

# CHAFFEE COUNTY, COLORADO

## ANNUAL FINANCIAL REPORT

FOR THE

YEAR ENDED DECEMBER 31, 2016



**RECEIVED**

*By the Office of the State Auditor at 4:47 pm, Jun 16, 2017*

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**CHAFFEE COUNTY, COLORADO**  
**ELECTED AND APPOINTED OFFICIALS**  
**December 31, 2016**

ELECTED OFFICIALS

Dave Potts, Chairman of the Board, Commissioner District #3  
Greg Felt, Commissioner District #2  
Keith Baker, Commissioner District #3  
Randy Amettis, County Coroner  
Brenda Mosby, County Assessor  
Lori Mitchell, County Clerk and Recorder  
John Spezze, County Sheriff  
Dee Dee Copper, County Treasurer

MANAGEMENT

Dan Short, Director of Finance and Personnel  
Robert Christiansen, Director of General Administration

**INDEPENDENT AUDITOR**

Scott C. Wright  
Certified Public Accountant

# CHAFFEE COUNTY, COLORADO

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# CHAFFEE COUNTY, COLORADO

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**SCOTT C. WRIGHT**  
**CERTIFIED PUBLIC ACCOUNTANT**

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Board of County Commissioners  
Chaffee County, Colorado  
Salida, Colorado

**INDEPENDENT AUDITOR'S REPORT**

**Report on the Financial Statements**

I have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Chaffee County, Colorado as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the County's basic financial statements 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.

**Auditor's Responsibility**

My responsibility is to express opinions on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I 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 auditor's 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 entity's 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 entity's internal control. Accordingly, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

## **Opinions**

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Chaffee County, Colorado, as of December 31, 2016, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4-13 and 47-49 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. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

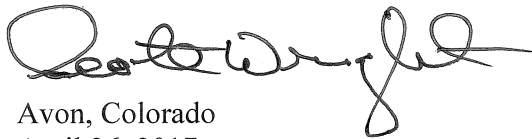
My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Chaffee County, Colorado's basic financial statements. The combining and individual nonmajor fund financial statements and miscellaneous schedules, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and miscellaneous schedules and the schedule of expenditures of federal awards are the responsibility of management and are derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements

themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the combining and individual nonmajor fund financial statements and miscellaneous schedules and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

**Other Reporting Required by Government Auditing Standards**

In accordance with Government Auditing Standards, I have also issued my report dated April 26, 2017, on my consideration of Chaffee County, Colorado's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Chaffee County, Colorado's internal control over financial reporting and compliance

A handwritten signature in black ink, appearing to read "Robert W. [unclear]", written in a cursive style.

Avon, Colorado  
April 26, 2017

## MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of Chaffee County, we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of Chaffee County for the fiscal year ended December 31, 2016.

### Financial Highlights

- The assets of the County exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$31,802,842 (net position). Of this amount, \$7,405,002 is unrestricted and may be used to meet the County's ongoing obligations to citizens and creditors in accordance with the County's fund designation and fiscal policies.
- The County's total net position increased by \$2,085,579.
- As of the close of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$11,106,196, an increase of \$757,058 in comparison with the prior year. Approximately forty-six percent (46%) of this total amount, or \$5,094,951, is available for use within the County's policies (unassigned fund balance).
- At the end of the current fiscal year, the unassigned fund balance for the general fund represented forty-three percent (43%) of total general fund expenditures.
- All scheduled debt service payments on long-term debt obligations were made during the current fiscal year thereby reducing the County's total long-term debt by \$434,597.

### Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains required supplementary information and other supplementary information in addition to the basic financial statements themselves.

**Government-wide financial statements.** The government-wide financial statements are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private sector business.

The *statement of net position* presents information on all of the County's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

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 flows in future fiscal periods (e.g., earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from

other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the County include general government, community and economic development, public safety, health and welfare, public works, parks and recreation, and airport operations. The business-type activities of the County include solid waste landfill operations, emergency medical services and sewer debt recovery operations.

The government-wide financial statements include not only the County itself (known as the *primary government*), but also the Chaffee County Facilities Corporation (Facilities Corporation) which was created with the sole purpose of facilitating County financings. The Facilities Corporation is included in the County's financial statements because the County has financial accountability for the Facilities Corporation and they, in turn, are fiscally dependent upon the County. The Facilities Corporation activities are reported as a debt service fund.

The government-wide financial statements can be found on pages 15-17 of this report.

**Fund financial statements.** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

**Governmental funds.** *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflow and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the County's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The County maintains twelve individual governmental funds. 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 general fund, road and bridge fund, and health and human services fund, all of which are considered to be major funds. Data from the other nine nonmajor governmental funds (airport fund, conservation trust fund, retirement fund, contingent reserve fund, asset replacement fund, lodging visitors bureau fund, animal shelter fund, Chaffee County Facilities Corporation fund, and capital expenditures fund) are combined into a single, aggregate presentation.

Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report. The basic governmental fund financial statements can be found on pages 18-21 of this report.

***Proprietary funds.*** The County maintains two different types of proprietary funds. *Enterprise funds* are used to report the same function presented as business-type activities in the government-wide financial statements. The County uses enterprise funds to account for its solid waste landfill operations, emergency medical services, and sewer debt recovery operations. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County uses an internal service fund to account for the cost of insurance and estimated damaged property claims allocated to County departments. Because this cost allocation predominately effects governmental rather than business-type functions, it has been included within *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for waste landfill operations, emergency medical services, and sewer debt recovery operations. Separate information is also provided for the County's internal service fund. The basic proprietary fund financial statements can be found on pages 22-25 of this report.

***Fiduciary Funds.*** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support Chaffee County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statement can be found on page 26 of this report.

***Notes to the Financial Statements.*** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 27-45 of this report.

***Required Supplemental Information.*** In addition to the basic financial statements and accompanying notes, this report also presents certain other required supplemental information. The County adopts an annual appropriated budget for its general fund and major special revenue funds. Budgetary comparison statements have been provided for the general fund, road and bridge fund, and health and human services fund to demonstrate compliance with these budgets and can be found on pages 47-49 of this report.

***Other Supplemental Information.*** The combining statements referred to earlier in connection with nonmajor governmental funds are presented under other supplemental information immediately following the required supplemental information on pages 52-55. Individual fund statements and schedules and other miscellaneous schedules can also be found in this section on pages 56-80 of this report.

## Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Chaffee County, assets exceeded liabilities and deferred inflows of resources by \$31,802,842 as of December 31, 2016.

A large portion of the County's net position (58%) reflects its investment in capital assets (land, construction in progress, buildings and improvements, vehicles, and machinery and equipment), net of any related debt used to acquire those assets that is still outstanding. The County uses these assets to provide services to citizens, consequently, these assets are not available for future spending. Although the County's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the County's net position (18%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* (\$7,405,002) may be used to meet the County's ongoing obligations to citizens and creditors.

### Condensed Net Position

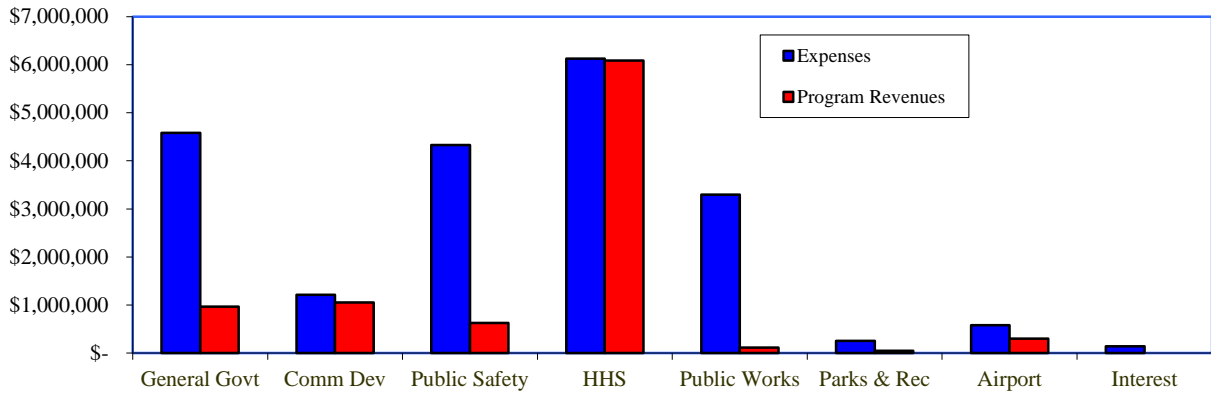
	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Government</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Current and Other Assets	\$16,266,697	\$14,889,115	\$2,802,333	\$1,860,520	\$19,583,330	\$16,749,635
Restricted Assets	514,300	513,239	-	-	514,300	513,239
Capital Assets, net	<u>19,772,207</u>	<u>19,852,177</u>	<u>2,646,170</u>	<u>2,538,023</u>	<u>22,418,377</u>	<u>22,390,200</u>
Total Assets	<u>36,553,204</u>	<u>35,254,531</u>	<u>5,448,503</u>	<u>4,398,543</u>	<u>42,001,707</u>	<u>39,653,074</u>
Other Liabilities	1,834,284	1,350,844	218,143	130,867	2,052,427	1,481,711
Noncurrent Liabilities	<u>4,003,804</u>	<u>4,408,897</u>	<u>446,050</u>	<u>511,097</u>	<u>4,449,854</u>	<u>4,919,994</u>
Total Liabilities	<u>5,838,088</u>	<u>5,759,741</u>	<u>664,193</u>	<u>641,964</u>	<u>6,502,281</u>	<u>6,401,705</u>
Deferred Inflows of Resources	<u>3,696,584</u>	<u>3,534,106</u>	<u>-</u>	<u>-</u>	<u>3,696,584</u>	<u>3,534,106</u>
Net Position:						
Net Investment in Capital Assets	16,351,555	15,989,593	2,200,120	2,082,376	18,551,675	18,071,969
Restricted	5,846,165	4,843,656	-	-	5,846,165	4,843,656
Unrestricted	<u>4,820,812</u>	<u>5,127,435</u>	<u>2,584,190</u>	<u>1,674,203</u>	<u>7,405,002</u>	<u>6,801,638</u>
Total Net Position	<u>\$27,018,532</u>	<u>\$25,960,684</u>	<u>\$4,784,310</u>	<u>\$3,756,579</u>	<u>\$31,802,842</u>	<u>\$29,717,263</u>

## Change in Net Position

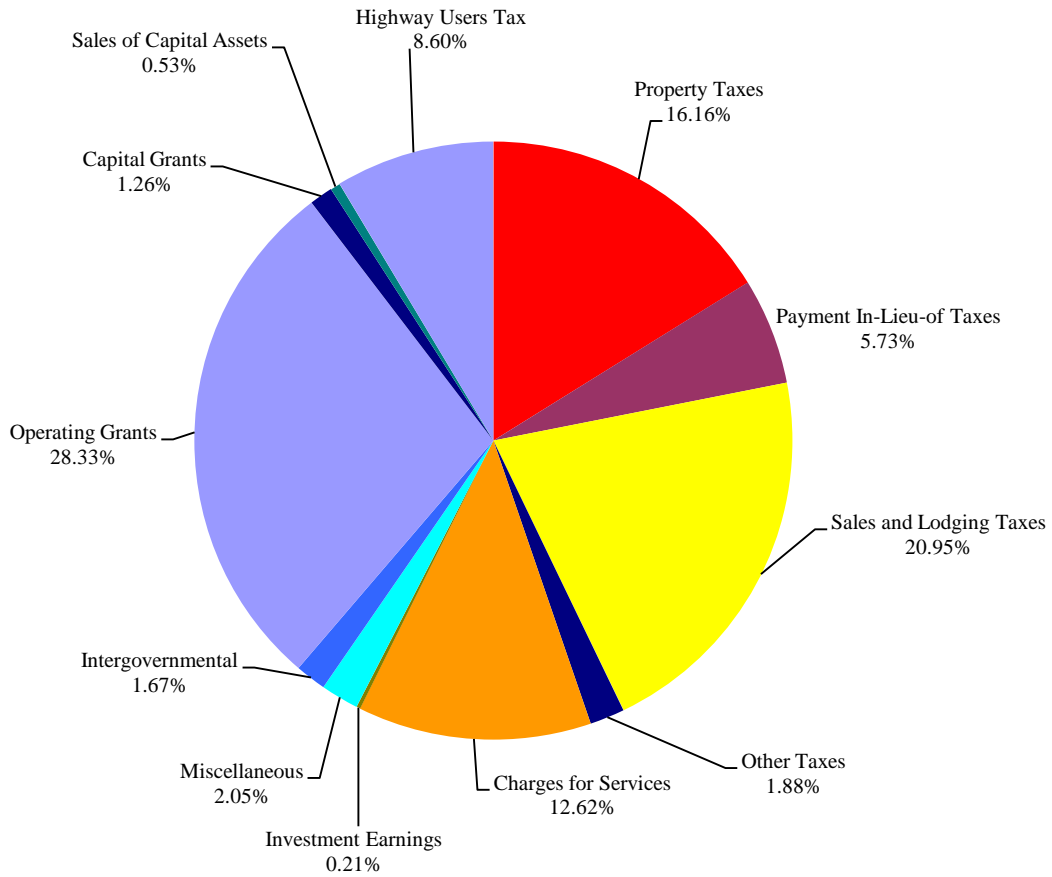
	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Government</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
<b>REVENUES</b>						
Program Revenues:						
Charges for Services	\$ 2,744,980	\$ 3,375,219	\$ 2,308,847	\$ 1,776,336	\$ 5,053,827	\$ 5,151,555
Operating Grants and Contributions	6,160,799	5,935,838	-	42,150	6,160,799	5,977,988
Capital Grants and Contributions	274,554	416,934	149,218	-	423,772	416,934
General Revenues:						
Taxes:						
Property Taxes	3,513,596	3,790,776	-	-	3,513,596	3,790,776
Sales and Lodging Taxes	4,556,609	4,168,264	1,722,736	-	6,279,345	4,168,264
Payment In-Lieu-of Taxes	1,246,916	1,224,794	-	-	1,246,916	1,224,794
Highway Users Tax	1,870,120	1,850,762	-	-	1,870,120	1,850,762
Other Taxes	409,363	1,124	-	-	409,363	1,124
Unrestricted Investment Earnings	45,612	28,148	4,001	2,302	49,613	30,450
Intergovernmental	363,977	83,173	-	-	363,977	83,173
Miscellaneous	446,144	534,201	-	-	446,144	534,201
Sales of Capital Assets	115,268	224,990	-	5,000	115,268	229,990
<b>Total Revenues</b>	<u>21,747,938</u>	<u>21,634,223</u>	<u>4,184,802</u>	<u>1,825,788</u>	<u>25,932,740</u>	<u>23,460,011</u>
<b>EXPENSES</b>						
Program Activities:						
Governmental Activities:						
General Government	4,584,407	4,216,013	-	-	4,584,407	4,216,013
Community / Economic Development	1,214,227	1,174,809	-	-	1,214,227	1,174,809
Public Safety	4,327,685	4,897,254	-	-	4,327,685	4,897,254
Health and Welfare	6,127,379	6,495,571	-	-	6,127,379	6,495,571
Public Works	3,296,230	2,538,734	-	-	3,296,230	2,538,734
Parks and Recreation	254,003	342,272	-	-	254,003	342,272
Airport Operations	581,156	691,622	-	-	581,156	691,622
Interest on Long-term Debt	143,239	157,229	-	-	143,239	157,229
Business-type Activities:						
Landfill Operations	-	-	817,671	766,026	817,671	766,026
Emergency Medical Services	-	-	2,463,039	1,403,630	2,463,039	1,403,630
Sewer Enterprise	-	-	38,125	38,543	38,125	38,543
<b>Total Expenses</b>	<u>20,528,326</u>	<u>20,513,504</u>	<u>3,318,835</u>	<u>2,208,199</u>	<u>23,847,161</u>	<u>22,721,703</u>
Excess (Deficiency) Before Transfers	1,219,612	1,120,719	865,967	(382,411)	2,085,579	738,308
Transfers	<u>(161,764)</u>	<u>(560,000)</u>	<u>161,764</u>	<u>560,000</u>	<u>-</u>	<u>-</u>
<b>Increase (Decrease) in Net position</b>	1,057,848	560,719	1,027,731	177,589	2,085,579	738,308
Net Position, Beginning	<u>25,960,684</u>	<u>25,399,965</u>	<u>3,756,579</u>	<u>3,578,990</u>	<u>29,717,263</u>	<u>28,978,955</u>
<b>Net Position, Ending</b>	<u>\$27,018,532</u>	<u>\$25,960,684</u>	<u>\$ 4,784,310</u>	<u>\$ 3,756,579</u>	<u>\$31,802,842</u>	<u>\$29,717,263</u>

**Governmental Activities.** Governmental activities increased the County's net position by \$1,057,848 in 2016. The cost of all governmental activities in 2016 was \$20,528,326, a 0.07% increase from the prior year. Revenues from governmental activities increased .53% from the prior year. The key sources of revenues were relatively flat compared to 2015.

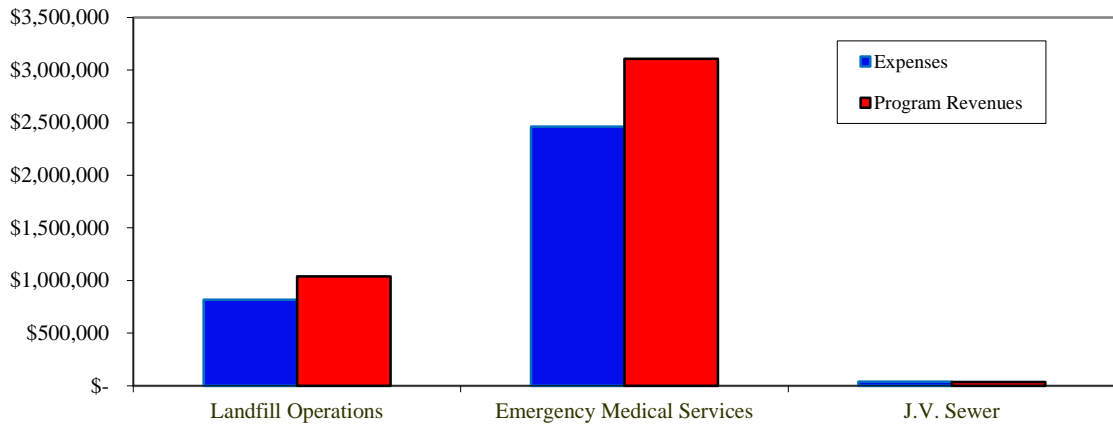
## Expenses and Program Revenues – Governmental Activities



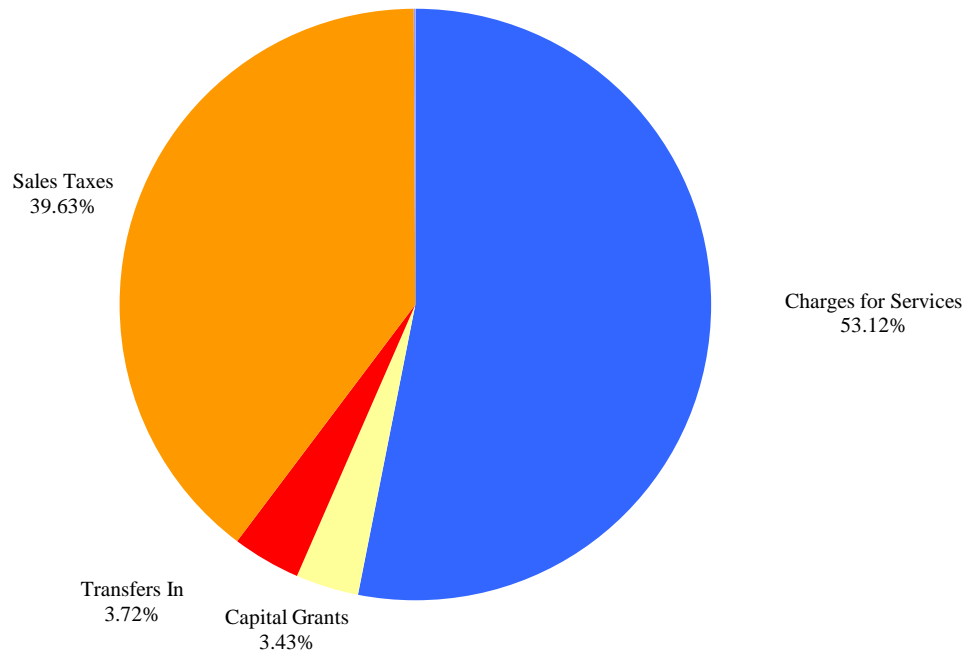
## Revenues by Source – Governmental Activities



## Expenses and Program Revenues – Business-type Activities



## Revenues by Source – Business-type Activities



## Financial Analysis of the County's Funds

The following schedule presents a summary of governmental fund revenues for the year ended December 31, 2016 and the amount and percentage of increases and decreases in relation to the prior year.

<u>Revenues</u>	2016 <u>Amount</u>	Percent of <u>Total</u>	2015 <u>Amount</u>	Amount of Increase (Decrease)	Percent Increase (Decrease)
Taxes	\$ 8,479,568	39.43%	\$ 7,960,164	\$ 519,404	6.53%
Licenses and Permits	998,904	4.64%	774,564	224,340	28.96%
Intergovernmental	9,916,366	46.11%	10,130,958	(214,592)	(2.12%)
Charges for Services	1,582,161	7.36%	1,854,021	(271,860)	(14.66%)
Fines and Forfeitures	55,713	0.26%	73,155	(17,442)	(23.84%)
Investment Earnings	42,497	0.20%	27,307	15,190	55.63%
Miscellaneous	<u>430,925</u>	<u>2.00%</u>	<u>410,331</u>	<u>20,594</u>	5.02%
<b>Total</b>	<b><u>\$21,506,134</u></b>	<b><u>100.00%</u></b>	<b><u>\$21,230,500</u></b>	<b><u>\$ 275,634</u></b>	

The following schedule presents a summary of governmental fund expenditures for the year ended December 31, 2016, and the amount and percentage of increases and decreases in relation to the prior year.

<u>Expenditures</u>	2016 <u>Amount</u>	Percent of <u>Total</u>	2015 <u>Amount</u>	Amount of Increase (Decrease)	Percent Increase (Decrease)
<b>Current:</b>					
General Government	\$ 3,887,710	18.78%	\$ 3,445,703	\$ 442,007	12.83%
Community / Economic					
Development	1,202,267	5.81%	1,174,905	27,362	2.33%
Public Safety	4,120,728	19.90%	4,683,165	(562,437)	(12.01%)
Health and Welfare	6,106,278	29.50%	6,502,236	(395,958)	(6.09%)
Public Works	3,017,078	14.57%	2,484,010	533,068	21.46%
Parks and Recreation	236,145	1.14%	308,590	(72,445)	(23.48%)
Airport Operations	214,336	1.04%	249,183	(34,847)	(13.98%)
Capital Outlay	1,331,555	6.43%	970,375	361,180	37.22%
<b>Debt Service:</b>					
Principal	425,000	2.05%	400,000	25,000	6.25%
Interest	158,725	0.77%	171,675	(12,950)	(7.54%)
Fiscal Charges	<u>2,758</u>	<u>0.01%</u>	<u>2,682</u>	<u>76</u>	2.83%
<b>Total</b>	<b><u>\$20,702,580</u></b>	<b><u>100.00%</u></b>	<b><u>\$20,392,524</u></b>	<b><u>\$ 310,056</u></b>	

### Fund Balances

The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources at the end of the year.

The County's governmental funds reported combined ending fund balances of \$11,106,196, an increase of \$757,058 from the prior year. Of this total, \$5,846,165 is restricted due to external

limitations on its use, such as by debt covenants and legal restrictions. A total of \$165,080 is considered unspendable because it has been used for prepaid items (inventories). The remaining \$5,094,951 is unassigned and can be used for any lawful purpose.

The general fund is the main operating fund of the County. At the end of the current fiscal year, unassigned fund balance of the general fund was \$5,094,951. The fund balance of the general fund increased by \$59,962 or 1.12%, in 2016. As a measure of the general fund's liquidity, it can be useful to compare unassigned fund balances to total fund expenditures. Unassigned fund balance represents 53.8% of total fund expenditures or the equivalent of over 6 months of operations. The County's fund balance provides the resources necessary to be financially adaptable to unforeseen circumstances.

### Capital Asset and Debt Administration

**Capital assets.** The County's investment in capital assets for its governmental and business-type activities as of December, 31, 2016, totals \$22,418,377 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings and improvements, vehicles, and machinery and equipment (see table below). The total increase in the County's net capital assets for the current fiscal year was 0.13% (a .4% decrease for governmental activities and a 4.3% increase for business-type activities).

Major capital assets purchased or constructed during the current fiscal year include completion of the airfield sealcoating project (\$20,024); start of the Courthouse improvements project (\$83,429); paving of the County Courthouse parking lot (\$34,868); purchase of a jet fuel truck at the airport (\$15,000); vehicles for the Sheriff (\$90,763), Jail (\$38,105), and Emergency Management (\$46,702); and two Chevrolet flatbed trucks with snowplow and sander attachments (\$95,600). Also purchased were (2) dispatch consoles (\$551,800), a 2016 Ram 2500 and a 1995 International pumper truck in the Waste Disposal fund (\$45,620), and a 2016 Chevrolet ambulance (\$193,655) for the Emergency Medical Services fund.

### County's Capital Assets (net of depreciation)

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Land	\$ 1,700,612	\$ 1,655,545	\$ 177,677	\$ 177,677	\$ 1,878,289	\$ 1,833,222
Construction in Progress	83,429	325,339	-	-	83,429	325,339
Buildings & Imp.	15,990,851	16,380,518	726,095	792,189	16,716,946	17,172,707
Utility Lines	-	-	452,923	470,688	452,923	470,688
Vehicles	603,251	531,149	415,252	276,658	1,018,503	807,807
Mach. & Equip	<u>1,394,064</u>	<u>959,626</u>	<u>874,223</u>	<u>820,811</u>	<u>2,268,287</u>	<u>1,780,437</u>
Total	<u>\$19,772,207</u>	<u>\$19,852,177</u>	<u>\$ 2,646,170</u>	<u>\$ 2,538,023</u>	<u>\$22,418,377</u>	<u>\$22,390,200</u>

Additional information on the County's capital assets can be found in Notes 4 on pages 38-39 of this report.

**Long-term debt.** At the end of the current fiscal year, the County had total long-term debt outstanding in the amount of \$3,776,050. Of this amount, \$3,330,000 are Certificates of Participation which evidence assignments of proportionate interests in the right to receive payments pursuant to annually renewable lease agreements. The remainder of the County’s debt, \$446,050, represents bonds secured solely by specified revenue sources (i.e. revenue bonds).

**County’s Outstanding Debt**

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2016</u>	<u>2015</u>
Revenue Bonds	\$ -	\$ -	\$ 446,050	\$ 455,647	\$ 446,050	\$ 455,647
Certificates of Participation	<u>3,330,000</u>	<u>3,755,000</u>	<u>-</u>	<u>-</u>	<u>3,330,000</u>	<u>3,755,000</u>
 Total	 <u>\$ 3,330,000</u>	 <u>\$ 3,755,000</u>	 <u>\$ 446,050</u>	 <u>\$ 455,647</u>	 <u>\$ 3,776,050</u>	 <u>\$ 4,210,647</u>

The County’s total outstanding debt decreased by a net \$434,597 during the current fiscal year. All scheduled debt service payments on long-term debt obligations were made during the current fiscal year.

Additional information on the County’s long-term debt can be found in Note 4 on pages 40-41 of this report.

**Requests for Information**

This financial report is designed to provide a general overview of the County’s finances for all those with an interest in the County’s fiscal management. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Chaffee County Finance Department, 132 Crestone, Salida, CO 81201.

## **BASIC FINANCIAL STATEMENTS**

# CHAFFEE COUNTY, COLORADO

## STATEMENT OF NET POSITION DECEMBER 31, 2016

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and Investments	\$ 10,869,228	\$ 2,139,866	\$ 13,009,094
Receivables	5,232,389	662,467	5,894,856
Inventory	165,080	-	165,080
Restricted Assets - Cash and Cash Equivalents	514,300	-	514,300
Capital Assets, net of accumulated depreciation:			
Nondepreciable	1,784,041	177,677	1,961,718
Depreciable	17,988,166	2,468,493	20,456,659
<b>Total Assets</b>	<b>36,553,204</b>	<b>5,448,503</b>	<b>42,001,707</b>
<b>LIABILITIES</b>			
Accounts Payable	758,947	39,655	798,602
Accrued Liabilities	-	176,783	176,783
Accrued Interest Payable	15,497	1,705	17,202
Deposits and Reserves	156,317	-	156,317
Unearned Revenues	903,523	-	903,523
Noncurrent Liabilities:			
Due Within One Year	1,033,738	10,033	1,043,771
Due In More Than One Year	2,970,066	436,017	3,406,083
<b>Total Liabilities</b>	<b>5,838,088</b>	<b>664,193</b>	<b>6,502,281</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Gain on Advance Refunding of Debt	10,642	-	10,642
Property Taxes	3,685,942	-	3,685,942
<b>Total Deferred Inflows of Resources</b>	<b>3,696,584</b>	<b>-</b>	<b>3,696,584</b>
<b>NET POSITION</b>			
Net Investment in Capital Assets	16,351,555	2,200,120	18,551,675
Restricted For:			
Emergencies	540,077	-	540,077
Debt Service	514,300	-	514,300
Capital Expenditures	526,747	-	526,747
Purposes of Grantors	3,998,884	-	3,998,884
Other Purposes	266,157	-	266,157
Unrestricted	4,820,812	2,584,190	7,405,002
<b>Total Net Position</b>	<b>\$ 27,018,532</b>	<b>\$ 4,784,310</b>	<b>\$ 31,802,842</b>

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

# CHAFFEE COUNTY, COLORADO

## STATEMENT OF ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2016

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental Activities:</b>				
General Government	\$ 4,584,407	\$ 960,461	\$ 3,742	\$ -
Community / Economic Development	1,214,227	1,032,597	16,848	-
Public Safety	4,327,685	398,082	130,225	100,000
Health and Welfare	6,127,379	97,514	5,984,938	-
Public Works	3,296,230	76,912	25,046	10,424
Parks and Recreation	254,003	45,038	-	-
Airport Operations	581,156	134,376	-	164,130
Interest and Fiscal Charges on Long-term Debt	143,239	-	-	-
<b>Total Governmental Activities</b>	<b>20,528,326</b>	<b>2,744,980</b>	<b>6,160,799</b>	<b>274,554</b>
<b>Business-type Activities:</b>				
Landfill Operations	817,671	1,038,258	-	-
Emergency Medical Services	2,463,039	1,235,356	-	149,218
Sewer	38,125	35,233	-	-
<b>Total Business-type Activities</b>	<b>3,318,835</b>	<b>2,308,847</b>	<b>-</b>	<b>149,218</b>
<b>Total Primary Government</b>	<b>\$ 23,847,161</b>	<b>\$ 5,053,827</b>	<b>\$ 6,160,799</b>	<b>\$ 423,772</b>

General Revenues:

Property Taxes, Levied for General Purposes  
 Sales and Lodging Taxes  
 Payment In-Lieu-of Taxes  
 Highway Users Tax  
 Other Taxes  
 Grants and Contributions Not Restricted to Specific Programs  
 Unrestricted Investment Earnings  
 Miscellaneous  
 Sales of Capital Assets

Transfers

**Total General Revenues and Transfers**

**Increase (Decrease) in Net Position**

**Net Position - Beginning of Year**

**Net Position - End of Year**

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

Net (Expense) Revenue and  
Changes in Net Position

Governmental Activities	Business-type Activities	Total
\$ (3,620,204)	\$ -	\$ (3,620,204)
(164,782)	-	(164,782)
(3,699,378)	-	(3,699,378)
(44,927)	-	(44,927)
(3,183,848)	-	(3,183,848)
(208,965)	-	(208,965)
(282,650)	-	(282,650)
(143,239)	-	(143,239)
<u>(11,347,993)</u>	<u>-</u>	<u>(11,347,993)</u>
-	220,587	220,587
-	(1,078,465)	(1,078,465)
-	(2,892)	(2,892)
<u>-</u>	<u>(860,770)</u>	<u>(860,770)</u>
<u>(11,347,993)</u>	<u>(860,770)</u>	<u>(12,208,763)</u>
3,513,596	-	3,513,596
4,556,609	1,722,736	6,279,345
1,246,916	-	1,246,916
1,870,120	-	1,870,120
409,363	-	409,363
363,977	-	363,977
45,612	4,001	49,613
446,144	-	446,144
115,268	-	115,268
(161,764)	161,764	-
<u>12,405,841</u>	<u>1,888,501</u>	<u>14,294,342</u>
1,057,848	1,027,731	2,085,579
<u>25,960,684</u>	<u>3,756,579</u>	<u>29,717,263</u>
<u>\$ 27,018,532</u>	<u>\$ 4,784,310</u>	<u>\$ 31,802,842</u>

# CHAFFEE COUNTY, COLORADO

## BALANCE SHEET GOVERNMENTAL FUNDS DECEMBER 31, 2016

	General Fund	Road and Bridge Fund	Health and Human Services Fund	Other Governmental Funds
<b>ASSETS</b>				
Cash and Investments	\$ 4,819,242	\$ 1,652,607	\$ 1,601,787	\$ 2,622,589
Receivables:				
- Interest	16,873	973	-	1,004
- Taxes	2,398,342	63,638	647,314	576,648
- Accounts	39,154	-	8,030	3,570
- Intergovernmental	875,024	134,969	305,976	160,515
Inventories	-	136,270	-	28,810
Restricted Assets - Cash and Cash Equivalents	-	-	-	514,300
<b>Total Assets</b>	<b>\$ 8,148,635</b>	<b>\$ 1,988,457</b>	<b>\$ 2,563,107</b>	<b>\$ 3,907,436</b>
<b>LIABILITIES</b>				
Accounts Payable	\$ 164,085	\$ 44,690	\$ 6,345	\$ 540,537
Deposits and Reserves	156,317	-	-	-
Unearned Revenues	-	-	903,523	-
<b>Total Liabilities</b>	<b>320,402</b>	<b>44,690</b>	<b>909,868</b>	<b>540,537</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable Revenue - Property Taxes	2,398,342	63,638	647,314	576,648
<b>FUND BALANCES</b>				
<b>Nonspendable:</b>				
Inventories	-	136,270	-	28,810
<b>Restricted For:</b>				
TABOR Emergency Reserve	212,555	-	-	327,522
Debt Service Reserve	-	-	-	514,300
Capital Expenditures	-	-	-	526,747
Purposes of Grantors	122,385	1,743,859	1,005,925	1,126,715
<b>Assigned For:</b>				
Other Purposes	-	-	-	266,157
<b>Unassigned</b>	<b>5,094,951</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Fund Balances</b>	<b>5,429,891</b>	<b>1,880,129</b>	<b>1,005,925</b>	<b>2,790,251</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 8,148,635</b>	<b>\$ 1,988,457</b>	<b>\$ 2,563,107</b>	<b>\$ 3,907,436</b>

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



# CHAFFEE COUNTY, COLORADO

## STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS FOR THE YEAR ENDED DECEMBER 31, 2016

	General Fund	Road and Bridge Fund	Health and Human Services Fund	Other Governmental Funds
<b>Revenues</b>				
Taxes	\$ 6,546,443	\$ 53,921	\$ 690,062	\$ 1,189,142
Licenses and Permits	993,675	5,229	-	-
Intergovernmental	2,178,233	1,968,658	5,322,079	447,396
Charges for Services	1,443,415	4,370	-	134,376
Fines and Forfeitures	55,713	-	-	-
Investment Earnings	21,739	9,191	49	11,518
Other Revenues	314,133	40,233	7,847	68,712
<b>Total Revenues</b>	<b>11,553,351</b>	<b>2,081,602</b>	<b>6,020,037</b>	<b>1,851,144</b>
<b>Expenditures</b>				
Current:				
General Government	3,668,618	-	-	219,092
Community / Economic Development	722,792	-	-	479,475
Public Safety	4,120,728	-	-	-
Health and Welfare	211,477	-	5,894,801	-
Public Works	581,514	2,435,564	-	-
Parks and Recreation	159,124	-	-	77,021
Airport Operations	-	-	-	214,336
Capital Outlay	-	183,666	-	1,147,889
Debt Service:				
Principal	-	-	-	425,000
Interest	-	-	-	158,725
Fiscal Charges	-	-	-	2,758
<b>Total Expenditures</b>	<b>9,464,253</b>	<b>2,619,230</b>	<b>5,894,801</b>	<b>2,724,296</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,089,098	(537,628)	125,236	(873,152)
<b>Other Financing Sources (Uses)</b>				
Transfers In	419,700	842,563	-	1,517,072
Transfers Out	(2,448,836)	(12,000)	(100,000)	(380,263)
Sales of Capital Assets	-	115,268	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>(2,029,136)</b>	<b>945,831</b>	<b>(100,000)</b>	<b>1,136,809</b>
<b>Net Change in Fund Balances</b>	<b>59,962</b>	<b>408,203</b>	<b>25,236</b>	<b>263,657</b>
<b>Fund Balances, Beginning of Year</b>	<b>5,369,929</b>	<b>1,471,926</b>	<b>980,689</b>	<b>2,526,594</b>
<b>Fund Balances, End of year</b>	<b>\$ 5,429,891</b>	<b>\$ 1,880,129</b>	<b>\$ 1,005,925</b>	<b>\$ 2,790,251</b>

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

**RECONCILIATION OF THE STATEMENT OF  
REVENUES, EXPENDITURES, AND CHANGES IN FUND  
BALANCES OF GOVERNMENTAL FUNDS TO THE  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2016**

Total		
\$ 8,479,568 998,904 9,916,366 1,582,161 55,713 42,497 <u>430,925</u>  21,506,134   3,887,710 1,202,267 4,120,728 6,106,278 3,017,078 236,145 214,336 1,331,555  425,000 158,725 <u>2,758</u>  <u>20,702,580</u>   <u>803,554</u>   2,779,335 (2,941,099) <u>115,268</u>  <u>(46,496)</u>  757,058  <u>10,349,138</u>  <u>\$ 11,106,196</u>	Net Change in Fund Balances - Total Governmental Funds <span style="float: right;">\$ 757,058</span>  <i>Amounts reported for governmental activities in the Statement of Activities are different because:</i>  Governmental funds report capital outlays as expenditures. However, for governmental activities, those capital outlays other than the noncapitalizable items, are reported in the Statement of Activities and the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense: - Capital Outlay <span style="float: right;">1,161,764</span> - Depreciation <span style="float: right;"><u>(1,241,734)</u></span> <span style="float: right;"><u>(79,970)</u></span>  Repayment of bond and lease principal are reported as an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position: - Certificates of Participation retirements <span style="float: right;"><u>425,000</u></span>  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: - Change in compensated absences payable <span style="float: right;">(34,852)</span> - Change in accrued interest payable on outstanding bonds <span style="float: right;">1,312</span> - Amortization of deferred gain on refunding and bond premium <span style="float: right;"><u>16,932</u></span> <span style="float: right;"><u>(16,608)</u></span>  The internal service fund is used by management to charge the cost of insurance to individual funds. The net income of the internal service fund is included in governmental activities. <span style="float: right;"><u>(27,632)</u></span>  <b>Change in Net Position of Governmental Activities</b> <span style="float: right;"><u><u>\$ 1,057,848</u></u></span>	

# CHAFFEE COUNTY, COLORADO

## STATEMENT OF NET POSITION PROPRIETARY FUNDS DECEMBER 31, 2016

	Business-Type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Waste Disposal Fund	Emergency Medical Services	J.V. Sewer	Totals	
<b>ASSETS</b>					
<b>Current Assets:</b>					
Cash and Investments	\$ 1,872,663	\$ 198,814	\$ 68,389	\$ 2,139,866	\$ 173,003
Receivables:					
- Interest	223	-	-	223	359
- Accounts, net	83,737	188,513	-	272,250	-
- Intergovernmental	-	389,994	-	389,994	-
<b>Total Current Assets</b>	<u>1,956,623</u>	<u>777,321</u>	<u>68,389</u>	<u>2,802,333</u>	<u>173,362</u>
<b>Capital Assets:</b>					
- Land and Improvements	135,677	36,000	6,000	177,677	-
- Buildings and Improvements	1,542,308	514,534	-	2,056,842	-
- Utility Lines	-	-	710,585	710,585	-
- Vehicles	246,028	852,998	-	1,099,026	-
- Machinery and Equipment	1,672,548	716,335	-	2,388,883	-
- Accumulated Depreciation	(2,399,057)	(1,130,124)	(257,662)	(3,786,843)	-
<b>Net Capital Assets</b>	<u>1,197,504</u>	<u>989,743</u>	<u>458,923</u>	<u>2,646,170</u>	<u>-</u>
<b>Total Assets</b>	<u>3,154,127</u>	<u>1,767,064</u>	<u>527,312</u>	<u>5,448,503</u>	<u>173,362</u>
<b>LIABILITIES</b>					
<b>Current Liabilities:</b>					
Accounts Payable	23,216	16,439	-	39,655	3,290
Compensated Absences Payable	28,458	32,028	-	60,486	-
Accrued Closure and Post-Closure Costs	116,297	-	-	116,297	-
Accrued Interest Payable	-	-	1,705	1,705	-
Revenue Bonds Payable - Current	-	-	10,033	10,033	-
<b>Total Current Liabilities</b>	<u>167,971</u>	<u>48,467</u>	<u>11,738</u>	<u>228,176</u>	<u>3,290</u>
<b>Noncurrent Liabilities:</b>					
Revenue Bonds Payable	-	-	436,017	436,017	-
<b>Total Liabilities</b>	<u>167,971</u>	<u>48,467</u>	<u>447,755</u>	<u>664,193</u>	<u>3,290</u>
<b>NET POSITION</b>					
Net Investment in Capital Assets	1,197,504	989,743	12,873	2,200,120	-
Unrestricted	1,788,652	728,854	66,684	2,584,190	170,072
<b>Total Net Position</b>	<u>\$ 2,986,156</u>	<u>\$ 1,718,597</u>	<u>\$ 79,557</u>	<u>\$ 4,784,310</u>	<u>\$ 170,072</u>

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

# CHAFFEE COUNTY, COLORADO

## STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS PROPRIETARY FUNDS FOR THE YEAR ENDED DECEMBER 31, 2016

	Business-Type Activities - Enterprise Funds			Totals	Governmental Activities - Internal Service Fund
	Waste Disposal Fund	Emergency Medical Services	J.V. Sewer		
<b>Operating Revenues:</b>					
Charges for Services	\$ 1,028,812	\$ 1,036,179	\$ 35,233	\$ 2,100,224	\$ 331,275
Other Operating Revenues	8,232	191,177	-	199,409	60,257
<b>Total Operating Revenues</b>	<u>1,037,044</u>	<u>1,227,356</u>	<u>35,233</u>	<u>2,299,633</u>	<u>391,532</u>
<b>Operating Expenses:</b>					
Cost of Operations	615,774	2,318,700	-	2,934,474	422,279
Depreciation and Amortization	201,897	144,339	17,765	364,001	-
<b>Total Operating Expenses</b>	<u>817,671</u>	<u>2,463,039</u>	<u>17,765</u>	<u>3,298,475</u>	<u>422,279</u>
<b>Operating Income (Loss)</b>	<u>219,373</u>	<u>(1,235,683)</u>	<u>17,468</u>	<u>(998,842)</u>	<u>(30,747)</u>
<b>Nonoperating Revenues (Expenses):</b>					
Sales Tax Revenues	-	1,722,736	-	1,722,736	-
Grant Revenues	-	149,218	-	149,218	-
Gain on Disposal of Capital Assets	1,214	8,000	-	9,214	-
Interest Income	4,001	-	-	4,001	3,115
Interest Expense	-	-	(20,360)	(20,360)	-
<b>Total Nonoperating Revenues (Expenses)</b>	<u>5,215</u>	<u>1,879,954</u>	<u>(20,360)</u>	<u>1,864,809</u>	<u>3,115</u>
<b>Income (Loss) Before Transfers</b>	<u>224,588</u>	<u>644,271</u>	<u>(2,892)</u>	<u>865,967</u>	<u>(27,632)</u>
<b>Transfers In (Out)</b>	<u>(24,000)</u>	<u>185,764</u>	<u>-</u>	<u>161,764</u>	<u>-</u>
<b>Change in Net Position</b>	<u>200,588</u>	<u>830,035</u>	<u>(2,892)</u>	<u>1,027,731</u>	<u>(27,632)</u>
<b>Net Position, Beginning of Year</b>	<u>2,785,568</u>	<u>888,562</u>	<u>82,449</u>	<u>3,756,579</u>	<u>197,704</u>
<b>Net Position, End of Year</b>	<u>\$ 2,986,156</u>	<u>\$ 1,718,597</u>	<u>\$ 79,557</u>	<u>\$ 4,784,310</u>	<u>\$ 170,072</u>

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

# CHAFFEE COUNTY, COLORADO

## STATEMENT OF CASH FLOWS PROPRIETARY FUNDS FOR THE YEAR ENDED DECEMBER 31, 2016

	Business-Type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Waste Disposal Fund	Emergency Medical Services	J.V. Sewer	Totals	
<b>Cash Flows From Operating Activities</b>					
Cash Received from Customers and Users	\$ 1,018,982	\$ 933,375	\$ 35,233	\$ 1,987,590	\$ -
Cash Received from Interfund Services Provided	-	-	-	-	331,275
Cash Payments to Suppliers	(272,288)	(436,895)	-	(709,183)	(425,984)
Cash Payments to Employees	(279,815)	(1,850,450)	-	(2,130,265)	-
Cash Payments for Interfund Services Used	(33,590)	(29,574)	-	(63,164)	-
Other Operating Revenues	8,232	191,177	-	199,409	61,032
<b>Net Cash Provided by (Used in) Operating Activities</b>	<u>441,521</u>	<u>(1,192,367)</u>	<u>35,233</u>	<u>(715,613)</u>	<u>(33,677)</u>
<b>Cash Flows From Noncapital Financing Activities</b>					
Sales Taxes Received	-	1,453,409	-	1,453,409	-
Grants Received	-	59,060	-	59,060	-
Repayment of Borrowings from Other Funds	(6,195)	(10,105)	-	(16,300)	-
Transfers Out to Other Funds	(24,000)	(6,000)	-	(30,000)	-
Transfer In from Other Funds	-	191,764	-	191,764	-
<b>Net Cash Provided by (Used In) Noncapital Financing Activities</b>	<u>(30,195)</u>	<u>1,688,128</u>	<u>-</u>	<u>1,657,933</u>	<u>-</u>
<b>Cash Flows From Capital Financing Activities</b>					
Acquisition and Construction of Fixed Assets	(49,021)	(413,913)	-	(462,934)	-
Interest Paid on Long-term Debt	-	-	(20,396)	(20,396)	-
Principal Paid on Long-term Debt	-	-	(9,597)	(9,597)	-
<b>Net Cash Used in Capital Financing Activities</b>	<u>(49,021)</u>	<u>(413,913)</u>	<u>(29,993)</u>	<u>(492,927)</u>	<u>-</u>
<b>Cash Flows From Investing Activities</b>					
Interest Received from Investments	4,099	-	-	4,099	2,877
<b>Net Cash Provided by Investing Activities</b>	<u>4,099</u>	<u>-</u>	<u>-</u>	<u>4,099</u>	<u>2,877</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	366,404	81,848	5,240	453,492	(30,800)
<b>Cash and Cash Equivalents, Beginning of Year</b>	<u>1,506,259</u>	<u>116,966</u>	<u>63,149</u>	<u>1,686,374</u>	<u>203,803</u>
<b>Cash and Cash Equivalents, End of Year</b>	<u>\$ 1,872,663</u>	<u>\$ 198,814</u>	<u>\$ 68,389</u>	<u>\$ 2,139,866</u>	<u>\$ 173,003</u>

	Business-Type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Waste Disposal Fund	Emergency Medical Services	J.V. Sewer	Totals	
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>					
<b>Operating Income (Loss)</b>	\$ 219,373	\$ (1,235,683)	\$ 17,468	\$ (998,842)	\$ (30,747)
<b>Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities</b>					
Depreciation and Amortization	201,897	144,339	17,765	364,001	-
Change in Assets and Liabilities:					
(Increase) Decrease in Accounts Receivable	(9,830)	(72,295)	-	(82,125)	775
(Increase) in Intergovernmental Receivable	-	(30,509)	-	(30,509)	-
Increase (Decrease) in Accounts Payable	(1,960)	2,209	-	249	(3,705)
Increase (Decrease) in Compensated Absences Payable	5,464	(428)	-	5,036	-
Increase in Accrued Closure and Post Closure Costs	26,577	-	-	26,577	-
Total Adjustments	222,148	43,316	17,765	283,229	(2,930)
<b>Net Cash Provided by (Used in) Operating Activities</b>	\$ 441,521	\$ (1,192,367)	\$ 35,233	\$ (715,613)	\$ (33,677)

# CHAFFEE COUNTY, COLORADO

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## STATEMENT OF ASSETS AND LIABILITIES - FIDUCIARY FUNDS AGENCY FUND DECEMBER 31, 2016

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	Agency Fund
<b>ASSETS</b>	
Cash and Investments	<u>\$ 1,042,599</u>
<b>Total Assets</b>	<u><u>\$ 1,042,599</u></u>
<b>LIABILITIES</b>	
Due to Other Governments	\$ 154,036
Amounts Held in Escrow	868,563
Amount Held in Trust - Scott Estate	<u>20,000</u>
<b>Total Liabilities</b>	<u><u>\$ 1,042,599</u></u>

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

# CHAFFEE COUNTY, COLORADO

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## NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2016

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The financial statements of Chaffee County, Colorado (County) have been prepared in conformity with accounting principles generally accepted in the United States of America (“GAAP”) as applied to governmental entities. The Governmental Accounting Standards Board (“GASB”) is the accepted standard-setting board for establishing governmental accounting and financial reporting principles. The following notes are an integral part of the County’s basic financial statements.

### **Note 1. Summary of Significant Accounting Policies**

#### **A. Financial Reporting Entity**

As required by generally accepted accounting principles, these financial statements present Chaffee County, Colorado (the primary government) and its component units, entities for which the County is considered financially accountable. Blended component units, although legally separate entities, are, in substance, part of the County’s operations and data from these units are combined with data of the County. The County’s blended component units have a December 31 year-end.

*Primary Government.* Chaffee County was formed in 1879. The governing body of the County is a three-member Board of County Commissioners. The Board appoints two individuals as co-administrators to administer its policies and authority. Five other elected officials have certain statutory authority specific to their offices. These offices are the Clerk and Recorder, Treasurer, Sheriff, Coroner, and Assessor. The County’s services include general administration, community and economic development, public safety and courts, roads and bridges, parks and recreation, and health and welfare services. In addition, the County operates three enterprise activities: a solid waste landfill, emergency medical services, and a sewer debt recovery operation.

*Blended Component Units.*

#### Chaffee County Facilities Corporation

The Chaffee County Facilities Corporation (Corporation) was created as a nonprofit corporation in 2001 in order to assist in the financing of various County facilities. The Corporation’s activities are reported as a debt service fund. The Corporation is included in the County’s financial statements because the Corporation is fiscally dependent upon the County. This component unit does not issue separate financial statements.

#### Chaffee County Sewer Enterprise (Johnson Village J.V.) Fund

The Chaffee County Sewer Enterprise Fund was created to finance and construct a wastewater distribution system in an area of the County known as “Johnson Village”.

# CHAFFEE COUNTY, COLORADO

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## NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2016

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*Other Related Entity.* The Public Trustee is a State statutorily-mandated position, appointed by the Board of County Commissioners, but whose financial transactions are independent of the County. However, all expenditures and associated revenues relating to the operations of the County Office of the Public Trustee are included in the General Fund.

### **B. Government-wide and Fund Financial Statements**

*Government-wide Financial Statements.* The government-wide financial statements (i.e. the Statement of Net Position and the Statement of Activities) report information on all non-fiduciary activities of the County (the primary government) and its component units. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which primarily rely on fees and charges for support. Internal service fund activity has been eliminated to avoid “doubling up” revenues and expenses.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or business segment are offset by program revenues and helps identify the extent to which each is self-financing or draws from the general revenues of the County. Direct expenses are those that are clearly identifiable with a specific function or business segment. Program revenues include 1) charges to customers who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and, 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or business segment. Taxes and other items not appropriate to include among program revenues are reported instead as general revenues.

*Fund Financial Statements.* Fund financial statements report detailed information about the County with the focus on major funds rather than on reporting funds by type. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. Nonmajor funds are aggregated and presented in a single column. The internal service fund is presented in a single column on the face of the proprietary fund statements.

### **C. Measurement Focus, Basis of Accounting and Financial Statement Presentation**

*Measurement Focus and Basis of Accounting.* The government-wide financial statements have been prepared using the economic resources measurement focus and the accrual basis of accounting. This is the same approach used in the preparation of the proprietary fund financial statements. Revenues are recognized when earned and expenses are recognized when the liability is incurred regardless of the timing of related cash flows. Depreciation is computed and recorded as an operating expense. Expenditures for property, plant and equipment are shown as increases in assets and redemption of bonds and notes are recorded as a reduction in liabilities.

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Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recorded when susceptible to accrual, i.e., both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period (60 days). The major sources of revenue which are susceptible to accrual are property taxes, tourism and sales taxes, state share taxes, and certain intergovernmental revenues. Expenditures generally are recorded when the liability is incurred, as under full accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

*Financial Statement Presentation – Fund Accounting.* A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts which are segregated for the purpose of accounting for specific activities. The County uses funds to report results of operations and financial position, and demonstrate compliance with legal, contractual and regulatory requirements.

The County's major governmental funds are:

- *General Fund* – This is the County's primary operating fund. It is used to account for all activities of the County not required to be accounted for in another fund.
- *Road and Bridge Fund* – This fund is used to account for the cost of maintenance and construction of County roads and bridges. Colorado counties are required to maintain a road and bridge fund and to allocate a portion of the county's road and bridge property tax levy back to municipalities located within their county.
- *Health and Human Services Fund* – This fund is used to account for social service programs administered by the County under state and federal regulations. Programs include Medicaid, food assistance, foster care programs, and temporary assistance to needy families. Colorado counties are required by law to maintain a health and human services fund.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of all the County's enterprise and internal service funds are charges to customers for sales and services. Operating expenses for enterprise and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

# CHAFFEE COUNTY, COLORADO

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## NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2016

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The County's proprietary funds are:

- *Waste Disposal Fund* – This fund is used to account for the activities involved in operating the County's solid waste landfill.
- *Emergency Medical Services Fund* – This fund is used to account for the operations of the County's ambulance and related emergency medical services.
- *J.V. Sewer Fund* – This fund (a blended component unit of the County) is used to account for the collection of monies and subsequent payment of debt service related to a wastewater distributions system constructed in an area of the County known as "Johnson Village".

The County's only internal service fund is the Insurance Fund. This fund charges other County funds for their allocated cost of insurance premiums and estimated damaged property claims not covered by insurance.

The County's fiduciary fund is an Agency Fund used to account for monies held on behalf of other governments, agencies and County departments and for property taxes collected on behalf of the other governments or agencies.

### **D. Budgets**

Budgets are adopted by the County on a basis consistent with generally accepted accounting principles for all funds, with the exception of proprietary funds which are budgeted on the modified accrual basis of accounting. The County follows statutory guidelines regarding preparation of the annual budget and follows these procedures in establishing the budgetary data as reflected in these financial statements:

- The County budget officer is responsible for preparing a tentative budget, which is submitted to the Board of County Commissioners prior to October 15th. The budget includes proposed expenditures and the means of financing them. The budget is prepared by fund and department and includes information on the prior year, current estimates and requested appropriations and estimated revenues for the upcoming year. Public hearings are held by the Board to obtain taxpayer comments. The budget is legally adopted by the Board prior to December 31.
- Once adopted, changes may be made to budgets by adoption of supplemental amendments by resolution of the Board. During the year ended December 31, 2016, one such amendment was adopted by the Board.
- Expenditures may not legally exceed budgeted appropriations at the fund level. Budgetary comparisons in the accompanying combined financial statements and in the individual fund statements are presented at a lower-than-required level of control to facilitate detailed financial analysis.

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## **E. Assets, Liabilities, and Deferred Inflows of Resources**

*Cash and Investments.* Cash and investment management is administered by the County Treasurer in accordance with Colorado Revised Statutes. The County concentrates the cash resources of its various funds in order to facilitate the management of cash. The balance in this concentration account is available to meet the County's current operating requirements. Cash resources in excess of current requirements is invested in various interest-bearing deposits and securities.

Colorado State statutes authorize the County to invest its excess funds in direct U.S. Government securities, agencies, bonds and other obligations of states and political subdivisions, corporate bonds, money market mutual funds, and local government investment pools. Investments are stated at fair value on the balance sheet except for money-market investments that have a remaining maturity at time of purchase of one year or less. Investment income is recognized when earned.

*Inventories.* Inventory of the County consists of aviation fuel for airport operations and consumable supplies associated with road and bridge operations. Road and bridge inventory is valued at average cost using the first-in/first-out (FIFO) method. Road and bridge inventory purchases are recorded as expenditures when purchased rather than when consumed and inventory is adjusted at year-end based on actual physical counts. An offsetting reserve of fund balance is reported in the Road and Bridge Fund which indicates that the amount of inventory reported is not available for expenditure as a component of net position.

Aviation fuel inventory is valued at cost using the FIFO method. Aviation fuel purchases are recorded as expenditures when consumed rather than when purchased.

*Restricted Assets.* Restricted assets in the amount of \$54,300 are reported in the Chaffee County Facilities Corporation in required debt service reserve accounts for the Series 2009 and Series 2012 Certificates of Participation. These accounts are all held in the trust department of UMB Bank.

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

*Capital Assets.* Capital assets, which include property, plant, equipment, and infrastructure assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. It is the County's policy to capitalize expenditures with a cost greater than \$5,000 and an estimated useful life of more than one year. All purchased capital assets are stated at cost or estimated historical cost if actual historical records are not available. Donated capital assets are recorded at their estimated fair market value at the date of contribution. Major outlays for capital improvement projects are capitalized as projects are completed.

# CHAFFEE COUNTY, COLORADO

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## NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2016

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The costs of normal maintenance and repair that do not add to the value of the asset or extend the estimated useful life are not capitalized but charged to operations as incurred. Depreciation of property, plant and equipment is computed using the straight-line method over the following estimated useful lives:

Buildings and Improvements	15-50 years
Improvements Other Than Buildings	10-50 years
Infrastructure	40-50 years
Vehicles	3-20 years
Machinery and Equipment	5-20 years

*Deferred Inflows of Resources.* In addition to liabilities, the government-wide and governmental funds balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The County has two types of items that qualify for reporting in this category: deferred gain on advance refunding of debt and unavailable revenue. In the government-wide statement of net position *deferred gain on advance refunding of debt* is the result of the difference between the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the life of the refunding bonds. The other type of item, *unavailable revenue*, is reported in the government-wide and governmental funds balance sheet. The County reports *unavailable revenues* from one source: property tax. *Unavailable revenue – property taxes* is reported in the government-wide and governmental funds balance sheet. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

*Long-term Obligations.* In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bonds payable are reported net of any applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds are reported as debt service expenditures.

### **F. Property Taxes**

Property taxes are levied on or before December 15 of each year by the Board of County Commissioners. The levy is based on the assessed valuation of property located within the County as determined by the County Assessor generally as of January 1 of each year. The

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County Treasurer collects the property taxes during the ensuing calendar year for both the County and other taxing entities within the County.

Property taxes are payable in full by April 30, or if in two equal installments, by February 28 and June 15. Delinquent taxpayers are notified in August and generally sales of tax liens on delinquent properties are held in November or December. Property taxes, net of estimated uncollectible taxes, are recorded as receivable in the year levied and offset to deferred revenue since they typically do not meet the availability criterion.

### **G. Compensated Absences**

It is the County's policy to permit employees to accumulate earned but unused vacation and certain sick pay benefits. The liability for compensated absences is recorded as a current liability in the government-wide financial statements. In the fund financial statements governmental funds report a compensated liability payable only if they have matured, for example, as a result of employee resignations and retirements, while the proprietary funds report the liability as it is incurred. Within the governmental funds, the General Fund typically is used to liquidate any liabilities for compensated absences.

### **H. Fund Equity**

The following fund balance classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Nonspendable fund balance – amounts that are not in a spendable form (such as inventory or prepaid/deferred charges) or are required to be maintained intact;
- Restricted fund balance – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;
- Committed fund balance – amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint;
- Assigned fund balance – amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or an official or body to which the governing body delegates the authority;
- Unassigned fund balance – amounts that are available for any purpose; positive amounts are reported only in the general fund.

The County establishes (and modifies or rescinds) fund balance commitments by passage of a resolution. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund. Assigned fund balance is established by the Board of County Commissioners through adoption or amendment of the budget as intended for a

# CHAFFEE COUNTY, COLORADO

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## NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2016

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specific purpose (such as the purchase of fixed assets, construction, debt service, or other purposes).

When fund balance resources are available for a specific purpose in more than one classification, it is the County's policy to use the most restrictive funds first in the following order: restricted, committed, assigned, and unassigned as they are needed. The County considers all unassigned fund balances to be "reserves" for future operations or capital replacement as defined within Article X, Section 20 of the Constitution of the State of Colorado (see Note 8).

### I. Statements of Cash Flows

For purposes of the statement of cash flows, the County considers all highly liquid investments with a maturity when purchased of three months or less and all local government investment pools to be cash equivalents.

### J. Debt Costs

Unamortized premiums of \$80,010 (net of accumulated amortization of \$70,353) are reflected in noncurrent liabilities. Premiums are amortized over the remaining life of the related debt issue using the effective interest method.

### Note 2. Cash and Investments

Cash and investments as of December 31, 2016 are classified in the accompanying financial statements as follows:

Cash and Investments	\$ 13,009,094
Restricted Assets – Cash and Investments	514,300
Cash and Investments – Agency Fund	<u>1,042,599</u>
Total	<u>\$ 14,565,993</u>

Cash and investments as of December 31, 2016 consist of the following:

Cash on Hand	\$ 2,556
Deposits With Financial Institutions	3,312,638
Local Government Investment Pools	5,725,532
Government Money Market Funds	150,527
Held by Bond Trustee	514,300
Investments	<u>4,860,440</u>
Total	<u>\$ 14,565,993</u>

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## Investments Authorized by State Statute

The table below identifies the investment types that are authorized by Colorado state statutes.

- U.S. Treasury Obligations
- Federal Agency and Federal Instrumentality Securities
- Repurchase Agreements
- Commercial Paper
- General Obligation Debt
- Revenue Obligation Debt
- Local Government Investment Pools
- Time Certificates of Deposit

## Fair Value of Investments

The County measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy, as follows:

- Level 1: Quoted prices for identical investments in active markets;
- Level 2: Observable inputs other than quoted market prices; and,
- Level 3: Unobservable inputs.

At December 31, 2016, the County had the following recurring fair value measurements:

<u>Investments Measured at Fair Value</u>	<u>Total</u>	<u>Fair Value Measurements Using</u>		
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
U.S. Government Treasury Securities	\$4,513,340	\$4,513,340	\$ -	\$ -
U.S. Government Agency Securities	141,434	141,434	-	-
Certificates of Deposit	<u>205,666</u>	<u>-</u>	<u>205,666</u>	<u>-</u>
Total	<u>\$4,860,440</u>	<u>\$4,654,774</u>	<u>\$ 205,666</u>	<u>\$ -</u>

<u>Investments Measured at Net Asset Value</u>	<u>Total</u>
Colotrust	\$ 4,453,175
CSAFE	1,272,357
Government Money Market Funds	<u>150,527</u>
Total	<u>\$ 5,876,059</u>

Debt and equity securities classified in Level 1 are valued using prices quoted in active markets for those securities. Debt and equity securities classified in Level 2 are valued using the following approaches:

# CHAFFEE COUNTY, COLORADO

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## NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2016

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- U.S. Government treasury securities, U.S. Government agency securities, and commercial paper: quoted prices for identical securities in markets that are not active;
- Corporate and municipal bonds: quoted prices for similar securities in active markets;
- Repurchase agreements, negotiable certificates of deposit, and collateralized debt obligations: matrix pricing based on the securities' relationship to benchmark quoted prices.

At December 31, 2016, unrealized losses were \$24,521 which reflects changes in the fair market value of investments.

### Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair market value to changes in market interest rates. The County manages its exposure to interest rate risk is by purchasing a combination of shorter and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

Information about the sensitivity of the fair values of the County's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the County's investments by maturity:

<u>Investment Type</u>	<u>Carrying Amounts</u>	<u>Weighted Average Maturity To Maturity (in Years)</u>
U.S Government Treasury Notes	\$ 4,513,340	1.56
Federal Farm Credit Bank	141,434	4.45
Local Government Investment Pools	5,725,532	NA
Negotiable Certificates of Deposit	205,666	4.55
Government Money Market Funds	150,527	NA

### Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. U.S. Government securities explicitly or implicitly guaranteed by the U.S. Government are not considered to have credit risk

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exposure, including U.S. Treasury securities, securities of the Government National Mortgage Association, Federal Farm Credit Bank, Federal Home Loan Bank, Federal Home Loan Mortgage Corporation, and Federal National Mortgage Association.

Presented below is the credit rating for other investments of the County as of December 31, 2016.

<u>Ratings</u> <u>Standard &amp; Poor's</u>	<u>Local Government</u> <u>Investment Pools</u>
AAAm	<u>\$5,725,532</u>

### **Concentration of Credit Risk**

The County did not have any investments in any one issuer (other than U.S. Government Treasury obligation and local government investment pools) that represented 5% or more of total County investments.

### **Custodial Credit Risk**

Custodial credit risk is the risk that, in the event of the failure of a depository financial institution, the County would not be able to recover its deposits or would not be able to recover collateral securities that are in the possession of an outside party.

The Colorado Public Deposit Protection Act (PDPA) requires that cash be deposited in eligible public depositories and that deposits in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds with the County being a named participant in the single institution collateral pool. The minimum pledging requirement is 102% of the uninsured deposits. The Colorado State Banking Board verifies the market value at least monthly. Bank assets (usually securities) are required by PDPA to be delivered to a third-party institution for safekeeping, and pledged to the Colorado Division of Banking. Based on the above, the Colorado State Auditor has concluded that there is no custodial risk for public deposits collateralized under PDPA.

### **Local Government Investment Pools**

As of December 31, 2016, the County held investments in the Colorado Local Government Liquid Asset Trust (COLOTRUST) and Colorado Surplus Asset Trust (CSAFE), collectively referred to as the Trusts, respectively. Local government investment pools are trusts established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the Trusts. The Trusts operate similarly to a money market fund and each share is equal in value to \$1.00. A designated custodial bank serves as custodian pursuant to a custodian agreement.

# CHAFFEE COUNTY, COLORADO

## NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2016

The custodian acts as safekeeping agent for the Trusts' investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by the trusts.

The Trusts may invest in U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain obligations of U.S. government agencies, highest rated commercial paper and repurchase agreements collateralized by certain obligations of U.S. government agencies.

### Note 3. Capital Assets

Capital asset activity for the year ended December 31, 2016 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Governmental Activities:</b>				
Capital Assets, Not Being Depreciated:				
Land	\$ 1,655,545	\$ 55,647	\$ (10,580)	\$ 1,700,612
Construction in Progress	<u>325,339</u>	<u>103,453</u>	<u>(345,363)</u>	<u>83,429</u>
Total Capital Assets, Not Being Depreciated	<u>1,980,884</u>	<u>159,100</u>	<u>(355,943)</u>	<u>1,784,041</u>
Capital Assets, Being Depreciated:				
Buildings and Improvements	23,979,228	398,932	-	24,378,160
Vehicles	3,088,872	311,817	(29,875)	3,370,814
Machinery and Equipment	<u>5,038,220</u>	<u>647,858</u>	<u>-</u>	<u>5,686,078</u>
Total Capital Assets, Being Depreciated	<u>32,106,320</u>	<u>1,358,607</u>	<u>(29,875)</u>	<u>33,435,052</u>
Less Accumulated Depreciation:				
Buildings and Improvements	(7,598,711)	(788,598)	-	(8,387,309)
Vehicles	(2,557,723)	(239,715)	29,875	(2,767,563)
Machinery and Equipment	<u>(4,078,593)</u>	<u>(213,421)</u>	<u>-</u>	<u>(4,292,014)</u>
Total Accumulated Depreciation	<u>(14,235,027)</u>	<u>(1,241,734)</u>	<u>29,875</u>	<u>(15,446,886)</u>
Total Capital Assets, Being Depreciated, Net	<u>17,871,293</u>	<u>116,873</u>	<u>-</u>	<u>17,988,166</u>
Governmental Activities Capital Assets, Net	<u>\$ 19,852,177</u>	<u>\$ 275,973</u>	<u>\$ (355,943)</u>	<u>\$ 19,772,207</u>

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Business-type Activities:</b>				
Capital Assets, Not Being Depreciated:				
Land	\$ 177,677	\$ -	\$ -	\$ 177,677
Construction in Progress	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Capital Assets, Not Being Depreciated	<u>177,677</u>	<u>-</u>	<u>-</u>	<u>177,677</u>
Capital Assets, Being Depreciated:				
Buildings and Improvements	2,056,842	-	-	2,056,842
Utility Lines	710,585	-	-	710,585
Vehicles	968,340	253,478	(122,791)	1,099,027
Machinery and Equipment	<u>2,234,225</u>	<u>233,658</u>	<u>(79,000)</u>	<u>2,388,883</u>
Total Capital Assets, Being Depreciated	<u>5,969,992</u>	<u>487,136</u>	<u>(201,791)</u>	<u>6,255,337</u>
Less Accumulated Depreciation:				
Buildings and Improvements	(1,264,653)	(66,094)	-	(1,330,747)
Utility Lines	(239,897)	(17,765)	-	(257,662)
Vehicles	(691,682)	(100,682)	108,589	(683,775)
Machinery and Equipment	<u>(1,413,414)</u>	<u>(179,460)</u>	<u>78,214</u>	<u>(1,514,660)</u>
Total Accumulated Depreciation	<u>(3,609,646)</u>	<u>(364,001)</u>	<u>186,803</u>	<u>(3,786,844)</u>
Total Capital Assets, Being Depreciated, Net	<u>2,360,346</u>	<u>123,135</u>	<u>-</u>	<u>2,468,493</u>
Business-type Activities Capital Assets, Net	<u>\$ 2,538,023</u>	<u>\$ 123,135</u>	<u>\$ (14,988)</u>	<u>\$ 2,646,170</u>

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

Governmental Activities:	
General Government	\$ 276,542
Community / Economic Development	7,780
Public Safety	309,795
Public Works	251,373
Health and Welfare	8,823
Parks and Recreation	18,778
Airport Operations	<u>368,643</u>
Total Depreciation Expense – Governmental Activities	<u>\$ 1,241,734</u>
Business-type Activities:	
Solid Waste Landfill	\$ 201,897
Emergency Medical Services	144,339
Sewer Enterprise	<u>17,765</u>
Total Depreciation Expense – Business-type Activities	<u>\$ 364,001</u>

# CHAFFEE COUNTY, COLORADO

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## NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2016

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### Note 4. Long-term Debt

*Revenue Bonds.* The County has issued bonds through the United States Department of Agriculture – Rural Development in order to finance the construction of a sewage collection line to be used by customers of a local sanitation district, Buena Vista Sanitation, in an area of the County known as Johnson Village. In order to repay the debt, the Sewer Enterprise entered into an intergovernmental agreement with the Buena Vista Sanitation District whereby the Sewer Enterprise would develop a monthly surcharge, subject to annual revisions, to be imposed on the property owners in Johnson Village who are connected to the sewage collection line. Revenue bonds outstanding at December 31, 2016, are as follows:

<u>Purpose</u>	<u>Interest Rate</u>	<u>Amount</u>
Sewage Collection Line	4.50%	<u>\$ 446,050</u>

Annual debt service requirements to maturity for revenue bonds outstanding at December 31, 2016, are as follows:

<u>Year Ending December 31</u>	<u>Business-type Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2017	\$ 10,033	\$ 19,961
2018	10,489	19,505
2019	10,966	19,028
2020	11,466	18,528
2021	11,987	18,007
2022-2026	68,632	81,338
2027-2031	85,736	64,234
2032-2036	107,102	42,868
2037-2042	<u>129,639</u>	<u>16,085</u>
Total	<u>\$ 446,050</u>	<u>\$ 324,197</u>

*Certificates of Participation.* In 2001, the Chaffee County Facilities Corporation issued Certificates of Participation in order to finance the cost of constructing County jail facilities. The Certificates evidence assignments of proportionate interest in rights to receive payments pursuant to an annually terminable Lease Purchase and Sublease Agreement, and entered into between the Facilities Corporation as lessor, and the County as lessee.

In 2009, the Chaffee County Facilities Corporation issued Certificates of Participation in order to finance the County's share of the acquisition and renovation of a Community Services Complex.

On March 18, 2012, the County issued \$3,270,000 of Series 2012 Refunding Certificates of Participation with interest rates ranging from 2%-4%. These Certificates were used to refund the outstanding 2001 Certificates of Participation in the aggregate principal amount

of \$3,290,000. The refunding resulted in an economic gain of \$230,613 with a cash flow savings of \$372,855.

Certificates of Participation outstanding at December 31, 2016, are as follows:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
General Government – Community Services Complex	3.00% - 5.50%	\$ 1,590,000
General Government – Refunding (Jail Facility)	2.00% - 4.00%	<u>1,740,000</u>
		<u>\$ 3,330,000</u>

Annual debt service requirements to maturity for Certificates of Participation outstanding at December 31, 2016, are as follows:

<u>Year Ending December 31</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2017	\$ 425,000	\$ 144,975
2018	435,000	130,975
2019	460,000	115,925
2020	475,000	96,425
2021	490,000	76,275
2022-2026	705,000	209,875
2027-2028	<u>340,000</u>	<u>28,325</u>
Total	<u>\$ 3,330,000</u>	<u>\$ 802,775</u>

*Changes in Long-term Liabilities.* Long-term liability activity for the year ended December 31, 2016, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Governmental Activities:</b>					
Certificates of Participation	\$ 3,755,000	\$ -	\$ 425,000	\$ 3,330,000	\$ 425,000
Bond Premium	94,954	-	14,944	80,010	14,944
Compensated Absences	<u>558,943</u>	<u>34,851</u>	-	<u>593,794</u>	<u>593,794</u>
Total Governmental Activity					
Long-term Liabilities	<u>\$ 4,408,897</u>	<u>\$ 34,851</u>	<u>\$ 439,944</u>	<u>\$ 4,003,804</u>	<u>\$ 1,033,738</u>
<b>Business-type Activities:</b>					
Revenue Bond	\$ 455,647	\$ -	\$ 9,597	\$ 446,050	\$ 10,033
Total Business-type Activity					
Long-term Liabilities	<u>\$ 455,647</u>	<u>\$ -</u>	<u>\$ 9,597</u>	<u>\$ 446,050</u>	<u>\$ 10,033</u>

# CHAFFEE COUNTY, COLORADO

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## NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2016

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### Note 5. Interfund Receivables, Payables and Transfers

Interfund activities represent transactions between different funds within the County.

<u>Fund</u>	Transfers <u>In</u>	Transfers <u>Out</u>
General Fund	\$ 419,700	\$ 2,448,836
Road and Bridge Fund	842,563	12,000
Health and Human Services	-	100,000
Airport Fund	50,000	-
Conservation Trust Fund	-	102,563
Retirement Fund	-	275,000
Asset Replacement Fund	186,072	-
Lodging Visitors Bureau Fund	-	2,700
Chaffee County Facilities Corporation	581,000	-
Capital Expenditures Fund	700,000	-
Waste Disposal Fund	-	24,000
Emergency Medical Services Fund	<u>191,764</u>	<u>6,000</u>
Total	<u>\$ 2,971,099</u>	<u>\$ 2,971,099</u>

### Note 6. Employee Retirement Plan

The County participates in the Colorado County Officials and Employee Retirement Association (CCOERA), a multi-employer defined contribution retirement plan, of which there were 219 County participants as of December 31, 2016. A defined contribution pension plan has terms that specify how contributions to an individual's account are to be determined rather than the amount of pension benefits the individual is to receive. In a defined contribution plan, the pension benefits a participant will receive depend only on the amount contributed to the participant's account, earnings on investments of those contributions, and forfeitures of other participant's benefits that may be allocated to the participant's account.

Employees are eligible to participate in CCOERA after 6 months of employment and most work at least 20 hours per week. Eligible employees and the County each contribute an amount equal to 5% of the employee's base salary each month. Employees may contribute

up to an additional 10% of base salary on an after-tax basis. The County does not match these additional contributions. During the year there were no differences between contribution requirements and contributions actually made by plan participants or the County.

Employees are fully vested after five years of service. In addition, if an employee reaches normal retirement age, dies, or becomes totally and permanently disabled his account becomes fully vested regardless of length of service. Forfeitures by employees who leave employment before being fully vested are applied to reduce matching employer contributions. Forfeitures totaling \$24,519 were used in 2016 to reduce matching employer

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contributions. Contributions made by employees and the County for the three years ended December 31, 2016, are as follows:

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Employee Contributions	<u>\$ 351,277</u>	<u>\$ 364,148</u>	<u>\$ 343,479</u>
County Contributions	<u>\$ 351,277</u>	<u>\$ 364,148</u>	<u>\$ 343,479</u>

Both the County and the covered employees each made the required 5% contributions to the plans. There are no liabilities for benefits beyond the County's matching payments. No changes in the various plan's provisions occurred in 2016.

**Note 7. 457 Deferred Compensation Plan**

The County offers its full-time employees an optional supplemental deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan is administered by CCOERA and allows eligible participants the opportunity to accumulate additional retirement savings with certain tax advantages. Deposits into the 457 plan are not subject to state or federal income taxes at the time of deposit, and earnings on these deposits are deferred until withdrawn. As of December 31, 2016 there were 36 participants in the 457 plan.

**Note 8. Commitments and Contingencies**

*Litigation.* According to the County Attorney for Chaffee County, neither she nor any other legal counsel have represented or given substantive attention to any material loss contingencies of the County coming within the scope of the County's legal representation letter to her dated March 21, 2017.

*Tax, Spending and Debt Limitations.* Article X, Section 20 of the Colorado Constitution, commonly known as the Taxpayer's Bill of Rights (TABOR) contains tax, spending, revenue and debt limitations which apply to the State of Colorado and all local governments. County officials believe they are in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation.

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases. The emergency reserve balance at December 31, 2016 totaled \$540,077.

Prior to 2008, voters within the County approved the County's request to retain its excess revenue for fiscal year spending. As such the fiscal year spending limitations and refunding of excess revenue to its citizens as defined by this amendment no longer apply. However, the County remains subject to other provisions of this amendment.

# CHAFFEE COUNTY, COLORADO

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## NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2016

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### **Note 9. Risk Management**

*County Worker's Compensation Pool.* The County is exposed to various risks of loss related to injuries of employees while on the job. The County is a member of the County Workers Compensation Pool (CWCP), a public entity risk pool currently operating as a common risk management and insurance program for member counties. The intergovernmental agreement of formation of CWCP provides that the Pool will be financially self-sustaining through member contributions and additional assessments, if necessary, and that the Pool will purchase insurance through commercial companies for members' claims in excess of specified self-insured retention, which is determined each policy year.

*Colorado Counties Casualty and Property Pool.* The County is exposed to various risks of loss related to torts or property and casualty losses. Therefore the County joined together with other Colorado counties to form the Colorado Counties Casualty and Property Pool (CAPP). CAPP is a public entity risk pool that provides property, general and automobile liability and public officials coverage to its members. The intergovernmental agreement of formation of CAPP provides that the Pool will be financially self-sustaining through member contributions and additional assessments, if necessary, and that the Pool will purchase insurance through commercial companies for members' claims in excess of specified self-insured retention, which is determined each policy year.

### **Note 10. Landfill Closure and Post-Closure Care Cost**

State and federal laws and regulations require the County to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. The County is required to maintain, in written documented form, current cost estimates to close its landfill site and to conduct post-closure care of this site. Financial assurance is required to be established in amounts sufficient to ensure payment of such costs. Chaffee County uses the "Local Government Financial Test" as its financial mechanism to financially assure full payment of all closure, post-closure, and if applicable, corrective action estimated costs. Although the closure and post-closure costs will be paid only near or after the date that the landfill stops accepting waste, the County reports a portion of these closure and post-closure care costs as an

operating expense in each period based on landfill capacity used as of each balance sheet date.

The landfill closure and post-closure care liability at December 31, 2016 is \$116,297. This liability consists of closure and post-closure cost of \$57,221 and \$59,076, respectively, and represents the cumulative amount reported to date based on the use of approximately five and fifty-one hundredths of one percent (5.51%) of the estimated capacity of the landfill.

The County will recognize the remaining estimated costs of closure and post-closure care of approximately \$2,109,087 as the remaining estimated capacity of the landfill is used.

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Closure costs are based on an estimate of the closure cost in 2012 dollars as adjusted for inflation. Post-closure costs are calculated based on the present value in 2012 dollars of the future annual cost to perform post-closure care over a ninety-nine year period. Actual costs may be higher or lower due to unknown factors such as changes in technology or regulations. It is estimated that the County landfill has a remaining useful life of ninety-five (95) years.

**REQUIRED SUPPLEMENTAL  
INFORMATION**

# CHAFFEE COUNTY, COLORADO

## GENERAL FUND

### SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (BUDGETARY BASIS) - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Taxes	\$ 6,278,708	\$ 6,278,708	\$ 6,546,443	\$ 267,735
Licenses and Permits	619,700	619,700	993,675	373,975
Intergovernmental	1,786,120	1,786,120	2,178,233	392,113
Charges for Services	1,280,900	1,280,900	1,443,415	162,515
Fines and Forfeitures	80,000	80,000	55,713	(24,287)
Investment Earnings	33,900	33,900	21,739	(12,161)
Other Revenue	287,150	287,150	314,133	26,983
<b>Total Revenues</b>	<b>10,366,478</b>	<b>10,366,478</b>	<b>11,553,351</b>	<b>1,186,873</b>
<b>Expenditures</b>				
Current:				
General Government	3,596,039	3,849,139	3,668,618	180,521
Community Development	736,187	760,187	722,792	37,395
Public Safety	4,072,905	4,258,405	4,120,728	137,677
Health and Welfare	261,098	261,098	211,477	49,621
Public Works	619,051	625,051	581,514	43,537
Parks and Recreation	188,500	188,500	159,124	29,376
<b>Total Expenditures</b>	<b>9,473,780</b>	<b>9,942,380</b>	<b>9,464,253</b>	<b>478,127</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	892,698	424,098	2,089,098	1,665,000
<b>Other Financing Sources (Uses)</b>				
Transfers In	419,700	419,700	419,700	-
Transfers Out	(1,750,730)	(2,450,730)	(2,448,836)	1,894
<b>Total Other Financing Sources (Uses)</b>	<b>(1,331,030)</b>	<b>(2,031,030)</b>	<b>(2,029,136)</b>	<b>1,894</b>
<b>Net Change in Fund Balances</b>	<b>(438,332)</b>	<b>(1,606,932)</b>	<b>59,962</b>	<b>1,666,894</b>
<b>Fund Balances, Beginning of Year</b>	<b>4,654,559</b>	<b>4,654,559</b>	<b>5,369,929</b>	<b>715,370</b>
<b>Fund Balances, End of year</b>	<b>\$ 4,216,227</b>	<b>\$ 3,047,627</b>	<b>\$ 5,429,891</b>	<b>\$ 2,382,264</b>

# CHAFFEE COUNTY, COLORADO

## ROAD AND BRIDGE FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (BUDGETARY BASIS) - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Taxes	\$ 54,311	\$ 54,311	\$ 53,921	\$ (390)
Licenses and Permits	3,000	3,000	5,229	2,229
Intergovernmental	1,998,720	1,998,720	1,968,658	(30,062)
Charges for Services	14,000	14,000	4,370	(9,630)
Investment Earnings	1,900	1,900	9,191	7,291
Other Revenue	-	-	40,233	40,233
<b>Total Revenues</b>	<b>2,071,931</b>	<b>2,071,931</b>	<b>2,081,602</b>	<b>9,671</b>
<b>Expenditures</b>				
Current:				
Public Works	2,584,889	2,614,889	2,435,564	179,325
Capital Outlay	150,000	225,000	183,666	41,334
<b>Total Expenditures</b>	<b>2,734,889</b>	<b>2,839,889</b>	<b>2,619,230</b>	<b>220,659</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(662,958)	(767,958)	(537,628)	230,330
<b>Other Financing Sources (Uses)</b>				
Transfers In	740,000	740,000	842,563	102,563
Transfers Out	(12,000)	(12,000)	(12,000)	-
Sales of Capital Assets	-	-	115,268	115,268
<b>Total Other Financing Sources (Uses)</b>	<b>728,000</b>	<b>728,000</b>	<b>945,831</b>	<b>217,831</b>
<b>Net Change in Fund Balances</b>	<b>65,042</b>	<b>(39,958)</b>	<b>408,203</b>	<b>448,161</b>
<b>Fund Balances, Beginning of Year</b>	<b>1,064,846</b>	<b>1,064,846</b>	<b>1,471,926</b>	<b>407,080</b>
<b>Fund Balances, End of year</b>	<b>\$ 1,129,888</b>	<b>\$ 1,024,888</b>	<b>\$ 1,880,129</b>	<b>\$ 855,241</b>

# CHAFFEE COUNTY, COLORADO

## HEALTH AND HUMAN SERVICES FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (BUDGETARY BASIS) - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2016

	Budgeted Amounts <u>Original and Final</u>	Actual Amounts	Variance with Final Budget - Positive (Negative)
<b>Revenues</b>			
Taxes	\$ 618,642	\$ 690,062	\$ 71,420
Intergovernmental	6,326,166	5,322,079	(1,004,087)
Investment Earnings	-	49	49
Other Revenue	75,000	7,847	(67,153)
<b>Total Revenues</b>	<u>7,019,808</u>	<u>6,020,037</u>	<u>(999,771)</u>
<b>Expenditures</b>			
Current:			
Health and Welfare	7,029,751	5,894,801	1,134,950
<b>Total Expenditures</b>	<u>7,029,751</u>	<u>5,894,801</u>	<u>1,134,950</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(9,943)	125,236	135,179
<b>Other Financing Sources (Uses)</b>			
Transfers Out	(100,000)	(100,000)	-
<b>Net Change in Fund Balances</b>	(109,943)	25,236	135,179
<b>Fund Balances, Beginning of Year</b>	<u>698,383</u>	<u>980,689</u>	<u>282,306</u>
<b>Fund Balances, End of year</b>	<u>\$ 588,440</u>	<u>\$ 1,005,925</u>	<u>\$ 417,485</u>

# OTHER SUPPLEMENTAL INFORMATION

## NONMAJOR GOVERNMENTAL FUNDS

### Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

**Airport Fund** – To account for general maintenance of the Harriet Alexander Field Airport. Revenues are principally derived from rental of airport facilities, tie-down fees, sales of fuel, and federal grants.

**Conservation Trust Fund** – To account for State of Colorado lottery proceeds that are restricted to capital parks and recreation expenditures.

**Retirement Fund** – To account for County contributions to the County employee retirement plan. Financing is provided by an annual property tax levy.

**Contingent Reserve Fund** – To account for emergency funds set aside in compliance with Article X, Section 20 of the Colorado Constitution (known as the TABOR amendment).

**Asset Replacement Fund** – To account for the accumulation of reserves through capital grants and contributions by departments and funds of the County for the replacement of vehicles and equipment.

**Lodging Visitors Bureau Fund** – To account for funds raised through a 1.9% lodging tax used for marketing and tourism promotion purposes.

**Animal Shelter Fund** – To account for revenues received from a one-half mill property tax levy and remitted to the Ark-Valley Humane Society.

### Debt Service Fund

Debt service funds are used for the accumulation of resources and payment of bond principal and interest from government resources.

**Chaffee County Facilities Corporation** – To accumulate funds for debt service requirements of the Series 2009 Certificates of Participation used for the acquisition and renovation of the County's share of a Community Services Complex, and the Series 2012 Refunding Certificates of Participation used to refinance the original Series 2002 Certificates of Participation that were issued to finance the construction of the County jail facility.

## **Capital Projects Fund**

Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities and/or equipment.

**Capital Expenditures Fund** – To account for the acquisition or construction of major capital facilities for various departments and funds of the County. Financial resources include a property tax levy and capital grants.

# CHAFFEE COUNTY, COLORADO

## COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS DECEMBER 31, 2016

	Special Revenue Funds			
	Airport Fund	Conservation Trust Fund	Retirement Fund	Contingent Reserve Fund
<b>ASSETS</b>				
Cash and Investments	\$ 21,104	\$ 282,712	\$ 386,531	\$ 327,522
Receivables:				
- Interest	-	81	84	-
- Taxes	-	-	254,163	-
- Accounts	3,570	-	-	-
- Intergovernmental	-	-	2,247	-
Inventories	28,810	-	-	-
Restricted Assets - Cash and Investments	-	-	-	-
<b>Total Assets</b>	<u>\$ 53,484</u>	<u>\$ 282,793</u>	<u>\$ 643,025</u>	<u>\$ 327,522</u>
<b>LIABILITIES</b>				
Accounts Payable	\$ 2,054	\$ -	\$ 20,426	\$ -
<b>Total Liabilities</b>	<u>2,054</u>	<u>-</u>	<u>20,426</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable Revenue - Property Taxes	-	-	254,163	-
<b>FUND BALANCES (DEFICITS)</b>				
<b>Nonspendable:</b>				
Inventories	28,810	-	-	-
<b>Restricted For:</b>				
TABOR Emergency Reserve	-	-	-	327,522
Debt Service Reserve	-	-	-	-
Airport	22,620	-	-	-
Animal Shelter	-	-	-	-
Capital Improvements	-	-	-	-
Employee Retirement Plan	-	-	368,436	-
Recreational Purposes	-	282,793	-	-
Tourism Promotion	-	-	-	-
<b>Assigned For:</b>				
Capital Improvements	-	-	-	-
Debt Service	-	-	-	-
<b>Total Fund Balances</b>	<u>51,430</u>	<u>282,793</u>	<u>368,436</u>	<u>327,522</u>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<u>\$ 53,484</u>	<u>\$ 282,793</u>	<u>\$ 643,025</u>	<u>\$ 327,522</u>

Special Revenue Funds			Debt Service Fund	Capital Projects Fund	Total Nonmajor Governmental Funds
Asset Replacement Fund	Lodging Visitors Bureau Fund	Animal Shelter Fund	Chaffee County Facilities Corporation	Capital Expenditures Fund	
\$ 187,544	\$ 442,632	\$ 1,762	\$ 78,382	\$ 894,400	\$ 2,622,589
231	30	-	-	578	1,004
-	-	195,209	-	127,276	576,648
-	-	-	-	-	3,570
-	55,367	1,775	-	101,126	160,515
-	-	-	-	-	28,810
-	-	-	514,300	-	514,300
<u>\$ 187,775</u>	<u>\$ 498,029</u>	<u>\$ 198,746</u>	<u>\$ 592,682</u>	<u>\$ 1,123,380</u>	<u>\$ 3,907,436</u>
\$ -	\$ 48,700	\$ -	\$ -	\$ 469,357	\$ 540,537
-	48,700	-	-	469,357	540,537
-	-	195,209	-	127,276	576,648
-	-	-	-	-	28,810
-	-	-	-	-	327,522
-	-	-	514,300	-	514,300
-	-	-	-	-	22,620
-	-	3,537	-	-	3,537
-	-	-	-	526,747	526,747
-	-	-	-	-	368,436
-	-	-	-	-	282,793
-	449,329	-	-	-	449,329
187,775	-	-	-	-	187,775
-	-	-	78,382	-	78,382
<u>187,775</u>	<u>449,329</u>	<u>3,537</u>	<u>592,682</u>	<u>526,747</u>	<u>2,790,251</u>
<u>\$ 187,775</u>	<u>\$ 498,029</u>	<u>\$ 198,746</u>	<u>\$ 592,682</u>	<u>\$ 1,123,380</u>	<u>\$ 3,907,436</u>

# CHAFFEE COUNTY, COLORADO

## COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS FOR THE YEAR ENDED DECEMBER 31, 2016

	Special Revenue Funds			
	Airport Fund	Conservation Trust Fund	Retirement Fund	Contingent Reserve Fund
<b>Revenues</b>				
Taxes	\$ 1,613	\$ -	\$ 270,805	\$ -
Intergovernmental	240,930	106,466	-	-
Charges for Services	134,376	-	-	-
Investment Earnings	-	1,201	1,223	-
Other Revenues	22,668	10,000	24,519	-
<b>Total Revenues</b>	<b>399,587</b>	<b>117,667</b>	<b>296,547</b>	<b>-</b>
<b>Expenditures</b>				
Current:				
General Government	-	-	-	-
Community / Economic Development	-	-	-	-
Parks and Recreation	-	77,021	-	-
Airport Operations	214,336	-	-	-
Capital Outlay	207,754	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
Fiscal Charges	-	-	-	-
<b>Total Expenditures</b>	<b>422,090</b>	<b>77,021</b>	<b>-</b>	<b>-</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(22,503)	40,646	296,547	-
<b>Other Financing Sources (Uses)</b>				
Transfers In	50,000	-	-	-
Transfers Out	-	(102,563)	(275,000)	-
<b>Total Other Financing Sources (Uses)</b>	<b>50,000</b>	<b>(102,563)</b>	<b>(275,000)</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>27,497</b>	<b>(61,917)</b>	<b>21,547</b>	<b>-</b>
<b>Fund Balances, Beginning of Year</b>	<b>23,933</b>	<b>344,710</b>	<b>346,889</b>	<b>327,522</b>
<b>Fund Balances, End of year</b>	<b>\$ 51,430</b>	<b>\$ 282,793</b>	<b>\$ 368,436</b>	<b>\$ 327,522</b>

Special Revenue Funds			Debt Service Fund	Capital Projects Fund	Total Nonmajor Governmental Funds
Asset Replacement Fund	Lodging Visitors Bureau Fund	Animal Shelter Fund	Chaffee County Facilities Corporation	Capital Expenditures Fund	
\$ -	\$ 567,197	\$ 213,906	\$ -	\$ 135,621	\$ 1,189,142
-	-	-	-	100,000	447,396
-	-	-	-	-	134,376
2,005	699	-	1,353	5,037	11,518
-	7,375	-	-	4,150	68,712
<u>2,005</u>	<u>575,271</u>	<u>213,906</u>	<u>1,353</u>	<u>244,808</u>	<u>1,851,144</u>
-	-	215,403	-	3,689	219,092
-	479,475	-	-	-	479,475
-	-	-	-	-	77,021
-	-	-	-	-	214,336
176,277	-	-	-	763,858	1,147,889
-	-	-	425,000	-	425,000
-	-	-	158,725	-	158,725
-	-	-	2,758	-	2,758
<u>176,277</u>	<u>479,475</u>	<u>215,403</u>	<u>586,483</u>	<u>767,547</u>	<u>2,724,296</u>
<u>(174,272)</u>	<u>95,796</u>	<u>(1,497)</u>	<u>(585,130)</u>	<u>(522,739)</u>	<u>(873,152)</u>
186,072	-	-	581,000	700,000	1,517,072
-	(2,700)	-	-	-	(380,263)
<u>186,072</u>	<u>(2,700)</u>	<u>-</u>	<u>581,000</u>	<u>700,000</u>	<u>1,136,809</u>
11,800	93,096	(1,497)	(4,130)	177,261	263,657
<u>175,975</u>	<u>356,233</u>	<u>5,034</u>	<u>596,812</u>	<u>349,486</u>	<u>2,526,594</u>
<u>\$ 187,775</u>	<u>\$ 449,329</u>	<u>\$ 3,537</u>	<u>\$ 592,682</u>	<u>\$ 526,747</u>	<u>\$ 2,790,251</u>

# CHAFFEE COUNTY, COLORADO

## AIRPORT FUND

### SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL (BUDGETARY BASIS) FOR THE YEAR ENDED DECEMBER 31, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Taxes	\$ 1,000	\$ 1,000	\$ 1,613	\$ 613
Intergovernmental	208,333	208,333	240,930	32,597
Charges for Services	127,200	127,200	134,376	7,176
Other Revenues	1,400	1,400	22,668	21,268
<b>Total Revenues</b>	<b>337,933</b>	<b>337,933</b>	<b>399,587</b>	<b>61,654</b>
<b>Expenditures:</b>				
Current:				
Airport Operations	120,366	127,366	133,476	(6,110)
Fuel Purchases	97,000	97,000	80,860	16,140
Capital Outlay	166,663	278,663	207,754	70,909
<b>Total Expenditures</b>	<b>384,029</b>	<b>503,029</b>	<b>422,090</b>	<b>80,939</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(46,096)	(165,096)	(22,503)	142,593
<b>Other Financing Sources (Uses):</b>				
Transfers In	50,000	40,000	50,000	10,000
<b>Net Change in Fund Balances</b>	<b>3,904</b>	<b>(125,096)</b>	<b>27,497</b>	<b>152,593</b>
<b>Fund Balances, Beginning of Year</b>	<b>22,120</b>	<b>22,120</b>	<b>23,933</b>	<b>1,813</b>
<b>Fund Balances, End of Year</b>	<b>\$ 26,024</b>	<b>\$ (102,976)</b>	<b>\$ 51,430</b>	<b>\$ 154,406</b>

# CHAFFEE COUNTY, COLORADO

## CONSERVATION TRUST FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL (BUDGETARY BASIS) FOR THE YEAR ENDED DECEMBER 31, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Intergovernmental	\$ 90,000	\$ 90,000	\$ 106,466	\$ 16,466
Investment Earnings	600	600	1,201	601
Other Revenues	10,000	10,000	10,000	-
<b>Total Revenues</b>	<b>100,600</b>	<b>100,600</b>	<b>117,667</b>	<b>17,067</b>
<b>Expenditures:</b>				
Current:				
Parks and Recreation	160,000	160,000	77,021	82,979
<b>Total Expenditures</b>	<b>160,000</b>	<b>160,000</b>	<b>77,021</b>	<b>82,979</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(59,400)	(59,400)	40,646	100,046
<b>Other Financing Sources (Uses):</b>				
Transfers Out	-	(103,000)	(102,563)	437
<b>Net Change in Fund Balances</b>	<b>(59,400)</b>	<b>(162,400)</b>	<b>(61,917)</b>	<b>100,483</b>
<b>Fund Balances, Beginning of Year</b>	<b>310,792</b>	<b>310,792</b>	<b>344,710</b>	<b>33,918</b>
<b>Fund Balances, End of Year</b>	<b>\$ 251,392</b>	<b>\$ 148,392</b>	<b>\$ 282,793</b>	<b>\$ 134,401</b>

# CHAFFEE COUNTY, COLORADO

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## RETIREMENT FUND

### SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL (BUDGETARY BASIS) FOR THE YEAR ENDED DECEMBER 31, 2016

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	<u>Budgeted Amounts</u> Original and Final	<u>Actual Amounts</u>	Variance with Final Budget - Positive (Negative)
<b>Revenues:</b>			
Taxes	\$ 267,946	\$ 270,805	\$ 2,859
Investment Earnings	400	1,223	823
Other Revenues	-	24,519	24,519
<b>Total Revenues</b>	<u>268,346</u>	<u>296,547</u>	<u>28,201</u>
<b>Expenditures:</b>			
Current:			
General Government	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	268,346	296,547	28,201
<b>Other Financing Sources (Uses):</b>			
Transfers Out	<u>(275,000)</u>	<u>(275,000)</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	(6,654)	21,547	28,201
<b>Fund Balances, Beginning of Year</b>	<u>353,623</u>	<u>353,623</u>	<u>-</u>
<b>Fund Balances, End of Year</b>	<u>\$ 346,969</u>	<u>\$ 375,170</u>	<u>\$ 28,201</u>

# CHAFFEE COUNTY, COLORADO

## CONTINGENT RESERVE

### SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL (BUDGETARY BASIS) FOR THE YEAR ENDED DECEMBER 31, 2016

	Budgeted Amounts <u>Original and Final</u>	Actual Amounts	Variance with Final Budget - Positive (Negative)
<b>Revenues:</b>			
Taxes	\$ -	\$ -	\$ -
Investment Earnings	-	-	-
Other Revenues	-	-	-
<b>Total Revenues</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Other Financing Sources (Uses):</b>			
Transfers Out	-	-	-
<b>Total Other Finance Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	-	-	-
<b>Fund Balances, Beginning of Year</b>	<u>327,522</u>	<u>327,522</u>	<u>-</u>
<b>Fund Balances, End of Year</b>	<u>\$ 327,522</u>	<u>\$ 327,522</u>	<u>\$ -</u>

# CHAFFEE COUNTY, COLORADO

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## ASSET REPLACEMENT FUND

### SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

#### BUDGET AND ACTUAL (BUDGETARY BASIS)

#### FOR THE YEAR ENDED DECEMBER 31, 2016

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	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Investment Earnings	\$ 500	\$ 500	\$ 2,005	\$ 1,505
<b>Total Revenues</b>	<u>500</u>	<u>500</u>	<u>2,005</u>	<u>1,505</u>
<b>Expenditures:</b>				
Capital Outlay	<u>142,300</u>	<u>190,300</u>	<u>176,277</u>	<u>14,023</u>
<b>Total Expenditures</b>	<u>142,300</u>	<u>190,300</u>	<u>176,277</u>	<u>14,023</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(141,800)	(189,800)	(174,272)	15,528
<b>Other Financing Sources (Uses):</b>				
Transfers In	<u>186,072</u>	<u>186,072</u>	<u>186,072</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	44,272	(3,728)	11,800	15,528
<b>Fund Balances, Beginning of Year</b>	<u>169,817</u>	<u>169,817</u>	<u>175,975</u>	<u>6,158</u>
<b>Fund Balances, End of Year</b>	<u>\$ 214,089</u>	<u>\$ 166,089</u>	<u>\$ 187,775</u>	<u>\$ 21,686</u>

# CHAFFEE COUNTY, COLORADO

## LODGING VISTORS BUREAU FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL (BUDGETARY BASIS) FOR THE YEAR ENDED DECEMBER 31, 2016

	Budgeted Amounts <u>Original and Final</u>	Actual Amounts	Variance with Final Budget - Positive (Negative)
<b>Revenues:</b>			
Taxes	\$ 540,000	\$ 567,197	\$ 27,197
Investment Earnings	400	699	299
Other Revenues	-	7,375	7,375
<b>Total Revenues</b>	<u>540,400</u>	<u>575,271</u>	<u>34,871</u>
<b>Expenditures:</b>			
Current:			
Economic Development	<u>541,600</u>	<u>479,475</u>	<u>62,125</u>
<b>Total Expenditures</b>	<u>541,600</u>	<u>479,475</u>	<u>62,125</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,200)	95,796	96,996
<b>Other Financing Sources (Uses):</b>			
Transfers Out	<u>(2,700)</u>	<u>(2,700)</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	<u>(3,900)</u>	<u>93,096</u>	<u>96,996</u>
<b>Fund Balances, Beginning of Year</b>	<u>315,211</u>	<u>356,233</u>	<u>41,022</u>
<b>Fund Balances, End of Year</b>	<u>\$ 311,311</u>	<u>\$ 449,329</u>	<u>\$ 138,018</u>

# CHAFFEE COUNTY, COLORADO

## ANIMAL SHELTER FUND

### SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

#### BUDGET AND ACTUAL (BUDGETARY BASIS)

#### FOR THE YEAR ENDED DECEMBER 31, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Taxes	\$ 212,812	\$ 212,812	\$ 213,906	\$ 1,094
<b>Total Revenues</b>	<u>212,812</u>	<u>212,812</u>	<u>213,906</u>	<u>1,094</u>
<b>Expenditures:</b>				
Current:				
General Government	<u>215,400</u>	<u>217,400</u>	<u>215,403</u>	<u>1,997</u>
<b>Total Expenditures</b>	<u>215,400</u>	<u>217,400</u>	<u>215,403</u>	<u>1,997</u>
<b>Net Change in Fund Balances</b>	(2,588)	(4,588)	(1,497)	3,091
<b>Fund Balances, Beginning of Year</b>	<u>4,010</u>	<u>4,010</u>	<u>5,034</u>	<u>1,024</u>
<b>Fund Balances, End of Year</b>	<u>\$ 1,422</u>	<u>\$ (578)</u>	<u>\$ 3,537</u>	<u>\$ 4,115</u>

# CHAFFEE COUNTY, COLORADO

## CHAFFEE COUNTY FACILITIES CORPORATION SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL (BUDGETARY BASIS) FOR THE YEAR ENDED DECEMBER 31, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Investment Earnings	\$ -	\$ -	\$ 1,353	\$ 1,353
<b>Total Revenues</b>	<b>-</b>	<b>-</b>	<b>1,353</b>	<b>1,353</b>
<b>Expenditures:</b>				
Debt Service:				
Principal	425,000	425,000	425,000	-
Interest	158,725	158,725	158,725	-
Fiscal Charges	315	7,315	2,758	4,557
<b>Total Expenditures</b>	<b>584,040</b>	<b>591,040</b>	<b>586,483</b>	<b>4,557</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(584,040)	(591,040)	(585,130)	5,910
<b>Other Financing Sources (Uses):</b>				
Transfers In	584,000	584,000	581,000	(3,000)
<b>Net Change in Fund Balances</b>	<b>(40)</b>	<b>(7,040)</b>	<b>(4,130)</b>	<b>2,910</b>
<b>Fund Balances, Beginning of Year</b>	<b>84,158</b>	<b>84,158</b>	<b>596,812</b>	<b>512,654</b>
<b>Fund Balances, End of Year</b>	<b>\$ 84,118</b>	<b>\$ 77,118</b>	<b>\$ 592,682</b>	<b>\$ 515,564</b>

# CHAFFEE COUNTY, COLORADO

## CAPITAL EXPENDITURES FUND

### SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

#### BUDGET AND ACTUAL (BUDGETARY BASIS)

#### FOR THE YEAR ENDED DECEMBER 31, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Taxes	\$ 135,364	\$ 135,364	\$ 135,621	\$ 257
Intergovernmental	-	-	100,000	100,000
Investment Earnings	1,300	1,300	5,037	3,737
Other Revenues	-	-	4,150	4,150
<b>Total Revenues</b>	<b>136,664</b>	<b>136,664</b>	<b>244,808</b>	<b>108,144</b>
<b>Expenditures:</b>				
Current:				
General Government	3,500	3,500	3,689	(189)
Capital Outlay	22,000	1,047,000	763,858	283,142
<b>Total Expenditures</b>	<b>25,500</b>	<b>1,050,500</b>	<b>767,547</b>	<b>282,953</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	111,164	(913,836)	(522,739)	391,097
<b>Other Financing Sources (Uses):</b>				
Transfers In	-	-	700,000	700,000
<b>Net Change in Fund Balances</b>	<b>111,164</b>	<b>(913,836)</b>	<b>177,261</b>	<b>1,091,097</b>
<b>Fund Balances, Beginning of Year</b>	<b>347,175</b>	<b>347,175</b>	<b>349,486</b>	<b>2,311</b>
<b>Fund Balances, End of Year</b>	<b>\$ 458,339</b>	<b>\$ (566,661)</b>	<b>\$ 526,747</b>	<b>\$ 1,093,408</b>

# ENTERPRISE FUNDS

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises – where the intent of the Board of County Commissioners is that the costs of providing goods and services to the general public on a continuing basis be financed or recovered through user charges; or where the Board of County Commissioners has decided that periodic determination of net income is appropriate for accountability purposes.

**Waste Disposal Fund** – To account for the activities involved in operating the County’s solid waste landfill.

**Emergency Medical Services Fund** – To account for the operations of the County’s ambulance and related emergency medical services.

**J.V. Sewer Fund** - To account for the collection of monies and subsequent payment of debt service related to a wastewater distribution system constructed in an area of the County known as “Johnson Village”.

# CHAFFEE COUNTY, COLORADO

## WASTE DISPOSAL FUND

### SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL (BUDGETARY BASIS) FOR THE YEAR ENDED DECEMBER 31, 2016

	Budgeted Amounts <u>Original and Final</u>	Actual Amounts	Variance with Final Budget - Positive (Negative)
<b>Revenues:</b>			
Charges for Services:			
Garbage Collection Fees	\$ 700,000	\$ 1,028,812	\$ 328,812
Investment Earnings	2,000	4,001	2,001
Other Revenues	17,000	8,232	(8,768)
<b>Total Revenues</b>	<u>719,000</u>	<u>1,041,045</u>	<u>322,045</u>
<b>Expenditures:</b>			
Operations:			
Personnel Costs	285,477	285,279	198
Closure and Post Closure Costs	40,000	67,085	(27,085)
Other Operating Costs	290,290	261,450	28,840
New Landfill Construction	20,000	67	19,933
Capital Outlay	45,000	50,914	(5,914)
<b>Total Expenditures</b>	<u>680,767</u>	<u>664,795</u>	<u>15,972</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	38,233	376,250	338,017
<b>Other Financing Sources (Uses):</b>			
Transfers Out	(24,000)	(24,000)	-
<b>Net Change in Fund Balances</b>	14,233	352,250	338,017
<b>Fund Balances, Beginning of Year</b>	<u>1,363,366</u>	<u>1,436,402</u>	<u>73,036</u>
<b>Fund Balances, End of Year</b>	<u>\$ 1,377,599</u>	<u>\$ 1,788,652</u>	<u>\$ 411,053</u>

Fund Balances at December 31, 2016, is computed as follows:

Current Assets	\$ 1,956,623
Less: Current Liabilities	<u>(167,971)</u>
Fund Balances - December 31, 2016	<u>\$ 1,788,652</u>

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**RECONCILIATION OF NET CHANGE IN FUND BALANCES (BUDGETARY BASIS)  
TO CHANGE IN NET POSITION (GAAP BASIS)**

<b>Net Change in Fund Balances (Budgetary Basis)</b>	<u>\$ 352,250</u>
<b>Adjustments to Reconcile Budgetary Basis to GAAP Basis</b>	
Capitalization of Fixed Assets	49,021
Book Value of Capital Assets Disposed	1,214
Depreciation	<u>(201,897)</u>
<b>Total Adjustments</b>	<u>(151,662)</u>
<b>Change in Net Position (GAAP Basis)</b>	<u><u>\$ 200,588</u></u>

# CHAFFEE COUNTY, COLORADO

## EMERGENCY MEDICAL SERVICES FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL (BUDGETARY BASIS) FOR THE YEAR ENDED DECEMBER 31, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Taxes:				
Sales Taxes	\$ 1,211,000	\$ 1,211,000	\$ 1,722,736	\$ 511,736
Charges for Services:				
Ambulance Fees	800,000	800,000	801,063	1,063
E911 Dispatch	205,793	205,793	222,054	16,261
Wildland Reimbursement	-	-	13,062	13,062
Intergovernmental	143,200	143,200	149,218	6,018
Other Revenues	7,000	7,000	191,177	184,177
<b>Total Revenues</b>	<b>2,366,993</b>	<b>2,366,993</b>	<b>3,099,310</b>	<b>732,317</b>
<b>Expenditures:</b>				
Operations:				
Personnel Costs	1,673,713	1,858,713	1,850,022	8,691
Other Operating Costs	409,624	557,624	463,377	94,247
Capital Outlay	445,800	445,800	419,214	26,586
<b>Total Expenditures</b>	<b>2,529,137</b>	<b>2,862,137</b>	<b>2,732,613</b>	<b>129,524</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(162,144)	(495,144)	366,697	861,841
<b>Other Financing Sources (Uses):</b>				
Transfers In	190,630	190,630	191,764	1,134
Transfers Out	(6,000)	(6,000)	(6,000)	-
<b>Total Other Financing Sources (Uses)</b>	<b>184,630</b>	<b>184,630</b>	<b>185,764</b>	<b>1,134</b>
<b>Net Change in Fund Balances</b>	<b>22,486</b>	<b>(310,514)</b>	<b>552,461</b>	<b>862,975</b>
<b>Fund Balances, Beginning of Year</b>	<b>51,942</b>	<b>51,942</b>	<b>176,393</b>	<b>124,451</b>
<b>Fund Balances, End of Year</b>	<b>\$ 74,428</b>	<b>\$ (258,572)</b>	<b>\$ 728,854</b>	<b>\$ 987,426</b>

Fund Balances at December 31, 2016, is computed as follows:

Current Assets	\$ 777,321
Less: Current Liabilities	(48,467)
Fund Balances - December 31, 2016	<u>\$ 728,854</u>

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**RECONCILIATION OF NET CHANGE IN FUND BALANCES (BUDGETARY BASIS)  
TO CHANGE IN NET POSITION (GAAP BASIS)**

<b>Net Change in Fund Balances (Budgetary Basis)</b>	<u>\$ 552,461</u>
<b>Adjustments to Reconcile Budgetary Basis to GAAP Basis</b>	
Capitalization of Fixed Assets	400,951
Transfers In of Non-financial Resources	12,962
Book Value of Capital Assets Disposed	8,000
Depreciation	<u>(144,339)</u>
<b>Total Adjustments</b>	<u>277,574</u>
<b>Change in Net Position (GAAP Basis)</b>	<u><u>\$ 830,035</u></u>

# CHAFFEE COUNTY, COLORADO

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## J.V. SEWER FUND

### SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

#### BUDGET AND ACTUAL (BUDGETARY BASIS)

#### 5FOR THE YEAR ENDED DECEMBER 31, 2016

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	<u>Budgeted Amounts</u> <u>Original and Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>Revenues:</b>			
Charges for Services:			
Sewer Surcharge	\$ 35,200	\$ 35,233	\$ 33
<b>Total Revenues</b>	<u>35,200</u>	<u>35,233</u>	<u>33</u>
<b>Expenditures:</b>			
Debt Service:			
Principal	9,600	9,597	3
Interest	<u>20,400</u>	<u>20,360</u>	<u>40</u>
<b>Total Expenditures</b>	<u>30,000</u>	<u>29,957</u>	<u>43</u>
<b>Net Change in Fund Balances</b>	5,200	5,276	76
<b>Fund Balances, Beginning of Year</b>	<u>63,044</u>	<u>61,408</u>	<u>(1,636)</u>
<b>Fund Balances, End of Year</b>	<u>\$ 68,244</u>	<u>\$ 66,684</u>	<u>\$ (1,560)</u>

Fund Balances at December 31, 2016, is computed as follows:

Current Assets	\$ 68,389
Less: Current Liabilities	(11,738)
Add: Current Portion of Revenue Bonds Payable	<u>10,033</u>
<b>Fund Balances - December 31, 2016</b>	<u>\$ 66,684</u>

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**RECONCILIATION OF NET CHANGE IN FUND BALANCES (BUDGETARY BASIS)  
TO CHANGE IN NET POSITION (GAAP BASIS)**

<b>Net Change in Fund Balances (Budgetary Basis)</b>	<u>\$ 5,276</u>
<b>Adjustments to Reconcile Budgetary Basis to GAAP Basis</b>	
Principal Paid On Revenue Bonds	9,597
Depreciation and Amortization	<u>(17,765)</u>
<b>Total Adjustments</b>	<u>(8,168)</u>
<b>Change in Net Position (GAAP Basis)</b>	<u><u>\$ (2,892)</u></u>

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## **INTERNAL SERVICE FUNDS**

Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the County or other government units, on a cost reimbursement basis.

**Insurance Fund** - This fund charges other County funds for their allocated cost of insurance premiums and estimated damaged property claims not covered by insurance.

# CHAFFEE COUNTY, COLORADO

## INSURANCE FUND

### SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL (BUDGETARY BASIS) FOR THE YEAR ENDED DECEMBER 31, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Charges for Services:				
Insurance Contribution	\$ 330,000	\$ 330,000	\$ 331,275	\$ 1,275
Investment Earnings	900	900	3,115	2,215
Other Revenues	10,000	10,000	60,257	50,257
<b>Total Revenues</b>	<b>340,900</b>	<b>340,900</b>	<b>394,647</b>	<b>53,747</b>
<b>Expenditures:</b>				
Current:				
Administrative, Legal and Claims	10,000	10,000	-	10,000
CAPP Pool Contributions	135,000	135,000	130,504	4,496
Workers Compensation Pool Contributions	226,000	226,000	218,873	7,127
Property and Casualty Claims	10,000	65,000	72,034	(7,034)
Miscellaneous	5,800	5,800	868	4,932
<b>Total Expenditures</b>	<b>386,800</b>	<b>441,800</b>	<b>422,279</b>	<b>19,521</b>
<b>Net Change in Fund Balances</b>	<b>(45,900)</b>	<b>(100,900)</b>	<b>(27,632)</b>	<b>73,268</b>
<b>Fund Balances, Beginning of Year</b>	<b>204,749</b>	<b>204,749</b>	<b>197,704</b>	<b>(7,045)</b>
<b>Fund Balances, End of Year</b>	<b>\$ 158,849</b>	<b>\$ 103,849</b>	<b>\$ 170,072</b>	<b>\$ 66,223</b>

Fund Balances at December 31, 2016, is computed as follows:

Current Assets	\$ 173,362
Less: Current Liabilities	<u>(3,290)</u>
Fund Balances - December 31, 2016	<u>\$ 170,072</u>

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**RECONCILIATION OF NET CHANGE IN FUND BALANCES (BUDGETARY BASIS)  
TO CHANGE IN NET POSITION (GAAP BASIS)**

<b>Net Change in Fund Balances (Budgetary Basis)</b>	<u>\$ (27,632)</u>
<b>Adjustments to Reconcile Budgetary Basis to GAAP Basis</b>	
<b>Total Adjustments</b>	<u>-</u>
<b>Change in Net Position (GAAP Basis)</b>	<u><u>\$ (27,632)</u></u>

# CHAFFEE COUNTY, COLORADO

## DETAILED SCHEDULE OF GENERAL FUND EXPENDITURES (BUDGETARY BASIS) - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2016

Description	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>General Government:</b>				
Board of County Commissioners	\$ 652,622	\$ 684,622	\$ 669,295	\$ 15,327
Administrative Support	338,070	347,070	324,092	22,978
County Attorney	15,070	15,070	13,231	1,839
Budget Officer	25,295	25,295	22,590	2,705
Audit	26,000	26,000	26,000	-
Safety	15,000	22,000	19,841	2,159
County Clerk and Recorder	575,741	575,741	546,902	28,840
Elections	114,600	114,600	112,610	1,990
County Treasurer and Public Trustee	233,606	241,606	232,897	8,709
County Assessor	526,876	534,876	517,863	17,013
County Extension Service	134,525	134,525	131,445	3,080
Public Health Nurse	701,564	834,564	796,350	38,214
Veterans Service Officer	45,170	45,170	51,305	(6,135)
Secure Rural Schools	40,000	40,000	4,315	35,685
PILT Funding	-	-	225	(225)
Miscellaneous	151,900	208,000	199,658	8,342
<b>Total General Government</b>	<b>3,596,039</b>	<b>3,849,139</b>	<b>3,668,618</b>	<b>180,521</b>
<b>Community Development:</b>				
Planning and Zoning	164,695	188,695	172,252	16,443
Building Inspector	507,079	507,079	489,100	17,979
Environmental Health	64,413	64,413	61,441	2,972
<b>Total Community Development</b>	<b>736,187</b>	<b>760,187</b>	<b>722,792</b>	<b>37,395</b>
<b>Public Safety:</b>				
District Attorney	386,353	386,353	386,353	0
Sheriff	1,835,535	1,976,035	1,891,806	84,229
Jail	1,708,497	1,733,497	1,691,062	42,435
Coroner	142,520	162,520	151,507	11,013
<b>Total Public Safety</b>	<b>4,072,905</b>	<b>4,258,405</b>	<b>4,120,728</b>	<b>137,677</b>

Description	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Health and Welfare</b>				
Immunization	\$ 52,640	\$ 52,640	\$ 43,441	\$ 9,199
CHP/STEPP	143,707	143,707	108,549	35,158
Victims Assistance Program	64,751	64,751	59,487	5,264
<b>Total Health and Welfare</b>	<b>261,098</b>	<b>261,098</b>	<b>211,477</b>	<b>49,621</b>
<b>Public Works:</b>				
Buildings and Grounds	349,805	349,805	329,149	20,656
Touber Building and Grounds	105,200	111,200	101,707	9,493
Weed Management	164,046	164,046	150,658	13,388
<b>Total Public Works</b>	<b>619,051</b>	<b>625,051</b>	<b>581,514</b>	<b>43,537</b>
<b>Parks and Recreation:</b>				
Fairgrounds	188,500	188,500	159,124	29,376
<b>TOTAL EXPENDITURES</b>	<b>\$ 9,473,780</b>	<b>\$ 9,942,380</b>	<b>\$ 9,464,253</b>	<b>\$ 478,127</b>

# CHAFFEE COUNTY, COLORADO

## DETAILED SCHEDULE OF GENERAL FUND REVENUES (BUDGETARY BASIS) - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2016

Description	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Taxes:</b>				
General Property Tax	\$ 2,288,308	\$ 2,288,308	\$ 2,284,007	\$ (4,301)
General Property Tax - Delinquent Collections	1,000	1,000	1,231	231
General Property Tax - Interest and Penalties	7,800	7,800	7,334	(466)
Specific Ownership Tax	248,000	248,000	264,459	16,459
Sales Tax	3,733,600	3,733,600	3,989,412	255,812
<b>Total Taxes</b>	<b>6,278,708</b>	<b>6,278,708</b>	<b>6,546,443</b>	<b>267,735</b>
<b>Licenses and Permits:</b>				
Liquor Licenses	3,500	3,500	3,215	(285)
Building Permits	560,000	560,000	930,719	370,719
Septic Permits	22,000	22,000	32,240	10,240
F/S Inspections	31,000	31,000	21,474	(9,526)
Other Permits	3,200	3,200	6,027	2,827
<b>Total Licenses and Permits</b>	<b>619,700</b>	<b>619,700</b>	<b>993,675</b>	<b>373,975</b>
<b>Intergovernmental:</b>				
Federal Grants	50,630	50,630	39,083	(11,547)
Payments In-Lieu-Of Taxes	1,120,000	1,120,000	1,246,916	126,916
State Grants and Contracts	552,010	552,010	799,638	247,628
Other	63,480	63,480	92,596	29,116
<b>Total Intergovernmental</b>	<b>1,786,120</b>	<b>1,786,120</b>	<b>2,178,233</b>	<b>392,113</b>
<b>Charges for Services:</b>				
Departmental Fees	835,000	835,000	947,819	112,819
Public Safety Fees	368,000	368,000	398,082	30,082
Health and Welfare Fees	77,900	77,900	97,514	19,614
<b>Total Charges for Services</b>	<b>1,280,900</b>	<b>1,280,900</b>	<b>1,443,415</b>	<b>162,515</b>
<b>Fines and Forfeitures</b>				
Traffic Fines	80,000	80,000	55,713	(24,287)
<b>Investment Earnings</b>	<b>33,900</b>	<b>33,900</b>	<b>21,739</b>	<b>(12,161)</b>
<b>Miscellaneous Revenues:</b>				
Rents and Royalties	118,450	118,450	114,865	(3,585)
Cost Allocations	25,000	25,000	49,097	24,097
Miscellaneous Nonclassified Revenues	143,700	143,700	150,171	6,471
<b>Total Miscellaneous Revenues</b>	<b>287,150</b>	<b>287,150</b>	<b>314,133</b>	<b>26,983</b>
<b>TOTAL REVENUES</b>	<b>\$ 10,366,478</b>	<b>\$ 10,366,478</b>	<b>\$ 11,553,351</b>	<b>\$ 1,186,873</b>

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

**LOCAL HIGHWAY FINANCE REPORT**

City or County:

Chaffee

YEAR ENDING :

December 2016

This Information From The Records Of (example - City of \_ or County of \_)  
County of Chaffee

Prepared By:  
Phone:

Dan Short  
719-530-5596

**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
<b>A. Receipts from local sources:</b>		<b>A. Local highway disbursements:</b>	
1. Local highway-user taxes		1. Capital outlay (from page 2)	44,605
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	2,331,709
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	39,529
2. General fund appropriations		b. Snow and ice removal	171,441
3. Other local imposts (from page 2)	59,151	c. Other	
4. Miscellaneous local receipts (from page 2)	1,021,336	d. Total (a. through c.)	210,970
5. Transfers from toll facilities		4. General administration & miscellaneous	23,803
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	
a. Bonds - Original Issues		6. Total (1 through 5)	2,611,087
b. Bonds - Refunding Issues		<b>B. Debt service on local obligations:</b>	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	
7. Total (1 through 6)	1,080,487	b. Redemption	
<b>B. Private Contributions</b>		c. Total (a. + b.)	0
<b>C. Receipts from State government</b> (from page 2)	1,940,671	2. Notes:	
<b>D. Receipts from Federal Government</b> (from page 2)	27,987	a. Interest	
<b>E. Total receipts (A.7 + B + C + D)</b>	3,049,145	b. Redemption	
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	0
		<b>C. Payments to State for highways</b>	
		<b>D. Payments to toll facilities</b>	
		<b>E. Total disbursements (A.6 + B.3 + C + D)</b>	2,611,087

**IV. LOCAL HIGHWAY DEBT STATUS**

(Show all entries at par)

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

**V. LOCAL ROAD AND STREET FUND BALANCE**

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	1,214,549	3,049,145	2,611,087	1,652,607	0

Notes and Comments:

<b>LOCAL HIGHWAY FINANCE REPORT</b>		STATE: Colorado	
		YEAR ENDING : December 2016	
<b>II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL</b>			
<b>ITEM</b>	<b>AMOUNT</b>	<b>ITEM</b>	<b>AMOUNT</b>
<b>A.3. Other local imposts:</b>		<b>A.4. Miscellaneous local receipts:</b>	
a. Property Taxes and Assessments	46,931	a. Interest on investments	9,191
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	115,268
4. Licenses	5,229	f. Charges for Services	4,370
5. Specific Ownership &/or Other	6,991	g. Other Misc. Receipts (& Transfers In)	892,507
6. Total (1. through 5.)	12,220	h. Other	0
c. Total (a. + b.)	59,151	i. Total (a. through h.)	1,021,336
	(Carry forward to page 1)		(Carry forward to page 1)
<b>III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL</b>			
<b>ITEM</b>	<b>AMOUNT</b>	<b>ITEM</b>	<b>AMOUNT</b>
<b>C. Receipts from State Government</b>		<b>D. Receipts from Federal Government</b>	
1. Highway-user taxes	1,870,120	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	59,702	d. Federal Transit Admin	
d. Other (Specify) - Bridge Grant	10,849	e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal (Severance)	27,987
f. Total (a. through e.)	70,551	g. Total (a. through f.)	27,987
4. Total (1. + 2. + 3.f)	1,940,671	3. Total (1. + 2.g)	
			(Carry forward to page 1)
		ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)
		TOTAL (c)	
<b>A.1. Capital outlay:</b>			
a. Right-Of-Way Costs			0
b. Engineering Costs			0
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements			0
(3). System Preservation		44,605	44,605
(4). System Enhancement & Operation			0
(5). Total Construction (1) + (2) + (3) + (4)		0	44,605
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)		0	44,605
			(Carry forward to page 1)
<b>Notes and Comments:</b>			

# **SINGLE AUDIT SECTION**

# CHAFFEE COUNTY, COLORADO

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED DECEMBER 31, 2016

Federal Grantor / Pass Through Grantor / Program Or Cluster Title	Federal CFDA #	Federal Expenditures
<b><u>U.S. Department of Health and Human Services</u></b>		
<i>Passed Through Colorado Department of Human Services:</i>		
Foster Care Title IV-E, Guardianship Assistance	93.090	\$ 1,880
Promoting Safe and Stable Families	93.556	23,115
Temporary Assistance for Needy Families	93.558	227,320
Title IV D Administrative	93.563	221,682
Low Income Home Energy Assistance (LEAP)	93.568	120,202
CCDF Discretionary	93.575	47,594
CCDF	93.596	5,964
Title IV B Child Welfare	93.645	10,000
Title IV E Foster Care	93.658	247,709
Title IV E Adoption	93.659	48,241
Title XX	93.667	108,778
Title XIX Medicaid	93.778	219,230
<i>Passed through Colorado Department of Public Health and Environment</i>		
Emergency Preparedness Response Grant (EPRD)	93.069	39,083
Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements	93.074	8,042
Grants to States to Support Oral Health Workforce Activities and Grants for Residency Training in Dental Public Health	93.236	78,030
Childhood Immunization	93.268	6,237
Preventative Health and Health Services Block Grant	93.758	10,000
Maternal and Child Health Services Block Grant	93.994	13,625
<i>Passed through Colorado Department of Health Care Policy and Financing</i>	93.778	
Single Entry Point		91,674
<b>Total U.S. Department of Health and Human Services</b>		1,528,406

The accompanying notes are an integral part of this schedule.

Federal Grantor / Pass Through Grantor / Program Or Cluster Title	Federal CFDA #	Federal Expenditures
<b><u>U.S. Department of Transportation</u></b>		
Federal Aviation Administration		
Airport Improvement Program	20.106	153,188
<b>Total U.S. Department of Transportation</b>		153,188
<b><u>U.S. Department of Agriculture</u></b>		
<i>Passed Through Colorado Department of Human Services:</i>		
Food Assistance Administration	10.561	155,843
Food Assistance	10.551	1,726,036
<b>Total U.S. Department of Agriculture</b>		1,881,879
<b>Total Expenditures of Federal Awards</b>		\$ 3,563,473

# CHAFFEE COUNTY, COLORADO

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## NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS YEAR ENDED DECEMBER 31, 2016

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### **Note 1. General**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Chaffee County under programs of the federal government for the year ended December 31, 2016. The information in this Schedule 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). Because the Schedule presents only a selected portion of the operations of Chaffee County, it is not intended to and does not present the financial position, changes in net position, or cash flows of Chaffee County.

### **Note 2 – Summary of Significant Accounting Policies**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, whereas certain types of expenditures are not allowable or are limited as to reimbursement.

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Board of County Commissioners  
Chaffee County, Colorado  
Salida, Colorado

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

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Chaffee County, Colorado, as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise Chaffee County, Colorado's basic financial statements, and have issued my report thereon dated April 26, 2017.

**Internal Control Over Financial Reporting**

In planning and performing my audit of the financial statements, I considered Chaffee County, Colorado's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Chaffee County, Colorado's internal control. Accordingly, I do not express an opinion on the effectiveness of Chaffee County, Colorado's internal control.

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

My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during my audit I did not identify any deficiencies in internal control that I

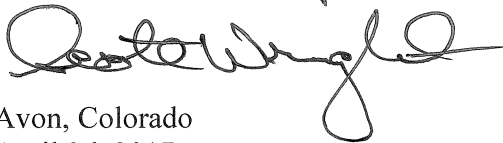
consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Chaffee County, Colorado's financial statements are free from material misstatement, I 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 my audit, and accordingly, I do not express such an opinion. The results of my 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 my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Avon, Colorado  
April 26, 2017

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Board of County Commissioners  
Chaffee County, Colorado  
Salida, Colorado

INDEPEDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH  
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE  
REQUIRED BY THE UNIFORM GUIDANCE

**Report on Compliance for Each Major Federal Program**

I have audited Chaffee County, Colorado's compliance with the types of compliance requirements described in the *OMB compliance Supplement* that could have a direct and material effect on each Chaffee County, Colorado major federal programs for the year ended December 31, 2016. Chaffee County, Colorado's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

***Auditor's Responsibility***

My responsibility is to express an opinion on compliance for each of Chaffee County, Colorado's major federal programs based on my audit of the types of compliance requirements referred to above. I conducted my 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* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that I 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 Chaffee County, Colorado's compliance with those requirements and performing such other procedures as I considered necessary in the circumstances.

I believe that my audit provides a reasonable basis for my opinion on compliance for each major federal program. However, my audit does not provide a legal determination of Chaffee County, Colorado's compliance.

### ***Opinion on Each Major Federal Program***

In my opinion, Chaffee County, Colorado, 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, 2016.

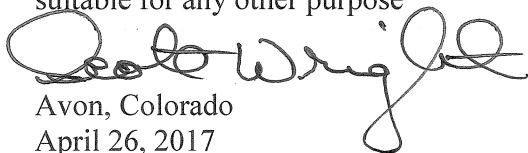
### **Report on Internal Control Over Compliance**

Management of Chaffee County, Colorado, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing my audit of compliance, I considered Chaffee County, Colorado'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 OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, I do not express an opinion on the effectiveness of Chaffee County, Colorado'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 a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

My consideration of 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. I did not identify any deficiencies in internal control over compliance that I 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 my testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose

  
Avon, Colorado  
April 26, 2017

# CHAFFEE COUNTY, COLORADO

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## SCHEDULE OF FINDINGS AND QUESTIONED COSTS YEAR ENDED DECEMBER 31, 2016

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### A. Summary of Auditor Results

- The auditor's report expresses an unqualified opinion on Chaffee County, Colorado's basic financial statements as of and for the year ended December 31, 2016.
- No reportable conditions relating to the audit of the basic financial statements are reported in the 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*.
- No instances of noncompliance material to the basic financial statements of Chaffee County, Colorado were disclosed during the audit.
- No reportable conditions relating to the audit of the major federal award programs are reported in the Report on Compliance with Requirements Applicable to Each Major Program and Internal Control over Compliance in Accordance with the Uniform Guidance.
- The auditor's report on Compliance for the Major Federal Award Programs for Chaffee County, Colorado expresses an unqualified opinion.
- There are no audit findings relative to the major federal award programs for Chaffee County, Colorado to be reported in Part C of this schedule.
- The programs tested as major federal programs were:
  - CFDA 93.558 Temporary Assistance for Needy Families (TANF)
  - CFDA 93.563 Child Support Enforcement (Title D Administrative)
  - CFDA 93.658 Foster Care Title IV-E
  - CFDA 20.106 Airport Improvement Program
- The threshold for distinguishing type A and B programs was \$750,000.
- Chaffee County, Colorado was determined to be a low risk auditee.

### B. FINDINGS UNDER GENERALLY ACCEPTED GOVERNMENT AUDITING STANDARDS (GAGAS)

- None

### C. FINDINGS AND QUESTIONED COSTS UNDER THE UNIFORM GUIDANCE

- None

# **CHAFFEE COUNTY, COLORADO**

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## **SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS YEAR ENDED DECEMBER 31, 2016**

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### **A. Summary Schedule of Prior Audit Findings**

- There were no prior year audit findings and/or questioned costs for the year ended December 31, 2015 for Chaffee County, Colorado.