



**Financial Statements
For the Year Ended December 31, 2023**

GILPIN COUNTY, COLORADO
FINANCIAL STATEMENTS
December 31, 2023

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FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT



Independent Auditor's Responsibilities for the Audit of the Financial Statements Report

Board of County Commissioners
Gilpin County
Blackhawk, Colorado

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* (GAS), issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of 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.

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Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and GAS, we:

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

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



Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining and individual fund statements and schedules, local highway finance report and schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Award as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund statements and schedules, local highway finance report and schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Award as listed in the table of contents 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 fund statements and schedules, local highway finance report and schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Award as listed in the table of contents is fairly stated, in all material respects, in relation to the basic financial statements as a whole.



Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 30, 2024, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

Hick & Company, PC

Englewood, Colorado
July 30, 2024



Gilpin County

Management's Discussion and Analysis

December 31, 2023

As management of Gilpin County, we offer readers of our financial statements this narrative, overview and analysis of the financial activities of Gilpin County for the fiscal year ended December 31, 2023.

Financial Highlights

At the close of 2023, Gilpin County's assets of \$65,227,408 exceeded its liabilities of \$1,607,097 and the deferred inflow of revenue of \$5,161,396 by \$58,458,915. Of this amount, \$25,621,398 is invested in capital, \$5,454,942 is restricted, and \$27,328,593 is unrestricted. Our unrestricted fund balance will be used to ensure financial flexibility of the county moving forward, as well as meet our ongoing obligations to residents, creditors and a continued investment in capital improvements.

Gilpin County continues to be heavily reliant on the revenue generated by gaming taxes. Gaming continues to generate record highs. In 2022, gaming revenue to the county was \$15,251,006. Revenue continued to rise from that all time high and in 2023, the county received \$16,102,591. Gaming taxes are subject to greater volatility than property taxes, and as a result, the county continues to be conservative as we plan for the future.

As rates continued to rise, the county made strategic moves with unrestricted cash and significantly increased interest income earned in 2023. Through safe instruments such as treasury bills, the county was able to lock in higher rates and saw investment earnings rise from \$342,689 to \$1,325,959 in 2023. The county expects that it will continue to benefit from these higher rates in the near-term future.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to Gilpin County's financial statements. The financial statements include: 1) government-wide financial statements; 2) fund financial statements; and 3) notes to the financial statements. This management report also contains supplementary information to give the reader a more detailed view of the County's financial statements.

Government-Wide Financial Statements The government-wide financial statements are designed to provide readers with a broad overview of Gilpin County's finances, in a manner similar to a private sector business. For Gilpin County this means using the accrual basis of accounting, and including depreciation on capital assets.

The statement of net position presents information on all of Gilpin County's assets, liabilities and deferred inflows, with the difference reported as net position. Changes in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating. Evaluation of the overall health of the County would extend to other nonfinancial factors, such as diversification of the taxpayer base or the condition of County infrastructure, in addition to the financial information provided in this report.

Gilpin County
Management's Discussion and Analysis
December 31, 2023

The statement of activities presents information showing how the County's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flow changes in future fiscal periods (e.g., earned but unused vacation leave). An important purpose of the design of the statement of activities is to show the financial reliance of the County's activities or functions on revenues provided by gaming taxes and the County's taxpayers.

The government-wide financial statements can be found on pages 1-2 of this report.

Fund Financial Statements A fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. Gilpin County, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Gilpin County funds can be divided into two categories: governmental funds and fiduciary funds.

Governmental Funds Governmental funds focus on how money flows into and out of the funds and the balances left at year end available for spending.

Gilpin County maintains eight individual governmental funds. Four are major: the general fund, the public works fund, the human services fund, and the parks & recreation fund. Four are non-major: the library fund; the public health agency fund; the solid waste fund; and the conservation trust fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the three major funds, and is combined into a single aggregated presentation for the four non-major governmental funds.

Fiduciary Funds Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not included in the government-wide financial statements because the resources of these funds are not available to support Gilpin County's own operations. The County's agency funds include Public Trustee, Treasurer, Jail accounts, FREI bond, and Sheriff Forfeiture. The fiduciary fund financial statements can be found on page 7-8 of this report.

Gilpin County adopts an annual appropriated budget for its governmental funds. A budgetary comparison schedule has been provided for each fund to demonstrate compliance with these budgets.

Gilpin County
Management's Discussion and Analysis
December 31, 2023

Government-Wide Financial Analysis

Net Position As noted earlier, net position may serve as a useful indicator of the County's financial position. At the close of fiscal year 2023, assets exceeded liabilities and deferred inflows of resources by \$58,458,915 which is an increase from 2022 of \$7,493,611.

Assets:	<u>2023</u>	<u>2022</u>
Cash and Investments	\$33,968,728	\$30,077,904
Accounts Receivable	406,073	486,610
Taxes Receivable	5,161,396	6,021,270
Inventory	15,749	450
Prepaid Expenses	54,064	95,048
Capital Assets, Net of Accumulated Depreciation	23,381,272	23,648,835
Capital Assets, Not being Depreciated	<u>2,240,126</u>	<u>1,834,032</u>
Total Assets	<u>65,227,408</u>	<u>62,164,149</u>
Liabilities:		
Accounts Payable	413,187	931,066
Accrued Liabilities	274,919	199,782
Unearned Revenues	387,272	3,357,596
Noncurrent Liabilities - Current Portion	67,000	269,000
Noncurrent Liabilities	<u>464,719</u>	<u>420,131</u>
Total		
Liabilities	<u>1,607,097</u>	<u>5,177,575</u>
Deferred Inflows of Resources:		
Deferred Property Tax Revenue	<u>5,161,396</u>	<u>6,021,270</u>
Net Position:		
Net Investment in Capital Assets	25,621,398	25,482,867
Restricted	5,454,924	4,721,788
Unrestricted	<u>27,382,593</u>	<u>20,760,649</u>
Total Net		
Position	<u>\$58,458,915</u>	<u>\$50,965,304</u>

Note that Gilpin County continues to see the unrestricted portion of net position increase and at the same time continues to see liabilities fall. Cash and investments increased \$3,890,824 from 2022. In Gilpin County, our main source of revenue is from gaming, so we continue to be conservative due to the volatile nature of this source of revenue.

Gilpin County
Management's Discussion and Analysis
December 31, 2023

Governmental Activities: The County's total revenues of \$35,093,875 exceeded of program expenses of \$27,600,264 for an increase in net position of \$7,493,611. A summary follows:

Revenues	<u>2023</u>	<u>2022</u>
Program Revenues		
Charges for Services	\$3,036,556	\$2,762,140
Operating Grants & Contributions	7,488,684	5,157,081
Total Program Revenues	<u>10,525,240</u>	<u>7,919,221</u>
General Revenues		
Property Taxes*	6,025,548	6,013,738
Specific Ownership Taxes*	419,425	469,023
Lodging Tax	115,216	-
Gaming Taxes*	16,102,591	15,251,006
Grants & Contrib not restricted to specific programs*	536,946	652,601
Investment Earnings	1,325,959	342,689
Other Revenue, net Asset Sale	42,950	122,974
Total General Revenues	<u>24,568,635</u>	<u>22,852,031</u>
Expenses		
General Government	9,533,576	7,944,892
Public Safety	8,578,450	8,513,830
Health and Welfare	2,810,689	3,033,050
Highways and Streets	3,253,295	3,001,651
Culture and Recreation	2,767,512	2,676,041
Community Development	656,742	414,117
Interest on Long-Term Debt	-	48,767
Total Expenses	<u>27,600,264</u>	<u>25,632,348</u>
Increase/(Decrease) in Net Position	<u>\$7,493,611</u>	<u>\$5,138,904</u>

*It is important to note that all taxes are classified as general revenue even if restricted for a specific purpose.

The primary revenues for Gilpin County are gaming taxes (45.88% of total revenues). Gaming taxes are authorized by the Constitution of the State of Colorado, set annually by the Colorado Limited Gaming Control Commission, collected by the State from casinos in Black Hawk and Central City and released to Gilpin County on an annual basis.

The most notable changes between 2022 and 2023, is the increase in earned interest. Gilpin County has been able to earn on invested funds. As rates continue to rise, the county has been mindful to place money into safe, higher-yielding investments. Some of these instruments have a long enough time frame where the county should continue to see the benefits even as rates fall.

Gilpin County
 Management's Discussion and Analysis
 December 31, 2023

Governmental funds

In 2011, the County implemented Governmental Accounting Standards Board Statement 54 (GASB 54), which requires a more specific breakdown of the availability of fund balances, resulting in the components detailed in the following audit. Gilpin County reported a total fund balance of \$33,369,236 at the end of 2023, compared to \$26,171,568 at the end of 2022. This increase is a result of conservative spending by Gilpin County.

The residual amount of unassigned fund balance in the County's general fund after accounting for all levels of constraint determined according to GASB 54 is \$23,615,289; which represents resources available for immediate appropriation by the Board for any purpose. There is a need to maintain a certain unassigned amount to cover the ensuing year's budget for the first eight months, since a majority of the County revenue is not received until August each year, for unexpected expenditures and revenue shortfalls (e.g., an adequate amount to provide liquidity in the event of an economic downturn or natural disaster and to save for capital projects).

Since all general revenues, primarily gaming taxes, are recorded in the General Fund; the General Fund routinely transfers amounts to other funds to subsidize operations and capital projects. For the year ended December 31, 2023, the General Fund transferred to four other funds, as listed below.

Transfers In	Transfers Out	Amount
Public Works	General (And Capital)	\$2,071,923
Human Services	General (And Capital)	394,883
	Total	\$2,466,806

General Fund Budgetary Highlights

The General Fund accounts for all general governmental services provided by the County. This includes public safety, health, community development, maintenance, recreation and general administration. Funding for these services comes from a variety of sources, but the general fund is heavily funded by gaming taxes. Gaming revenue of \$16,102,591 was the majority of General Fund revenue.

Gaming revenue was up \$851,585 over 2022. Gaming revenue is difficult to predict due to the many factors that contribute to the calculation. This includes where gaming occurred, ballot issues, the economy, the weather, and possible cyber, economic or natural events.

Gilpin County
 Management's Discussion and Analysis
 December 31, 2023

Capital Assets

At December 31, 2022, the County had \$25,482,867 invested in a broad range of capital assets. The 2023 balance increased by \$138,531 over the prior year.

In 2006, the County added infrastructure per GASB 34 using the standard depreciation approach which distributes the loss in value of assets across their lives.

The following table provides a summary of capital asset activity:

	<u>2023</u>	<u>2022</u>
Land	\$1,191,750	\$1,191,750
Water Rights	132,001	132,001
Infrastructure, net	(492,590)	68,050
Building, net	16,282,945	16,297,266
Improvements, net	3,913,604	3,951,373
Equipment, net	3,677,313	3,332,146
Construction in progress	916,375	510,281
	<u>\$25,621,38</u>	<u>\$25,482,87</u>

Capital asset additions during the current fiscal year included (but are not limited to):

- Medium Duty Public Works Trucks (two)
- Public Works Road Grader
- County-wide security measures
- Other items that can be found within this report

The County recently interfaced with an outside organization to get a better understanding of our infrastructure needs. This report pointed to a wide array of needs that the County has started to prepare for. Our 2024 budget demonstrates a commitment to ensuring the assets of the County.

Debt

At the end of the calendar year, Gilpin County had no long-term outstanding debt to outside creditors. The county has been careful with how it uses debt in the past and while there are currently no plans to accrue debt, we reserve the right to do so if it is within the county's best interest.

The Year Ahead

The 2024 budget is in part a recognition that the capital infrastructure of Gilpin County requires an elevated level of care. The 2024 budget contains \$6,368,699 of capital projects that will help safeguard the assets and residents of the county. Additionally, the County has budgeted \$598,512 for fleet replacement to ensure that our vehicles are safe and can continue to serve our public.

Gilpin County
Management's Discussion and Analysis
December 31, 2023

While Gilpin County is committed to ensuring the safety of assets and the public, it is also mindful of the economic future. The majority of revenue the county receives is from gaming taxes. This source of revenue is far more sensitive to the swings of the economy than property tax. At the writing of this document, we are seeing the labor market beginning to soften and interest rates are expected to be reduced soon. Any sort of economic contraction could put pressure on Colorado's gaming industry which would, in turn, affect Gilpin County's main source of revenue. With this in mind, we continue to be conservative, by maintaining a healthy fund balance for the residents of the county.

Gilpin County has made a point to take advantage of higher interest rates. We saw Investment Income rise in 2023, and we expect to see this continue into 2024, as we continue to lock in market rates that will likely be higher than we could receive in the near future. This will provide some offset for the sunseting of the Parks and Recreation Mill Levy.

In late 2023, voters rejected an extension of the Parks and Recreation Mill Levy. This funding source was used to directly fund the Community Center and the activities within. The General Fund helped supplement with capital and other sources of funding. With the pull back of this very stable source of funding, Gilpin County will be moving Parks and Recreation back into the General Fund starting in 2025. We continue to be conservative to provide the citizens with a high level of sustainable service.

Requests for Information

This financial report is designed to provide a general overview of Gilpin County's finances for all those with an interest in the County's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Gilpin County Finance Department.

BASIC FINANCIAL STATEMENTS

Gilpin County
Statement of Net Position
December 31, 2023

	Governmental Activities
Assets	
Cash and Investments	\$ 33,968,728
Accounts Receivable	406,073
Taxes Receivable	5,161,396
Prepaid Expenses	54,064
Inventory	15,749
Capital Assets, <i>Not Being Depreciated</i>	2,240,126
Capital Assets, <i>Net of Accumulated Depreciation</i>	23,381,272
Total Assets	65,227,408
Liabilities	
Accounts Payable	413,187
Accrued Liabilities	274,919
Unearned Revenues	387,272
Non-current Liabilities	
Due Within One Year	67,000
Due in More Than One Year	464,719
Total Liabilities	1,607,097
Deferred Inflows of Resources	
Deferred Property Tax Revenue	5,161,396
Total Deferred Inflows of Resources	5,161,396
Net Position	
Net Investment in Capital Assets	25,621,398
Restricted	5,454,924
Unrestricted	27,382,593
Total Net Position	\$ 58,458,915

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

Functions/Programs	Expenses	Program Revenues			Net (Expense)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Change in Net Position
Primary Government					
<i>Governmental Activities</i>					
General Government	\$ 9,533,576	\$ 1,058,411	\$ 2,846,992	\$ -	\$ (5,628,173)
Public Safety	8,578,450	1,043,246	1,083,863	-	(6,451,341)
Health and Welfare	2,810,689	84,180	2,490,407	-	(236,102)
Highways and Streets	3,253,295	42,339	708,248	-	(2,502,708)
Culture and Recreation	2,767,512	307,794	358,944	-	(2,100,774)
Community Development	656,742	500,586	230	-	(155,926)
Total Government Activities	\$ 27,600,264	\$ 3,036,556	\$ 7,488,684	\$ -	(17,075,024)
General Revenues					
Property Taxes					6,025,548
Specific Ownership Taxes					419,425
Lodging Tax					115,216
Gaming Taxes					16,102,591
Grants & Contributions not restricted to specific programs					536,946
Interest Income					1,325,959
Other					419,814
(Loss) on Sale of Capital Assets					(376,864)
Total General Revenues					24,568,635
Change in Net Position					7,493,611
Net Position, Beginning of Year					50,965,304
Net Position, End of Year					\$ 58,458,915

Gilpin County
Balance Sheet
Governmental Funds
December 31, 2023

	General	Public Works	Other Governmental Funds	Totals
Assets				
Cash and Investments	\$ 26,913,177	\$ 2,931,956	\$ 4,123,595	\$ 33,968,728
Property Taxes Receivable	3,704,441	463,055	993,900	5,161,396
Accounts Receivable	257,331	54,064	94,678	406,073
Inventory	-	15,749	-	15,749
Prepaid Expenses	53,274	-	790	54,064
	<u>30,928,223</u>	<u>3,464,824</u>	<u>5,212,963</u>	<u>39,606,010</u>
Total Assets	<u>\$ 30,928,223</u>	<u>\$ 3,464,824</u>	<u>\$ 5,212,963</u>	<u>\$ 39,606,010</u>
Liabilities				
Accounts Payable	\$ 210,416	\$ 54,005	\$ 147,947	\$ 412,368
Retainage Payable	819	-	-	819
Accrued Liabilities	204,035	27,198	43,686	274,919
Unearned Revenue	338,413	-	48,859	387,272
	<u>753,683</u>	<u>81,203</u>	<u>240,492</u>	<u>1,075,378</u>
Total Liabilities	<u>753,683</u>	<u>81,203</u>	<u>240,492</u>	<u>1,075,378</u>
Deferred Inflows of Resources				
Deferred Property Tax Revenue	3,704,441	463,055	993,900	5,161,396
	<u>3,704,441</u>	<u>463,055</u>	<u>993,900</u>	<u>5,161,396</u>
Total Deferred Inflows of Resources	<u>3,704,441</u>	<u>463,055</u>	<u>993,900</u>	<u>5,161,396</u>
Fund Balances				
Nonspendable	53,274	15,749	790	69,813
Restricted	951,000	2,904,817	1,599,107	5,454,924
Committed	-	-	2,136,530	2,136,530
Assigned	1,850,536	-	131,828	1,982,364
Unrestricted, Unassigned	23,615,289	-	110,316	23,725,605
	<u>26,470,099</u>	<u>2,920,566</u>	<u>3,978,571</u>	<u>33,369,236</u>
Total Fund Balances	<u>26,470,099</u>	<u>2,920,566</u>	<u>3,978,571</u>	<u>33,369,236</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 30,928,223</u>	<u>\$ 3,464,824</u>	<u>\$ 5,212,963</u>	<u>\$ 39,606,010</u>

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

Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because:

Total Fund Balances of Governmental Funds	\$ 33,369,236
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in governmental funds.	25,621,398
Liabilities not due and payable in the current period are not reported in the fund balance sheets, but are reported on the government-wide statement of net position.	
Compensated absences	<u>(531,719)</u>
Total Net Position of Governmental Activities	<u>\$ 58,458,915</u>

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

	General	Public Works	Other Governmental Funds	Total
Revenues				
Taxes	\$ 3,864,230	\$ 407,416	\$ 2,288,543	\$ 6,560,189
Gaming Taxes	16,102,591	-	-	16,102,591
Intergovernmental	4,541,585	708,248	2,775,797	8,025,630
Licenses and Permits	298,182	-	55,615	353,797
Charges for Services	2,008,758	42,339	631,662	2,682,759
Interest Income	1,013,855	123,786	188,318	1,325,959
Miscellaneous	306,074	27,067	86,673	419,814
	<u>28,135,275</u>	<u>1,308,856</u>	<u>6,026,608</u>	<u>35,470,739</u>
Total Revenues				
Expenditures				
Current				
General Government	8,551,480	-	440,593	8,992,073
Public Safety	8,312,245	-	-	8,312,245
Health and Welfare	-	-	2,799,143	2,799,143
Highways and Streets	-	2,669,756	-	2,669,756
Culture and Recreation	246,969	-	2,085,155	2,332,124
Community Development	657,404	-	-	657,404
Capital Outlay	1,674,993	608,208	329,998	2,613,199
	<u>19,443,091</u>	<u>3,277,964</u>	<u>5,654,889</u>	<u>28,375,944</u>
Total Expenditures				
Revenues Over (Under) Expenditures	<u>8,692,184</u>	<u>(1,969,108)</u>	<u>371,719</u>	<u>7,094,795</u>
Other Financing Sources (Uses)				
Sale of Assets	15,305	58,278	29,290	102,873
Transfers In	1,193,194	2,071,923	394,883	3,660,000
Transfers (Out)	(3,660,000)	-	-	(3,660,000)
	<u>(2,451,501)</u>	<u>2,130,201</u>	<u>424,173</u>	<u>102,873</u>
Total Other Financing Sources (Uses)				
Net Change in Fund Balances	6,240,683	161,093	795,892	7,197,668
Fund Balances, Beginning of year	<u>20,229,416</u>	<u>2,759,473</u>	<u>3,182,679</u>	<u>26,171,568</u>
Fund Balances, End of year	<u>\$ 26,470,099</u>	<u>\$ 2,920,566</u>	<u>\$ 3,978,571</u>	<u>\$ 33,369,236</u>

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

Amounts Reported for Governmental Activities in the Statement of Activities are Different Because:

Net Change in Fund Balances of Governmental Funds	\$	7,197,668
<p>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 as depreciation expense.</p>		
Capital Outlay		2,664,372
Depreciation Expense		(2,046,104)
Disposal of Capital Assets		(479,737)
<p>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.</p>		
Change in Compensated Absences		(44,588)
Change in Claims Payable		202,000
		202,000
Change in Net Position of Governmental Activities	\$	7,493,611

Gilpin County
Statement of Fiduciary Net Position
December 31, 2023

	Custodial Funds
Assets	
Cash and cash equivalents	\$ <u>933,759</u>
 Total Assets	 \$ <u><u>933,759</u></u>
Liabilities	
Due to other governmental entities	\$ 628,817
Held for Inmate Expenses	144,161
Held for Sheriff Expenses	16,240
Held for Frei Bond	<u>144,541</u>
 Total Liabilities	 \$ <u><u>933,759</u></u>

Gilpin County
Statement of Changes in Fiduciary Net Position
For the Year Ended December 31, 2023

	<u>Custodial Funds</u>
Additions	
Tax collections for other governments	\$ 19,892,145
Other collections	<u>376,658</u>
Total Additions	20,268,803
Deductions	
Payments to other governments	19,575,862
Treasurer fee	132,508
Other disbursements	<u>560,433</u>
Total Deductions	<u>20,268,803</u>
Net Increase in Fiduciary Net Position	-
Net Position, Beginning of Year	<u>-</u>
Net Position, End of Year	<u><u>\$ -</u></u>

GILPIN COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Gilpin County, Colorado (the County) have been prepared in conformity with generally accepted accounting principles (GAAP) as applicable to governmental entities. The Governmental Accounting Standards Board (GASB) is the standard setting body for establishing governmental accounting and financial reporting principles. Following is a summary of the more significant policies.

Reporting Entity

In accordance with governmental accounting standards, the County has considered the possibility of inclusion of additional entities in its basic financial statements.

The definition of the reporting entity is based primarily on financial accountability. The County is financially accountable for organizations that make up its legal entity. It is also financially accountable for legally separate organizations if County officials appoint a voting majority of the organization's governing body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the County. The County may also be financially accountable for organizations that are fiscally dependent upon it.

Based on the application of these criteria, the County does not include additional organizations in its reporting entity.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the County. For the most part, the effect of inter-fund activity has been removed from these statements. Exceptions to this general rule are charges for inter-fund services that are reasonably equivalent to the services provided. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported in a single column.

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

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

GILPIN COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 the liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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 to be *available* when they are collected 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.

Property taxes, specific ownership taxes, grants, and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the County. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due.

When both restricted and unrestricted resources are available for a specific use, it is the County's practice to use restricted resources first, then unrestricted resources as they are needed.

The County reports the following major governmental funds:

The *General Fund* – This fund is the general operating fund of the County which accounts for all financial resources that are not accounted for in other funds. Operations of the County such as public safety, planning and zoning, property valuation, tax collection and distribution, vehicle licensing, County administration, and other activities financed from taxes and general revenues are reflected in this fund.

The *Public Works Fund (Road and Bridge)* – This fund records resources and expenditures related to County road and bridge construction and maintenance. By State law, Colorado counties are required to maintain a fund of which a portion of road and bridge property taxes is allocated to cities and towns for use in their road and street activities. Other significant resources in the fund include State and Federal shared revenue for road maintenance.

Additionally, the County reports the following fund type:

The *Custodial Funds* - are used to account for assets held by the County in a trustee capacity or as an agent for individuals, private organizations, and other governments. The County holds all assets in a purely custodial capacity.

GILPIN COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Receivables

Receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

Inventory

Inventories include Public Works fuel valued at cost using the weighted average method.

Prepaid Expenses

Certain payments to vendors reflect costs applicable to future accounting periods, and are reported as prepaid expenses using the consumption method.

Capital Assets

Capital assets, which include land, buildings, equipment, intangibles, and infrastructure assets (e.g., roads, bridges) purchased or constructed since 1980, are reported in the governmental activity's column in the government-wide financial statements. Capital assets are defined by the County as assets with an initial, individual cost of \$5,000 or more and an estimated useful life of more than one year. Such assets are recorded at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are recorded at the acquisition value on the date of donation.

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

Property and equipment of the County is depreciated using the straight-line method over the following estimated useful lives:

Infrastructure	5 – 40 years
Buildings	10 – 50 years
Improvements	5 – 50 years
Machinery and Equipment	2 – 25 years

Compensated Absences

Employees of the County are allowed to accumulate unused vacation time up to 416 hours and 600 hours of unused sick time. Upon termination of employment from the County, employees will be compensated for up to 208 accrued vacation time at their current pay rate.

These compensated absences are recognized when due in the governmental funds. A liability has been recorded in the government-wide financial statements for the accrued compensated absences.

GILPIN COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Unearned Revenues

Unearned revenue includes grants that have been collected but corresponding expenditures have not been incurred, and fees received in advance.

Long-Term Obligations

In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities.

In the fund financial statements, governmental funds recognize the face amount of debt issued as other financing sources.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position and balance sheets will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflow of resources, represents a consumption of net position and fund balance that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position and balance sheets will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflow of resources, represents an acquisition of net position and fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Property taxes earned but not levied for the current year are reported as deferred inflows of resources.

Net Position/Fund Balances (see Note 5)

In the government-wide and fund financial statements, net position and fund balances are restricted when constraints placed on the use of resources are externally imposed. As reported in the fund financial statements, the Board of County Commissioners establishes a fund balance commitment through passage of a resolution. In addition, by resolution the Board of County Commissioners has delegated to the Finance Director the authority to assign fund balances for specific purposes.

When expenditures are incurred for a specific purpose for which both restricted and unrestricted fund balances are available, the County's policy is to use restricted amounts first, followed by committed, assigned and unassigned amounts.

Property Taxes

Property taxes attach as an enforceable lien on the property on January 1, are levied the following December, and collected in the subsequent calendar year. Taxes are payable in full on April 30 or in two installments on February 28 and June 15. The County Treasurer's office collects property taxes and remits to the County on a monthly basis.

GILPIN COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property Taxes (Continued)

Since property tax revenues are collected in arrears during the succeeding year, a receivable and corresponding deferred inflow are recorded at December 31. As the tax is collected in the succeeding year, the deferred revenue is recognized as revenue and the receivable is reduced.

Subsequent Events

The County has evaluated subsequent events through the July 30, 2024, which the financial statements were issued.

NOTE 2: DEPOSITS AND INVESTMENTS

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

Petty Cash and Treasurer Cash On Hand	\$ 2,678
Cash Deposits	13,974,115
Investments	<u>20,925,694</u>
 Total	 \$ <u><u>34,902,487</u></u>

The above amounts are classified in the financial statements as follows:

Governmental Activities	\$ 33,968,728
Custodial funds	<u>933,759</u>
 Total	 \$ <u><u>34,902,487</u></u>

Deposits

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government’s deposits may not be returned to it. The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is 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 102% of the uninsured deposits.

At December 31, 2023, of these balances, \$13,808,993 was covered by collateral held by authorized escrow agents in the financial institution’s name (PDPA).

GILPIN COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 2: DEPOSITS AND INVESTMENTS (Continued)

Investments

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

- Obligations of the United States and certain U.S. government agency securities
- General obligation and revenue bonds of U.S. local government entities
- Commercial paper
- Local government investment pools
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts

The above investments are authorized for all funds and fund types used by Colorado municipalities.

Interest Rate Risk

State statutes generally limit the maturity of investment securities to five years from the date of purchase, unless the governing board authorizes the investment for a period in excess of five years.

Credit Risk

State statutes limit certain investments to those with specified ratings from nationally recognized statistical rating organizations, depending on the type of investment.

Concentration of Credit Risk

State statutes do not limit the amount the County may invest in one issuer, except for corporate securities.

Local Government Investment Pools

At December 31, 2023, the County had \$10,209,552 and \$10,716,142 invested in the Colorado Local Government Liquid Asset Trust and the Colorado Surplus Asset Fund Trust (COLOTRUST and CSAFE), respectively. The pools are investment vehicles established for local government entities in Colorado to pool surplus funds. The Colorado Division of Securities administers and enforces the requirements of creating and operating the pools. The pools operate in conformity with the Securities and Exchange Commission's Rule 2a-7. The pools are measured at the net asset value per share, with each share valued at \$1. The pools are rated AAAM by Standard and Poor's. Investments of the pools are limited to those allowed by State statutes. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. The custodian's internal records identify the investments owned by the participating governments.

GILPIN COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 3: CAPITAL ASSETS

Capital assets activity for the year ended December 31, 2023 is summarized below:

	<u>Balance 12/31/22</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 12/31/23</u>
Governmental Activities				
Capital Assets, <i>Not Being Depreciated</i>				
Land	\$ 1,191,750	\$ -	\$ -	\$ 1,191,750
Water Rights	132,001	-	-	132,001
CIP	<u>510,281</u>	<u>465,169</u>	<u>(59,075)</u>	<u>916,375</u>
Total Capital Assets, <i>Not Being Depreciated</i>	<u>1,834,032</u>	<u>465,169</u>	<u>(59,075)</u>	<u>2,240,126</u>
Capital Assets, <i>Being Depreciated</i>				
Buildings	28,057,687	-	-	28,057,687
Infrastructure	2,289,356	-	-	2,289,356
Improvements	8,694,591	352,960	-	9,047,551
Machinery and Equipment	<u>12,611,434</u>	<u>1,905,318</u>	<u>(479,737)</u>	<u>14,037,015</u>
Total Capital Assets, <i>Being Depreciated</i>	<u>51,653,068</u>	<u>2,258,278</u>	<u>(479,737)</u>	<u>53,431,609</u>
Less Accumulated Depreciation				
Buildings	(11,760,421)	(14,321)	-	(11,774,742)
Infrastructure	(2,221,306)	(560,640)	-	(2,781,946)
Improvements	(4,743,218)	(390,729)	-	(5,133,947)
Machinery and Equipment	<u>(9,279,288)</u>	<u>(1,080,414)</u>	<u>-</u>	<u>(10,359,702)</u>
Total Accumulated Depreciation	<u>(28,004,233)</u>	<u>(2,046,104)</u>	<u>-</u>	<u>(30,050,337)</u>
Total Capital Assets, <i>Being Depreciated, net</i>	<u>23,648,835</u>	<u>212,174</u>	<u>(479,737)</u>	<u>23,381,272</u>
Governmental Activities Capital Assets, <i>net</i>	<u>\$ 25,482,867</u>	<u>\$ 677,343</u>	<u>\$ (538,812)</u>	<u>\$ 25,621,398</u>

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

General Governments	\$ 633,899
Public Safety	340,140
Health and Welfare	19,441
Highways and Streets	605,761
Culture and Recreation	445,831
Community Development	<u>1,032</u>
Total Depreciation Expense	<u>\$ 2,046,104</u>

GILPIN COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 4: LONG-TERM DEBT

Following is a summary of long-term debt transactions for the year ended December 31, 2023:

Governmental Activities	Balance 12/31/22	Additions	Deletions	Balance 12/31/23	Due Within One Year
Claims Payable	\$ 202,000	\$ -	\$ (202,000)	\$ -	\$ -
Compensated Absences	<u>487,131</u>	<u>687,866</u>	<u>(643,278)</u>	<u>531,719</u>	<u>67,000</u>
Total	<u>\$ 689,131</u>	<u>\$ 687,866</u>	<u>\$ (845,278)</u>	<u>\$ 531,719</u>	<u>\$ 67,000</u>

Accrued Compensated Absences are expected to be paid from resources generated by the General, Public Works, Library, Human Services, Solid Waste, and Parks & Recreation Funds.

In 2016 the County switched from fully-funded to partially self-funded medical insurance for employees. Beginning January 1, 2023 the County exchanged its partially self-funded medical insurance plan to a fully-funded medical insurance plan. The County subsequently paid any outstanding claims payable.

GILPIN COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 5: FUND BALANCES

The specific purposes for each fund balance classification on the balance sheet are detailed in the table below:

	General	Public Works	Non-Major Governmental	Total
Fund Balances				
Non-Spendable:				
Inventory amounts	\$ -	\$ 15,749	\$ -	\$ 15,749
Prepaid amounts	53,274	-	790	54,064
	<u>53,274</u>	<u>15,749</u>	<u>790</u>	<u>69,813</u>
Restricted:				
Emergency Reserves	951,000	-	-	951,000
Highways & Streets	-	2,904,817	-	2,904,817
Health & Welfare	-	-	1,483,149	1,483,149
Culture & Recreation	-	-	115,958	115,958
	<u>951,000</u>	<u>2,904,817</u>	<u>1,599,107</u>	<u>5,454,924</u>
Committed:				
Library	-	-	558,116	558,116
Public Health	-	-	344,001	344,001
Parks & Recreation	-	-	673,515	673,515
Solid Waste	-	-	560,898	560,898
	<u>-</u>	<u>-</u>	<u>2,136,530</u>	<u>2,136,530</u>
Assigned:				
Donations	-	-	131,828	131,828
eRecording	21,167	-	-	21,167
Open space	327,032	-	-	327,032
GCART	2,337	-	-	2,337
Disasters	500,000	-	-	500,000
Capital Projects	500,000	-	-	500,000
Medical	500,000	-	-	500,000
	<u>1,850,536</u>	<u>-</u>	<u>131,828</u>	<u>1,982,364</u>
Unassigned:				
General Fund	<u>23,615,289</u>	<u>-</u>	<u>110,316</u>	<u>23,725,605</u>
Total	<u>\$ 26,470,099</u>	<u>\$ 2,920,566</u>	<u>\$ 3,978,571</u>	<u>\$ 33,369,236</u>

GILPIN COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 6: INTERFUND TRANSFERS

Inter-fund transfers for the year ended December 31, 2023, were comprised of the following:

	<u>General Fund</u>	<u>Public Works Fund</u>	<u>Other Governmental Fund</u>	<u>Total</u>
Transfer in	\$ 1,193,194	\$ 2,071,923	\$ 394,883	\$ 3,660,000
Transfer out	<u>(3,660,000)</u>	<u>-</u>	<u>-</u>	<u>(3,660,000)</u>
Total	<u>\$ (2,466,806)</u>	<u>\$ 2,071,923</u>	<u>\$ 394,883</u>	<u>\$ -</u>

The General Fund transferred funds to the Public Works Fund and Human Services Fund to subsidize operations and capital purchases in those funds. During January 2023, the County opened a capital fund and transferred \$1,193,194 from the General Fund. During December 2023, the Capital fund was closed and \$1,193,194 was returned to the General Fund.

NOTE 7: RETIREMENT COMMITMENTS

401(a) Employee Pension Plan

The County contributes to a multiple employer Defined Contribution retirement plan administered by the Colorado Retirement Association. Substantially all eligible County employees are required to participate immediately upon being hired. Both the County and the employee contribute five percent of the employee's eligible compensation. The County's contributions for each employee are 100% vested upon participation in the plan. The contribution rate is determined by the Board of County Commissioners. During the year ended December 31, 2023, employer and employees each contributed \$483,921, equal to their required contributions.

457(b) Deferred Compensation

The County offers its employees a Deferred Compensation plan created in accordance with Internal Revenue Code Section 457. The plan is available to all County eligible employees and permits them to defer a portion of their salary until future years. The County does not contribute to the plan. All planned investments are held in trust for the exclusive benefit of the employees.

NOTE 8: PUBLIC ENTITY RISK POOL

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. For these risks of loss, the County participates in the Colorado Counties Casualty and Property Pool and the County Workers' Compensation Pool. These are public entity risk pools that operate as common risk management and insurance programs for member counties.

GILPIN COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 8: PUBLIC ENTITY RISK POOL (Continued)

The purposes of the pools are to provide members defined liability, property, and workers compensation coverages and to assist members in preventing and reducing losses and injuries to county property and to persons or property which might result in claims being made against members of the pools, their employees and officers.

The County pays an annual contribution to each of these pools. The intergovernmental agreement forming each pool provides that the pool will be financially self-sustaining through member contributions and additional assessments, if necessary. The pool will purchase excess insurance through commercial companies for members' claims in excess of a specified self-insured retention, which is determined each year.

NOTE 9: COMMITMENTS AND CONTINGENCIES

TABOR Amendment

Colorado voters passed an amendment to the State Constitution, Article X, Section 20, which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local government. In November 1993, the voters of the County elected to allow an increase in spending and revenues, to the extent of distributions to the County of its share of monies from the limited gaming fund, notwithstanding the provisions of the Amendment.

The Amendment is complex and subject to judicial interpretation. The County believes it is in compliance with the requirements of the Amendment. However, the County has made certain interpretations of the Amendment's language in order to determine compliance.

The County has established an emergency reserve, representing 3% of qualifying expenditures, as required by the Amendment. At December 31, 2023, the emergency reserve of \$951,000 was reported as restricted fund balance in the General Fund.

Litigation

The County is involved in various threatened or pending litigation. The outcome of this litigation cannot be determined at this time.

Claims and Judgments

The County participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental entities. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the County may be required to reimburse the grantor government. At December 31, 2023, significant amounts of grant expenditures have not been audited but management believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on the overall financial position of the County.

REQUIRED SUPPLEMENTARY INFORMATION

Gilpin County
 Budgetary Comparison Schedule
 General Fund
 For the Year Ended December 31, 2023

	Original and Final Budget	Actual	Variance <i>Positive</i> (<i>Negative</i>)
Revenues			
Taxes	\$ 4,018,323	\$ 3,864,230	\$ (154,093)
Gaming Taxes	12,700,000	16,102,591	3,402,591
Intergovernmental	4,009,625	4,541,585	531,960
Licenses and Permits	450,525	298,182	(152,343)
Charges for Services	1,866,516	2,008,758	142,242
Interest Income	734,408	1,013,855	279,447
Miscellaneous	120,921	306,074	185,153
Total revenues	<u>23,900,318</u>	<u>28,135,275</u>	<u>4,234,957</u>
Expenditures			
Current			
General Government	15,164,060	8,551,480	6,612,580
Public Safety	6,873,646	8,312,245	(1,438,599)
Culture and Recreation	381,140	246,969	134,171
Community Development	862,775	657,404	205,371
Capital Outlay	-	1,674,993	(1,674,993)
Total expenditures	<u>23,281,621</u>	<u>19,443,091</u>	<u>3,838,530</u>
Excess (Deficiency) of revenues over expenditures	<u>618,697</u>	<u>8,692,184</u>	<u>8,073,487</u>
Other financing sources			
Sale of Assets	3,000	15,305	12,305
Transfer in	-	1,193,194	1,193,194
Transfer out	(3,660,000)	(3,660,000)	-
Total other financing sources (uses)	<u>(3,657,000)</u>	<u>(2,451,501)</u>	<u>1,205,499</u>
Net changes in fund balance	(3,038,303)	6,240,683	9,278,986
Fund Balance, Beginning of Year	<u>19,804,515</u>	<u>20,229,416</u>	<u>424,901</u>
Fund Balance, End of Year	<u>\$ 16,766,212</u>	<u>\$ 26,470,099</u>	<u>\$ 9,703,887</u>

Gilpin County
 Budgetary Comparison Schedule
 Public Works Fund
 For the Year Ended December 31, 2023

	Original and Final Budget	Actual	Variance <i>Positive</i> (<i>Negative</i>)
Revenues			
Taxes	\$ 400,229	\$ 407,416	\$ 7,187
Intergovernmental	686,609	708,248	21,639
Licenses and Permits	4,500	-	(4,500)
Charges for services	31,000	42,339	11,339
Interest Income	-	123,786	123,786
Miscellaneous	84,000	85,345	1,345
Total Revenues	<u>1,206,338</u>	<u>1,367,134</u>	<u>160,796</u>
Expenditures			
Highways and Streets	3,302,645	2,669,756	632,889
Capital Outlay	644,945	608,208	36,737
Total expenditures	<u>3,947,590</u>	<u>3,277,964</u>	<u>669,626</u>
Excess (Deficiency) of revenues over expenditures	<u>(2,741,252)</u>	<u>(1,910,830)</u>	<u>830,422</u>
Other financing sources (uses)			
Transfers In	2,000,000	2,071,923	71,923
Total other financing sources (uses)	<u>2,000,000</u>	<u>2,071,923</u>	<u>71,923</u>
Net changes in fund balance	(741,252)	161,093	902,345
Fund Balance, Beginning of Year	<u>2,576,938</u>	<u>2,759,473</u>	<u>182,535</u>
Fund Balance, End of Year	<u>\$ 1,835,686</u>	<u>\$ 2,920,566</u>	<u>\$ 1,084,880</u>

GILPIN COUNTY, COLORADO
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2023

NOTE 1: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets and Budgetary Accounting

The County follows these procedures to establish the budgetary data reflected in the financial statements:

- Prior to October 15, the County Budget Officer submits to the County Commissioners a proposed operating budget for the fiscal year commencing the following January 1. The budget includes actual data from the prior year, current year and budget year estimated revenues and expenditures.
- Public hearings are conducted to obtain taxpayer comments.
- Prior to December 31, the budget is legally enacted through passage of a resolution.
- The County Management is authorized to transfer budgeted amounts between departments within any fund. However, any revisions that alter the total expenditures of any fund must be approved by the County Commissioners. Colorado governments may not exceed budgeted appropriations by fund.
- Department directors and elected officials may transfer budgeted amounts within each department from one line item to another.
- Budgets are legally adopted for all funds of the County except for the fiduciary funds. Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).
- Budgeted amounts in the financial statements are as originally adopted or as amended by the County Commissioners. All appropriations lapse at year end.

During the year ended December 31, 2023 actual expenditures exceeded budgeted appropriations in the Lodging fund which may be a violation of State statutes.

SUPPLEMENTARY INFORMATION

Gilpin County
Nonmajor Governmental Funds
Combining Balance Sheet
December 31, 2023

	Library	Human Services	Public Health	Solid Waste
Assets				
Cash and Investments	\$ 569,403	\$ 1,634,979	\$ 421,167	\$ 577,922
Property Taxes Receivable	598,636	241,095	-	154,169
Accounts Receivable	-	46,659	17,775	3,332
Prepaid Expenses	790	-	-	-
	<u>790</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 1,168,829</u>	<u>\$ 1,922,733</u>	<u>\$ 438,942</u>	<u>\$ 735,423</u>
Liabilities				
Accounts Payable	\$ 7,395	\$ 14,891	\$ 78,779	\$ 15,679
Accrued Liabilities	3,892	13,294	5,779	4,677
Unearned Revenue	-	38,476	10,383	-
	<u>-</u>	<u>38,476</u>	<u>10,383</u>	<u>-</u>
Total Liabilities	<u>11,287</u>	<u>66,661</u>	<u>94,941</u>	<u>20,356</u>
Deferred Inflows of Resources				
Deferred Property Tax Revenue	598,636	241,095	-	154,169
	<u>598,636</u>	<u>241,095</u>	<u>-</u>	<u>154,169</u>
Total Deferred Inflows of Resources	<u>598,636</u>	<u>241,095</u>	<u>-</u>	<u>154,169</u>
Fund Balances				
Nonspendable (Prepays)	790	-	-	-
Restricted	-	-	-	-
Committed	558,116	1,614,977	344,001	560,898
	<u>558,116</u>	<u>1,614,977</u>	<u>344,001</u>	<u>560,898</u>
Total Fund Balances	<u>558,906</u>	<u>1,614,977</u>	<u>344,001</u>	<u>560,898</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 1,168,829</u>	<u>\$ 1,922,733</u>	<u>\$ 438,942</u>	<u>\$ 735,423</u>

(Continued)

Gilpin County
Nonmajor Governmental Funds
Combining Balance Sheet
December 31, 2023
(Continued)

	Conservation Trust	Parks & Recreation	Lodging Tax	Totals
Assets				
Cash and Investments	\$ 115,958	\$ 693,369	\$ 110,797	\$ 4,123,595
Property Taxes Receivable	-	-	-	993,900
Accounts Receivable	-	26,912	-	94,678
Prepaid Expenses	-	-	-	790
	-	-	-	790
Total Assets	\$ 115,958	\$ 720,281	\$ 110,797	\$ 5,212,963
Liabilities				
Accounts Payable	\$ -	\$ 30,722	\$ 481	\$ 147,947
Accrued Liabilities	-	16,044	-	43,686
Unearned Revenue	-	-	-	48,859
	-	-	-	48,859
Total Liabilities	-	46,766	481	240,492
Deferred Inflows of Resources				
Deferred Property Tax Revenue	-	-	-	993,900
	-	-	-	993,900
Total Deferred Inflows of Resources	-	-	-	993,900
Fund Balances				
Nonspendable (Prepays)	-	-	-	790
Restricted	115,958	673,515	110,316	899,789
Committed	-	-	-	3,077,992
	-	-	-	3,077,992
Total Fund Balances	115,958	673,515	110,316	3,978,571
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 115,958	\$ 720,281	\$ 110,797	\$ 5,212,963

Gilpin County
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Funds
For the Year Ended December 31, 2023

	Library Fund	Human Services Fund	Public Health Fund	Solid Waste Fund
Revenues				
Taxes	\$ 591,835	\$ 212,005	\$ -	\$ 133,907
Intergovernmental	8,457	2,284,750	205,657	-
Licenses and Permits	-	-	55,615	-
Charges for Services	2,437	-	28,565	295,303
Investment Income	31,235	66,091	21,078	26,230
Miscellaneous	1,571	45,419	-	-
	<u>635,535</u>	<u>2,608,265</u>	<u>310,915</u>	<u>455,440</u>
Expenditures				
Current				
General Government	-	-	121,049	312,965
Health and Welfare	-	2,556,119	243,024	-
Culture and Recreation	484,805	-	-	-
Capital Outlay	16,680	44,883	-	165,398
	<u>501,485</u>	<u>2,601,002</u>	<u>364,073</u>	<u>478,363</u>
Revenues Over (Under) Expenditures	134,050	7,263	(53,158)	(22,923)
Other Financing Sources (Uses)				
Sale of Assets	-	2,600	-	18,000
Transfers In	-	394,883	-	-
	<u>-</u>	<u>397,483</u>	<u>-</u>	<u>18,000</u>
Net Change in Fund Balances	134,050	404,746	(53,158)	(4,923)
Fund Balances, Beginning of Year	<u>424,856</u>	<u>1,210,231</u>	<u>397,159</u>	<u>565,821</u>
Fund Balances, End of Year	<u>\$ 558,906</u>	<u>\$ 1,614,977</u>	<u>\$ 344,001</u>	<u>\$ 560,898</u>

(Continued)

Gilpin County
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Funds
For the Year Ended December 31, 2023
(Continued)

	Conservation Trust Fund	Parks & Recreation Fund	Lodging Fund	Totals
Revenues				
Taxes	\$ -	\$ 1,235,580	\$ 115,216	\$ 2,288,543
Intergovernmental	69,968	206,965	-	2,775,797
Licenses and Permits	-	-	-	55,615
Charges for Services	-	305,357	-	631,662
Investment Income	3,328	38,677	1,679	188,318
Miscellaneous	-	39,683	-	86,673
	<u>73,296</u>	<u>1,826,262</u>	<u>116,895</u>	<u>6,026,608</u>
Total Revenues				
Expenditures				
Current				
General Government	-	-	6,579	440,593
Health and Welfare	-	-	-	2,799,143
Culture and Recreation	700	1,599,650	-	2,085,155
Capital Outlay	-	103,037	-	329,998
	<u>700</u>	<u>1,702,687</u>	<u>6,579</u>	<u>5,654,889</u>
Total Expenditures				
Revenues Over (Under) Expenditures	72,596	123,575	110,316	371,719
Other Financing Sources (Uses)				
Sale of Assets	-	8,690	-	29,290
Transfers In	-	-	-	394,883
	<u>-</u>	<u>8,690</u>	<u>-</u>	<u>424,173</u>
Total Other Financing Sources (Uses)				
Net Change in Fund Balances	72,596	132,265	110,316	795,892
Fund Balances, Beginning of Year	<u>43,362</u>	<u>541,250</u>	<u>-</u>	<u>3,182,679</u>
Fund Balances, End of Year	<u>\$ 115,958</u>	<u>\$ 673,515</u>	<u>\$ 110,316</u>	<u>\$ 3,978,571</u>

Gilpin County
 Budgetary Comparison Schedule
 Library Fund
 For the Year Ended December 31, 2023

	Original and Final Budget	Actual	Variance <i>Positive</i> <i>(Negative)</i>
Revenues			
Taxes	\$ 590,754	\$ 591,835	\$ 1,081
Intergovernmental	5,500	8,457	2,957
Charges for Services	1,000	2,437	1,437
Interest Income	2,000	31,235	29,235
Miscellaneous	2,000	1,571	(429)
Total Revenues	<u>601,254</u>	<u>635,535</u>	<u>34,281</u>
Expenditures			
Culture and Recreation	503,737	484,805	18,932
Capital Outlay	25,000	16,680	8,320
Total expenditures	<u>503,737</u>	<u>501,485</u>	<u>2,252</u>
Net changes in fund balance	97,517	134,050	36,533
Fund Balance, Beginning of Year	<u>408,557</u>	<u>424,856</u>	<u>16,299</u>
Fund Balance, End of Year	<u>\$ 506,074</u>	<u>\$ 558,906</u>	<u>\$ 52,832</u>

Gilpin County
 Budgetary Comparison Schedule
 Human Services Fund
 For the Year Ended December 31, 2023

	Original and Final Budget	Actual	Variance <i>Positive</i> (<i>Negative</i>)
Revenues			
Taxes	\$ 207,971	\$ 212,005	\$ 4,034
Intergovernmental	2,060,763	2,284,750	223,987
Interest Income	5,000	66,091	61,091
Miscellaneous	10,000	45,419	35,419
Total Revenues	<u>2,283,734</u>	<u>2,608,265</u>	<u>324,531</u>
Expenditures			
Health and Welfare	2,796,083	2,556,119	239,964
Capital Outlay	75,000	44,883	30,117
Total expenditures	<u>2,796,083</u>	<u>2,601,002</u>	<u>195,081</u>
Excess (Deficiency) of revenues over expenditures	<u>(512,349)</u>	<u>7,263</u>	<u>519,612</u>
Other financing sources (uses)			
Sale of Assets	-	2,600	2,600
Transfers In	350,000	394,883	44,883
Total other financing sources (uses)	350,000	397,483	47,483
Net changes in fund balance	(162,349)	404,746	567,095
Fund Balance, <i>Beginning of Year</i>	<u>752,961</u>	<u>1,210,231</u>	<u>457,270</u>
Fund Balance, <i>End of Year</i>	<u>\$ 590,612</u>	<u>\$ 1,614,977</u>	<u>\$ 1,024,365</u>

Gilpin County
 Budgetary Comparison Schedule
 Public Health Fund
 For the Year Ended December 31, 2023

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Intergovernmental	\$ 96,494	\$ 205,657	\$ 109,163
Charges for Services	195,000	28,565	(166,435)
Licenses and Permits	-	55,615	55,615
Interest Income	1,000	21,078	20,078
Miscellaneous	47,200	-	(47,200)
	<u>339,694</u>	<u>310,915</u>	<u>(28,779)</u>
Expenditures			
General Government	-	121,049	(121,049)
Health and Welfare	393,495	243,024	150,471
	<u>393,495</u>	<u>364,073</u>	<u>29,422</u>
Total expenditures	<u>393,495</u>	<u>364,073</u>	<u>29,422</u>
Net changes in fund balance	(53,801)	(53,158)	643
Fund Balance, Beginning of Year	<u>267,676</u>	<u>397,159</u>	<u>129,483</u>
Fund Balance, End of Year	<u>\$ 213,875</u>	<u>\$ 344,001</u>	<u>\$ 130,126</u>

Gilpin County
 Budgetary Comparison Schedule
 Solid Waste Fund
 For the Year Ended December 31, 2023

	Original and Final Budget	Actual	Variance <i>Positive</i> <i>(Negative)</i>
Revenues			
Taxes	\$ 133,593	\$ 133,907	\$ 314
Charges for Services	246,800	295,303	48,503
Interest Income	1,000	26,230	25,230
 Total Revenues	 <u>381,393</u>	 <u>455,440</u>	 <u>74,047</u>
Expenditures			
General Government	441,376	312,965	128,411
Capital Outlay	169,552	165,398	4,154
 Total expenditures	 610,928	 478,363	 132,565
 Excess (Deficiency) of revenues over expenditures	 <u>(229,535)</u>	 <u>(22,923)</u>	 <u>206,612</u>
 Other financing sources (uses)			
Sale of Assets	-	18,000	18,000
 Total other financing sources (uses)	 -	 18,000	 18,000
 Net changes in fund balance	 <u>(229,535)</u>	 <u>(4,923)</u>	 <u>224,612</u>
 Fund Balance, Beginning of Year	 <u>442,645</u>	 <u>565,821</u>	 <u>123,176</u>
 Fund Balance, End of Year	 <u><u>\$ 213,110</u></u>	 <u><u>\$ 560,898</u></u>	 <u><u>\$ 347,788</u></u>

Gilpin County
 Budgetary Comparison Schedule
 Conservation Trust Fund
 For the Year Ended December 31, 2023

	Original and Final Budget	Actual	Variance <i>Positive</i> <i>(Negative)</i>
Revenues			
Intergovernmental	\$ 31,534	\$ 69,968	\$ 38,434
Interest Income	1,000	3,328	2,328
 Total Revenues	 32,534	 73,296	 40,762
Expenditures			
Culture and Recreation	700	700	-
 Total expenditures	 700	 700	 -
 Net changes in fund balance	 31,834	 72,596	 40,762
 Fund Balance, Beginning of Year	 30,123	 43,362	 13,239
 Fund Balance, End of Year	 \$ 61,957	 \$ 115,958	 \$ 54,001

Gilpin County
 Budgetary Comparison Schedule
 Parks & Recreation Fund
 For the Year Ended December 31, 2023

	Original and Final Budget	Actual	Variance <i>Positive</i> <i>(Negative)</i>
Revenues			
Taxes	\$ 1,203,707	\$ 1,235,580	\$ 31,873
Intergovernmental	310,250	206,965	(103,285)
Charges for Services	-	305,357	305,357
Interest Income	2,000	38,677	36,677
Miscellaneous	76,150	39,683	(36,467)
Total Revenues	<u>1,592,107</u>	<u>1,826,262</u>	<u>234,155</u>
Expenditures			
Culture and Recreation	1,707,639	1,599,650	107,989
Capital Outlay	178,003	103,037	74,966
Total expenditures	<u>1,885,642</u>	<u>1,702,687</u>	<u>182,955</u>
Excess (Deficiency) of revenues over expenditures	<u>(293,535)</u>	<u>123,575</u>	<u>417,110</u>
Other Financing Sources (Uses)			
Sale of Assets	-	8,690	8,690
Total Other Financing Sources (Uses)	-	8,690	8,690
Net changes in fund balance	(293,535)	132,265	425,800
Fund Balance, Beginning of Year	<u>560,325</u>	<u>541,250</u>	<u>(19,075)</u>
Fund Balance, End of Year	<u>\$ 266,790</u>	<u>\$ 673,515</u>	<u>\$ 406,725</u>

Gilpin County
 Budgetary Comparison Schedule
 Lodging Fund
 For the Year Ended December 31, 2023

	Original and Final Budget	Actual	Variance <i>Positive</i> <i>(Negative)</i>
Revenues			
Taxes	\$ -	\$ 115,216	\$ 115,216
Interest Income	-	1,679	1,679
Total Revenues	<u>-</u>	<u>116,895</u>	<u>116,895</u>
Expenditures			
General Government	-	6,579	(6,579)
Total expenditures	<u>-</u>	<u>6,579</u>	<u>(6,579)</u>
Excess (Deficiency) of revenues over expenditures	<u>-</u>	<u>110,316</u>	<u>110,316</u>
Net changes in fund balance	-	110,316	110,316
Fund Balance, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ 110,316</u>	<u>\$ 110,316</u>

Gilpin County
Combining Statement of Fiduciary
Net Position
December 31, 2023

	County Treasurer	Jail Inmates	Public Trustee	Sheriff Forfeiture	Frei Bond	Totals
Assets						
Cash and Investments	\$ 625,395	\$ 144,161	\$ 3,422	\$ 16,240	\$ 144,541	\$ 933,759
Total Assets	<u>\$ 625,395</u>	<u>\$ 144,161</u>	<u>\$ 3,422</u>	<u>\$ 16,240</u>	<u>\$ 144,541</u>	<u>\$ 933,759</u>
Liabilities						
Due to Other Governments	\$ 625,395	-	\$ 3,422	-	-	\$ 628,817
Held for Inmate Expenses	-	144,161	-	-	-	144,161
Held for Sheriff Expenses	-	-	-	16,240	-	16,240
Held for Frei Bond	-	-	-	-	144,541	144,541
Total Liabilities	<u>\$ 625,395</u>	<u>\$ 144,161</u>	<u>\$ 3,422</u>	<u>\$ 16,240</u>	<u>\$ 144,541</u>	<u>\$ 933,759</u>

Gilpin County
Statement of Changes in Fiduciary Net Position
For the Year Ended December 31, 2023

	County Treasurer	Jail Inmates	Public Trustee	Sheriff Forfeiture	Total Custodial Funds
Additions					
Tax collections for other governments	\$ 19,892,145	\$ -	\$ -	\$ -	\$ 19,892,145
Other collections	-	373,005	3,496	157	376,658
Total Additions	19,892,145	373,005	3,496	157	20,268,803
Deductions					
Payments to other governments	19,575,862	-	-	-	19,575,862
Treasurer fees	132,508	-	-	-	132,508
Other disbursements	183,775	373,005	3,496	157	560,433
Total Deductions	19,892,145	373,005	3,496	157	20,268,803
Net Increase in Fiduciary Net Position	-	-	-	-	-
Net Position, Beginning of Year	-	-	-	-	-
Net Position, End of Year	\$ -	\$ -	\$ -	\$ -	\$ -

COMPLIANCE SECTION



**Independent Auditor's 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***

Board of County Commissioners
Gilpin County
Blackhawk, Colorado

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Gilpin County (the County) as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated July 30, 2024.

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 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 over financial reporting.

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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or 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.

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

Report on Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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 Gilpin County's internal control and compliance. Accordingly, this report is not suitable for any other purpose.

Hick & Company, PC

Englewood, Colorado
July 30, 2024





**Independent Auditor's Report on Compliance for Each
Major Federal Program, Internal Control Over Compliance,
And the Schedule of Expenditures of Federal Awards
Required by The Uniform Guidance**

Board of County Commissioners
Gilpin County
Blackhawk, Colorado

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Gilpin County'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, 2023. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of 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.

Office Locations:

Colorado Springs, CO
Denver, CO
Frisco, CO
Tulsa, OK

Denver Office:

750 W. Hampden Avenue,
Suite 400
Englewood,
Colorado 80110
TEL: 303.796.1000
FAX: 303.796.1001
www.HinkleCPAs.com

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.

Auditor's Responsibilities for the Audit of Compliance

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding 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 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 combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

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

Hick & Company, PC

Englewood, Colorado
July 30, 2024



GILPIN COUNTY
 Schedule of Findings and Questioned Costs
 For the Year Ended December 31, 2023

Section I: Summary of Auditor's Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with accounting principles generally accepted in the United States of America (GAAP): Unmodified

Internal control over financial reporting:

- Material weaknesses identified? Yes No
- Significant deficiencies identified? Yes None Reported

Noncompliance material to the financial statements noted? Yes No

Federal Awards

Internal control over major federal programs:

- Material weaknesses identified? Yes No
- Significant deficiencies identified? Yes None Reported

Type of Auditor's report issued on compliance for major federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? Yes No

Identification of major federal program:

Assistance Listing Number	Name of Federal Cluster/Program
21.027	COVID-19 Coronavirus State and Local Fiscal Recovery Funds

Dollar threshold used to distinguish
 Between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee? Yes No

GILPIN COUNTY
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2023

Section II: Financial Statement Findings

No current year findings or questioned costs were reported.

Section III: Federal Award Findings and Questioned Costs

No current year findings or questioned costs were reported.

GILPIN COUNTY
Schedule of Prior Year Findings
For the Year Ended December 31, 2023

Section I: Financial Statement Findings

None reported for the year ended December 31, 2023.

Section II: Federal Award Findings and Questioned Costs

None reported for the year ended December 31, 2023.

Gilpin County

Schedule of Expenditures of Federal Awards

Year Ended December 31, 2023

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Amount Expended
U.S. DEPARTMENT OF AGRICULTURE			
Colorado Dept of Human Services			
Food Assistance Administration	10.561		\$ 84,473
Emergency Food Assistance Program (Food Commodities)	10.569		<u>60,175</u>
			144,648
Direct Assistance			
Title 1 Schools & Roads - Grants to Counties	10.665	FFY20 30-29-101	<u>23,840</u>
TOTAL U.S. DEPARTMENT OF AGRICULTURE			<u>168,488</u>
U.S. DEPARTMENT OF JUSTICE			
Colorado Division of Criminal Justice			
Victims of Crime Act	16.575	2020-VA-21-408-01	74,303
Bullet Proof Vest Partnership Program	16.607		<u>1,109</u>
TOTAL U.S. DEPARTMENT OF JUSTICE			<u>75,412</u>
U.S. DEPARTMENT OF TREASURY			
Colorado Dept of Health & Human Services			
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027		2,389
Direct Assistance			
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027		<u>380,913</u>
Total U.S. DEPARTMENT OF TREASURERY			<u>383,302</u>
U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES			
Passed Through Colorado Dept of Public Health & Environment			
Epidemiology and Laboratory Capacity for Infectious Diseases	93.323	PO, FHJA 202000013724	26,776
Public Health Emergency Response	93.354	PO, FAAA 202200009746	23,579
Maternal and Child Health Services Block Grant to the States	93.994	18 FAAA 97461	3,794
Preventive Health and Health Services Block Grant (CHAPS)	93.991		<u>3,250</u>
			57,399

Gilpin County

Schedule of Expenditures of Federal Awards

Year Ended December 31, 2023

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Amount Expended
Passed Through Colorado Dept of Health & Human Services			
Public Health Emergency Preparedness - Cities Readiness Initiative	93.069		7,149
Public Health Emergency Preparedness	93.069		10,627
Guardianship Assistance	93.090		589
TANF	93.558		66,430
IV-D Admin	93.563		57,245
LEAP	93.568	OM-FEA-2021-0004	29,406
CCDF Discretion	93.575		71,156
Child Care Block Grant	93.575		15,835
CCDF	93.596		29,366
IV-B Child Welfare Child Care	93.645		566
IV-E Foster Care	93.658		78,798
Adoption Assistance	93.659		31,862
Title XX Block	93.667		21,525
CRF PTE CDHS	93.747		13,928
Title XIX Medicaid	93.778		93,321
Substance Abuse Prevention Treatment Block Grant	93.959		<u>122,371</u>
			<u>650,174</u>
Total U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES			707,573
U.S. ENVIRONMENTAL PROTECTION AGENCY			
Passed Through Colorado Dept of Public Health & Environment			
State Indoor Radon Grants	66.032		<u>3,053</u>
Total U.S. ENVIRONMENTAL PROTECTION AGENCY			<u>3,053</u>
U.S. DEPARTMENT OF HOMELAND SECURITY			
Direct Assistance			
Emergency Operations Center	97.052		51,568
Colorado Division of Emergency Management			
Emergency Management Performance Grants	97.042	POGG1,RFAA,202200002192	<u>59,993</u>
Total U.S. DEPARTMENT OF HOMELAND SECURITY			<u>111,561</u>
TOTAL FEDERAL AWARDS			<u>\$ 1,449,389</u>

GILPIN COUNTY, COLORADO
NOTES TO SCHEDULE OF
EXPENDITURES OF FEDERAL AWARDS
December 31, 2023

Note 1: Basis of Presentation

The accompanying schedule of expenditures of federal awards is presented in accordance with the requirements of Title 2 U.S Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), using the accrual basis of accounting. Therefore, some amounts presented in this schedule may differ from amounts presented in the basic financial statements.

Note 2: Value of Non-Cash Awards

Supplemental Nutrition Assistance Program (SNAP) electronic benefit transfers of \$1,216,494 are reported in the Human Services Fund and not reported in the Schedule of Expenditures of Federal Awards.

Note 3: Cost Rates

Gilpin County did not elect to utilize the 10% de minimis indirect cost rate.

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

LOCAL HIGHWAY FINANCE REPORT	STATE: COLORADO
	YEAR ENDING (mm/yy): 12/23
This Information From The Records Of: GILPIN COUNTY	Prepared By: MARCIA WOODFORD

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

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES		III. EXPENDITURES FOR ROAD AND STREET PURPOSES	
ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway expenditures:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	\$ -
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	\$ 1,187,560.77
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	\$ 18,736.20
2. General fund appropriations	\$ 2,071,923.20	b. Snow and ice removal	\$ 41,479.03
3. Other local imposts (from page 2)	\$ 415,433.51	c. Other	\$ 135,612.84
4. Miscellaneous local receipts (from page 2)	\$ 212,787.56	d. Total (a. through c.)	\$ 195,828.07
5. Transfers from toll facilities		4. General administration & miscellaneous	\$ 1,894,575.71
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	
a. Bonds - Original Issues		6. Total (1 through 5)	\$ 3,277,964.55
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes	\$ -	1. Bonds:	
d. Total (a. + b. + c.)	\$ -	a. Interest	
7. Total (1 through 6)	\$ 2,700,144.27	b. Redemption	
B. Private Contributions		c. Total (a. + b.)	\$ -
C. Receipts from State government (from page 2)	\$ 711,719.99	2. Notes:	
D. Receipts from Federal Government (from page 2)	\$ 8,105.54	a. Interest	\$ -
E. Total receipts (A.7 + B + C + D)	\$ 3,419,969.80	b. Redemption	\$ -
		c. Total (a. + b.)	\$ -
		3. Total (1.c + 2.c)	\$ -
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total expenditures (A.6 + B.3 + C + D)	\$ 3,277,964.55

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

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

V. LOCAL ROAD AND STREET FUND BALANCE (RECEIPTS AND DISBURSEMENTS ONLY)

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	\$ 2,778,560.36	\$ 3,419,969.80	\$ 3,277,964.55	\$ 2,920,565.61	\$ -

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT

STATE:
COLORADO
 YEAR ENDING (mm/yy):
12/23

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 Assesments	\$ 380,714.97	a. Interest on investments	\$ 123,786.34
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes		c. Parking Garage Fees	
2. Infrastructure & Impact Fees		d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	\$ 58,278.00
4. Licenses		f. Charges for Services	\$ 3,627.50
5. Specific Ownership &/or Other	\$ 34,718.54	g. Other Misc. Receipts	\$ 5,077.09
6. Total (1. through 5.)	\$ 34,718.54	h. Other	\$ 22,018.63
c. Total (a. + b.)	\$ 415,433.51	i. Total (a. through h.)	\$ 212,787.56
<i>(Carry forward to page 1)</i>		<i>(Carry forward to page 1)</i>	

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes (from Item I.C.5.)	\$ 681,025.30	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	\$ 8,105.54
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	\$ 30,694.69	d. Federal Transit Administration	
d. DOLA Grant		e. U.S. Corps of Engineers	
e. Other		f. Other Federal ARPA	
f. Total (a. through e.)	\$ 30,694.69	g. Total (a. through f.)	\$ 8,105.54
4. Total (1. + 2. + 3.f)	\$ 711,719.99	3. Total (1. + 2.g)	\$ 8,105.54
<i>(Carry forward to page 1)</i>		<i>(Carry forward to page 1)</i>	

III. EXPENDITURES 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			\$ -
b. Engineering Costs		\$ -	\$ -
c. Construction:			
(1). New Facilities			\$ -
(2). Capacity Improvements			\$ -
(3). System Preservation	\$ -		\$ -
(4). System Enhancement And Operation			\$ -
(5). Total Construction (1)+(2)+(3)+(4)	\$ -	\$ -	\$ -
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.4)	\$ -	\$ -	\$ -

(Carry forward to page 1)

Notes and Comments: