



**Financial Statements
For the Year Ended December 31, 2020**

GILPIN COUNTY, COLORADO

FINANCIAL STATEMENTS

December 31, 2020

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FINANCIAL SECTION



**HINKLE &
COMPANY**
Strategic PC
Business Advisors

Independent Auditors' Report

Board of County Commissioners
Gilpin County, Colorado

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Gilpin County as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the basic financial statements of Gilpin County, as listed in the table of contents.

Management's Responsibility 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.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the preparation and fair presentation of the financial statements 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 internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Gilpin County as of December 31, 2020, 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.

Other Matters

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, 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 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Gilpin County's basic financial statements. The supplementary information and the local highway finance report listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling the 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 information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Hick & Company, PC

Greenwood Village, Colorado
August 9, 2021



GILPIN COUNTY, COLORADO
Management's Discussion and Analysis
For the Year Ended December 31, 2020

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, 2020.

Financial Highlights

At the close of 2020, Gilpin County's assets of \$50,371,031 exceeded its liabilities of \$3,926,181, and the deferred inflows of resources, \$6,080,650, by \$40,364,200. Of this amount, \$26,120,122 is invested in capital assets and \$4,134,738 is restricted at the end of 2020. The remaining \$10,109,340 may be used to meet the County's ongoing obligations to citizens and creditors.

The County's governmental funds reported a total ending fund balance of \$14,931,644, a decrease of \$2,761,889 (-15.6%) in comparison with the prior year, primarily due to the Coronavirus pandemic. Of this amount \$7,927,124 is unassigned.

Since a majority of the County revenue is not received until August each year an adequate fund balance is needed to allow for anticipated spending during the first eight months of the following year.

The end of year General Fund fund balance decreased \$4,007,983 (-27.56%) from the prior year. The unassigned portion in the General Fund is \$7,927,124 and represents 44.57% of the total 2020 General Fund expenditures less debt service and capital expenditures. This amount is high to cover the first eight months of the ensuing year's budget since a majority of the County's revenue is not received until August each year.

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 and 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.

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.

GILPIN COUNTY, COLORADO
Management's Discussion and Analysis
For the Year Ended December 31, 2020

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 and Sheriff Forfeiture. The fiduciary fund financial statements can be found on page 6 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, COLORADO
Management's Discussion and Analysis
For the Year Ended December 31, 2020

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 2020, assets exceeded liabilities and deferred inflows of resources by \$40,364,200 which is a decrease from 2019 of \$1,980,653.

Assets:	<u>2020</u>	<u>2019</u>
Cash and Investments	\$14,092,670	\$18,319,439
Accounts Receivable	2,841,735	356,381
Property Taxes Receivable	6,080,650	3,984,161
Inventory	9,295	5,935
Prepaid Expenses	92,467	20,186
Capital Assets, Net of Accumulated Depreciation	<u>27,254,214</u>	<u>26,949,691</u>
Total Assets	<u>50,371,031</u>	<u>49,635,793</u>
Liabilities:		
Accounts Payable	1,030,166	556,041
Accrued Liabilities	115,142	436,713
Unearned Revenues	959,215	15,654
Noncurrent Liabilities - Current Portion	698,765	837,365
Noncurrent Liabilities	<u>1,122,893</u>	<u>1,461,006</u>
Total Liabilities	<u>3,926,181</u>	<u>3,306,779</u>
Deferred Inflows of Resources:		
Deferred Property Tax Revenue	<u>6,080,650</u>	<u>3,984,161</u>
Net Position:		
Net Investment in Capital Assets	26,120,122	25,257,488
Restricted	4,134,738	3,215,849
Unrestricted	<u>10,109,340</u>	<u>13,871,516</u>
Total Net Position	<u>\$40,364,200</u>	<u>\$42,344,853</u>

Note that 64.7% of net position is tied up in capital. The County uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of the related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the majority of capital assets themselves cannot be used to liquidate these liabilities.

GILPIN COUNTY, COLORADO
Management's Discussion and Analysis
For the Year Ended December 31, 2020

Governmental Activities: The County's total revenues of \$21,537,997 fell short of program expenses of \$23,518,650 for a decrease in net position of \$1,980,653. A summary follows:

Revenues	<u>2020</u>	<u>2019</u>
Program Revenues		
Charges for Services	\$ 2,153,194	\$ 2,493,071
Operating Grants & Contributions	7,610,442	4,719,327
Capital Grants & Contributions	79,536	40,000
Total Program Revenues	<u>9,843,172</u>	<u>7,427,599</u>
General Revenues		
Property Taxes*	3,882,028	3,668,723
Specific Ownership Taxes*	339,397	285,750
Gaming Taxes*	6,711,856	11,308,400
Grants & Contrib not restricted to specific programs*	292,841	302,226
Investment Earnings	79,585	312,019
Other Revenues	389,118	356,690
Total General Revenues	<u>11,694,825</u>	<u>16,233,808</u>
Total Revenues	<u>21,537,997</u>	<u>23,661,407</u>
Expenses		
General Government	7,562,360	7,209,190
Public Safety	8,151,565	7,508,078
Health and Welfare	2,737,503	1,984,462
Highways and Streets	2,830,324	3,113,187
Culture and Recreation	1,531,466	2,354,493
Community Development	659,310	367,835
Interest on Long-Term Debt	46,122	63,597
Total Expenses	<u>23,518,650</u>	<u>22,600,842</u>
Increase/(Decrease) in Net Position	<u>(\$1,980,653)</u>	<u>\$1,060,565</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 property taxes (18.0% of total revenues) and gaming taxes (31.2% 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 2019 and 2020 are the decrease in gaming taxes due to the casino closures and increase in operating grants in 2020 both due to the Coronavirus pandemic.

GILPIN COUNTY, COLORADO
Management's Discussion and Analysis
For the Year Ended December 31, 2020

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 Note 1 on page 10 and in Note 5 on page 15 of this report. Gilpin County reported a total ending fund balance of \$14,931,644 at the end of 2020, compared to \$17,693,533 at the end of 2019. This decrease is a result of the Coronavirus pandemic.

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 \$7,927,124 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 ensuing year's budget for the first eight months since a majority of the County revenue is not received until August each year, 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).

The General Fund is the County's primary operating fund and the largest source of day-to-day service delivery. An decrease from \$14,542,531 to \$10,534,548 in the end of year General Fund balance occurred in 2020.

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, 2020, the General Fund transferred to four other funds, as listed below.

Transfers In	Transfers Out	Amount
Public Works	General	\$2,500,000
Library	General	174,000
Human Services	General	150,000
Public Health	General	125,000
	Total	\$2,949,000

General Fund Budgetary Highlights

The General Fund accounts for all of the 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 \$6,711,856 was 39.4% of the total General Fund revenue.

- Actual Gaming revenue was \$4,888,144 less than the original budget for 2020. This is due to many factors contributing to the calculation of this revenue which makes it hard to predict such as ballot issues, the economy, the weather, and most notably the Coronavirus pandemic which resulted a three-month temporary casino closure.

There were no revisions to the General Fund budget in 2020.

GILPIN COUNTY, COLORADO
Management's Discussion and Analysis
For the Year Ended December 31, 2020

Capital Assets

At December 31, 2019, the County had \$27,254,214 invested in a broad range of capital assets. The 2020 balance increased by \$304,523 (1.13%) 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.

Additional Capital Asset information can be found in Note 1, on pages 9 and in Note 3, on page 12, in the Notes to the Financial Statements.

The following table provides a summary of capital asset activity:

	<u>2020</u>	<u>2019</u>
Land	\$ 1,191,750	\$ 1,191,750
Water Rights	132,001	32,000
Infrastructure, net	97,204	111,969
Building, net	17,419,824	17,981,901
Improvements, net	3,157,439	3,479,272
Equipment, net	4,032,808	3,864,365
Construction in progress	1,223,188	288,434
	<u>\$27,254,214</u>	<u>\$26,949,691</u>

Capital asset additions during the current fiscal year included the following:

- \$31,126 for a patrol vehicle
- \$84,649 for a coroner vehicle
- \$100,000 for water rights
- \$41,006 for Administration and C&R servers
- \$577,607 for a radio project
- \$86,653 for playground equipment
- \$49,008 for an electronic message board, and a bucket for a loader for Public Works
- \$78,713 for a generator at the Apex facility
- \$9,625 for a 3-stall horse trailer

The County also has several projects in the Construction in Progress category. Cost of these projects at the end of 2020 was \$1,223,188. These include: 1) Fuel Farm \$20,505; 2) Upper Apex Bridge \$58,696; 3) Justice Center Lift Station \$30,845; 4) Electrical Parts/Prep for the EOC \$2,839; 5) Building 15193 Highway 119 Design \$1,100,303; 6) Courthouse Boiler Evaluation \$10,000.

GILPIN COUNTY, COLORADO
Management's Discussion and Analysis
For the Year Ended December 31, 2020

Debt

At the end of the calendar year, the County had outstanding debt obligations of \$1,821,658, including debt for compensated absences and insurance claims payable. In 2020, the County had a net increase in compensated absence balances due of \$24,398. No short-term debt was needed in 2020 to finance operations and capital outlay as has been necessary in the past. Additional debt information can be found in Note 4 on pages 13-14, in the Notes to the Financial Statements.

	<u>2020</u>	<u>2019</u>
Capital Lease - Energy Performance	\$ 1,018,945	\$ 1,275,389
Capital Lease - Roller	-	9,993
Capital Lease - Grader	-	48,930
Capital Lease – 6x6 Truck	38,999	115,370
Capital Lease – Vactor	25,622	126,262
Capital Lease – Grader w/Wing	50,526	116,259
Compensated Absences	423,566	399,168
Insurance Claims Payable	264,000	207,000
Total	<u>\$ 1,821,658</u>	<u>\$ 2,298,371</u>

The Year Ahead

The budget adopted for 2021 is structured to include: necessary governmental services, library services, parks & recreation programs, and youth programs; spending awarded by a GOCO grant for fencing, a sound system, and paving, at the ballfield, arena, and community center; spending allowed by Public Health grants toward an epidemiologist; spending on youth programs supported by a grant; continuation of the free slash program; continuation of partially self-funded medical insurance for county employees; assigning of funds for fire mitigation/disasters, and capital expenditures; a \$655,000 TABOR reserve; and limited support of county non-profits.

In 2021, the major source of budgeted revenue for Gilpin County continues to be gaming tax, authorized by the constitution of the State of Colorado. Gilpin County has exempted gaming tax revenue from TABOR but has not exempted property tax revenue. With this combination of rules, if the amount of gaming tax revenue decreases, services could decrease or cost users more unless the voters approve a property tax increase. Gaming tax revenue currently allows Gilpin County great flexibility in the level of services it provides.

In order to maintain services, the County is continuing to pursue all cost-effective sources of funding. County offices and departments continue to sustain services as best they can, with the funding available.

In closing, Gilpin County government continues on a cautious and fiscally responsible course to maintain necessary services.

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 Director.

BASIC FINANCIAL STATEMENTS

GILPIN COUNTY, COLORADO

STATEMENT OF NET POSITION

As of December 31, 2020

	GOVERNMENTAL ACTIVITIES
ASSETS	
Cash and Investments	\$ 14,092,670
Receivables	
Property Taxes	6,080,650
Accounts	2,841,735
Inventory	9,295
Prepaid Expenses	92,467
Capital Assets, Not Depreciated	2,546,939
Capital Assets, Depreciated	
Net of Accumulated Depreciation	<u>24,707,275</u>
 TOTAL ASSETS	 <u><u>50,371,031</u></u>
LIABILITIES	
Accounts Payable	1,030,166
Accrued Liabilities	115,142
Unearned Revenues	959,215
Noncurrent Liabilities	
Due within One Year	698,765
Due in More Than One Year	<u>1,122,893</u>
 TOTAL LIABILITIES	 <u>3,926,181</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred Property Tax Revenue	<u>6,080,650</u>
NET POSITION	
Net Investment in Capital Assets	26,120,122
Restricted	4,134,738
Unrestricted	<u>10,109,340</u>
 TOTAL NET POSITION	 <u><u>\$ 40,364,200</u></u>

The accompanying notes are an integral part of the financial statements.

GILPIN COUNTY, COLORADO

STATEMENT OF ACTIVITIES
Year Ended December 31, 2020

FUNCTIONS/PROGRAMS	Expenses	Program Revenues			Net (Expense) Revenue and Change in Net Position Governmental Activities
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities					
General Government	\$ 7,562,360	\$ 991,294	\$ 1,186,938	\$ -	\$ (5,384,128)
Public Safety	8,151,565	774,781	3,209,483	48,558	(4,118,743)
Health and Welfare	2,737,503	26,693	2,396,195	-	(314,615)
Highways and Streets	2,830,324	45,656	633,681	-	(2,150,987)
Culture and Recreation	1,531,466	20,381	113,810	30,978	(1,366,297)
Community Development	659,310	294,389	70,335	-	(294,586)
Interest on Long Term Debt	46,122	-	-	-	(46,122)
Total Governmental Activities	\$ 23,518,650	\$ 2,153,194	\$ 7,610,442	\$ 79,536	\$ (13,675,478)
GENERAL REVENUES					
					3,882,028
Property Taxes					339,397
Specific Ownership Taxes					6,711,856
Gaming Taxes					292,841
Grants & Contributions not restricted to specific programs					79,585
Interest Income					389,118
Other					
TOTAL GENERAL REVENUES					11,694,825
CHANGE IN NET POSITION					(1,980,653)
NET POSITION, Beginning					42,344,853
NET POSITION, Ending					\$ 40,364,200

The accompanying notes are an integral part of the financial statements.

GILPIN COUNTY, COLORADO

BALANCE SHEET
GOVERNMENTAL FUNDS
As of December 31, 2020

	GENERAL FUND	PUBLIC WORKS FUND	HUMAN SERVICES FUND	PARKS & RECREATION FUND	OTHER GOVERNMENTAL FUNDS	TOTAL
ASSETS						
Cash and Investments	\$ 9,710,378	\$ 2,678,660	\$ 733,541	\$ -	\$ 970,091	\$ 14,092,670
Property Taxes Receivable	3,680,598	387,504	201,758	1,175,778	635,012	6,080,650
Accounts Receivable	2,647,285	48,647	57,776	-	88,027	2,841,735
Inventory	-	9,070	225	-	-	9,295
Prepaid Expenditures	92,144	-	-	-	323	92,467
TOTAL ASSETS	\$ 16,130,405	\$ 3,123,881	\$ 993,300	\$ 1,175,778	\$ 1,693,453	\$ 23,116,817
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES						
LIABILITIES						
Accounts Payable	\$ 943,636	\$ 14,882	\$ 7,460	\$ -	\$ 64,188	\$ 1,030,166
Accrued Liabilities	92,581	11,242	7,632	-	3,687	115,142
Unearned Revenue	879,042	-	21,299	-	58,874	959,215
TOTAL LIABILITIES	1,915,259	26,124	36,391	-	126,749	2,104,523
DEFERRED INFLOWS OF RESOURCES						
Deferred Property Tax Revenue	3,680,598	387,504	201,758	1,175,778	635,012	6,080,650
FUND BALANCES						
Nonspendable	92,144	9,070	225	-	323	101,762
Restricted	655,000	2,701,183	662,209	-	116,346	4,134,738
Committed	-	-	-	-	815,023	815,023
Assigned	1,860,280	-	92,717	-	-	1,952,997
Unassigned	7,927,124	-	-	-	-	7,927,124
TOTAL FUND BALANCES	10,534,548	2,710,253	755,151	-	931,692	14,931,644
TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES	\$ 16,130,405	\$ 3,123,881	\$ 993,300	\$ 1,175,778	\$ 1,693,453	

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

Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.	27,254,214
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds. This is the amount of capital leases payable (\$1,134,092) the balance of accrued compensated absences (\$423,566), and claims payable (\$264,000).	(1,821,658)
Net position of governmental activities	<u>\$ 40,364,200</u>

The accompanying notes are an integral part of the financial statements.

GILPIN COUNTY, COLORADO

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
Year Ended December 31, 2020

	GENERAL FUND	PUBLIC WORKS FUND	HUMAN SERVICES FUND	PARKS & RECREATION FUND	OTHER GOVERNMENTAL FUNDS	TOTAL
REVENUES						
Taxes	\$ 3,356,287	\$ 404,154	\$ 210,667	\$ -	\$ 250,317	\$ 4,221,425
Gaming Taxes	6,711,856	-	-	-	-	6,711,856
Intergovernmental	4,862,319	633,681	2,251,195	-	235,624	7,982,819
Licenses and Permits	284,914	7,302	-	-	-	292,216
Charges for Services	1,573,251	38,354	-	-	249,373	1,860,978
Interest Income	63,766	9,001	3,188	-	3,630	79,585
Miscellaneous	169,357	4,868	84,025	-	130,868	389,118
TOTAL REVENUES	17,021,750	1,097,360	2,549,075	-	869,812	21,537,997
EXPENDITURES						
Current						
General Government	6,698,213	-	-	-	340,716	7,038,929
Public Safety	7,880,648	-	-	-	-	7,880,648
Health and Welfare	-	-	2,528,270	-	196,337	2,724,607
Highways and Streets	-	2,298,102	-	-	-	2,298,102
Culture and Recreation	818,422	-	-	-	286,315	1,104,737
Community Development	655,488	-	-	-	-	655,488
Capital Outlay	1,733,796	172,694	-	-	86,653	1,993,143
Debt Service						
Principal	256,444	301,666	-	-	-	558,110
Interest	37,722	8,400	-	-	-	46,122
TOTAL EXPENDITURES	18,080,733	2,780,862	2,528,270	-	910,021	24,299,886
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,058,983)	(1,683,502)	20,805	-	(40,209)	(2,761,889)
OTHER FINANCING SOURCES (USES)						
Transfers In	-	2,500,000	150,000	-	299,000	2,949,000
Transfers Out	(2,949,000)	-	-	-	-	(2,949,000)
TOTAL OTHER FINANCING SOURCES (USES)	(2,949,000)	2,500,000	150,000	-	299,000	-
NET CHANGE IN FUND BALANCES	(4,007,983)	816,498	170,805	-	258,791	(2,761,889)
FUND BALANCES, Beginning	14,542,531	1,893,755	584,346	-	672,901	17,693,533
FUND BALANCES, Ending	\$ 10,534,548	\$ 2,710,253	\$ 755,151	\$ -	\$ 931,692	\$ 14,931,644

The accompanying notes are an integral part of the financial statements.

GILPIN COUNTY, COLORADO

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
Year Ended December 31, 2020

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

Net Changes in Fund Balances - Total Governmental Funds	\$ (2,761,889)
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay additions \$1,993,142 exceeded depreciation (\$1,688,619) in the current period.	304,523
Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and does not affect the statement of activities. This amount represents capital lease payments.	558,111
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. This includes the change in accrued compensated absences of (\$24,398), and in claims payable (\$57,000).	<u>(81,398)</u>
Change in Net Position of Governmental Activities	<u>\$ (1,980,653)</u>

The accompanying notes are an integral part of the financial statements.

GILPIN COUNTY, COLORADO

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
As of December 31, 2020

	<u>AGENCY FUNDS</u>
ASSETS	
Cash and Investments	<u>\$ 431,220</u>
LIABILITIES	
Due to Other Governments	\$ 297,777
Held for Inmate Expenses	116,001
Held for Sheriff Expenses	<u>17,442</u>
TOTAL LIABILITIES	<u>\$ 431,220</u>

The accompanying notes are an integral part of the financial statements.

GILPIN COUNTY, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2020

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.

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.

GILPIN COUNTY, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2020

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.

The *Human Services Fund* - This fund accounts for revenues that are generated from state and federal payments, property taxes, and other intergovernmental revenues and fees. Spending is restricted or assigned to the administration of public assistance and welfare activities.

The *Parks & Recreation Fund* - This fund accounts for revenues that are generated from patron fees, property taxes, and other intergovernmental revenues. Spending is committed or assigned to the operations of the parks and recreation activities.

Additionally, the County reports the following fund type:

The *Agency 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.

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.

GILPIN COUNTY, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2020

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 activities 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 ~~all~~ 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.

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.

GILPIN COUNTY, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2020

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.

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.

NOTE 2: DEPOSITS AND INVESTMENTS

A summary of deposits and investments as of December 31, 2020 follows:

Petty Cash and Treasurer Cash On Hand	\$	2,453
Cash Deposits		5,385,622
Investments		<u>9,135,815</u>
Total	\$	<u>14,523,890</u>

GILPIN COUNTY, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2020

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

Governmental Activities	\$14,092,670
Agency Funds	<u>431,220</u>
Total	<u>\$14,523,890</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, 2020, of these balances, \$5,483,925 was covered by collateral held by authorized escrow agents in the financial institution’s name (PDPA).

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.

GILPIN COUNTY, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2020

Local Government Investment Pools

At December 31, 2020, the County had \$4,646,590 and \$4,489,225 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.

NOTE 3: CAPITAL ASSETS

Capital assets activity for the year ended December 31, 2020 is summarized below:

	Balance <u>12/31/19</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>12/31/20</u>
Governmental Activities				
Capital Assets, not depreciated				
Land	\$ 1,191,750	\$ -	\$ -	\$ 1,191,750
Water Rights	32,000	100,001	-	132,001
Construction in Process	<u>288,434</u>	<u>994,060</u>	<u>59,306</u>	<u>1,223,188</u>
Total Capital Assets, not depreciated	<u>1,512,184</u>	<u>1,094,061</u>	<u>59,306</u>	<u>2,546,939</u>
Capital Assets, depreciated				
Buildings	28,057,687	-	-	28,057,687
Infrastructure	2,289,356	-	-	2,289,356
Improvements	7,159,749	-	-	7,159,749
Machinery and Equipment	<u>11,018,418</u>	<u>958,387</u>	<u>105,167</u>	<u>11,871,638</u>
Total Capital Assets, depreciated	<u>48,525,210</u>	<u>958,387</u>	<u>105,167</u>	<u>49,378,430</u>
Less Accumulated Depreciation				
Buildings	10,075,786	562,077	-	10,637,863
Infrastructure	2,177,387	14,765	-	2,192,152
Improvements	3,680,477	321,833	-	4,002,310
Machinery and Equipment	<u>7,154,053</u>	<u>789,944</u>	<u>105,167</u>	<u>7,838,830</u>
Total Accumulated Depreciation	<u>23,087,703</u>	<u>1,688,619</u>	<u>105,167</u>	<u>24,671,155</u>
Net Capital Assets, depreciated	<u>25,437,507</u>	<u>(730,232)</u>	<u>-</u>	<u>24,707,275</u>
Net Capital Assets				
Governmental Activities	<u>\$ 26,949,691</u>	<u>\$ 363,829</u>	<u>\$ 59,306</u>	<u>\$ 27,254,214</u>

GILPIN COUNTY, COLORADO

NOTES TO FINANCIAL STATEMENTS
December 31, 2020

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

Governmental Activities	
General Government	\$ 436,940
Public Safety	267,408
Health and Welfare	5,775
Highways and Streets	539,680
Culture and Recreation	437,784
Community Development	<u>1,032</u>
Total Depreciation Expense	<u>\$ 1,688,619</u>

NOTE 4: LONG-TERM DEBT

Following is a summary of long-term debt transactions for the year ended December 31, 2020.

	Balance <u>12/31/19</u>	<u>Additions</u>	<u>Payments</u>	Balance <u>12/31/20</u>	Due In <u>One Year</u>
Capital Leases	\$ 1,692,203	\$ -	\$ 558,111	\$ 1,134,092	\$ 379,765
Claims Payable	207,000	57,000	-	264,000	264,000
Accrued Compensated Absences	<u>399,168</u>	<u>507,964</u>	<u>483,566</u>	<u>423,566</u>	<u>55,000</u>
Total	<u>\$ 2,298,371</u>	<u>\$ 564,964</u>	<u>\$ 1,041,677</u>	<u>\$ 1,821,658</u>	<u>\$ 698,765</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. The County reports claims payable since that time.

Capital Leases

In November 2011, the County entered into a capital lease agreement for \$2,861,884 to purchase equipment and to make improvements which will be paid from revenues of the General Fund. The lease requires quarterly payments of \$73,542, beginning in November 2012. This lease bears interest at a rate of 3.15% and will mature in August 2024.

In March 2016, the County entered into a capital lease agreement for \$151,750 to purchase equipment which will be paid from revenues of the Public Works Fund. The lease requires quarterly payments of \$10,063, beginning June 2016. This lease bears interest at a rate of 2.82% and matured in March 2020.

In July 2016, the County entered into a capital lease agreement for \$249,440 to purchase equipment which will be paid from revenues of the Public Works Fund. The lease requires quarterly payments of \$16,541, beginning October 2016. This lease bears interest at a rate of 2.82% and matured in July 2020.

GILPIN COUNTY, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2020

In February 2017, the County entered into a capital lease agreement for \$390,676 to purchase equipment which will be paid from revenues of the Public Works Fund. The lease requires quarterly payments of \$25,810, beginning April 2017. This lease bears interest at a rate of 2.93% and will mature in January 2021.

In May 2017, the County entered into a capital lease agreement for \$297,167 to purchase equipment which will be paid from revenues of the Public Works Fund. The lease requires quarterly payments of \$19,705, beginning August 2017. This lease bears interest at a rate of 2.82% and will mature in May 2021.

In July 2017, the County entered into a capital lease agreement for \$257,575 to purchase equipment which will be paid from revenues of the Public Works Fund. The lease requires quarterly payments of \$17,080, beginning November 2017. This lease bears interest at a rate of 2.82% and will mature in August 2021.

Leased improvements and equipment under capital leases in capital assets at December 31, 2020, include the following.

Improvements	\$ 2,822,952
Equipment	1,500,308
Less: Accumulated Depreciation	<u>(1,867,430)</u>
Net	<u>\$ 2,455,830</u>

Amortization of equipment purchased and improvements made under capital leases is included with depreciation expense.

Future Debt Service Requirements

Following is a schedule of the future minimum lease payments required under the capital lease obligations at December 31, 2020:

Year Ended December 31,	
2021	\$ 410,629
2022	294,168
2023	294,168
2024	<u>220,607</u>
Total Minimum Lease Payments	1,219,572
Less: Interest	<u>(85,480)</u>
Present Value of Minimum Lease Payments	<u>\$ 1,134,092</u>

GILPIN COUNTY, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2020

NOTE 5: FUND BALANCES

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

	<u>General</u>	<u>Public Works</u>	<u>Human Services Fund</u>	<u>Non-major Governmental Funds</u>	<u>Totals</u>
Non-Spendable:					
Inventory amounts	\$ -	\$ 9,070	\$ 225	\$ -	\$ 9,295
Prepaid amounts	92,144	-	-	323	92,467
	<u>92,144</u>	<u>9,070</u>	<u>225</u>	<u>323</u>	<u>101,762</u>
Restricted:					
Emergency reserves	655,000	-	-	-	655,000
Highways and streets	-	2,701,183	-	-	2,701,183
Health and welfare	-	-	662,209	-	662,209
Culture and recreation	-	-	-	116,346	116,346
	<u>655,000</u>	<u>2,701,183</u>	<u>662,209</u>	<u>116,346</u>	<u>4,134,738</u>
Committed:					
Library Fund	-	-	-	125,345	125,345
Public Health Fund	-	-	-	239,467	239,467
Solid Waste Fund	-	-	-	450,211	450,211
	<u>-</u>	<u>-</u>	<u>-</u>	<u>815,023</u>	<u>815,023</u>
Assigned:					
Donations	37,163	-	92,717	-	129,880
eRecording	17,710	-	-	-	17,710
Open space	305,389	-	-	-	305,389
GCART	18	-	-	-	18
Disasters	500,000	-	-	-	500,000
Justice Center roof	500,000	-	-	-	500,000
Medical	500,000	-	-	-	500,000
	<u>1,860,280</u>	<u>-</u>	<u>92,717</u>	<u>-</u>	<u>1,952,997</u>
Unassigned:					
General Fund	7,927,124	-	-	-	7,927,124
Total Fund Balance	<u>\$10,534,548</u>	<u>\$ 2,710,253</u>	<u>\$ 755,151</u>	<u>\$ 931,692</u>	<u>\$14,931,644</u>

GILPIN COUNTY, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2020

NOTE 6: INTERFUND TRANSFERS

Inter-fund transfers for the year ended December 31, 2019, were comprised of the following:

<u>Transfer In</u>	<u>Transfer Out</u>	<u>Amount</u>
Public Works Fund	General Fund	\$2,500,000
Library Fund	General Fund	174,000
Public Health Fund	General Fund	125,000
Human Services Fund	General Fund	<u>150,000</u>
Total		<u>\$2,799,000</u>

The General Fund transferred funds to the Public Works Fund, Library Fund, Public Health Fund and Human Services Fund to subsidize operations and capital purchases in those funds.

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 is 100% vested upon participation in the plan. The contribution rate is determined by the Board of County Commissioners. During the year ended December 31, 2020, employer and employees each contributed \$414,192, 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 plan 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.

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.

GILPIN COUNTY, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2020

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.

Partially Self-Funded Medical Insurance

Beginning January 2016, the County switched to a partially self-funded medical insurance plan for its employees and since then has been exposed to risk for medical claims of its employees. The County accounts for and finances this risk activity in the General Fund.

The County's individual stop loss insurance coverage for 2020 is \$100,000. The aggregate stop-loss limit for the County is 125% of expected claims, or \$2,555,441, decreased from \$2,596,606 in the prior year.

The self-insurance balance assigned as part of the General Fund at the end of the current fiscal year is \$500,000. This cash balance plus monthly contributions by the County and its employees is expected to cover any anticipated claims during the coming year.

Claims liabilities are reported in the government-wide financial statements if information available prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Other than current amounts, the County does not believe the claims liability is fully measurable, and the County could incur additional costs related to incurred but not reported claims.

Changes in claims payable for the employee medical plan were as follows:

	<u>2020</u>	<u>2019</u>
Claims Payable, January 1	\$ 207,000	\$ 207,000
Claims Incurred and Adjustments	2,387,864	1,639,450
Payments	<u>(2,330,864)</u>	<u>(1,639,450)</u>
Claims Payable, December 31	<u>\$ 264,000</u>	<u>\$ 207,000</u>

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, 2020, the emergency reserve of \$655,000 was reported as restricted fund balance in the General Fund.

GILPIN COUNTY, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2020

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, 2020, 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.

NOTE 10: SUBSEQUENT EVENTS

The County has evaluated subsequent events through the date which the financial statements were issued. There were no material subsequent events that required recognition or additional disclosure.

REQUIRED SUPPLEMENTARY INFORMATION

GILPIN COUNTY, COLORADO
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2020

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES			
Taxes	\$ 3,387,000	\$ 3,356,287	\$ (30,713)
Gaming Taxes	11,600,000	6,711,856	(4,888,144)
Intergovernmental	3,746,769	4,862,319	1,115,550
Licenses and Permits	335,400	284,914	(50,486)
Charges for Services	1,734,895	1,573,251	(161,644)
Interest Income	205,000	63,766	(141,234)
Miscellaneous	19,406	169,357	149,951
TOTAL REVENUES	<u>21,028,470</u>	<u>17,021,750</u>	<u>(4,006,720)</u>
EXPENDITURES			
Current			
General Government	7,311,211	6,698,213	612,998
Public Safety	8,671,766	7,880,648	791,118
Culture and Recreation	1,801,046	818,422	982,624
Community Development	889,025	655,488	233,537
Capital Outlay	2,678,774	1,733,796	944,978
Debt Service			
Principal	256,445	256,444	1
Interest	37,723	37,722	1
TOTAL EXPENDITURES	<u>21,645,990</u>	<u>18,080,733</u>	<u>3,565,257</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(617,520)	(1,058,983)	(441,463)
OTHER FINANCING SOURCES (USES)			
Transfers Out	<u>(3,095,000)</u>	<u>(2,949,000)</u>	<u>146,000</u>
NET CHANGE IN FUND BALANCE	(3,712,520)	(4,007,983)	(295,463)
FUND BALANCE, Beginning	<u>13,442,975</u>	<u>14,542,531</u>	<u>1,099,556</u>
FUND BALANCE, Ending	<u>\$ 9,730,455</u>	<u>\$ 10,534,548</u>	<u>\$ 804,093</u>

See the accompanying independent auditors' report.

GILPIN COUNTY, COLORADO
PUBLIC WORKS FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2020

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES			
Taxes	\$ 391,000	\$ 404,154	\$ 13,154
Intergovernmental	688,043	633,681	(54,362)
Licenses and Permits	8,000	7,302	(698)
Charges for Services	34,900	38,354	3,454
Interest Income	40,000	9,001	(30,999)
Miscellaneous	54,000	4,868	(49,132)
TOTAL REVENUES	1,215,943	1,097,360	(118,583)
EXPENDITURES			
Highways and Streets	2,861,962	2,298,102	563,860
Capital Outlay	735,710	172,694	563,016
Debt Service			
Principal	301,669	301,666	3
Interest	8,402	8,400	2
TOTAL EXPENDITURES	3,907,743	2,780,862	1,126,881
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(2,691,800)	(1,683,502)	1,008,298
OTHER FINANCING SOURCES			
Transfers In	2,500,000	2,500,000	-
TOTAL OTHER FINANCING SOURCES	2,500,000	2,500,000	-
NET CHANGE IN FUND BALANCE	(191,800)	816,498	1,008,298
FUND BALANCE, Beginning	1,644,661	1,893,755	249,094
FUND BALANCE, Ending	<u>\$ 1,452,861</u>	<u>\$ 2,710,253</u>	<u>\$ 1,257,392</u>

See the accompanying independent auditors' report.

GILPIN COUNTY, COLORADO
HUMAN SERVICES FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2020

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES				
Taxes	\$ 204,000	\$ 204,000	\$ 210,667	\$ 6,667
Intergovernmental	1,700,862	2,200,862	2,251,195	50,333
Interest Income	13,000	13,000	3,188	(9,812)
Miscellaneous	5,000	5,000	84,025	79,025
TOTAL REVENUES	<u>1,922,862</u>	<u>2,422,862</u>	<u>2,549,075</u>	<u>126,213</u>
EXPENDITURES				
Health and Welfare	2,240,677	2,740,677	2,528,270	212,407
Capital Outlay	27,500	27,500	-	27,500
TOTAL EXPENDITURES	<u>2,268,177</u>	<u>2,768,177</u>	<u>2,528,270</u>	<u>239,907</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(345,315)</u>	<u>(345,315)</u>	<u>20,805</u>	<u>366,120</u>
OTHER FINANCING SOURCES				
Transfers In	150,000	150,000	150,000	-
NET CHANGE IN FUND BALANCE	(195,315)	(195,315)	170,805	366,120
FUND BALANCE, Beginning	<u>495,925</u>	<u>495,925</u>	<u>584,346</u>	<u>88,421</u>
FUND BALANCE, Ending	<u><u>\$ 300,610</u></u>	<u><u>\$ 300,610</u></u>	<u><u>\$ 755,151</u></u>	<u><u>\$ 454,541</u></u>

See the accompanying independent auditors' report.

GILPIN COUNTY, COLORADO

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2020

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.

SUPPLEMENTARY INFORMATION

GILPIN COUNTY, COLORADO

NONMAJOR GOVERNMENTAL FUNDS
 COMBINING BALANCE SHEET
 As of December 31, 2020

	LIBRARY FUND	PUBLIC HEALTH FUND	SOLID WASTE FUND	CONSERVATION TRUST FUND	TOTAL
ASSETS					
Cash and Investments	\$ 129,095	\$ 325,249	\$ 399,401	\$ 116,346	\$ 970,091
Property Taxes Receivable	505,997	-	129,015	-	635,012
Accounts Receivable	-	27,853	60,174	-	88,027
Prepaid Expenditures	323	-	-	-	323
TOTAL ASSETS	<u>\$ 635,415</u>	<u>\$ 353,102</u>	<u>\$ 588,590</u>	<u>\$ 116,346</u>	<u>\$ 1,693,453</u>
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts Payable	\$ 2,247	\$ 54,761	\$ 7,180	\$ -	\$ 64,188
Accrued Liabilities	1,503	-	2,184	-	3,687
Unearned Revenue	-	58,874	-	-	58,874
TOTAL LIABILITIES	<u>3,750</u>	<u>113,635</u>	<u>9,364</u>	<u>-</u>	<u>126,749</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred Property Tax Revenue	505,997	-	129,015	-	635,012
FUND BALANCES					
Nonspendable	323	-	-	-	323
Restricted	-	-	-	116,346	116,346
Committed	125,345	239,467	450,211	-	815,023
TOTAL FUND BALANCES	<u>125,668</u>	<u>239,467</u>	<u>450,211</u>	<u>116,346</u>	<u>931,692</u>
TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES	<u>\$ 635,415</u>	<u>\$ 353,102</u>	<u>\$ 588,590</u>	<u>\$ 116,346</u>	<u>\$ 1,693,453</u>

See the accompanying independent auditors' report.

GILPIN COUNTY, COLORADO

NONMAJOR GOVERNMENTAL FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 Year Ended December 31, 2020

	LIBRARY FUND	PUBLIC HEALTH FUND	SOLID WASTE FUND	CONSERVATION TRUST FUND	TOTAL
REVENUES					
Taxes	\$ 114,829	\$ -	\$ 135,488	\$ -	\$ 250,317
Intergovernmental	5,500	145,001	-	85,123	235,624
Charges for Services	479	26,693	222,201	-	249,373
Interest Income	478	847	1,685	620	3,630
Miscellaneous	8,237	-	122,631	-	130,868
TOTAL REVENUES	129,523	172,541	482,005	85,743	869,812
EXPENDITURES					
Current					
General Government	-	-	340,716	-	340,716
Health and Welfare	-	196,337	-	-	196,337
Culture and Recreation	285,774	-	-	541	286,315
Capital Outlay	-	-	-	86,653	86,653
TOTAL EXPENDITURES	285,774	196,337	340,716	87,194	910,021
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(156,251)	(23,796)	141,289	(1,451)	(40,209)
OTHER FINANCING SOURCES					
Transfers In	174,000	125,000	-	-	299,000
NET CHANGE IN FUND BALANCES	17,749	101,204	141,289	(1,451)	258,791
FUND BALANCES, Beginning	107,919	138,263	308,922	117,797	672,901
FUND BALANCES, Ending	\$ 125,668	\$ 239,467	\$ 450,211	\$ 116,346	\$ 931,692

See the accompanying independent auditors' report.

GILPIN COUNTY, COLORADO
LIBRARY FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2020

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES			
Taxes	\$ 110,500	\$ 114,829	\$ 4,329
Intergovernmental	5,500	5,500	-
Charges for Service	2,000	479	(1,521)
Interest Income	4,000	478	(3,522)
Miscellaneous	3,000	8,237	5,237
	<u>125,000</u>	<u>129,523</u>	<u>4,523</u>
TOTAL REVENUES			
EXPENDITURES			
Culture and Recreation	<u>438,220</u>	<u>285,774</u>	<u>152,446</u>
	<u>438,220</u>	<u>285,774</u>	<u>152,446</u>
TOTAL EXPENDITURES			
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(313,220)	(156,251)	156,969
OTHER FINANCING SOURCES			
Transfers In	<u>320,000</u>	<u>174,000</u>	<u>(146,000)</u>
	<u>6,780</u>	<u>17,749</u>	<u>10,969</u>
NET CHANGE IN FUND BALANCE			
FUND BALANCE, Beginning	<u>100,051</u>	<u>107,919</u>	<u>7,868</u>
FUND BALANCE, Ending	<u>\$ 106,831</u>	<u>\$ 125,668</u>	<u>\$ 18,837</u>

See the accompanying independent auditors' report.

GILPIN COUNTY, COLORADO
PUBLIC HEALTH FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2020

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES				
Intergovernmental	\$ 28,233	\$ 99,943	\$ 145,001	\$ 45,058
Charges for Services	30,300	30,300	26,693	(3,607)
Interest Income	3,000	3,000	847	(2,153)
	<u>61,533</u>	<u>133,243</u>	<u>172,541</u>	<u>39,298</u>
TOTAL REVENUES				
EXPENDITURES				
Health and Welfare	<u>188,442</u>	<u>260,152</u>	<u>196,337</u>	<u>63,815</u>
	<u>188,442</u>	<u>260,152</u>	<u>196,337</u>	<u>63,815</u>
TOTAL EXPENDITURES				
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(126,909)	(126,909)	(23,796)	103,113
OTHER FINANCING SOURCES				
Transfers In	<u>125,000</u>	<u>125,000</u>	<u>125,000</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(1,909)	(1,909)	101,204	103,113
FUND BALANCE, Beginning	<u>125,968</u>	<u>125,968</u>	<u>138,263</u>	<u>12,295</u>
FUND BALANCE, Ending	<u>\$ 124,059</u>	<u>\$ 124,059</u>	<u>\$ 239,467</u>	<u>\$ 115,408</u>

See the accompanying independent auditors' report.

GILPIN COUNTY, COLORADO
 SOLID WASTE FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended December 31, 2020

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES			
Taxes	\$ 130,000	\$ 135,488	\$ 5,488
Intergovernmental	4,000	-	(4,000)
Charges for Services	220,200	222,201	2,001
Interest Income	6,000	1,685	(4,315)
Miscellaneous	500	122,631	122,131
TOTAL REVENUES	<u>360,700</u>	<u>482,005</u>	<u>121,305</u>
EXPENDITURES			
General Government	388,834	340,716	48,118
Capital Outlay	14,000	-	14,000
TOTAL EXPENDITURES	<u>402,834</u>	<u>340,716</u>	<u>62,118</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(42,134)	141,289	183,423
OTHER FINANCING SOURCES			
NET CHANGE IN FUND BALANCE	(42,134)	141,289	183,423
FUND BALANCE, Beginning	<u>277,128</u>	<u>308,922</u>	<u>31,794</u>
FUND BALANCE, Ending	<u>\$ 234,994</u>	<u>\$ 450,211</u>	<u>\$ 215,217</u>

See the accompanying independent auditors' report.

GILPIN COUNTY, COLORADO
 CONSERVATION TRUST FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended December 31, 2020

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES				
Intergovernmental	\$ 80,000	\$ 80,000	\$ 85,123	\$ 5,123
Interest Income	2,500	2,500	620	(1,880)
TOTAL REVENUES	<u>82,500</u>	<u>82,500</u>	<u>85,743</u>	<u>3,243</u>
EXPENDITURES				
Culture and Recreation	900	900	541	359
Capital Outlay	50,000	86,653	86,653	-
TOTAL EXPENDITURES	<u>50,900</u>	<u>87,553</u>	<u>87,194</u>	<u>359</u>
NET CHANGE IN FUND BALANCE	31,600	(5,053)	(1,451)	3,602
FUND BALANCE, Beginning	<u>108,069</u>	<u>108,069</u>	<u>117,797</u>	<u>9,728</u>
FUND BALANCE, Ending	<u>\$ 139,669</u>	<u>\$ 103,016</u>	<u>\$ 116,346</u>	<u>\$ 13,330</u>

See the accompanying independent auditors' report.

GILPIN COUNTY, COLORADO

COMBINING STATEMENT OF FIDUCIARY
 ASSETS AND LIABILITIES
 AGENCY FUNDS
 As of December 31, 2020

	<u>COUNTY TREASURER</u>	<u>JAIL INMATES</u>	<u>PUBLIC TRUSTEE</u>	<u>SHERIFF FORFEITURE</u>	<u>TOTALS</u>
ASSETS					
Cash and Investments	\$ 297,407	\$ 116,001	\$ 370	\$ 17,442	\$ 431,220
TOTAL ASSETS	<u>\$ 297,407</u>	<u>\$ 116,001</u>	<u>\$ 370</u>	<u>\$ 17,442</u>	<u>\$ 431,220</u>
LIABILITIES					
Due to Other Governments	\$ 297,407	\$ -	\$ 370	\$ -	\$ 297,777
Held for Inmate Expenses	-	116,001	-	-	116,001
Held for Sheriff Expenses	-	-	-	17,442	17,442
TOTAL LIABILITIES	<u>\$ 297,407</u>	<u>\$ 116,001</u>	<u>\$ 370</u>	<u>\$ 17,442</u>	<u>\$ 431,220</u>

See the accompanying independent auditors' report.

GILPIN COUNTY, COLORADO

COMBINING STATEMENT OF CHANGES IN
 FIDUCIARY ASSETS AND LIABILITIES
 AGENCY FUNDS
 Year Ended December 31, 2020

	BALANCE 12/31/2019	ADDITIONS	DEDUCTIONS	BALANCE 12/31/2020
ASSETS				
Cash and Investments				
Treasurer	\$ 774,364	\$ 17,468,644	17,945,601	\$ 297,407
Public Trustee	2,373	14,414	16,417	370
Jail Inmates	101,983	181,780	167,762	116,001
Sheriff Forfeiture	19,912	30	2,500	17,442
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL ASSETS	<u>\$ 898,632</u>	<u>\$ 17,664,868</u>	<u>\$ 18,132,280</u>	<u>\$ 431,220</u>
LIABILITIES				
Due to Other Governments	776,737	17,483,058	17,962,018	297,777
Held for Inmate Expenses	101,983	181,780	167,762	116,001
Held for Sheriff Expenses	19,912	30	2,500	17,442
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL LIABILITIES	<u>\$ 898,632</u>	<u>\$ 17,664,868</u>	<u>\$ 18,132,280</u>	<u>\$ 431,220</u>

See the accompanying independent auditors' report.

COMPLIANCE SECTION



**HINKLE &
COMPANY**
Strategic PC
Business Advisors

**Independent Auditors' Report on Internal Control Over
Financial Reporting and On Compliance and Other Matters
Based on An Audit of Financial Statements Performed
In Accordance with *Government Auditing Standards***

Board of County Commissioners
Gilpin County, 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, 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, 2020, and the related notes to the financial statements, which collectively comprise the basic financial statements of the County, and have issued our report thereon dated August 9, 2021.

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 to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control 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.

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 may exist that have not been identified.

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 statement amounts. 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

Greenwood Village, Colorado
August 9, 2021





**HINKLE &
COMPANY**
Strategic PC
Business Advisors

**Independent Auditors' 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, Colorado

Report on Compliance for Each Major Federal Program

We have audited Gilpin County's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of Gilpin County's (the County) major federal programs for the year ended December 31, 2020. The County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of the federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the County's compliance.

Opinion on Each Major Federal Program

In our opinion, Gilpin 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, 2020.

Report on Internal Control Over Compliance

Management of the Gilpin County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's 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 the County's internal control over compliance 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 compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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



Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the County as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the basic financial statements of Gilpin County. We issued our report thereon dated August 9, 2021, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling the 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 schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Hick & Company, PC

Greenwood Village, Colorado
August 9, 2021



GILPIN COUNTY, COLORADO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ending December 31, 2020

Section I: Summary of Auditors' 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 auditors' 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:

CFDA Number	Name of Federal Cluster/Program
21.019	CARES Act

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

Auditee qualified as low-risk auditee? Yes No

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, COLORADO

SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS
For The Year Ended December 31, 2020

Federal Agency/Program Title	Direct/Pass Through	Pass Through Entity	Federal CFDA#	Federal Expenditures
U.S. DEPARTMENT OF AGRICULTURE				
Food Assistance Administration	Pass Through	CO Dept of Human Services	10.561	\$ 54,902
Emergency Food Assistance Program (Food Commodities)	Pass Through	CO Dept of Human Services	10.569	57,532
Title 1 Schools & Roads - Grants to Counties	Direct		10.666	27,856
U.S. DEPARTMENT OF JUSTICE				
Coronavirus Emergency Supplemental Funding Program	Pass Through	CO Division of Criminal Justice	16.034	108,381
Victims of Crime Act	Pass Through	CO Division of Criminal Justice	16.575	85,930
U.S. DEPARTMENT OF TREASURY				
Coronavirus Relief Fund	Pass Through	CO Dept of Local Affairs	21.019	2,032,886
U.S. ENVIRONMENTAL PROTECTION AGENCY (EPA)				
State Indoor Radon Grants	Pass Through	CO Dept of Public Health &	66.032	2,750
FEDERAL ELECTIONS ASSISTANCE COMMISSION				
Help America Vote Act-Election Security Grants	Pass Through	CO Dept of State-Elections Division	90.404	708
U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES				
Coronavirus Relief Fund	Pass Through	CO Dept of Health & Human Services	21.019	5,094
Guardianship Assistance	Pass Through	CO Dept of Health & Human Services	93.090	937
Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	Pass Through	CO Dept of Public Health & Environmen	93.354	17,998
Promoting Safe and Stable Families	Pass Through	CO Dept of Health & Human Services	93.556	732
TANF	Pass Through	CO Dept of Health & Human Services	93.558	119,549
IV-D Admin	Pass Through	CO Dept of Health & Human Services	93.563	20,808
LEAP	Pass Through	CO Dept of Health & Human Services	93.568	20,503
CSBG	Pass Through	CO Dept of Health & Human Services	93.569	6,945
CCDF Discretion	Pass Through	CO Dept of Health & Human Services	93.575	49,918
CCDF	Pass Through	CO Dept of Health & Human Services	93.596	16,973
IV-B Child Welfare Child Care	Pass Through	CO Dept of Health & Human Services	93.645	5,778
IV-E Foster Care	Pass Through	CO Dept of Health & Human Services	93.658	74,259
Adoption Assistance	Pass Through	CO Dept of Health & Human Services	93.659	34,279
Title XX Block	Pass Through	CO Dept of Health & Human Services	93.667	35,778
Title XIX Medicaid	Pass Through	CO Dept of Health & Human Services	93.778	75,856
Substance Abuse Prevention Treatment Block Grant	Pass Through	CO Dept of Health & Human Services	93.959	40,550
Maternal & Child Health Services Block grant to the States	Pass Through	CO Dept of Public Health & Environmen	93.994	3,794
U.S. DEPARTMENT OF HOMELAND SECURITY				
Emergency Management Performance Grants	Pass Through	CO Division of Emergency Management	97.042	60,000
Homeland Security Grant Program	Pass Through	Araphahoe County	97.067	9,625
TOTAL FEDERAL AWARDS				\$ 2,970,320

GILPIN COUNTY, COLORADO

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ending December 31, 2020

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 \$1,093,485 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

City or County:
Gilpin County, Colorado
YEAR ENDING :
December 2020

This Information From The Records Of The County of GILPIN: Prepared By: Jane Billings
Phone: 303 951 3671

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

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway disbursements:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	19,505
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	511,442
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	25,036
2. General fund appropriations	2,500,000	b. Snow and ice removal	26,578
3. Other local imposts (from page 2)	411,456	c. Other	135,588
4. Miscellaneous local receipts (from page 2)	23,769	d. Total (a. through c.)	187,202
5. Transfers from toll facilities		4. General administration & miscellaneous	1,752,647
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	
a. Bonds - Original Issues		6. Total (1 through 5)	2,470,796
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	
7. Total (1 through 6)	2,935,225	b. Redemption	
B. Private Contributions		c. Total (a. + b.)	0
C. Receipts from State government (from page 2)	652,670	2. Notes:	
D. Receipts from Federal Government (from page 2)	9,465	a. Interest	8,400
E. Total receipts (A.7 + B + C + D)	3,597,360	b. Redemption	301,666
		c. Total (a. + b.)	310,066
		3. Total (1.c + 2.c)	310,066
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total disbursements (A.6 + B.3 + C + D)	2,780,862

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)				0
1. Bonds (Refunding Portion)				
B. Notes (Total)	416,813	0	301,667	115,147

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	1,893,755	3,597,360	2,780,862	2,710,253	0

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT

STATE:
Colorado
YEAR ENDING (mm/yy):
December 2020

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

This Information From The Records Of The County of GILPIN:

ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments	372,375	a. Interest on investments	9,001
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes		c. Parking Garage Fees	
2. Infrastructure & Impact Fees		d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other	39,081	g. Other Misc. Receipts	10,755
6. Total (1. through 5.)	39,081	h. Other	4,013
c. Total (a. + b.)	411,456	i. Total (a. through h.)	23,769
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	616,716	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	9,465
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	35,954	d. Federal Transit Admin	
d. Other (Specify) - DOLA Grant		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	
f. Total (a. through e.)	35,954	g. Total (a. through f.)	9,465
4. Total (1. + 2. + 3.f)	652,670	3. Total (1. + 2.g)	
			(Carry forward to page 1)

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs			0
b. Engineering Costs			0
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements			0
(3). System Preservation		19,505	19,505
(4). System Enhancement & Operation			0
(5). Total Construction (1) + (2) + (3) + (4)	0	19,505	19,505
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	19,505	19,505
			(Carry forward to page 1)

Notes and Comments: