165,456</u>	<u>\$ 323,617</u>

SAGUACHE COUNTY, COLORADO
ENTERPRISE FUND TYPES
COMBINING SCHEDULE OF CASH FLOWS
For the Year Ended December 31, 2024

	HOUSING AUTHORITY			TOTAL
	SAGUACHE HOUSING AUTHORITY	BLUE WATERS	PUERTO DEL NORTE HACIENDAS	ENTERPRISE FUND
Cash flows from operating activities:				
Cash received from tenants and others	\$ 11,505	\$ 47,249	\$ 143,604	\$ 202,358
Cash received from HUD operating subsidy	-	103,148	6,164	109,312
Cash paid to employees for services	-	(96,769)	(67,492)	(164,261)
Cash paid to suppliers and service providers	(627)	(51,101)	(62,536)	(114,264)
Net cash provided (used) by operating activities:	10,878	2,527	19,740	33,145
Cash flows from noncapital financing activities:				
Grant revenue	(21,250)	-	-	(21,250)
Net cash provided (used) by noncapital financing activities	(21,250)	-	-	(21,250)
Cash flows from capital and related financing activities:				
Payment of note principal and interest	-	(6,334)	(15,171)	(21,505)
Purchase of capital assets	-	-	-	-
Net cash provided (used) by capital and related financing activities	-	(6,334)	(15,171)	(21,505)
Cash flows from investing activities:				
Interest received	-	348	93	441
Net cash provided (used) by investing activities	-	348	93	441
Increase (decrease) in cash and investments	(10,372)	(3,459)	4,662	(9,169)
Cash and cash equivalents, Beginning of the Year	45,357	139,372	127,639	312,368
Cash and cash equivalents, End of the Year	<u>\$ 34,985</u>	<u>\$ 135,913</u>	<u>\$ 132,301</u>	<u>\$ 303,199</u>
Operating income (loss)	\$ 6,878	\$ 8,382	\$ 13,702	\$ 28,962
Adjustments to reconcile net income to net cash provided (used) by operating activities				
Depreciation	-	-	11,015	11,015
(Increase) Decrease in Accounts Receivable	4,000	-	6	4,006
Increase (Decrease) in Accounts Payable	-	(5,324)	(5,900)	(11,224)
Increase (Decrease) in Security Deposits	-	(531)	917	386
Total adjustments	4,000	(5,855)	6,038	4,183
Net cash provided (used) by operating activities	<u>\$ 10,878</u>	<u>\$ 2,527</u>	<u>\$ 19,740</u>	<u>\$ 33,145</u>

SAGUACHE COUNTY, COLORADO
SCHEDULE OF EXPENDITURES AND TRANSFERS OUT
ALL NON-MAJOR GOVERNMENTAL FUNDS AND ALL PROPRIETARY FUNDS
BUDGET AND ACTUAL
For the Year Ended December 31, 2024

	BUDGETED AMOUNTS		EXPENDITURES REPORTED ON THE GAAP BASIS	ADJUSTMENTS TO BUDGETARY BASIS	EXPENDITURES ON THE BUDGETARY BASIS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL				
Governmental Funds						
Non-major Governmental Funds						
Special Revenue Funds						
Public Health Fund	\$ 927,481	\$ 1,009,434	\$ 807,148	\$ -	\$ 807,148	\$ 202,286
Conservation Trust Fund	45,000	45,000	-	-	-	45,000
Tourism Fund	130,500	130,500	54,631	-	54,631	75,869
Sales Tax - Emergency Services Fund	240,000	310,000	273,677	-	273,677	36,323
Sales Tax - Youth and Seniors Fund	260,000	280,000	253,759	-	253,759	26,241
Sales Tax - Renewable Energy Fund	240,000	325,000	322,363	-	322,363	2,637
Total Non-major Governmental Funds	<u>\$ 1,842,981</u>	<u>\$ 2,099,934</u>	<u>\$ 1,711,578</u>	<u>\$ -</u>	<u>\$ 1,711,578</u>	<u>\$ 388,356</u>
Proprietary Funds						
Enterprise Funds						
Blue Waters Housing Authority	\$ 145,485	\$ 145,485	\$ 147,787	\$ 1,093	\$ 148,880	\$ (3,395)
Puerto Del Norte Haciendas Housing Authority	142,401	142,401	137,442	1,857	139,299	3,102
Saguache County Housing Authority	46,250	46,250	627	-	627	45,623
Total Proprietary Funds	<u>\$ 334,136</u>	<u>\$ 334,136</u>	<u>\$ 285,856</u>	<u>\$ 2,950</u>	<u>\$ 288,806</u>	<u>\$ 45,330</u>

Adjustments to budgetary basis include costs of capitalized assets, depreciation expense and principal payments.

SAGUACHE COUNTY, COLORADO

OTHER SCHEDULES AND REPORTS

SAGUACHE COUNTY
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>
Clusters				
CCDF Cluster				
U.S. Department of Health and Human Services				
Child Care and Development Black Grant	93.575	Colorado Department of Human Services, N/A	\$ -	\$ 1,230
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	Colorado Department of Human Services, N/A	-	8,262
Total CCDF Cluster			-	9,492
Food Distribution Cluster				
U.S. Department of Agriculture				
Commodity Supplemental Food Program	10.565	Colorado Department of Human Services and Care and Share Food Bank, N/A	-	45,570
Emergency Food Assistance Program (Food Commodities)	10.569	Colorado Department of Human Services and Care and Share Food Bank, N/A	-	37,526
Total Food Distribution Cluster			-	83,096
Medicaid Cluster				
U.S. Department of Health and Human Services				
Medical Assistance Program	93.778	Colorado Department of Health Care Policy and Financing, N/A	-	144,674
Total Medicaid Cluster			-	144,674
SNAP Cluster				
U.S. Department of Agriculture				
Supplemental Nutrition Assistance Program	10.551	Colorado Department of Human Services, N/A	-	224
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	Colorado Department of Human Services, N/A	-	75,468
Total SNAP Cluster			-	75,692
Forest Service Schools and Roads Cluster				
U.S. Department of Agriculture				
Schools and Roads - Grants to States, Title I	10.665	Colorado Department of Treasury, N/A	1,191,829	1,191,829
Schools and Roads - Grants to States, Title III	10.665	Colorado Department of Treasury, N/A	104,409	104,409
Total Forest Service Schools and Roads Cluster			1,296,238	1,296,238

SAGUACHE COUNTY
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>
Section 8 Project-Based Cluster				
U.S. Department of Housing and Urban Development				
Project-Based Rental Assistance (PBRA)	14.195	Colorado Housing and Finance Authority, N/A	-	103,148
Total Section 8 Project-Based Cluster			-	103,148
Housing Voucher Cluster				
U.S. Department of Housing and Urban Development				
Section 8 Housing Choice Vouchers	14.871	Center Housing Authority, N/A	-	6,164
Total Housing Voucher Cluster			-	6,164
Total All Clusters			1,296,238	1,718,504
Other Programs				
U.S. Department of Agriculture				
Rural Rental Housing Loans	10.415		-	113,583
Total U.S. Department of Agriculture			-	113,583
U.S. Department of Justice				
Crime Victim Assistance	16.575	Colorado Division of Criminal Justice, N/A	-	72,731
Total U.S. Department of Justice			-	72,731
U.S. Department of Transportation				
Highway Planning and Construction	20.205	Colorado Department of Transportation, N/A	-	715,535
Total U.S. Department of Transportation			-	715,535
U.S. Department of Treasury				
Local Assistance and Tribal Consistency Fund	21.032		-	393,379
Coronavirus State and Local Fiscal Recovery Funds	21.027	Colorado Department of Local Affairs, N/A	-	156,613
Coronavirus State and Local Fiscal Recovery Funds	21.027	Colorado Department of Transportation, 20-HA5-XC-0020	-	382,516
Coronavirus State and Local Fiscal Recovery Funds	21.027	Colorado Department of Public Health and Environment, OPHP LPHA ARPA	-	44,008
Total U.S. Department of Treasury			-	976,516

SAGUACHE COUNTY
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 Health and Human Services				
Public Health Emergency Preparedness	93.069	Colorado Department of Public Health and Environment, C23PHP	-	23,672
Guardianship Assistance	93.090	Colorado Department of Human Services, N/A	-	1,208
COVID-19 Immunization Cooperative Agreements	93.268	Colorado Department of Public Health and Environment, IMM#4	-	15,004
Immunization Cooperative Agreements	93.268	Colorado Department of Public Health and Environment, IMM#3	-	46,549
COVID-19 Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	Colorado Department of Public Health and Environment, ELC	-	89,193
Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	93.354	Colorado Department of Public Health and Environment, OPHP LPHA	-	23,579
Title IV-E Prevention Program	93.472	Colorado Department of Human Services, N/A	-	9,889
MaryLee Allen Promoting Safe and Stable Families Program	93.556	Colorado Department of Human Services, N/A	-	1,976
Temporary Assistance for Needy Families	93.558	Colorado Department of Human Services, N/A	-	148,607
COVID-19 Temporary Assistance for Needy Families	93.558	Colorado Department of Human Services, N/A	-	1,734
Child Support Services	93.563	Colorado Department of Human Services, N/A	-	102,714
Stephanie Tubbs Jones Child Welfare Services Program	93.645	Colorado Department of Human Services, N/A	-	19,888
Foster Care-Title IV-E	93.658	Colorado Department of Human Services, N/A	-	266,702

SAGUACHE COUNTY
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>
Adoption Assistance	93.659	Colorado Department of Human Services, N/A	-	48,342
Social Services Block Grant	93.667	Colorado Department of Human Services, N/A	-	30,667
COVID-19 Elder Abuse Prevention Interventions Program	93.747	Colorado Department of Human Services, N/A	-	3,300
Centers for Disease Control and Prevention Collaborations with Academia to Strengthen Public Health	93.967	Colorado Department of Public Health and Environment, OPHP LPHA CDC	-	57,083
Maternal and Child Health Services Block Grant to the States	93.994	Colorado Department of Public Health and Environment, OPHP	-	13,316
<i>Total U.S. Department of Health and Human Services</i>			-	903,423
U.S. Department of Homeland Security				
Emergency Management Performance Grants	97.042	Colorado Department of Local Affairs, N/A	-	40,199
<i>Total U.S. Department of Homeland Security</i>			-	40,199
<i>Total Other Programs</i>			-	2,821,987
<i>Total Expenditures of Federal Awards</i>			<u>\$ 1,296,238</u>	<u>\$ 4,540,491</u>

SAGUACHE 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 Saguache 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 Saguache County, Colorado, it is not intended to and does not present the financial position, changes in net position, or cash flows of Saguache County, Colorado.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting, except for funds passed-through the Colorado Department of Human Services, Department of Public Health and Environment, Department of Health Care Policy and Financing, and Care and Share Food Bank which are reported on a cash basis. 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 identifying numbers are presented where available. Schools and Roads - Grants to States, Title I and Title III funds were passed through to subrecipients. The County did not elect to use the 10-percent or 15-percent de minimis indirect cost rate, as applicable, as allowed under Uniform Guidance for the year ended December 31, 2024.

NOTE 3 FOOD DISTRIBUTION

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

NOTE 4 RURAL RENTAL HOUSING LOANS

The Rural Rental Housing Loan is administered by Rural Development payable by the County. The outstanding loan balance at December 31, 2024 is included in the financial statements. The detail of the loan outstanding at the beginning and end of the year is included in Note 7 of the Notes to the Basic Financial Statements.

**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
Saguache County, Colorado
Saguache, 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 Saguache 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 August 06, 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 were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as Finding 2024-001 and Finding 2024-002 that we consider to be material weaknesses.

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 material effect on the

Certified Public Accountants

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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*.

Saguache County's Response to the Finding

Government Auditing Standards require the auditor to perform limited procedures on the County's response to the findings identified in our audit and described in the accompanying corrective action plan. The County's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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 County'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 County'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

August 06, 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
Saguache County, Colorado
Saguache, Colorado

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Saguache 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 other 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

August 06, 2025

SAGUACHE COUNTY, COLORADO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the 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? X yes no
- Significant deficiency(ies) identified that are **not** considered to be material weakness(es)?
reported yes X none
- 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)?
reported yes X no

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:

Federal Assistance Number(s)

10.665

20.205

Name of Federal Program or Cluster

Forest Service Schools and Roads Cluster

Highway Planning and Construction

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

Auditee qualified as a low-risk auditee?

 yes X no

SAGUACHE COUNTY, COLORADO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2024

Section II – Financial Statement Findings

Finding 2024-001: Internal Control over Social Services Fund Reconciliation

Type of Finding: Internal Control (Material Weakness)

Criteria: A system of internal controls includes the design, documentation, and monitoring of control activities over the application of financial statement preparation.

Condition: The County does not have a complete system of internal control to ensure all Social Services fund activity is recorded, reconciled, and submitted to the State of Colorado Financial Management System timely.

Cause: Due to vacancies in the Social Services director and bookkeeping positions, monthly reconciliations of general ledger accounts for October, November, and December 2024 were not done timely.

Effect: Audit adjustments were proposed to properly state the financial statements as of December 31, 2024, in accordance with generally accepted accounting principles. In addition, the County was not reimbursed by the State for expenditures related to 2024 until May 2025.

Recommendation: The County should implement policies and procedures to incorporate cross training over monthly reconciliation processes to ensure they continue to be done timely in periods of transition.

Finding 2024-002: Internal Control over Grant Management

Type of Finding: Internal Control (Material Weakness)

Criteria: A system of internal controls includes the design, documentation, and monitoring of control activities over grant management to ensure matching of revenues and expenditures to the proper reporting period.

Condition: The County does not have a complete system of internal control to ensure all grant activity is recorded, reconciled, and reimbursements are submitted timely.

Cause: The County did not properly track grant activity and accurately reconcile revenues and expenditures to ensure reimbursements were completed timely.

Effect: Audit adjustments were proposed to properly state the financial statements as of December 31, 2024, in accordance with generally accepted accounting principles. In addition, grant expenditures were not requested for reimbursement from the grantor in a timely manner as expenditures occurred throughout the year. Expenditures related to 2024 of approximately \$600,000 were not received until June 2025 and approximately \$200,000 have not been received as of the audit date.

Recommendation: The County should continue to strengthen its internal controls through the implementation of adopted policies and procedures to reconcile grant activity monthly or quarterly to help ensure that grant reimbursement requests are completed in a timely and accurate manner. Timely submissions improve cash flow management and ensure that external funds are utilized when available.

Section III – Federal Award Findings and Questioned Costs

None

SAGUACHE COUNTY, COLORADO
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
Year Ended December 31, 2024

Section II – Financial Statement Findings

None

Section III – Federal Award Findings and Questioned Costs

**Finding 2023-001: Local Assistance and Tribal Consistency Fund, Federal Assistance Listing No. 21.032,
U.S. Department of Treasury**

Compliance Requirement: Reporting

Grant No.: Not applicable

Type of finding: Internal Control (material weakness) and Compliance (material noncompliance)

Condition: The County omitted \$397,560 of current period LATCF obligations and expenditures which is greater than 10% difference on the annual 2023 Obligation and Expenditure Report.

Recommendation: The County should strengthen its internal controls with adopted policies and procedures to ensure accurate financial reporting in compliance with the Reporting Guidance for the Local Assistance and Tribal Consistency Fund.

Status: Implemented.



SAGUACHE COUNTY

505 Third Street • P. O. Box 100
Saguache, Colorado 81149

Phone: (719) 655-2231 • Fax: (719) 655-2635

CORRECTIVE ACTION PLAN

Oversight Agencies: U.S. Department of Agriculture and U.S. Department of Transportation

Saguache County, Colorado respectfully submits the following corrective action plan for the year ended December 31, 2024.

Independent Accountants: Wall, Smith, Bateman Inc.
Certified Public Accountants
3001 Adcock Circle, P.O. Box 809
Alamosa, CO 81101

Audit period: Year ended December 31, 2024

The findings from the December 31, 2024 schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule. Section I of the schedule, Summary of Auditors' Results, does not include findings and is not addressed.

Section II – Financial Statement Findings

Finding 2024-001: Internal Control over Social Services Fund Reconciliation

Type of finding: Internal Control (material weakness)

Recommendation: The County should implement policies and procedures to incorporate cross training over monthly reconciliation processes to ensure they continue to be done timely in periods of transition.

Action Taken:

Saguache County will implement a policy that insures cross training for monthly reconciliations to ensure timely reconciliations for timely periods of transition.

Finding 2024-002: Internal Control over Grant Management

Type of finding: Internal Control (material weakness)

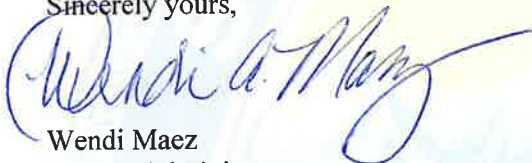
Recommendation: The County should continue to strengthen its internal controls through the implementation of adopted policies and procedures to reconcile grant activity monthly or quarterly to help ensure that grant reimbursement requests are completed in a timely and accurate manner. Timely submissions improve cash flow management and ensure that external funds are utilized when available.

Action Taken:

Saguache County will implement a policy that outlines the procedure of grant reimbursement requests for all grants monthly and/or quarterly to ensure timely submissions and cash flow for all grants.

If there are questions regarding this plan, please call the party responsible listed below.

Sincerely yours,



Wendi Maez
County Administrator
Saguache County, Colorado



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

LOCAL HIGHWAY FINANCE REPORT		City or County: Saguache County
		YEAR ENDING : December 2024
This Information From The Records Of Saguache County	Prepared By: Michelle Hashbarger Phone: 719-655-2554	

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

ITEM	AMOUNT
A. Receipts from local sources:	
1. Local highway-user taxes	
a. Motor Fuel (from Item I.A.5.)	
b. Motor Vehicle (from Item I.B.5.)	
c. Total (a.+b.)	
2. General fund appropriations	
3. Other local imposts (from page 2)	2,276
4. Miscellaneous local receipts (from page 2)	332,013
5. Transfers from toll facilities	
6. Proceeds of sale of bonds and notes:	
a. Bonds - Original Issues	
b. Bonds - Refunding Issues	
c. Notes	
d. Total (a. + b. + c.)	0
7. Total (1 through 6)	334,289
B. Private Contributions	
C. Receipts from State government (from page 2)	3,164,780
D. Receipts from Federal Government (from page 2)	0
E. Total receipts (A.7 + B + C + D)	3,499,069

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Local highway disbursements:	
1. Capital outlay (from page 2)	198,426
2. Maintenance:	3,106,933
3. Road and street services:	
a. Traffic control operations	20,966
b. Snow and ice removal	
c. Other	14,055
d. Total (a. through c.)	35,021
4. General administration & miscellaneous	452,376
5. Highway law enforcement and safety	
6. Total (1 through 5)	3,792,756
B. Debt service on local obligations:	
1. Bonds:	
a. Interest	
b. Redemption	
c. Total (a. + b.)	0
2. Notes:	
a. Interest	
b. Redemption	
c. Total (a. + b.)	0
3. Total (1.c + 2.c)	0
C. Payments to State for highways	
D. Payments to toll facilities	
E. Total disbursements (A.6 + B.3 + C + D)	3,792,756

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

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

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	3,469,217	3,499,069	3,792,756	3,175,530	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	0	a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes		c. Parking Garage Fees	
2. Infrastructure & Impact Fees	2,276	d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	1,366
4. Licenses		f. Charges for Services	265,356
5. Specific Ownership &/or Other		g. Other Misc. Receipts	65,291
6. Total (1. through 5.)	2,276	h. Other (Bonanza)	0
c. Total (a. + b.)	2,276	i. Total (a. through h.)	332,013
	(Carry forward to page 1)		(Carry forward to page 1)
ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	3,141,455	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	0
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	23,325	d. Federal Transit Admin	
d. Other (Specify) - DOLA Grant		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	
f. Total (a. through e.)	23,325	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	3,164,780	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		198,426	198,426
(4). System Enhancement & Operation			0
(5). Total Construction (1) + (2) + (3) + (4)	0	198,426	198,426
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	198,426	198,426
			(Carry forward to page 1)
Notes and Comments:			