

DOLORES COUNTY, COLORADO

Accountants' Reports
and
Basic Financial Statements

December 31, 2016



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DOLORES COUNTY, COLORADO

TABLE OF CONTENTS

December 31, 2016

Independent Auditors' Report on Basic Financial Statements and Supplementary Schedule of Expenditures of Federal Awards	1-2
Management's Discussion and Analysis	3-13
Basic Financial Statements	
Government -Wide Financial Statements	
Statement of Net Position	14
Statement of Activities	15
Fund Financial Statements	
Balance Sheet-Governmental Funds and the Reconciliation of the Governmental Funds Balance Sheet with the Statement of Net Position	16
Statement of Revenues, Expenditures and Changes in Fund Balances-Governmental Funds	17
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances- Governmental Funds to the Statement of Activities	18
Statement of Net Position-Proprietary Fund-Enterprise Fund	19
Statement of Revenues, Expenses, and Changes in Net Position-Proprietary Fund-Enterprise Fund	20
Statement of Cash Flows-Proprietary Fund-Enterprise Fund	21
Statement of Fiduciary Net Position	22
Notes to the Financial Statements	23-38
Required Supplementary Information	39
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual-General Fund	40-42
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual- Road and Bridge Fund	43
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual- Social Services Fund	44
Other Supplementary Information	45
Non Major Governmental Funds	46
Combining Balance Sheet-Non Major Governmental Funds	47
Combining Statement of Revenues, Expenditures and Changes in Fund Balances-Non Major Governmental Funds	48
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual-Senior Services Fund	49
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual-Conservation Trust Fund	50

DOLORES COUNTY, COLORADO

TABLE OF CONTENTS

December 31, 2016

Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual-Ormiston Fund	51
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual-Contingency Fund	52
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual-Public Health Fund	53
Schedule of Revenues, Expenditures and Changes in Net Position-Budget and Actual- Proprietary Fund-Enterprise Fund	54
Information Required by Oversight Authorities	55
Local Highway Finance Report	56-57

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INDEPENDENT AUDITORS' REPORT

To the Board of County Commissioners
Dolores County, Colorado
Dove Creek, Colorado 81324

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of Dolores 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.

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of Dolores 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 conformity 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 3 through 13 and pages 39 through 44 be presented to supplement the basic financial statements. Such information, although not a required part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Dolores County, Colorado's basic financial statements. The accompanying other supplementary information and Local Highway Finance Report are presented for purposes of additional analysis and are not a required part of the financial statements.

The other supplementary information and Local Highway Finance Report are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basis 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 our opinion, the other supplementary information and Local Highway Finance Report are fairly stated, in all material respects, in relation to the basic financial statements as a whole.



Majors and Haley, P.C.
July 20, 2017

DOLORES COUNTY, COLORADO

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

For the Year Ended December 31, 2016

FINANCIAL HIGHLIGHTS

Key financial highlights for the County in 2016 are as follows:

- In total, net position increased \$2.142 million. Net position of governmental activities increased \$1.996 million, which represents a 11.7 percent increase from 2015. Net position of business type activities increased \$145,638 or 21.3 percent from 2015.
- General revenues accounted for \$5.610 million in revenue or 63 percent of all revenues. Program specific revenues in the form of charges for services, grants and contributions accounted for \$3.304 million or 37 percent of total revenues of \$8.914 million.
- Governmental activities total assets increased by \$1,716,252. Total liabilities increased by \$19,262. Deferred inflows of resources decreased by \$298,903.
- The County incurred \$6.677 million in expenses related to governmental activities. \$3.255 million of these expenses were offset by program specific charges for services, grants and contributions. General revenues (primarily property taxes and mineral leasing funds) of \$5.415 million were adequate to cover the balance of the costs of these programs.
- Among the major funds, the General Fund had \$4.527 million in revenues, including transfers and \$3.544 million in expenditures including transfers. It's fund balance increased by \$983,080 from \$9.924 million to \$10.907 million.
- Net position of the Enterprise Fund increased from \$685,297 to \$830,935.

DOLORES COUNTY, COLORADO

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) For the Year Ended December 31, 2016

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of four parts: management's discussion and analysis, the basic financial statements, required supplementary information, and other supplementary information. The basic financial statements include two kinds of statements that present different views of the County.

- The first two statements are County-wide financial statements that provide both short-term and long-term information about the County's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the County, reporting the County's operations in more detail than the County-wide statements.
- The governmental funds statements tell how basic services such as general government were financed in the short-term as well as what remains for future spending.
- Proprietary funds statements offer short-term and long-term financial information about the activities the County operates like businesses, such as weed control services.
- Fiduciary funds statements provide information about the financial relationships in which the County acts solely as a trustee or agent for the benefit of others.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplemental information that further explains and supports the financial statements with a comparison of the County's budget for the year.

County-wide Statements

The County-wide statements report information about the County as a whole using accounting methods similar to those used by private companies. The statement of net position includes all of the County's assets, deferred outflows of

DOLORES COUNTY, COLORADO

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) For the Year Ended December 31, 2016

resources, liabilities and deferred inflows of resources. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two County-wide statements report the County's net position and how it has changed. Net position (the difference between the County's assets, deferred inflows of resources, and liabilities and deferred outflows of resources) is one way to measure the County's financial position.

- Over time, increases or decreases in the County's net position are an indicator of whether its financial position is improving or deteriorating.
- To assess the County's overall health, you need to consider additional non-financial factors such as changes in the County's property tax base and the condition of county facilities.

In the County-wide financial statements, the County's activities are divided into two categories:

- **Governmental activities-** Most of the County's basic services are included here, such as general government, public works, public safety, public health and culture and recreation. These activities are financed mainly through property taxes and operating grants.
- **Business-type activities-** The County charges fees to help cover the costs of certain services it provides. The County's weed control operation is included here.

Fund Financial Statements

The fund financial statements provide more detailed information about the County's funds, focusing on its most significant or "major" funds, not the County as a whole. Funds are accounting devices the County uses to keep track of specific sources of funding and spending on particular programs. Some funds are required to be established by state law. However, the County establishes many other funds to help it manage and control its finances to achieve certain results.

The County uses three types of funds:

DOLORES COUNTY, COLORADO

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) For the Year Ended December 31, 2016

- **Governmental funds-** Most of the County's basic services are included in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the County's general operations and the services it provides. Governmental fund information helps one determine whether there are more or fewer financial resources that can be spent in the near future to finance the County's programs. Because this information does not encompass the additional long-term focus of the County-wide statements, additional information at the bottom of the governmental funds statements explains the relationship (or difference) between them.
- **Proprietary funds-** Services for which the County charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the County-wide financial statements. The County's enterprise funds (one type of proprietary fund) are the same as its business-type activities but provide more detail and additional information such as cash flow analysis.
- **Fiduciary funds-** The County is the agent, or fiduciary, for assets that belong to others, such as the Agency Fund. The County is responsible for ensuring that the assets reported in this fund are used only for their intended purposes and by those to whom the assets belong. The County excludes these activities from the County-wide financial statements because it cannot use these assets to finance its operations.

FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE

Total assets increased by \$1,845,152. Total liabilities increased by \$18,327. Deferred inflows of resources decreased by \$314,706.

The County's combined net position was larger on December 31, 2016 than it was at December 31, 2015, increasing by 12.02 percent to \$19,961,866. Most of the increase came from its governmental activities, the net position of which increased \$1,995,893 to \$19,130,931. The net position of the County's business type activities increased \$145,638 to \$830,935.

DOLORES COUNTY, COLORADO

MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)
For the Year Ended December 31, 2016

Table 1 provides a summary of the County's net position for 2016 compared to 2015:

Table 1
Condensed Statement of Net Position
(In millions)

	Governmental Activities		Business-type Activities		Total County	
	2016	2015	2016	2015	2016	2015
Assets						
Current assets	\$ 19.612	\$ 18.929	\$ 0.925	\$ 0.801	\$ 20.537	\$ 19.730
Capital assets	3.473	2.440	0.070	0.065	3.543	2.505
Total assets	<u>23.085</u>	<u>21.369</u>	<u>0.995</u>	<u>0.866</u>	<u>24.080</u>	<u>22.235</u>
Liabilities						
Current liabilities	0.336	0.274	0.002	0.003	0.338	0.277
Noncurrent liabilities	0.133	0.176			0.133	0.176
Deferred inflows of resources	3.485	3.784	0.162	0.178	3.647	3.962
Net Position						
Net investment capital assets	3.288	2.218	0.070	0.065	3.358	2.283
Nonspendable-Inventories	0.275	0.272			0.275	0.272
Restricted	3.434	0.187			3.434	0.187
Unrestricted	12.134	14.458	0.761	0.620	12.895	15.078
Total net position	<u>\$ 19.131</u>	<u>\$ 17.135</u>	<u>\$ 0.831</u>	<u>\$ 0.685</u>	<u>\$ 19.962</u>	<u>\$ 17.820</u>

DOLORES COUNTY, COLORADO

MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)
For the Year Ended December 31, 2016

Table 2 shows the changes in net position for fiscal year 2016 compared to 2015.

Table 2
Changes in Net Position
(In millions)

	Governmental Activities		Business-type Activities		Total County	
	2016	2015	2016	2015	2016	2015
Revenues						
Program revenues						
Charges for services	\$ 0.491	\$ 0.538	\$ 0.049	\$ 0.045	\$ 0.540	\$ 0.583
Operating grants	2.753	2.806			2.753	2.806
Capital grants	0.011	0.032			0.011	0.032
General revenues						
Property taxes	4.277	3.238	0.178	0.128	4.455	3.366
Mineral leasing	0.665	0.815			0.665	0.815
Other	0.473	0.496	0.017	0.006	0.490	0.502
Total revenues	<u>8.670</u>	<u>7.925</u>	<u>0.244</u>	<u>0.179</u>	<u>8.914</u>	<u>8.104</u>
Expenses						
General government	1.955	1.738			1.955	1.738
Public safety	0.978	0.786			0.978	0.786
Public works	2.302	2.188	0.098	0.106	2.400	2.294
Public health and welfare	1.262	1.263			1.262	1.263
Culture and recreation	0.159	0.130			0.159	0.130
Depreciation-unallocated	0.021	0.014			0.021	0.014
Total expenses	<u>6.677</u>	<u>6.119</u>	<u>0.098</u>	<u>0.106</u>	<u>6.775</u>	<u>6.225</u>
Increase in supply inventory	0.003	(0.030)			0.003	(0.030)
Increase (decrease) in net position	<u>\$ 1.996</u>	<u>\$ 1.776</u>	<u>\$ 0.146</u>	<u>\$ 0.073</u>	<u>\$ 2.142</u>	<u>\$ 1.849</u>

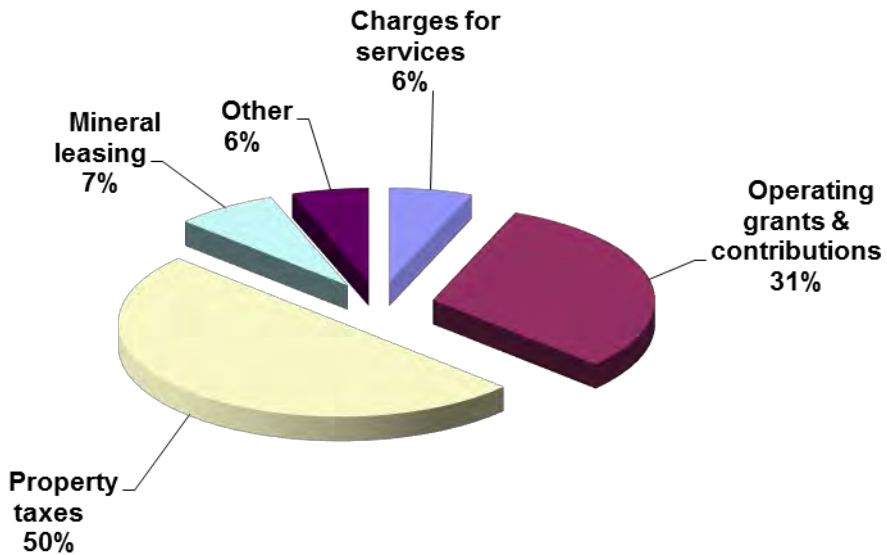
DOLORES COUNTY, COLORADO

**MANAGEMENT’S DISCUSSION AND ANALYSIS
(UNAUDITED)
For the Year Ended December 31, 2016**

Operating grants and property taxes accounted for most of the County’s total revenue, with each contributing 31 percent and 50 percent respectively (See Table 3). Another 6 percent came from charges for services and the remainder from mineral leasing and other sources.

The County’s expenses are predominately related to public works, (35.4 percent), general government (28.9 percent) and public health and welfare (18.6 percent) (See Table 4).

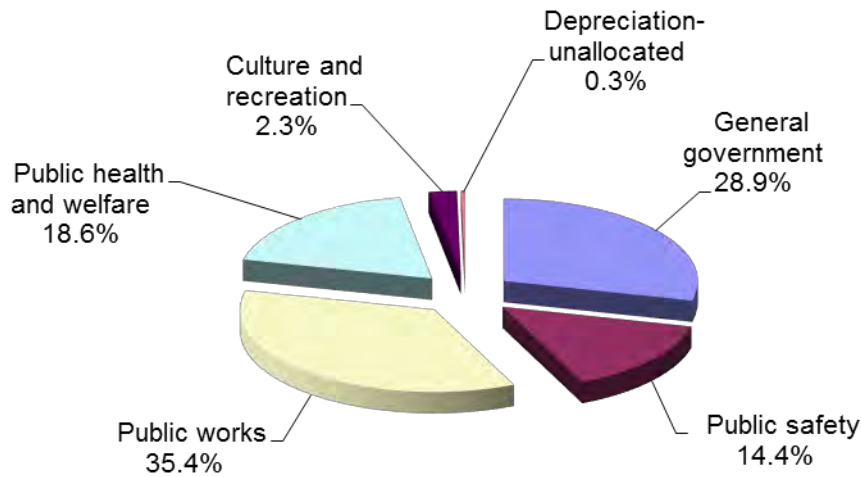
Table 3
Sources of Revenue for Fiscal Year 2016



DOLORES COUNTY, COLORADO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)
For the Year Ended December 31, 2016**

**Table 4
Expenses for Fiscal Year 2016**



Governmental Activities

The primary sources of operating revenue for the County come from operating grants and general property taxes. The County receives approximately 81 percent of this funding from these sources while the remaining amounts come from charges for services and other general revenues.

The statement of activities shows the cost of program services and the charges for services and grants offsetting those service costs. Table 5 shows, for governmental activities, the total cost of services and net cost of services. That is, it identifies the cost of these services supported by general revenues including general property taxes.

DOLORES COUNTY, COLORADO

MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)
For the Year Ended December 31, 2016

Table 5
Government Activities
(In millions)

	Total Cost of Services		Net Cost of Services	
	2016	2015	2016	2015
General government	\$ 1.955	\$ 1.738	\$ 1.722	\$ 1.487
Public safety	0.978	0.786	0.864	0.671
Public works	2.302	2.188	0.447	0.247
Public health and welfare	1.262	1.263	0.269	0.225
Culture and recreation	0.159	0.130	0.099	0.101
Depreciation-unallocated	0.021	0.014	0.021	0.014
Total	\$ 6.677	\$ 6.119	\$ 3.422	\$ 2.745

- The cost of all governmental activities during the year was \$6.677 million.
- Some of the cost was financed by the users of the County's programs (\$.491 million)
- Federal and state government subsidized certain programs with grants and contributions (\$2.764 million).
- However, \$5.415 million was financed by state and county taxpayers. This portion of governmental activities was financed with \$4.277 million in property taxes, \$.665 million in mineral leasing and \$.473 in other general revenues.

Business-type Activities

Business-type activities are made up of the Mandatory Pest Control District. This program had revenues of \$.244 million and expenses of \$.099 million. Business-type activities received \$.185 million in property and specific ownership taxes.

DOLORES COUNTY, COLORADO

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

For the Year Ended December 31, 2016

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

Information about the County's major funds starts on page 16. These funds are accounted for using the modified accrual basis of accounting. All governmental funds have total revenues of \$8.670 million and expenditures of \$7.746 million.

General Fund Budgetary Highlights

The County's budget is prepared according to Colorado law and is based on accounting for certain transactions on a basis of cash receipts and disbursements. The most significant budgeted fund is the General Fund.

Over the course of the year, the County made no revisions to the annual operating budget.

- Actual revenues were \$2.107 million less than budget, primarily because the County had budgeted for a major grant funded construction project which was mainly delayed until 2017.
- Actual expenditures were \$3.092 million less than budget primarily for the same reason as the shortfall in budgeted revenues.

CAPITAL ASSET ADMINISTRATION

By the end of 2016, the County has invested \$7.390 million in land, buildings, and equipment (including vehicles), of this total, \$7.163 million was from governmental activities.

Table 6 shows capital assets for 2016 compared to 2015:

DOLORES COUNTY, COLORADO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)
For the Year Ended December 31, 2016**

**Table 6
Capital Assets at December 31
(In millions)**

	Governmental Activities		Business-Type Activities		Total County	
	2016	2015	2016	2015	2016	2015
Land	\$ 0.184	\$ 0.184			\$ 0.184	\$ 0.184
Construction in Progress	0.969					
Buildings	1.606	1.416			1.606	1.416
Equipment	4.404	4.233	\$ 0.234	\$ 0.224	4.638	4.457
Total	<u>\$ 7.163</u>	<u>\$ 5.833</u>	<u>\$ 0.234</u>	<u>\$ 0.224</u>	<u>\$ 6.428</u>	<u>\$ 6.057</u>

Additional information on the County's capital assets can be found in the Notes to the Financial Statements on page 32 of this report.

FACTORS BEARING ON THE COUNTY'S FUTURE

At the time these financial statements were prepared and audited, the County is not aware of any existing circumstances that could significantly affect its financial health in the future.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide the County's citizens, taxpayers, and creditors with a general overview of the County's finances and to demonstrate the County's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Dolores County Administration Office, P.O. Box 608 Dove Creek, Colorado 81324.

DOLORES COUNTY, COLORADO
Statement of Net Position

December 31, 2016

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	
Assets				
Cash-unrestricted	\$ 15,748,173	\$ 723,788	\$ 16,471,961	\$ 238,479
Property taxes receivable	3,484,569	162,200	3,646,769	145,999
Other receivables	68,356		68,356	
Due from state	28,440		28,440	
Due from other governments	5,635		5,635	
Inventory	274,867	39,221	314,088	
Investment in water tap	2,350		2,350	
Capital assets	7,163,476	226,523	7,389,999	
Accumulated depreciation	(3,690,788)	(156,831)	(3,847,619)	
Total capital assets, net of depreciation	3,472,688	69,692	3,542,380	
Total Assets	23,085,078	994,901	24,079,979	384,478
Liabilities				
Accounts payable	216,203	1,766	217,969	
Payments in arrears	68,356		68,356	
Long term liabilities				
Due in less than one year	50,977		50,977	
Due in more than one year	134,042		134,042	
Total Liabilities	469,578	1,766	471,344	-
Deferred Inflows of Resources				
Unearned property tax revenue	3,484,569	162,200	3,646,769	145,999
Net Position				
Invested in capital assets, net of related debt	3,287,669	69,692	3,357,361	
Nonspendable				
Inventories	274,867		274,867	
Restricted				
Cancer treatments	34,314		34,314	
TABOR	150,000		150,000	8,000
Public health and welfare	907,433		907,433	
Public works	2,341,818		2,341,818	
Unrestricted	12,134,830	761,243	12,896,073	230,479
Total Net Position	\$ 19,130,931	\$ 830,935	\$ 19,961,866	\$ 238,479

The accompanying notes are an integral part of this statement.

DOLORES COUNTY, COLORADO
Statement of Activities

For the Year Ended December 31, 2016

	Program Revenues				Net (Expenses) Revenue And Changes in Net Position			Component Unit
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business- type Activities	Total	
Governmental Activities								
General government	\$ 1,955,320	\$ 212,342	\$ 21,254		\$ (1,721,724)		\$ (1,721,724)	
Public safety	977,466	75,517	37,921		(864,028)		(864,028)	
Public works	2,301,664	81,981	1,761,172	\$ 11,113	(447,398)		(447,398)	
Public health and welfare	1,262,327	97,491	896,160		(268,676)		(268,676)	
Culture and recreation	158,945	23,635	36,669		(98,641)		(98,641)	
Depreciation-unallocated	21,099				(21,099)		(21,099)	
Total Governmental Activities	<u>6,676,821</u>	<u>490,966</u>	<u>2,753,176</u>	<u>11,113</u>	<u>(3,421,566)</u>		<u>(3,421,566)</u>	
Business-Type Activities								
Mandatory Pest Control District	98,581	48,837				\$ (49,744)	(49,744)	
Total Business-Type Activities	<u>98,581</u>	<u>48,837</u>	<u>-</u>			<u>(49,744)</u>	<u>(49,744)</u>	
Total Primary Government	<u>\$ 6,775,402</u>	<u>\$ 539,803</u>	<u>\$ 2,753,176</u>	<u>\$ 11,113</u>	<u>(3,421,566)</u>	<u>(49,744)</u>	<u>(3,471,310)</u>	
Component Unit								
Library	\$ 112,026		\$ 4,000					\$ (108,026)
Total Component Units	<u>\$ 112,026</u>	<u>\$ -</u>	<u>\$ 4,000</u>	<u>\$ -</u>				<u>(108,026)</u>
General Revenues								
Property tax for general purposes					3,896,340	178,002	4,074,342	158,463
Property tax for Quality of Life					380,311		380,311	
Specific Ownership tax for general purposes					141,741	6,519	148,260	5,800
Specific Ownership tax for Quality of Life					13,920		13,920	
Severance Tax					18,379		18,379	
Delinquent tax and interest					4,428	344	4,772	182
Intergovernmental								
Motor Vehicle License Fees					6,803		6,803	
Mineral Leasing					664,661		664,661	
Payment in Lieu of Taxes					151,971		151,971	
Forest Service					16,261		16,261	
Impact Assistance					3,977		3,977	
Earnings on investments					35,605		35,605	337
Reimbursements					37,248		37,248	
Asset sales					2,125	10,517	12,642	
Miscellaneous					41,024		41,024	2,324
Total General Revenues					<u>5,414,794</u>	<u>195,382</u>	<u>5,610,176</u>	<u>167,106</u>
Changes in Net Position					1,993,228	145,638	2,138,866	59,080
Net Position Beginning of the Year					17,135,038	685,297	17,820,335	179,399
Increase (decrease) in inventories					2,665		2,665	
Net Position End of the Year					<u>\$ 19,130,931</u>	<u>\$ 830,935</u>	<u>\$ 19,961,866</u>	<u>\$ 238,479</u>

The accompanying notes are an integral part of this statement.

DOLORES COUNTY, COLORADO

Balance Sheet
Governmental Funds

December 31, 2016

	General Fund	Road and Bridge Fund	Social Services Fund	Other Governmental Funds	Total Governmental Funds
Assets					
Cash-unrestricted	\$ 11,027,279	\$ 2,423,916	\$ 878,351	\$ 1,418,627	\$ 15,748,173
Property taxes receivable	2,455,273	583,998	270,099	175,199	3,484,569
Other receivables			68,356		68,356
Due from state			28,440		28,440
Due from other governments			642	4,993	5,635
Inventory		274,867			274,867
Investment in water tap	2,350				2,350
Total Assets	<u>\$ 13,484,902</u>	<u>\$ 3,282,781</u>	<u>\$ 1,245,888</u>	<u>\$ 1,598,819</u>	<u>\$ 19,612,390</u>
Liabilities					
Accounts payable	\$ 122,762	\$ 82,098		\$ 11,343	\$ 216,203
Payments in arrears			\$ 68,356		68,356
Total Liabilities	<u>122,762</u>	<u>82,098</u>	<u>68,356</u>	<u>11,343</u>	<u>284,559</u>
Deferred Inflows of Resources					
Unearned property tax revenue	<u>2,455,273</u>	<u>583,998</u>	<u>270,099</u>	<u>175,199</u>	<u>3,484,569</u>
Fund Balances					
Nonspendable					
Inventories		274,867			274,867
Restricted					
Cancer treatments				34,314	34,314
TABOR	150,000				150,000
Public health and welfare			907,433		907,433
Public works		2,341,818			2,341,818
Unrestricted					
Assigned for future year's expenditures	7,205,043			1,200,399	8,405,442
Unassigned	3,551,824			177,564	3,729,388
Total Fund Balances	<u>10,906,867</u>	<u>2,616,685</u>	<u>907,433</u>	<u>1,412,277</u>	<u>15,843,262</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 13,484,902</u>	<u>\$ 3,282,781</u>	<u>\$ 1,245,888</u>	<u>\$ 1,598,819</u>	<u>\$ 19,612,390</u>

Reconciliation of the Governmental Funds Balance Sheet with the Statement of Net Position

Total Fund Balance Governmental Funds \$ 15,843,262

Amounts reported for governmental activities in the Statement of Net Assets are different because

Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.

Capital assets	\$ 7,163,476	
Accumulated depreciation	<u>(3,690,788)</u>	3,472,688

Long term liabilities are not due and payable in the current period and therefore, they they are not reported in the governmental funds balance sheet.

Due within one year	(50,977)	
Due in more than one year	<u>(134,042)</u>	(185,019)

Total Net Position Governmental Activities \$ 19,130,931

DOLORES 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	Social Services Fund	Other Governmental Funds	Total Governmental Funds
Revenues					
Taxes	\$ 3,195,574	\$ 655,960	\$ 304,223	\$ 295,846	\$ 4,451,603
Intergovernmental revenues	906,198	1,767,975	597,774	309,789	3,581,736
Charges for services	146,817	40,289		97,491	284,597
Interest	38,077	729		317	39,123
Fee accounts	187,459				187,459
Other	45,982	57,897		21,652	125,531
Total Revenues	4,520,107	2,522,850	901,997	725,095	8,670,049
Expenditures					
General government	2,267,512			4,756	2,272,268
Public safety	965,235				965,235
Public works		3,017,682			3,017,682
Public health and welfare			645,551	695,493	1,341,044
Culture and recreation	150,109				150,109
Total Expenditures	3,382,856	3,017,682	645,551	700,249	7,746,338
Excess revenues over (under) expenditures	1,137,251	(494,832)	256,446	24,846	923,711
Other Financing Sources (Uses)					
Transfers in	7,329		3,000	161,500	171,829
Transfers out	(161,500)			(10,329)	(171,829)
Total Other Financing Sources (Uses)	(154,171)	-	3,000	151,171	-
Net Change in Fund Balances	983,080	(494,832)	259,446	176,017	923,711
Fund Balances beginning of the year	9,923,787	3,108,852	647,987	1,236,260	14,916,886
Net increase (decrease) in inventory		2,665			2,665
Fund Balances end of the year	\$ 10,906,867	\$ 2,616,685	\$ 907,433	\$ 1,412,277	\$ 15,843,262

The accompanying notes are an integral part of this statement.

DOLORES COUNTY, COLORADO

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of
Governmental Funds to the Statement of Activities

For the Year Ended December 31, 2016

Net Change in Fund Balances Governmental Funds	\$ 923,711
Amounts reported for governmental activities in the Statement of Activities are different because	
Governmental funds report capital outlay as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period.	
Capital asset purchases capitalized	\$ 1,330,202
Depreciation expense	<u>(297,285)</u>
	1,032,917
Repayment of debt principal is an expenditure in the governmental funds but the repayment reduces long term debt in the Statement of Net Position	
Principal payments of capital leases	48,597
Some increases in debt are not reported in the governmental funds but are reflected in the Statement of Activities	
Increase in accrued compensated absences	(11,997)
Change in Net Position of Governmental Activities	<u><u>\$ 1,993,228</u></u>

The accompanying notes are an integral part of this statement.

DOLORES COUNTY, COLORADO

Statement of Net Position
Proprietary Fund
Enterprise Fund

December 31, 2016

	<u>Business-type Activities</u> <u>Mandatory Pest Control District</u>	
Assets		
Current Assets		
Cash	\$	723,788
Property tax receivable		162,200
Inventory		39,221
Total Current Assets		<u>925,209</u>
Noncurrent Assets		
Capital assets	\$	226,523
Accumulated depreciation		(156,831)
Total Noncurrent Assets		<u>69,692</u>
Total Assets		<u>994,901</u>
Liabilities		
Current Liabilities		
Accounts payable		1,766
Total Current Liabilities		<u>1,766</u>
Deferred inflows of resources		
Deferred property tax revenue		<u>162,200</u>
Net Position		
Net investment in capital assets	69,692	
Unrestricted	761,243	
Total Net Position		<u>\$ 830,935</u>

The accompanying notes are an integral part of this statement.

DOLORES COUNTY, COLORADO

Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Fund
Enterprise Fund
For the Year Ended December 31, 2016

	<u>Business-type Activities</u> <u>Mandatory Pest Control District</u>	
Operating Revenues		
Weed control revenue	\$	48,837
Total Operating Revenues		<u>48,837</u>
Operating Expenses		
Weed control operations		
Chemicals	\$	17,085
Salaries and benefits		49,534
Supplies		388
Professional fees		1,060
Telephone		150
Travel		148
Office		264
Dues and meetings		2,157
Repairs and maintenance		2,458
Treasurer's fees		9,515
Miscellaneous		2,165
Depreciation		13,657
Total Operating Expenses		<u>(98,581)</u>
Operating income (loss)		<u>(49,744)</u>
Non-Operating Revenue		
Property tax	178,002	
Specific ownership tax	6,519	
Gain on sale of assets	10,517	
Interest	344	
Total Non-Operating Revenue		<u>195,382</u>
Change in net position		<u>145,638</u>
Net position beginning of the year		685,297
Net position end of the year	<u>\$</u>	<u><u>830,935</u></u>

The accompanying notes are an integral part of this statement.

DOLORES COUNTY, COLORADO

Statement of Cash Flows
Proprietary Fund
Enterprise Fund

For the Year Ended December 31, 2016

		<u>Business-type Activities</u> <u>Mandatory Pest Control District</u>
Cash Flows from Operating Activities		
Cash received from customers	\$	48,837
Cash payments to employees for services		(49,534)
Cash payments to suppliers for goods and services		(39,615)
		(40,312)
Net Cash Flows provided (used) by Operating Activities		
Cash Flows from Capital and Related Financing Activities		
Purchase of equipment	\$	(20,000)
Proceeds from sale of equipment		12,538
		(7,462)
Net Cash Flows provided (used) by Capital and Related Financing Activities		
Cash Flows from Noncapital Financing Activities		
Property tax		178,002
Specific ownership tax		6,519
Impact assistance		
Interest on taxes		344
		184,865
Net Cash Flows provided (used) by Noncapital Financing Activities		
Net increase (decrease) in cash and cash equivalents		137,091
Cash and cash equivalents beginning of the year		586,697
Cash and cash equivalents end of the year		\$ 723,788
Reconciliation of operating income (loss) to Net Cash provided (used) by Operating Activities		
Operating income (loss)	\$	(49,744)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities		
Depreciation	\$	13,657
(Increase) or decrease in Inventory		(3,290)
Increase or (decrease) in Accounts payable		(935)
Total adjustments		9,432
Net Cash Flows provided (used) by Operating Activities		\$ (40,312)

The accompanying notes are an integral part of this statement.

DOLORES COUNTY, COLORADO

Statement of Fiduciary Net Position

As of December 31, 2016

	<u>Agency Fund</u>
Assets	
Cash	\$ 54,037
Total Assets	<u>54,037</u>
Liabilities	
Due to agency recipient	54,037
Total Liabilities	<u>54,037</u>
Net Position	<u>\$ -</u>

The accompanying notes are an integral part of this statement.

DOLORES COUNTY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2016

Summary of Significant Accounting Policies - Dolores County, Colorado's (the County) financial statements are prepared in accordance with U.S. generally accepted accounting principals (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements of Interpretations).

The following significant accounting policies were applied to the preparation of the accompanying financial statements.

Reporting Entity – Dolores County, Colorado is a statutory (non-home-rule) county and serves as an administrative unit of the State of Colorado.

The County's financial reporting entity comprises the following:

Primary Government:	Dolores County, Colorado
Blended Component Unit:	Dove Creek Mandatory Pest Control District
Discretely Presented Component Unit:	Dolores County Library District

In determining the financial reporting entity, the County complies with the provisions of GASB Statement No. 14, "The Financial Reporting Entity," and includes all component units of which the County appointed a voting majority of the unit's board; the County is either able to impose its will on the unit or a financial benefit or burden relationship exists.

Blended Component Unit- The Dove Creek Mandatory Pest Control District serves a portion of Dolores County and is governed by a Board of Trustees appointed by the County Commissioners. The Commissioners approve all expenditures of the District. The District is included as an enterprise fund of the County.

Discretely Presented Component Unit- The Dolores County Library District operates the County Library. The commissioners appoint the governing board of the District and approve its' budget.

Fund Accounting – The accounts of the County are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resource, fund equity, revenues and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and in the means by which spending activities are controlled. The various funds are grouped into three categories: governmental, proprietary and fiduciary. Each category, in turn, is divided into separate "fund types".

DOLORES COUNTY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2016

Governmental Funds – are used to account for all or most of a government’s general activities, including the collection and disbursement of earmarked funds (special revenue funds). The following are the County’s major governmental funds.

General Fund – is the general operating fund of the County. It is used to account for all financial resources except those required to be accounted for in another fund. Major revenue sources include local property taxes, specific ownership taxes and state and federal grants.

Special Revenue Funds-

Road and Bridge Fund – accounts for the costs related to county road and bridge construction and maintenance. By state law, a portion of this fund’s property tax revenues are allocated to cities and towns for use in their road and street activities. This fund is required by state law.

Social Services Fund- accounts for federal and state public welfare programs administered by the County. This fund is also required by state law.

Non-major Funds- The other governmental funds of the County are Special Revenue Funds. These funds account for revenues derived from earmarked revenue sources. Special revenue funds consist of the Senior Services Fund, Conservation Trust Fund, Ormiston Fund, Contingency Fund and the Public Health Fund.

Proprietary Funds–

Enterprise Fund – focuses on the determination of the changes in net assets, financial position and cash flows and are classified as either enterprise or internal service. The County’s major enterprise fund is:

Dove Creek Mandatory Pest Control District- is used to account for the financial transactions related to the weed control operations of the County.

Fiduciary Funds – reporting focuses on net position and changes in net position. The fiduciary fund category is split into trust funds and agency funds. Trust funds are used to account for assets held by the County under a trust agreement for individuals, private organizations, or other governments and are therefore, not available to support the County’s own programs. The County does not have any trust funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results or operations. The County has one agency fund.

DOLORES COUNTY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2016

Basis of Presentation-

County-wide Financial Statements- The statement of net position and the statement of activities display information about the County as a whole. These statements include the financial activities of the primary government except for fiduciary funds. The statements distinguish between those activities of the County that are governmental and those that are considered business-type activities.

The county-wide statements are 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 but differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements therefore include reconciliation with a brief explanation to better identify the relationship between the county-wide financial statements and the statements for governmental funds.

The county-wide statement of activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the County and for each function or program of the County's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues, which are not classified as program revenues, are presented as general revenues of the County, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the County.

Fund Financial Statements- Fund financial statements report detailed information about the County. The focus of governmental and enterprise fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column. Fiduciary funds are reported by fund type.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources measurement focus. The financial statements for governmental funds are a balance sheet, which generally includes only current assets and current liabilities, and a statement of revenues, expenditures and changes in fund balances, which reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources.

DOLORES COUNTY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2016

All proprietary fund types are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets, deferred outflows of resources and all liabilities and deferred outflows of resources associated with the operations of these funds are included on the statement of net position. The statement of revenues, expenses and changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in net total position. The statement of cash flows provides information about how the County finances and meets the cash flow needs of its proprietary activities.

Fiduciary funds are reported using the economic resources measurement focus.

Basis of Accounting – determines when transactions are recorded in the financial records and reported on the financial statements. County-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Proprietary and fiduciary funds also use the accrual basis of accounting.

Revenues- Exchange and Non-exchange Transactions- Revenues resulting from exchange transactions, in which each party gives and receives essentially equal value are recorded on the accrual basis when the exchange takes place. On a modified accrual basis revenues are recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the County, available means expected to be received within sixty days of fiscal year-end.

Non-exchange transactions, in which the County receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenues from property taxes are recognized in the fiscal year for which the taxes are levied. Revenues from grants, entitlements and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when used is first permitted, matching requirements, in which the County must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the County on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year-end: property taxes collected within 60 days after year-end, interest, and certain grants.

Unearned Revenue- arises when potential revenue does not meet both the “measurable” and “available” criteria for recognition in the current period. In subsequent periods, when both revenue recognition criteria are met, or when the County has a legal claim to the resources, the liability for unearned revenue is removed and revenue is recognized.

DOLORES COUNTY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2016

Expenses/Expenditures- On the accrual basis of accounting, expenses are recognized at the time they are incurred. The fair value of donated commodities used during the year is reported in the statement of revenues, expenses and changes in fund net assets as an expense with a like amount reported as donated commodities revenue.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

Budgets and Budgetary Accounting – The County is required by Colorado Statutes to adopt annual budgets for all funds. Each budget is prepared on the same basis (U.S. GAAP basis) as that used for accounting purposes, except for the Enterprise Fund, which is prepared essentially on the modified accrual basis of accounting. This basis of accounting is at variance with U.S. GAAP.

The following procedures are followed in establishing the budgetary data reflected in the financial statements:

Prior to October 20, the Budget Officer submits to the County Commissioners a proposed operating budget for the fiscal year commencing the following January 1.

The operating budget includes proposed expenditures and the means of financing them.

Public hearings are conducted to obtain comments.

Prior to December 31, the budget is legally adopted through passage of adoption and appropriations resolutions.

Formal budgetary integration is employed as a management control device during the year.

Department directors are authorized to transfer budget amounts within the department. However, the County Commissioners must approve any revisions that alter the total expenditures of any department.

Appropriations are adopted by resolution for each fund in total and lapse at the end of each year. Over-expenditures are not deemed to exist unless the fund as a total has expenditures in excess of appropriations.

Cash and Cash Equivalents – for the purpose of the Statement of Cash Flows of the Enterprise Fund is considered to be all of the highly liquid investments with a maturity of six months or less.

DOLORES COUNTY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2016

Short-term Inter-fund Receivables/Payables- During the course of operations, certain transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as internal balances on the County-wide statement of net assets and, classified as due from other funds or due to other funds on the balance sheet.

Inventories – in the governmental funds consist of expendable supplies held for consumption, the cost of which is recorded as an expenditure at the time of purchase. Restrictions of fund balance have been established for the inventory balances.

Capital Assets – General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the county-wide statement of net assets but are not reported in the fund financial statements. Capital assets utilized by the proprietary funds are reported both in the business-type activities column of the county-wide statements of net assets and in the respective fund financial statements.

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated general fixed assets are valued at their estimated fair value on the date donated. The County maintains a capitalization threshold of five thousand dollars. As per GASB 34 the County has elected to report infrastructure assets on a prospective basis. Therefore, infrastructure acquired before January 1, 2004 is not included in the financial statements.

All reported capital assets are depreciated. Depreciation is computed using the straight-line method over the following useful lives:

Description	Governmental Activities <u>Estimated Lives</u>	Business-Type Activities <u>Estimated Lives</u>
Buildings and Improvements	20-50 Years	20 Years
Furniture and Equipment	5-15 Years	5-10 Years
Vehicles	8 Years	10 Years

Property Tax Revenue Recognition – The County bills and collects its own property taxes as well as property taxes of all other taxing authorities within the County. The property taxes are levied and certified in December of the year prior to the year the taxes are collected. Property taxes become an enforceable lien on January 1 of each year. Secured property taxes are due in two equal installments on February 28 and June 15, and are delinquent after February 28 and June 15 respectively. The entire balance can be paid by April 30 without penalty.

DOLORES COUNTY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2016

Property taxes levied are recorded as unearned revenues in the year levied, as they are not due until the following year. An allowance for un-collectible taxes is not provided as the un-collectible amounts were determined to be negligible based upon an analysis of historical trends.

Compensated absences- Compensated absences arise from policies concerning vacation and sick leave. In the event of termination, an employee is reimbursed for accumulated vacation days. The County requires employees to take vacations currently and only allows them to carry over one year's vacation into the next year. Employees are not reimbursed for accumulated sick leave. Payments for sick leave are charged as expenditures when paid. Accumulated vacation benefits are shown as long term debt obligations since these amounts are not expected to be paid from currently available resources.

Accrued Liabilities and General Long-Term Obligations- All payables, accrued liabilities and long-term obligations are reported in the county-wide financial statements, and all payables, accrued liabilities and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements.

In general, payables and accrued liabilities that will be paid from governmental funds are reported on the governmental fund financial statements regardless of whether they will be liquidated with current resources. However, claims and judgments, the non-current portion of capital leases, compensated absences, and special termination benefits that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they will be paid with current, expendable, available financial resources. In general, payment made within sixty days after year-end are considered to have been made with current available financial resources. Bonds and other long-term obligations that will be paid from governmental funds are not recognized as a liability in the fund financial statements.

Governmental Fund Balances- In the governmental fund financial statements, fund balances are classified as follows:

Non-spendable- Amounts that cannot be spent either because they are in a non-spendable form or because they are legally or contractually required to be maintained intact. This includes inventory maintained in the Road and Bridge Fund.

Restricted- Amounts that can be used only for specific purposes because of state or federal laws, or externally imposed conditions by grantors or creditors. This includes the County's TABOR reserve.

Committed- Amounts that can be used only for specific purposes determined by a formal action by the Board of County Commissioners.

DOLORES COUNTY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2016

Assigned- Amounts that are designated by the Board of County Commissioners for a particular purpose but are not spendable until appropriated. This includes assignments for subsequent year's expenditures.

Unassigned- All amounts not included in the other spendable classifications.

Use of Restricted Resources-When an expense is incurred that can be paid using either restricted or unrestricted resources (net position), the County's policy is to first apply the expense toward restricted resources and then toward unrestricted resources. In governmental funds, the County's policy is to first apply the expenditure toward restricted fund balance and then to other less restrictive classifications-committed and then assigned fund balances before using unassigned fund balance.

Fund Balance Restrictions- The County restricts those portions of fund equity which are legally segregated for a specific future use or which do not represent available expendable resources and therefore are not available for appropriation or expenditure. Unrestricted fund balance indicates that portion of fund equity, which is available for appropriation in future periods. Assigned fund balances have been established for future year's expenditures.

Net Position- Net position represents the difference between assets, deferred outflows of resources, and liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are liabilities imposed on their use either through the enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Operating Revenues and Expenses- Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the County, these revenues are charges related to weed control. Operating expenses are necessary costs incurred to provide the goods or services that are the primary activities of the fund. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Inter-fund Transactions- Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. All other inter-fund transactions, except quasi-external transactions and reimbursements, are reported as transfers.

Estimates – The preparation of financial statements in conformity with generally accepted accounting principles requires the use of management's estimates.

DOLORES COUNTY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2016

Cash and Investments – The County Treasurer maintains a cash pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the financial statements as "Cash".

Deposits- The Colorado Public Deposit Protection Act (PDPA) governs the County's cash deposits. The statutes specify eligible depositories for public cash deposits, which must be Colorado institutions and must maintain federal insurance on deposits held. Each eligible depository with deposits in excess of the insured levels must pledge a collateral pool of defined eligible assets, to be maintained by another institution or held in trust for all of its local government depositors as a group, with a market value of at least 102% of the uninsured deposits. The State Regulatory Commission for banks and savings and loan associations are required by statute to monitor the naming of eligible depositories and the reporting of uninsured deposits and assets maintained in the collateral pools.

Colorado statutes define eligible investments for local governments. These include bonds and other interest-bearing obligations of or guaranteed by the United States government or its agencies, bonds which are direct obligations of the State of Colorado or any of its political subdivisions, repurchase agreements, commercial paper, guaranteed investment contracts and local government investment pools.

At December 31, 2016 the County had investments in one local government investment pool, the Colorado Liquid Asset Trust (COLOTRUST). COLOTRUST is an investment vehicle established for local government entities in Colorado to pool surplus funds for investment purposes. COLOTRUST is routinely monitored by the Colorado Division of Securities with regard to its operations and investments, which are also subject to provisions of C.R.S. Title 24, Article 75, and Section 6. The fair value of the investments in COLOTRUST is the same as the value of the pool shares. None of these types of investments are categorized because they are not evidenced by securities that exist in physical or book form. COLOTRUST is rated AAA by Standard and Poors.

At December 31, 2016 the carrying amount of the County's cash and investments was \$16,525,998. The County's bank balances were \$12,890,507 and COLOTRUST balances were \$3,713,391. The County's bank balances at December 31, 2016 and during the year then ended were entirely covered by FDIC insurance or pledged collateral held by the County's agent banks in the name of governmental accounts of which the County is a part.

Retirement Plan – The County is a member of the Colorado County Officials and Employees Retirement Association. All members of the Association are participants in a defined contribution retirement plan which was adopted and is administered to provide income after retirement in addition to benefits provided by Federal Social Security. All County employees are required to participate after one year of continuous service. Contributions made by the employee are a minimum of four percent and a maximum of six percent of gross

DOLORES COUNTY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2016

salary, at the employees' discretion. Employees may make additional voluntary contributions not to exceed ten percent of compensation.

The County maintains no control over the plan, other than being a member of the Association. Employees are fully vested upon participation in the plan. The County has no unfunded liability under the plan. The total 2016 County payroll was \$2,562,232. The covered payroll for retirement plan purposes was \$1,996,941. The 2016 employer and employee contributions to the plan were \$91,177 and \$130,859 respectively. There were no County securities or other transactions included in the plan's assets.

Capital Assets – Capital asset activity for the fiscal year ended December 31, 2016 follows:

	Capital Assets Jan 1, 2016	Additions	Deletions/ Transfers	Capital Assets Dec 31, 2016
Governmental Activities				
Capital assets, not being depreciated:				
Land	\$ 183,982			\$ 183,982
Construction in progress		\$ 969,468		969,468
Total capital assets not being depreciated	183,982	969,468	-	1,153,450
Capital assets, being depreciated:				
Buildings	1,416,589	189,314		1,605,903
Equipment	4,232,703	171,420		4,404,123
Total capital assets being depreciated	5,649,292	360,734	-	6,010,026
Less accumulated depreciation for:				
Buildings	(463,277)	(36,440)		(499,717)
Equipment	(2,930,226)	(260,845)		(3,191,071)
Total accumulated depreciation	(3,393,503)	(297,285)	-	(3,690,788)
Total capital assets, being depreciated, net	2,255,789	63,449	-	2,319,238
Governmental Activities Capital Assets, net	\$ 2,439,771	\$ 1,032,917	\$ -	\$ 3,472,688
Business Type Activities				
Equipment and facilities	\$ 223,458	\$ 20,000	\$ (10,105)	\$ 233,353
Less accumulated depreciation	(158,088)	(13,657)	8,084	(163,661)
Business Type Activities Capital Assets net	\$ 65,370	\$ 6,343	\$ (2,021.00)	\$ 69,692

DOLORES COUNTY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2016

Depreciation expense is charged to the various governmental programs as follows:

General government	\$	29,398
Public safety		62,567
Public works		144,871
Public health and welfare		30,514
Culture and recreation		8,836
Unallocated		21,099
Total depreciation government activities	\$	<u>297,285</u>

Schedule of Social Services Costs Due To/From State of Colorado –

	<u>Due (To) From</u>
Colorado works	\$ 4,160
Child care	510
Child welfare	7,515
Administration	9,246
Core services	5,143
Child support	92
LEAP	94
County cost allocation	717
Adult protective services	711
Aid to needy and disabled	(200)
Old age pension	364
State incentives	88
Net Amount Due From State	<u>\$ 28,440</u>

All Electronic Benefit transfers paid by the State of Colorado for Dolores County are included in the financial statements.

DOLORES COUNTY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2016

Operating Leases – In 2012, the County leased two blades from John Deere with semi-annual payments of \$24,642.

In 2016, the County leased with semi-annual payments of \$56,548

The future minimum payments for these leases are as follows:

<u>Year</u>	<u>Payments</u>
2017	\$ 162,381
2018	56,548
	\$ 218,929

Long-Term Debt-

Capital Leases Payable-

In 2012, the County entered into a lease agreement for a John Deere Loader. The lease is payable in 14 semi-annual installments of \$17,640 beginning in 2013. The lease is serviced by the Road and Bridge Fund and the equipment serves as collateral.

In 2014, the County entered into a lease agreement for a John Deere Backhoe. The lease is payable in 60 monthly installments of \$1,308 beginning in 2014. The lease is serviced by the Road and Bridge Fund and the equipment serves as collateral.

Changes in General Long-Term Debt- A summary of changes in general long-term debt follows:

	Balance January 1, 2016	Additions	Deletions	Balance December 31, 2016
Accrued compensation	\$ 16,854	\$ 11,997		\$ 28,851
Lease obligations	204,765		\$ 48,597	156,168
Total	\$ 221,619	\$ -	\$ 48,597	\$ 185,019

DOLORES COUNTY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2016

Annual requirements to amortize the lease purchase are as follows:

<u>Year Ending December 31,</u>	<u>Lease Purchase</u>	<u>Lease Purchase</u>
2017	\$ 35,280	\$ 15,697
2018	35,280	15,697
2019	35,280	9,969
2020	17,640	
 Total	 <u>123,480</u>	 <u>41,363</u>
Less Interest	<u>(5,577)</u>	<u>(3,098)</u>
 Outstanding principal	 <u><u>\$ 117,903</u></u>	 <u><u>\$ 38,265</u></u>

Interfund Operating Transfers- consist of the following:

	<u>Transfer In</u>	<u>Transfer out</u>
General Fund	\$ 7,329	\$ 161,500
Special Revenue Funds		
Conservaton Trust Fund		7,329
Public Health Fund	161,500	
Ormiston Fund		3,000
Social Services Fund	3,000	
	 <u><u>\$ 171,829</u></u>	 <u><u>\$ 171,829</u></u>

Fund Balance Restrictions and Assignments – Nonspendable indicates amounts that cannot be spent, either because they are in nonspendable form or because they are legally or contractually required to be maintained intact. Restricted indicates that a portion of the fund balance can only be spent for specific purposes because of state or federal laws, or externally imposed conditions by grantors or creditors. Assigned indicates amounts that are designated for a specific purpose by the Board of County Commissioners but are not spendable until appropriated. The County uses the following restrictions and assignments:

Nonspendable

DOLORES COUNTY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2016

Inventory- indicates that the portion of fund balance represented by inventories is not available for appropriation and expenditure at the balance sheet date. Nonspendable fund balance related to inventory consists of \$274,867 in the Road and Bridge Fund.

Restricted

TABOR- indicates that a portion of the fund balance has been segregated for expenditures for declared emergencies only. Fund balance restricted for TABOR consists of \$150,000 in the General Fund.

Cancer treatments- indicates that the fund balance within the Ormiston Fund is restricted for the payment of cancer treatment costs of qualified county residents.

Public Health and Welfare-indicates that the fund balance within the Social Services Fund is restricted for the purpose of public health and welfare.

Public Works-indicates that the fund balance within the Road and Bridge Fund is restricted for construction and maintenance of County roads and bridges.

Assigned for future year's expenditures- indicates anticipated fund balance available for appropriation in the next budget year. Fund balance assigned for future year's expenditures consists of the following:

General Fund	\$ 7,205,043
Special Revenue Funds	
Senior Services Fund	233,365
Public Health Fund	8,633
Contingency Fund	905,435
Conservation Trust Fund	52,966
Total	<u><u>\$ 8,405,442</u></u>

Public Trustee – The County Treasurer holds the office of the County Public Trustee. Public Trustees are named as trustees for Deeds of Trust and perform all the functions and exercise all the powers conferred upon them by the Deeds of Trust. These functions include releasing Deeds of Trust when indebtedness is paid in full, making sales whenever default occurs, issuing Certificates of Purchase and Certificates of Redemption of Trustee's Deeds. Fees for such services are used to cover related expenses and pay the Trustee an annual salary.

DOLORES COUNTY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2016

The accounts of the County Public Trustee consist of the following as of and for the year ended December 31, 2016

Cash at January 1, 2016	\$ -
Revenues	
Interest and fees	17,121
Expenditures	(17,076)
Cash at December 31, 2016	<u><u>\$ 45</u></u>

Commitments and Contingent Liabilities – There appear to be no commitments or contingencies that would pose a threat of significant liability to the County.

Tax Spending, Revenue and Debt Limitations- Colorado voters passed an amendment to the State Constitution, Article X, Section 20 (TABOR), which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local governments.

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of fiscal year spending. Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

TABOR requires that revenue received in excess of the “revenue limit” be refunded unless the voters approve the retention of such revenue.

On November 7, 2000 the people of the County voted to authorize the spending of all monies in existing funds and to collect, retain, and expend the full revenues, including state grants and taxes, generated during 2001 and for each subsequent year, regardless of any limitation contained in Article X, Section 20, of the Colorado Constitution. The amendment is complex and subject to judicial interpretation. The County believes it is in compliance with all other requirements of the amendment. However, the County has made certain interpretations of the amendment’s language in order to determine compliance.

Risk Management – County Workers Compensation Pool – The County is exposed to various risks of loss related to injuries of employees while on the job. The County joined 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 County pays an annual contribution to CWCP for its workers’ compensation insurance coverage. The intergovernmental formation agreement of CWCP provides that the pool will be financially self-sustaining through member contributions and additional assessments, if necessary, and the

DOLORES COUNTY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2016

pool will purchase excess insurance through commercial companies for members' claims in excess of a 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 property and casualty losses. The County joined the Colorado Counties Casualty and Property Pool (CAPP), a public entity risk pool currently operating as a common risk management and insurance program for member counties. The County pays an annual contribution to CAPP for its property and casualty insurance coverage. The intergovernmental formation agreement of CAPP provides that the pool will be financially self-sustaining through member contributions and additional assessments, if necessary, and the pool will purchase excess insurance through commercial companies for members' claims in excess of a specified self-insured retention, which is determined each policy year.

Colorado Immunity Act – Under Colorado statutes, the County has immunity from liability in excess of \$150,000 per individual and \$600,000 per occurrence.

Highway Report – The supplemental Highway Finance Report on the form provided by the Colorado Department of Highways is included in the audited financial statements. The following is a reconciliation between the highway report and the audited financial statements:

	Highway Report		Difference	Financial Statements
Receipts	\$2,522,850			\$2,522,850
Expenditures	\$3,015,017	(A)	\$ 2,665	\$3,017,682

Difference in current year:

(A) Expenditures

Increase in inventory

\$ 2,665

Compliance with Laws and Regulations-The County may be in violation of State Statute. Expenditures exceeded appropriations in the Public Health Fund.

DOLORES COUNTY, COLORADO
Required Supplementary Information

December 31, 2016

Required supplementary information includes financial information and disclosures that are required by the GASB but are not considered a part of the basic financial statements.

Such information includes:

Budgetary Comparison Schedules
 General Fund
 Road and Bridge Fund
 Social Services Fund

DOLORES COUNTY, COLORADO

Schedule of Revenues, Expenditures and Changes in
Fund Balances- Budget and Actual
General Fund

For the Year Ended December 31, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes				
General property taxes	\$ 2,665,884	\$ 2,665,884	\$ 2,684,127	\$ 18,243
Property taxes-Quality of Life	380,455	380,455	380,748	293
Specific ownership taxes	85,000	85,000	98,400	13,400
Specific ownership taxes-Quality of Life	12,000	12,000	13,920	1,920
Severance taxes	65,000	65,000	18,379	(46,621)
Total taxes	<u>3,208,339</u>	<u>3,208,339</u>	<u>3,195,574</u>	<u>(12,765)</u>
Intergovernmental revenues				
Payment in lieu of taxes	100,000	100,000	151,971	51,971
Mineral leasing	-	-	664,661	664,661
Forest service	30,000	30,000	16,261	(13,739)
Impact assistance	2,500	2,500	3,017	517
Grants				
Senior center	2,754,000	2,754,000		(2,754,000)
Other grants	100,000	100,000	70,288	(29,712)
Total intergovernmental revenues	<u>2,986,500</u>	<u>2,986,500</u>	<u>906,198</u>	<u>(2,080,302)</u>
Charges for services				
General government	30,700	30,700	26,797	(3,903)
Public safety	87,100	87,100	70,820	(16,280)
Culture and recreation	85,850	85,850	49,200	(36,650)
Total charges for services	<u>203,650</u>	<u>203,650</u>	<u>146,817</u>	<u>(56,833)</u>

(continued)

DOLORES COUNTY, COLORADO

Schedule of Revenues, Expenditures and Changes in
Fund Balances- Budget and Actual
General Fund

For the Year Ended December 31, 2016

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
Interest	\$ 20,600	\$ 20,600	\$ 38,077	\$ 17,477
Miscellaneous revenues				
Reimbursements	14,500	14,500	18,206	3,706
Other	16,200	16,200	27,776	11,576
Total miscellaneous revenues	30,700	30,700	45,982	15,282
Fee accounts				
Sheriff fees	2,500	2,500	1,914	(586)
Clerk fees	75,000	75,000	46,631	(28,369)
Treasurers fees	100,000	100,000	138,914	38,914
Total fee accounts	177,500	177,500	187,459	9,959
Total revenues	6,627,289	6,627,289	4,520,107	(2,107,182)
Expenditures				
General government				
Board of county commissioners	461,331	461,331	418,017	43,314
Other administration	403,056	403,056	315,082	87,974
Clerk	212,125	212,125	179,077	33,048
Treasurer	178,606	178,606	155,973	22,633
Assessor	242,035	242,035	237,997	4,038
Attorney	89,672	89,672	77,082	12,590
Grounds and buildings	260,687	260,687	203,269	57,418
Transfer station	40,636	40,636	28,062	12,574
Elections	41,000	41,000	32,519	8,481
Veteran's office	30,093	30,093	48,982	(18,889)
Senior center construction	2,754,000	2,754,000	195,133	2,558,867
Payments-Quality of Life	380,455	380,455	376,319	4,136
Total general government	5,093,696	5,093,696	2,267,512	2,826,184

(continued)

DOLORES COUNTY, COLORADO

Schedule of Revenues, Expenditures and Changes in
Fund Balances- Budget and Actual
General Fund

For the Year Ended December 31, 2016

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
Expenditures (continued)				
Public safety				
Sheriff administration	\$ 720,713	\$ 720,713	\$ 622,014	\$ 98,699
Coroner	44,890	44,890	56,622	(11,732)
Prisoner maintenance	35,000	35,000	66,318	(31,318)
District attorney	67,700	67,700	58,609	9,091
Emergency medical services	10,000	10,000		10,000
Emergency management	159,093	159,093	120,212	38,881
GIS addressing	76,972	76,972	41,460	35,512
Total public safety	<u>1,114,368</u>	<u>1,114,368</u>	<u>965,235</u>	<u>149,133</u>
Culture and recreation				
Extension office	162,394	162,394	73,026	89,368
DCTV	69,925	69,925	46,500	23,425
Fairgrounds	34,400	34,400	30,583	3,817
Total culture and recreation	<u>266,719</u>	<u>266,719</u>	<u>150,109</u>	<u>116,610</u>
Total expenditures	<u>6,474,783</u>	<u>6,474,783</u>	<u>3,382,856</u>	<u>3,091,927</u>
Excess (deficit) of revenues over (under) expenditures	<u>152,506</u>	<u>152,506</u>	<u>1,137,251</u>	<u>984,745</u>
Other financing sources (uses)				
Operating transfers in	18,500	18,500	7,329	(11,171)
Operating transfers out	(135,750)	(135,750)	(161,500)	(25,750)
Total other financing sources (uses)	<u>(117,250)</u>	<u>(117,250)</u>	<u>(154,171)</u>	<u>(36,921)</u>
Excess (deficit) of revenues and other financing sources over (under) expenditures and other financing uses	<u>35,256</u>	<u>35,256</u>	<u>983,080</u>	<u>947,824</u>
Fund balance, beginning	7,856,393	7,856,393	9,923,787	2,067,394
Fund balance, ending	<u>\$ 7,891,649</u>	<u>\$ 7,891,649</u>	<u>\$ 10,906,867</u>	<u>\$ 3,015,218</u>

DOLORES COUNTY, COLORADO

Schedule of Revenues, Expenditures and Changes in
Fund Balance- Budget and Actual
Road and Bridge Fund

For the Year Ended December 31, 2016

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
Revenues				
Taxes				
General property taxes	\$ 634,092	\$ 634,092	\$ 633,851	\$ (241)
Specific ownership taxes	20,000	20,000	22,109	2,109
Total taxes	<u>654,092</u>	<u>654,092</u>	<u>655,960</u>	<u>1,868</u>
Intergovernmental revenues				
Federal shared revenues				
Forest Service	181,471	181,471	98,610	(82,861)
State shared revenues				
Highway user's tax	1,572,730	1,572,730	1,662,562	89,832
Additional motor vehicle registration fee	22,000	22,000	6,803	(15,197)
Grants	2,075,000	2,075,000		(2,075,000)
Total intergovernmental revenues	<u>3,851,201</u>	<u>3,851,201</u>	<u>1,767,975</u>	<u>(2,083,226)</u>
Miscellaneous revenues				
Permits	15,000	15,000	1,454	(13,546)
Interest	700	700	729	29
Reimbursements	72,000	72,000	52,948	(19,052)
Charges for services	30,000	30,000	38,835	8,835
Proceeds from sale of assets	35,000	35,000	2,125	(32,875)
Other	125,750	125,750	2,824	(122,926)
Total miscellaneous revenues	<u>278,450</u>	<u>278,450</u>	<u>98,915</u>	<u>(179,535)</u>
Total revenues	<u>4,783,743</u>	<u>4,783,743</u>	<u>2,522,850</u>	<u>(2,260,893)</u>
Expenditures				
Current operating				
Public Works				
Administration	207,000	207,000	181,670	25,330
Maintenance and construction	2,223,203	2,223,203	1,722,371	500,832
Payments to cities	40,000	40,000	18,254	21,746
Capital outlay	4,411,000	4,411,000	816,577	3,594,423
Payments on operating leases	247,000	247,000	227,833	19,167
Debt Service				
Principal	50,000	50,000	48,597	1,403
Interest	3,000	3,000	2,380	620
Total public works	<u>7,181,203</u>	<u>7,181,203</u>	<u>3,017,682</u>	<u>4,163,521</u>
Total expenditures	<u>7,181,203</u>	<u>7,181,203</u>	<u>3,017,682</u>	<u>4,163,521</u>
Excess (deficit) of other financing sources over (under) expenditures	(2,397,460)	(2,397,460)	(494,832)	1,902,628
Other financing sources (uses)				
Operating transfers in	2,411,000	2,411,000		(2,411,000)
Excess (deficit) of revenues and other financing sources over (under) expenditures and other financing uses	<u>13,540</u>	<u>13,540</u>	<u>(494,832)</u>	<u>(508,372)</u>
Fund balance, beginning	2,784,287	2,784,287	3,108,852	324,565
Increase in inventory	80,000	80,000	2,665	(77,335)
Fund balance, ending	<u>\$ 2,877,827</u>	<u>\$ 2,877,827</u>	<u>\$ 2,616,685</u>	<u>\$ (261,142)</u>

DOLORES COUNTY, COLORADO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL
 SOCIAL SERVICES FUND
For the Year Ended December 31, 2016

	Budget		Actual	Variance
	Original	Final		Favorable (Unfavorable)
Revenues				
Taxes				
General property taxes	\$ 293,053	\$ 293,053	\$ 293,493	\$ 440
Specific ownership taxes	10,944	10,944	10,730	(214)
Total taxes	<u>303,997</u>	<u>303,997</u>	<u>304,223</u>	<u>226</u>
Intergovernmental revenues				
Programs Settled by CFMS				
Colorado Works	52,797	52,797	42,471	(10,326)
Child Care	13,256	13,256	7,646	(5,610)
Child Welfare	233,515	233,515	104,277	(129,238)
County Administration	84,263	84,263	97,741	13,478
Core Services	24,046	24,046	26,761	2,715
Child Support Enforcement	4,680	4,680	1,265	(3,415)
LEAP	77,704	77,704	39,608	(38,096)
Adult Protective Services	6,755	6,755	6,439	(316)
Aid to Needy Disabled	3,679	3,679	2,010	(1,669)
Home Care Allowance	2,936	2,936	-	(2,936)
Old Age Pension	31,022	31,022	30,134	(888)
Food Assistance	220,772	220,772	189,188	(31,584)
Child Welfare Discretionary Grants			24,296	24,296
Other	400	400	5,187	4,787
Total programs settled by CFMS	<u>755,825</u>	<u>755,825</u>	<u>577,023</u>	<u>(178,802)</u>
Other				
Medicaid Transport	6,000	6,000	4,582	(1,418)
Other	6,084	6,084	16,169	10,085
Total Other	<u>12,084</u>	<u>12,084</u>	<u>20,751</u>	<u>8,667</u>
Total intergovernmental revenues	<u>767,909</u>	<u>767,909</u>	<u>597,774</u>	<u>(170,135)</u>
Total revenues	<u>1,071,906</u>	<u>1,071,906</u>	<u>901,997</u>	<u>(169,909)</u>
Expenditures				
Public health and welfare				
Programs Settled by CFMS				
Colorado Works	66,179	66,179	49,663	16,516
Child Care	17,662	17,662	10,623	7,039
Child Welfare	245,811	245,811	125,520	120,291
County Administration	196,931	196,931	117,922	79,009
Core Services	29,098	29,098	26,794	2,304
Child Support Enforcement	7,091	7,091	1,246	5,845
LEAP	78,431	78,431	39,608	38,823
Adult Protective Services	8,443	8,443	8,048	395
Aid to Needy Disabled	4,599	4,599	2,512	2,087
Home Care Allowance	3,090	3,090		3,090
Old Age Pension	31,022	31,022	30,134	888
Food Assistance	220,772	220,772	189,188	31,584
Child Welfare Discretionary Grants	500	500	26,480	(25,980)
Total programs settled by CFMS	<u>909,629</u>	<u>909,629</u>	<u>627,738</u>	<u>281,891</u>
Other				
Medicaid Transport	6,000	6,000	4,582	1,418
Other	11,525	11,525	13,231	(1,706)
Total other	<u>17,525</u>	<u>17,525</u>	<u>17,813</u>	<u>(288)</u>
Total expenditures	<u>927,154</u>	<u>927,154</u>	<u>645,551</u>	<u>281,603</u>
Excess (deficit) of revenues over (under) expenditures	<u>144,752</u>	<u>144,752</u>	<u>256,446</u>	<u>111,694</u>
Other financing sources (uses)				
Transfers in	6,000	6,000	3,000	(3,000)
Total other financing sources (uses)	<u>6,000</u>	<u>6,000</u>	<u>3,000</u>	<u>(3,000)</u>
Excess (deficit) of revenues and other financing sources over (under) expenditures and other financing uses	<u>150,752</u>	<u>150,752</u>	<u>259,446</u>	<u>108,694</u>
Fund balance, beginning	<u>722,744</u>	<u>722,744</u>	<u>647,987</u>	<u>(74,757)</u>
Fund balance, ending	<u>\$ 873,496</u>	<u>\$ 873,496</u>	<u>\$ 907,433</u>	<u>\$ 33,937</u>

DOLORES COUNTY, COLORADO

Other Supplementary Information

December 31, 2016

Other supplementary information includes financial statements and schedules not required by the GASB, or a part of the basic financial statements, but are presented for purposes of additional analysis.

These statements and schedules include:

Combining Statements- Non-major governmental funds
Budgetary Comparison Schedule-Senior Services Fund
Budgetary Comparison Schedule- Conservation Trust Fund
Budgetary Comparison Schedule-Ormiston Fund
Budgetary Comparison Schedule-Contigency Fund
Budgetary Comparison Schedule-Public Health Fund
Budgetary Comparison Schedule- Enterprise fund

DOLORS COUNTY, COLORADO

Non-major Governmental Funds

December 31, 2016

Special Revenue Funds

Special revenue funds are used to account for taxes and other designated revenues of the County which are used for a specified purpose as required by law or administrative action.

Senior Services Fund

This fund accounts for the activities related to the Cahone Senior Center. It was formed in 2006. Previously, these activities had been accounted for in the General Fund.

Conservation Trust Fund

This fund accounts for the County's share of lottery proceeds from the state to pay for local conservation efforts.

Clara Ormiston Fund

This fund accounts for money received from the Clara Ormiston Trust to help residents of the county with health care costs for the treatment of cancer.

Contingent Fund

This fund is required by state law. This fund accounts for expenditures not reasonably foreseen at the time the budget is adopted.

Public Health Fund

This fund was formed in 2009 and accounts for the public health department activities of the County.

DOLORES COUNTY
Combining Balance Sheet
Non Major Governmental Funds

December 31, 2016

Special Revenue Funds

	Senior Services Fund	Conservation Trust Fund	Clara Ormiston Fund	Contingency Fund	Public Health Fund	Total
Assets						
Cash	\$ 293,951	\$ 56,742	\$ 34,314	\$ 999,446	\$ 34,174	\$ 1,418,627
Property tax receivable	175,199					175,199
Due from other governments					4,993	4,993
Total Assets	\$ 469,150	\$ 56,742	\$ 34,314	\$ 999,446	\$ 39,167	\$ 1,598,819
Liabilities						
Accounts payable	\$ 10,194				\$ 1,149	\$ 11,343
Total Liabilities	10,194	-	-	-	1,149	11,343
Deferred Inflows of Resources						
Deferred property tax revenue	175,199					175,199
Fund Balances						
Restricted						
Cancer treatments			\$ 34,314			34,314
Unrestricted						
Assigned for future year's expenditures	233,365	\$ 52,966		\$ 905,435	8,633	1,200,399
Unassigned	50,392	3,776		94,011	29,385	177,564
Total Fund Balances	283,757	56,742	34,314	999,446	38,018	1,412,277
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 469,150	\$ 56,742	\$ 34,314	\$ 999,446	\$ 39,167	\$ 1,598,819

DOLORES COUNTY
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Non Major Governmental Funds

For the Year Ended December 31, 2016

	Special Revenue Funds					Total
	Senior Services Fund	Conservation Trust Fund	Clara Ormiston Fund	Contingency Fund	Public Health Fund	
Revenues						
Taxes	\$ 197,178			\$ 98,668		\$ 295,846
Intergovernmental	217,371	\$ 11,105		99	\$ 81,214	309,789
Charges for services						
Public health	76,181				21,310	97,491
Earnings on investments	156		\$ 161			317
Miscellaneous	1,284				20,368	21,652
Total Revenues	<u>492,170</u>	<u>11,105</u>	<u>161</u>	<u>98,767</u>	<u>122,892</u>	<u>725,095</u>
Expenditures						
General government				4,756		4,756
Health and welfare	441,779				253,714	695,493
Total expenditures	<u>441,779</u>	<u>-</u>	<u>-</u>	<u>4,756</u>	<u>253,714</u>	<u>700,249</u>
Excess revenues over (under) expenditures	50,391	11,105	161	94,011	(130,822)	24,846
Other financing sources (uses)						
Operating transfers in					161,500	161,500
Operating transfers out		(7,329)	(3,000)			(10,329)
Total other financing sources (uses)	<u>-</u>	<u>(7,329)</u>	<u>(3,000)</u>	<u>-</u>	<u>161,500</u>	<u>151,171</u>
Excess (deficit) of revenues and other financing sources over (under) expenditures and other financing uses	<u>50,391</u>	<u>3,776</u>	<u>(2,839)</u>	<u>94,011</u>	<u>30,678</u>	<u>176,017</u>
Fund Balances beginning of the year	233,366	52,966	37,153	905,435	7,340	1,236,260
Fund Balances end of the year	<u>\$ 283,757</u>	<u>\$ 56,742</u>	<u>\$ 34,314</u>	<u>\$ 999,446</u>	<u>\$ 38,018</u>	<u>\$ 1,412,277</u>

DOLORES COUNTY, COLORADO

Schedule of Revenues, Expenditures and Changes in
Fund Balances- Budget and Actual
Senior Services Fund

For the Year Ended December 31, 2016

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
Revenues				
Taxes				
General property taxes	\$ 190,228	\$ 190,228	\$ 190,155	\$ (73)
Specific ownership taxes	7,200	7,200	7,023	(177)
Total taxes	197,428	197,428	197,178	(250)
Intergovernmental revenues				
Impact assistance			199	199
Grants				
OAA grant	117,425	117,425	111,675	(5,750)
CDOT grant	125,000	125,000	79,825	(45,175)
Other grants and donations	47,579	47,579	25,672	(21,907)
Total intergovernmental revenues	290,004	290,004	217,371	(72,633)
Charges for services				
Public health	69,420	69,420	76,181	6,761
Total charges for services	69,420	69,420	76,181	6,761
Interest	398	398	156	(242)
Miscellaneous revenues				
Reimbursements	2,000	2,000	1,284	(716)
Other	100	100		(100)
Total miscellaneous revenues	2,100	2,100	1,284	(816)
Total revenues	559,350	559,350	492,170	(67,180)
Expenditures				
Health and welfare	559,350	559,350	441,779	117,571
Total expenditures	559,350	559,350	441,779	117,571
Excess (deficit) of revenues over (under) expenditures	-	-	50,391	50,391
Fund balance, beginning	158,302	158,302	233,366	75,064
Fund balance, ending	\$ 158,302	\$ 158,302	\$ 283,757	\$ 125,455

DOLORES COUNTY
Schedule of Revenues, Expenditures, and Changes in
Fund Balances-Budget and Actual
Conservation Trust Fund

For the Year Ended December 31, 2016

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
Revenues				
Intergovernmental				
Lottery funds	\$ 9,000	\$ 9,000	\$ 11,105	\$ 2,105
Earnings on investments	100	100		(100)
Total Revenues	<u>9,100</u>	<u>9,100</u>	<u>11,105</u>	<u>2,005</u>
Other financing sources (uses)				
Operating transfers out	(7,500)	(7,500)	(7,329)	171
Total other financing sources (uses)	<u>(7,500)</u>	<u>(7,500)</u>	<u>(7,329)</u>	<u>171</u>
Excess (deficit) of revenues and other financing sources over (under) expenditures and other financing uses	<u>1,600</u>	<u>1,600</u>	<u>3,776</u>	<u>2,176</u>
Fund Balances beginning of the year	37,829	37,829	52,966	15,137
Fund Balances end of the year	<u>\$ 39,429</u>	<u>\$ 39,429</u>	<u>\$ 56,742</u>	<u>\$ 17,313</u>

DOLORES COUNTY
Schedule of Revenues, Expenditures, and Changes in
Fund Balances-Budget and Actual
Clara Ormiston Fund

For the Year Ended December 31, 2016

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
Revenues				
Earnings on investments	\$ 1,500	\$ 1,500	\$ 161	\$ (1,339)
Total Revenues	<u>1,500</u>	<u>1,500</u>	<u>161</u>	<u>(1,339)</u>
Other financing sources (uses)				
Operating transfers out	(4,000)	(4,000)	(3,000)	1,000
Total other financing sources (uses)	<u>(4,000)</u>	<u>(4,000)</u>	<u>(3,000)</u>	<u>1,000</u>
Excess (deficit) of revenues and other financing sources over (under) expenditures and other financing uses	<u>(2,500)</u>	<u>(2,500)</u>	<u>(2,839)</u>	<u>(339)</u>
Fund Balances beginning of the year	41,254	41,254	37,153	(4,101)
Fund Balances end of the year	<u>\$ 38,754</u>	<u>\$ 38,754</u>	<u>\$ 34,314</u>	<u>\$ (4,440)</u>

DOLORES COUNTY
Schedule of Revenues, Expenditures, and Changes
in Fund Balances-Budget and Actual
Contingency Fund

For the Year Ended December 31, 2016

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
Revenues				
Taxes				
General property taxes	\$ 95,113	\$ 95,113	\$ 95,078	\$ (35)
Specific ownership taxes	200	200	3,480	3,280
Delinquent tax and interest	100	100	110	10
Total taxes	<u>95,413</u>	<u>95,413</u>	<u>98,668</u>	<u>3,255</u>
Intergovernmental revenues				
Impact assistance			99	99
Total intergovernmental revenues	<u>-</u>	<u>-</u>	<u>99</u>	<u>99</u>
Total Revenues	<u>95,413</u>	<u>95,413</u>	<u>98,767</u>	<u>3,354</u>
Expenditures				
General government	5,000	5,000	4,756	244
Total expenditures	<u>5,000</u>	<u>5,000</u>	<u>4,756</u>	<u>244</u>
Excess revenues over (under) expenditures	<u>90,413</u>	<u>90,413</u>	<u>94,011</u>	<u>3,598</u>
Fund Balances beginning of the year	833,494	833,494	905,435	71,941
Fund Balances end of the year	<u>\$ 923,907</u>	<u>\$ 923,907</u>	<u>\$ 999,446</u>	<u>\$ 75,539</u>

DOLORES COUNTY
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Public Health Fund

For the Year Ended December 31, 2016

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
Revenues				
Intergovernmental Grants				
WIC	\$ 53,559	\$ 53,559	\$ 31,539	\$ (22,020)
EPR grants	27,000	27,000	18,540	(8,460)
Nursing grants	19,000	19,000	21,584	2,584
Immunization grants	4,000	4,000	9,551	5,551
Total intergovernmental revenues	103,559	103,559	81,214	(22,345)
Charges for services				
Public health	15,175	15,175	21,310	6,135
Total charges for services	15,175	15,175	21,310	6,135
Miscellaneous			20,368	20,368
Total revenues	118,734	118,734	122,892	4,158
Expenditures				
Health and welfare	253,191	253,191	253,714	(523)
Total expenditures	253,191	253,191	253,714	(523)
Excess (deficit) of revenues over (under) expenditures	(134,457)	(134,457)	(130,822)	3,635
Other financing sources (uses)				
Operating transfers in	135,750	135,750	161,500	25,750
Total other financing sources (uses)	135,750	135,750	161,500	25,750
Excess (deficit) of revenues and other financing sources over (under) expenditures and other financing uses	1,293	1,293	30,678	29,385
Fund Balances beginning of the year			7,340	7,340
Fund Balances end of the year	\$ 1,293	\$ 1,293	\$ 38,018	\$ 36,725

DOLORES COUNTY, COLORADO

Statement of Revenues, Expenditures, and Changes in Net Position - Budget and Actual

Proprietary Fund

Dove Creek Mandatory Pest Control District

For the Year Ended December 31, 2016

	Budgeted Amounts		(Non GAAP Basis)	Variance
	Original	Final	Actual Amounts	Favorable (Unfavorable)
Operating Revenues				
Weed control revenue	\$ 55,500	\$ 55,500	\$ 48,837	\$ (6,663)
Total local sources	55,500	55,500	48,837	(6,663)
Operating Expenses				
Chemicals	30,000	30,000	17,085	12,915
Salaries and benefits	75,792	75,792	49,534	26,258
Supplies	400	400	388	12
Professional fees	3,000	3,000	1,060	1,940
Telephone	300	300	150	150
Travel	3,000	3,000	148	2,852
Office	200	200	264	(64)
Dues and meetings	2,500	2,500	2,157	343
Repairs	8,000	8,000	2,458	5,542
Treasurer's fees	4,500	4,500	9,515	(5,015)
Grant expenses	8,000	8,000		8,000
Miscellaneous	4,350	4,350	2,165	2,185
Capital outlay	98,000	98,000	20,000	78,000
Total Operating Expenses	238,042	238,042	104,924	133,118
Operating income (loss)	(182,542)	(182,542)	(56,087)	126,455
Non-Operating Revenue				
Property tax	178,003	178,003	178,002	(1)
Specific ownership tax	5,000	5,000	6,519	1,519
Gain on asset sales			10,517	10,517
Interest	1,000	1,000	344	(656)
Total Non-Operating Revenue	184,003	184,003	195,382	11,379
Change in net assets non GAAP basis	1,461	1,461	139,295	137,834
Add capital outlay			20,000	20,000
Less depreciation expense			(13,657)	(13,657)
Change in net position	1,461	1,461	145,638	144,177
Net position beginning of the year	663,758	663,758	685,297	21,539
Net position end of the year	\$ 665,219	\$ 665,219	\$ 830,935	\$ 165,716

INFORMATION REQUIRED BY OVERSIGHT AUTHORITIES

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

LOCAL HIGHWAY FINANCE REPORT	City or County: County
	YEAR ENDING : December 2016

This Information From The Records Of (example - City of _ or County of _) Dolores County, Colorado	Prepared By: Majors and Haley P.C. Phone: 970-565-9521
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I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway disbursements:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	50,910
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	2,458,165
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	20,712
2. General fund appropriations		b. Snow and ice removal	326,937
3. Other local imposts (from page 2)	655,960	c. Other	
4. Miscellaneous local receipts (from page 2)	98,915	d. Total (a. through c.)	347,649
5. Transfers from toll facilities		4. General administration & miscellaneous	158,293
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	
a. Bonds - Original Issues		6. Total (1 through 5)	3,015,017
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	
7. Total (1 through 6)	754,875	b. Redemption	
B. Private Contributions		c. Total (a. + b.)	0
C. Receipts from State government (from page 2)	1,669,365	2. Notes:	
D. Receipts from Federal Government (from page 2)	98,610	a. Interest	
E. Total receipts (A.7 + B + C + D)	2,522,850	b. Redemption	
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	0
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total disbursements (A.6 + B.3 + C + D)	3,015,017

IV. LOCAL HIGHWAY DEBT STATUS
(Show all entries at par)

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

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	3,108,852	2,522,850	3,015,017	2,616,685	0

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT

STATE:
Colorado
YEAR ENDING (mm/yy):
December 2016

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments	633,851	a. Interest on investments	634
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	2,125
4. Licenses		f. Charges for Services	40,289
5. Specific Ownership &/or Other	22,109	g. Other Misc. Receipts	
6. Total (1. through 5.)	22,109	h. Other	55,867
c. Total (a. + b.)	655,960	i. Total (a. through h.)	98,915
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	1,662,562	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	98,610
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	6,803	d. Federal Transit Admin	
d. Other (Specify) - DOLA Grant		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	
f. Total (a. through e.)	6,803	g. Total (a. through f.)	98,610
4. Total (1. + 2. + 3.f)	1,669,365	3. Total (1. + 2.g)	
			(Carry forward to page 1)

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs			0
b. Engineering Costs			0
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements			0
(3). System Preservation		50,910	50,910
(4). System Enhancement & Operation			0
(5). Total Construction (1) + (2) + (3) + (4)	0	50,910	50,910
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	50,910	50,910
			(Carry forward to page 1)

Notes and Comments: