

GILPIN COUNTY, COLORADO

FINANCIAL STATEMENTS

December 31, 2016



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FINANCIAL SECTION



Board of County Commissioners
Gilpin County, Colorado

INDEPENDENT AUDITORS' REPORT

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Gilpin County as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the basic financial statements of Gilpin County, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Gilpin County as of December 31, 2016, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters (Required Supplementary Information)

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

Other Matters (Other Information)

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



July 17, 2017

GILPIN COUNTY, COLORADO
Management's Discussion and Analysis
For the Year Ended December 31, 2016

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

Financial Highlights

At the close of 2016, Gilpin County's assets of \$46,050,727 exceeded its liabilities of \$3,952,657, and the deferred inflows of resources, \$3,542,609, by \$38,555,461. Of this amount, \$24,257,625 is invested in capital assets and \$2,703,990 is restricted at the end of 2016. The remaining \$11,593,846 may be used to meet the County's ongoing obligations to citizens and creditors.

The County's governmental funds reported a total ending fund balance of \$14,984,127, an increase of \$2,108,325 (+16.4%) in comparison with the prior year. Of this amount \$8,321,871 is unassigned.

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

The end of year General Fund fund balance increased \$1,972,765 (+19.3%) from the prior year. The unassigned portion in the General Fund is \$8,321,871 and represents 63.3% of the total 2016 General Fund expenditures less debt service and capital expenditures. This amount is high to cover the first eight months of the ensuing year's budget since a majority of the County's revenue is not received until August each year.

Overview of the Financial Statements

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

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

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

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

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

GILPIN COUNTY, COLORADO
Management's Discussion and Analysis
For the Year Ended December 31, 2016

Fund Financial Statements A fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. Gilpin County, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All Gilpin County funds are governmental funds, which focus on how money flows into and out of the funds and the balances left at year end available for spending.

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

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

Government-Wide Financial Analysis

Net Position As noted earlier, net position may serve as a useful indicator of the County's financial position. At the close of fiscal year 2016, assets exceeded liabilities and deferred inflows of resources by \$38,555,461 which is an increase from 2015 of \$1,043,771.

| | | |
|----------------------------------|---------------------|---------------------|
| Assets: | <u>2016</u> | <u>2015</u> |
| Cash and Investments | \$14,986,798 | \$12,926,484 |
| Accounts Receivable | 837,207 | 646,360 |
| Property Taxes Receivable | 3,542,609 | 3,445,136 |
| Inventory | 12,461 | 10,906 |
| Prepaid Expenses | 178,240 | 1,009 |
| Capital Assets, Net of | | |
| Accumulated Depreciation | <u>26,493,412</u> | <u>27,313,267</u> |
| Total Assets | <u>46,050,727</u> | <u>44,343,162</u> |
| Liabilities: | | |
| Accounts Payable | 710,187 | 462,643 |
| Deposits Payable | 5,000 | 5,000 |
| Accrued Liabilities | 307,067 | 234,469 |
| Unearned Revenues | 8,325 | 6,845 |
| Noncurrent Liabilities - Current | | |
| Portion | 593,800 | 646,128 |
| Noncurrent Liabilities | <u>2,328,278</u> | <u>2,031,251</u> |
| Total Liabilities | <u>3,952,657</u> | <u>3,386,336</u> |
| Deferred Inflows of Resources: | | |
| Deferred Property Tax Revenue | <u>3,542,609</u> | <u>3,445,136</u> |
| Net Position: | | |
| Net Investment in Capital | | |
| Assets | 24,257,625 | 24,953,597 |
| Restricted | 2,703,990 | 2,650,793 |
| Unrestricted | <u>11,593,846</u> | <u>9,907,300</u> |
| Total Net Position | <u>\$38,555,461</u> | <u>\$37,511,690</u> |

GILPIN COUNTY, COLORADO
Management's Discussion and Analysis
For the Year Ended December 31, 2016

The County continues to maintain an adequate current ratio. The current ratio compares current assets to current liabilities and is an indication of the ability to pay current obligations.

The current ratio for governmental activities including deferred property tax revenue is 3.79 to 1, as compared to 3.80 to 1 reported at the end of 2015. The County's overall financial position based on this ratio weakened slightly during calendar year 2016.

Note that 62.9% of net position is tied up in capital. The County uses these capital assets to provide services to its citizens; consequently these assets are not available for future spending. Although the County's investment in its capital assets is reported net of the related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the majority of capital assets themselves cannot be used to liquidate these liabilities.

Governmental Activities: The County's total revenues of \$20,826,533 exceeded program expenses of \$19,782,762 for an increase in net position of \$1,043,771. A summary of revenues and expenses follows:

| Revenues | <u>2016</u> | <u>2015</u> |
|---|--------------------|--------------------|
| Program Revenues | | |
| Charges for Services | \$ 1,734,483 | \$ 1,437,086 |
| Operating Grants & Contributions | 4,620,128 | 4,777,293 |
| Capital Grants & Contributions | 6,729 | 27,572 |
| Total Program Revenues | <u>6,361,340</u> | <u>6,241,951</u> |
| General Revenues | | |
| Property Taxes* | 3,442,631 | 3,358,708 |
| Specific Ownership Taxes* | 227,156 | 223,930 |
| Gaming Taxes* | 10,535,315 | 9,859,168 |
| Payment in Lieu of Taxes* | 101,062 | 96,798 |
| Investment Earnings | 29,343 | 12,315 |
| Other Revenues | 325,966 | 385,070 |
| Loss on Disposal of Assets | (120,000) | - |
| Donated Property | (76,280) | - |
| Total General Revenues | <u>14,465,193</u> | <u>13,935,989</u> |
| Total Revenues | <u>20,826,533</u> | <u>20,177,940</u> |
| Expenses | | |
| General Government | 7,076,240 | 6,564,130 |
| Public Safety | 5,752,550 | 5,232,318 |
| Health and Welfare | 2,111,662 | 2,462,539 |
| Highways and Streets | 2,527,243 | 2,341,189 |
| Culture and Recreation | 1,919,989 | 1,753,937 |
| Community Development | 319,663 | 316,947 |
| Interest on Long-Term Debt | 75,415 | 81,198 |
| Total Expenses | <u>19,782,762</u> | <u>18,752,258</u> |
| Increase/(Decrease) in Net Position | <u>\$1,043,771</u> | <u>\$1,425,682</u> |

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

GILPIN COUNTY, COLORADO
Management's Discussion and Analysis
For the Year Ended December 31, 2016

The primary revenues for Gilpin County are property taxes (16.5% of total revenues) and gaming taxes (50.5% of total revenues). Gaming taxes are authorized by the Constitution of the State of Colorado, set annually by the Colorado Limited Gaming Control Commission, collected by the State from casinos in Black Hawk and Central City and released to Gilpin County on an annual basis.

There are no notable changes between 2015 and 2016 expenses by function other than the fact total expenses increased by \$1,030,504, which is an increase of 5.5%.

Governmental funds

In 2011, the County implemented Governmental Accounting Standards Board Statement 54 (GASB 54), which requires a more specific breakdown of the availability of fund balances, resulting in the components detailed in Note 1 on page 10 and in Note 5 on page 16 of this report. Gilpin County reported a total ending fund balance of \$14,984,127 at the end of 2016, compared to \$12,875,804 at the end of 2015. This increase is a result of conservative budgeting/spending measures practiced by Gilpin County.

The residual amount of unassigned fund balance in the County's general fund after accounting for all levels of constraint determined according to GASB 54 is \$8,321,871 which represents resources available for immediate appropriation by the Board for any purpose. There is a need to maintain a certain unassigned amount to cover ensuing year's budget for the first eight months since a majority of the County revenue is not received until August each year, unexpected expenditures and revenue shortfalls (e.g., an adequate amount to provide liquidity in the event of an economic downturn or natural disaster and to save for capital projects).

The General Fund is the County's primary operating fund and the largest source of day-to-day service delivery. An increase from \$10,212,206 to \$12,184,971 in the end of year General Fund balance occurred in 2016.

Since all general revenues, primarily gaming taxes, are recorded in the General Fund, the General Fund routinely transfers amounts to other funds to subsidize operations and capital projects. For the year ended December 31, 2016, the General Fund transferred to four other funds, as listed below.

| Transfers In | Transfers Out | Amount |
|---------------|---------------|-------------|
| Public Works | General | \$1,500,000 |
| Library | General | 240,000 |
| Public Health | General | 30,000 |
| Solid Waste | General | 70,000 |
| | Total | \$1,840,000 |

GILPIN COUNTY, COLORADO
 Management's Discussion and Analysis
 For the Year Ended December 31, 2016

General Fund Budgetary Highlights

The General Fund accounts for all of the general governmental services provided by the County. This includes public safety, health, community development, maintenance, recreation and general administration. Funding for these services comes from a variety of sources but the general fund is heavily funded by gaming taxes. Gaming revenue of \$10,535,315 was 60.2% of the total General Fund revenue.

Actual Gaming revenue was \$535,315 more than the original budget for 2016. This is due to many factors contributing to the calculation of this revenue which makes it hard to predict such as ballot issues, the economy and the weather.

In December, the Board of County Commissioners revised the General Fund budget. The budget supplements for expenditures were for grant expenses, prisoner meals, lease payments and capital outlay for a 911 phone system. This budget supplemental also transferred budgeted monies between departments and accounts within the General Fund for the Gilpin Connect program. Budget expenditure additions totaled \$213,454 and resulted in an ending General Fund expenditure budget of \$14,008,481. Actual expenditures were \$13,674,716 (\$333,765 below the revised budget).

Capital Assets

At December 31, 2016, the County had \$26,493,412 invested in a broad range of capital assets. This is a decrease of \$819,855 or 3% over the prior year.

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

Additional Capital Asset information can be found in Note 1, on pages 9 and in Note 3, on page 13, in the Notes to the Financial Statements.

The following table provides a summary of capital asset activity:

| | <u>2016</u> | <u>2015</u> |
|--------------------------|---------------------|---------------------|
| Land | \$ 770,471 | \$ 846,751 |
| Water Rights | 32,000 | 32,000 |
| Infrastructure, net | 156,264 | 159,484 |
| Building, net | 19,118,048 | 19,670,258 |
| Improvements, net | 3,819,633 | 4,149,443 |
| Equipment, net | 2,450,954 | 1,247,819 |
| Construction in progress | 146,042 | 1,207,512 |
| | <u>\$26,493,412</u> | <u>\$27,313,267</u> |

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

- \$498,188 for a patrol vehicle and one grader and one roller for Public Works.
- \$11,545 for a culvert at the Gilpin/Jefferson County line.
- \$10,909 for rock wall restoration at the County Courthouse.
- \$1,259,659 of equipment for a communications tower, a pressure washer, a dispatch voice recorder, a generator for the Justice Center, a 911 system, and a pump for a fire truck

The County also has several projects in the Construction in Progress category. Cost of these projects at the end of 2016 was \$146,042. These include: 1) Fuel Farm \$53,950; 2) Upper Apex Bridge \$58,697; 3) Justice Center Lift Station \$30,845; 4) Fire Alarm Panel \$2,550.

GILPIN COUNTY, COLORADO
Management's Discussion and Analysis
For the Year Ended December 31, 2016

Debt

At the end of the calendar year, the County had outstanding debt obligations of \$2,922,078, including debt for compensated absences and, for the first time, insurance claims payable. In 2016, the County had a net increase in compensated absence balances due of \$13,879. No short-term debt was needed in 2016 to finance operations and capital outlay as has been necessary in the past. Additional debt information can be found in Note 4 on pages 14-15, in the Notes to the Financial Statements.

| | <u>2016</u> | <u>2015</u> |
|------------------------------------|---------------------|---------------------|
| Capital Lease - Energy Performance | \$ 1,998,164 | \$ 2,224,360 |
| Capital Lease – Grinder | - | 59,233 |
| Capital Lease – Roll Off Truck | 33,087 | 76,077 |
| Capital Lease - Roller | 124,581 | - |
| Capital Lease - Grader | 234,658 | - |
| Compensated Absences | 331,588 | 317,709 |
| Insurance Claims Payable | 200,000 | - |
| Total | \$ 2,922,078 | \$ 2,677,379 |

The Year Ahead

The budget adopted for 2017 is structured to include: a compensation survey; support of emergency management; continuation of the free slash program; continuation of partially self-funded medical insurance for employees; historic preservation; a \$580,000 TABOR reserve, \$1,000,000 for emergencies and \$1,350,000 for capital expenditures; application for grants; support of county non-profits and support of events that enhance the quality of life.

In 2017, the major source of budgeted revenue for Gilpin County continues to be gaming tax, authorized by the constitution of the State of Colorado. Gilpin County has exempted gaming tax revenue from TABOR but has not exempted property tax revenue. With this combination of rules, if the amount of gaming tax revenue decreases, services could decrease or cost users more unless the voters approve a property tax increase. Gaming tax revenue currently allows Gilpin County great flexibility in the level of services it provides.

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

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

Requests for Information

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

BASIC FINANCIAL STATEMENTS

GILPIN COUNTY, COLORADO

STATEMENT OF NET POSITION
As of December 31, 2016

| | GOVERNMENTAL ACTIVITIES |
|----------------------------------|----------------------------|
| ASSETS | |
| Cash and Investments | \$ 14,986,798 |
| Receivables | |
| Property Taxes | 3,542,609 |
| Accounts | 837,207 |
| Inventory | 12,461 |
| Prepaid Expenses | 178,240 |
| Capital Assets, Not Depreciated | 948,513 |
| Capital Assets, Depreciated | |
| Net of Accumulated Depreciation | <u>25,544,899</u> |
| TOTAL ASSETS | <u>46,050,727</u> |
| LIABILITIES | |
| Accounts Payable | 710,187 |
| Deposits Payable | 5,000 |
| Accrued Liabilities | 307,067 |
| Unearned Revenues | 8,325 |
| Noncurrent Liabilities | |
| Due within One Year | 593,800 |
| Due in More Than One Year | <u>2,328,278</u> |
| TOTAL LIABILITIES | <u>3,952,657</u> |
| DEFERRED INFLOWS OF RESOURCES | |
| Deferred Property Tax Revenue | <u>3,542,609</u> |
| NET POSITION | |
| Net Investment in Capital Assets | 24,257,625 |
| Restricted for: | |
| Emergencies | 580,000 |
| Highways and streets | 1,235,888 |
| Health and welfare | 643,609 |
| Culture and recreation | 244,493 |
| Unrestricted | <u>11,593,846</u> |
| TOTAL NET POSITION | <u>\$ 38,555,461</u> |

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

GILPIN COUNTY, COLORADO

STATEMENT OF ACTIVITIES
Year Ended December 31, 2016

| FUNCTIONS/PROGRAMS | Expenses | Program Revenues | | | Net (Expense) Revenue and Change in Net Position Governmental Activities |
|--|----------------------|-------------------------|--|--|--|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | |
| Governmental Activities | | | | | |
| General Government | \$ 7,076,240 | \$ 886,198 | \$ 1,024,110 | \$ 6,729 | \$ (5,159,203) |
| Public Safety | 5,752,550 | 240,351 | 1,017,169 | - | (4,495,030) |
| Health and Welfare | 2,111,662 | 22,242 | 1,718,627 | - | (370,793) |
| Highways and Streets | 2,527,243 | 49,822 | 665,915 | - | (1,811,506) |
| Culture and Recreation | 1,919,989 | 209,806 | 181,353 | - | (1,528,830) |
| Community Development | 319,663 | 326,064 | 12,954 | - | 19,355 |
| Interest on Long Term Debt | 75,415 | - | - | - | (75,415) |
| Total Governmental Activities | <u>\$ 19,782,762</u> | <u>\$ 1,734,483</u> | <u>\$ 4,620,128</u> | <u>\$ 6,729</u> | <u>\$ (13,421,422)</u> |
| GENERAL REVENUES | | | | | |
| | | | | | 3,442,631 |
| | | | | | 227,156 |
| | | | | | 10,535,315 |
| | | | | | 101,062 |
| | | | | | 29,343 |
| | | | | | 325,966 |
| SPECIAL ITEMS | | | | | |
| | | | | | (120,000) |
| | | | | | (76,280) |
| TOTAL GENERAL REVENUES AND SPECIAL ITEMS | | | | | <u>14,465,193</u> |
| CHANGE IN NET POSITION | | | | | 1,043,771 |
| NET POSITION, Beginning | | | | | <u>37,511,690</u> |
| NET POSITION, Ending | | | | | <u>\$ 38,555,461</u> |

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

GILPIN COUNTY, COLORADO

BALANCE SHEET
GOVERNMENTAL FUNDS
As of December 31, 2016

| | GENERAL FUND | PUBLIC WORKS FUND | HUMAN SERVICES FUND | OTHER GOVERNMENTAL FUNDS | TOTAL |
|---|----------------------|-------------------------|---------------------------|--------------------------------|----------------------|
| ASSETS | | | | | |
| Cash and Investments | \$ 12,365,658 | \$ 1,207,243 | \$ 652,811 | \$ 761,086 | \$ 14,986,798 |
| Property Taxes Receivable | 2,891,595 | 304,814 | 158,705 | 187,495 | 3,542,609 |
| Accounts Receivable | 669,339 | 102,738 | 56,553 | 8,577 | 837,207 |
| Inventory | - | 12,411 | 50 | - | 12,461 |
| Prepaid Expenditures | 9,749 | 154,703 | - | 13,788 | 178,240 |
| TOTAL ASSETS | \$ 15,936,341 | \$ 1,781,909 | \$ 868,119 | \$ 970,946 | \$ 19,557,315 |
| LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES | | | | | |
| LIABILITIES | | | | | |
| Accounts Payable | \$ 623,057 | \$ 27,766 | \$ 18,962 | \$ 40,402 | \$ 710,187 |
| Deposits Payable | - | 5,000 | - | - | 5,000 |
| Accrued Liabilities | 232,912 | 41,327 | 20,700 | 12,128 | 307,067 |
| Unearned Revenue | 3,806 | - | 4,519 | - | 8,325 |
| TOTAL LIABILITIES | 859,775 | 74,093 | 44,181 | 52,530 | 1,030,579 |
| DEFERRED INFLOWS OF RESOURCES | | | | | |
| Deferred Property Tax Revenue | 2,891,595 | 304,814 | 158,705 | 187,495 | 3,542,609 |
| FUND BALANCES | | | | | |
| Nonspendable | 9,749 | 167,114 | 50 | 13,788 | 190,701 |
| Restricted | 580,000 | 1,235,888 | 643,609 | 244,493 | 2,703,990 |
| Committed | - | - | - | 451,215 | 451,215 |
| Assigned | 3,273,351 | - | 21,574 | 21,425 | 3,316,350 |
| Unassigned | 8,321,871 | - | - | - | 8,321,871 |
| TOTAL FUND BALANCES | 12,184,971 | 1,403,002 | 665,233 | 730,921 | 14,984,127 |
| TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES | \$ 15,936,341 | \$ 1,781,909 | \$ 868,119 | \$ 970,946 | |

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

| | |
|--|----------------------|
| Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds. | 26,493,412 |
| Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds. This is the amount of capital leases payable (\$2,390,490) the balance of accrued compensated absences (\$331,588), and claims payable (\$200,000). | (2,922,078) |
| Net position of governmental activities | <u>\$ 38,555,461</u> |

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

GILPIN COUNTY, COLORADO

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
Year Ended December 31, 2016

| | GENERAL FUND | PUBLIC WORKS FUND | HUMAN SERVICES FUND | OTHER GOVERNMENTAL FUNDS | TOTAL |
|---|--------------------|-------------------------|---------------------------|--------------------------------|-------------------|
| REVENUES | | | | | |
| Taxes | \$ 2,982,453 | \$ 320,598 | \$ 168,119 | \$ 198,617 | \$ 3,669,787 |
| Gaming Taxes | 10,535,315 | - | - | - | 10,535,315 |
| Intergovernmental | 2,454,032 | 665,915 | 1,682,915 | 105,661 | 4,908,523 |
| Licenses and Permits | 351,689 | 5,504 | - | - | 357,193 |
| Charges for Services | 1,004,779 | 47,918 | - | 211,854 | 1,264,551 |
| Interest Income | 22,896 | 3,196 | 1,523 | 1,728 | 29,343 |
| Miscellaneous | 136,317 | 82,004 | 7,283 | 32,497 | 258,101 |
| TOTAL REVENUES | 17,487,481 | 1,125,135 | 1,859,840 | 550,357 | 21,022,813 |
| EXPENDITURES | | | | | |
| Current | | | | | |
| General Government | 6,136,405 | - | - | 266,236 | 6,402,641 |
| Public Safety | 5,515,646 | - | - | - | 5,515,646 |
| Health and Welfare | - | - | 1,961,794 | 143,320 | 2,105,114 |
| Highways and Streets | - | 2,303,838 | - | - | 2,303,838 |
| Culture and Recreation | 1,166,488 | - | - | 339,016 | 1,505,504 |
| Community Development | 318,320 | - | - | - | 318,320 |
| Capital Outlay | 243,690 | 475,140 | - | - | 718,830 |
| Debt Service | | | | | |
| Principal | 226,197 | 41,951 | - | 102,222 | 370,370 |
| Interest | 67,970 | 4,777 | - | 2,668 | 75,415 |
| TOTAL EXPENDITURES | 13,674,716 | 2,825,706 | 1,961,794 | 853,462 | 19,315,678 |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | 3,812,765 | (1,700,571) | (101,954) | (303,105) | 1,707,135 |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Capital Lease | - | 401,190 | - | - | 401,190 |
| Transfers In | - | 1,500,000 | - | 340,000 | 1,840,000 |
| Transfers Out | (1,840,000) | - | - | - | (1,840,000) |
| TOTAL OTHER FINANCING SOURCES (USES) | (1,840,000) | 1,901,190 | - | 340,000 | 401,190 |
| NET CHANGE IN FUND BALANCES | 1,972,765 | 200,619 | (101,954) | 36,895 | 2,108,325 |
| FUND BALANCES, Beginning | 10,212,206 | 1,202,383 | 767,187 | 694,026 | 12,875,802 |
| FUND BALANCES, Ending | \$ 12,184,971 | \$ 1,403,002 | \$ 665,233 | \$ 730,921 | \$ 14,984,127 |

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

GILPIN COUNTY, COLORADO

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
Year Ended December 31, 2016

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

| | |
|---|----------------------------|
| Net Changes in Fund Balances - Total Governmental Funds | \$ 2,108,325 |
| Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation (\$1,337,531) and disposals (\$201,155) exceeded capital outlay additions \$718,831 in the current period. | (819,855) |
| Capital Lease proceeds are reported as financing sources in the governmental funds and increase fund balance. In the government-wide statements, however, issuing debt increases long-term liabilities in the statement of net position and does not effect the statement of activities. | (401,190) |
| Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and does not affect the statement of activities. This amount represents capital lease payments. | 370,370 |
| Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. This includes the change in accrued compensated absences of \$13,879, and in claims payable \$200,000. | <u>(213,879)</u> |
| Change in Net Position of Governmental Activities | <u><u>\$ 1,043,771</u></u> |

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

GILPIN COUNTY, COLORADO

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUND
As of December 31, 2016

| | <u>AGENCY FUND</u> |
|---------------------------|------------------------|
| ASSETS | |
| Cash and Investments | <u>\$ 648,537</u> |
| LIABILITIES | |
| Due to Other Governments | \$ 627,881 |
| Held for Sheriff Expenses | <u>20,656</u> |
| TOTAL LIABILITIES | <u>\$ 648,537</u> |

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

GILPIN COUNTY, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

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

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

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

Government-Wide and Fund Financial Statements

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

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

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

GILPIN COUNTY, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2016

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when the liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

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

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

The County reports the following major governmental funds:

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

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

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

Additionally, the County reports the following fund type:

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

GILPIN COUNTY, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2016

Receivables

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

Inventory

Inventories include Public Works fuel valued at cost using the weighted average method, and store gift cards donated to Human Services using the specific identification method.

Prepaid Expenses

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

Capital Assets

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

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

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

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

Compensated Absences

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

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

GILPIN COUNTY, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2016

Unearned Revenues

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

Long-Term Obligations

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

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

Deferred Outflows/Inflows of Resources

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

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

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

Net Position/Fund Balances (see Note 5)

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

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

Property Taxes

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

GILPIN COUNTY, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2016

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

NOTE 2: DEPOSITS AND INVESTMENTS

Deposits

A summary of deposits and investments as of December 31, 2016 follows:

| | |
|---------------------------------------|-----------------------------|
| Petty Cash and Treasurer Cash On Hand | \$ 2,593 |
| Cash Deposits | 10,578,600 |
| Investments | <u>5,054,142</u> |
| Total | <u>\$ 15,635,335</u> |

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

| | |
|-------------------------|----------------------------|
| Governmental Activities | \$14,986,798 |
| Agency Funds | <u>648,537</u> |
| Total | <u>\$15,635,335</u> |

Custodial Credit Risk – Deposits

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

At December 31, 2016, of these balances, \$10,160,355 was covered by collateral held by authorized escrow agents in the financial institution's name (PDPA).

Investments

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

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

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

GILPIN COUNTY, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2016

Interest Rate Risk

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

Credit Risk

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

Concentration of Credit Risk

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

Local Government Investment Pools

At December 31, 2016, the County had \$4,053,072 and \$1,001,070 invested in the Colorado Local Government Liquid Asset Trust and the Colorado Surplus Asset Fund Trust (COLOTRUST and CSAFE), respectively. The pools are investment vehicles established for local government entities in Colorado to pool surplus funds. The Colorado Division of Securities administers and enforces the requirements of creating and operating the pools. The pools operate in conformity with the Securities and Exchange Commission's Rule 2a-7, with each share valued at \$1. The pools are rated AAAm by Standard and Poor's. Investments of the pools are limited to those allowed by State statutes. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. The custodian's internal records identify the investments owned by the participating governments.

Fair Value Measurements

The County reports its investments using the fair value measurements established by generally accepted accounting principles. As such, a fair value hierarchy categorizes the inputs used to measure the fair value of investments into three levels. Level 1 inputs are quoted prices in active markets for identical investments; Level 2 inputs include quoted prices in active markets for similar investments, or other observable inputs; and Level 3 inputs are unobservable inputs. At December 31, 2016 the County's investment in COLOTRUST was reported at the net asset value per share, measured utilizing quoted prices in active markets for similar investments (Level 2 inputs) and the County's investment in CSAFE was reported at the net asset value per share, which was measured using amortized cost.

GILPIN COUNTY, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2016

NOTE 3: CAPITAL ASSETS

Capital assets activity for the year ended December 31, 2016 is summarized below:

| | Balance <u>12/31/15</u> | <u>Additions</u> | <u>Deletions</u> | Balance <u>12/31/16</u> |
|---------------------------------------|----------------------------|-------------------|---------------------|----------------------------|
| Governmental Activities | | | | |
| Capital Assets, not depreciated | | | | |
| Land | \$ 846,751 | \$ - | \$ 76,280 | \$ 770,471 |
| Water Rights | 32,000 | - | - | 32,000 |
| Construction in Process | <u>1,207,512</u> | <u>2,550</u> | <u>1,064,020</u> | <u>146,042</u> |
| Total Capital Assets, not depreciated | <u>2,086,263</u> | <u>2,550</u> | <u>1,140,300</u> | <u>948,513</u> |
| Capital Assets, depreciated | | | | |
| Buildings | 27,524,711 | - | - | 27,524,711 |
| Infrastructure | 2,277,811 | 11,545 | - | 2,289,356 |
| Improvements | 6,524,234 | 10,909 | 17,550 | 6,517,593 |
| Machinery and Equipment | <u>7,857,764</u> | <u>1,757,847</u> | <u>497,778</u> | <u>9,117,833</u> |
| Total Capital Assets, depreciated | <u>44,184,520</u> | <u>1,780,301</u> | <u>515,328</u> | <u>45,449,493</u> |
| Less Accumulated Depreciation | | | | |
| Buildings | 7,854,453 | 552,210 | - | 8,406,663 |
| Infrastructure | 2,118,327 | 14,765 | - | 2,133,092 |
| Improvements | 2,374,791 | 335,844 | 12,675 | 2,697,960 |
| Machinery and Equipment | <u>6,609,945</u> | <u>434,712</u> | <u>377,778</u> | <u>6,666,879</u> |
| Total Accumulated Depreciation | <u>18,957,516</u> | <u>1,337,531</u> | <u>390,453</u> | <u>19,904,594</u> |
| Net Capital Assets, depreciated | <u>25,227,004</u> | <u>442,770</u> | <u>124,875</u> | <u>25,544,899</u> |
| Net Capital Assets | | | | |
| Governmental Activities | <u>\$ 27,313,267</u> | <u>\$ 445,320</u> | <u>\$ 1,265,175</u> | <u>\$ 26,493,412</u> |

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

| | |
|--------------------------------|---------------------|
| Governmental Activities | |
| General Government | \$ 469,742 |
| Public Safety | 230,975 |
| Highways and Streets | 222,857 |
| Health and Welfare | 338 |
| Culture and Recreation | <u>413,619</u> |
| Total Depreciation Expense | <u>\$ 1,337,531</u> |

GILPIN COUNTY, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2016

NOTE 4: LONG-TERM DEBT

Following is a summary of long-term debt transactions for the year ended December 31, 2016.

| | <u>Balance</u> <u>12/31/15</u> | <u>Additions</u> | <u>Payments</u> | <u>Balance</u> <u>12/31/16</u> | <u>Due In</u> <u>One Year</u> |
|------------------------------|-----------------------------------|----------------------------|--------------------------|-----------------------------------|----------------------------------|
| Capital Leases | \$ 2,359,670 | \$ 401,190 | \$ 370,370 | \$ 2,390,490 | \$ 363,800 |
| Claims Payable | - | 200,000 | - | 200,000 | 200,000 |
| Accrued Compensated Absences | <u>317,709</u> | <u>463,931</u> | <u>450,052</u> | <u>331,588</u> | <u>30,000</u> |
| Total | <u>\$ 2,677,379</u> | <u>\$ 1,065,121</u> | <u>\$ 820,422</u> | <u>\$ 2,922,078</u> | <u>\$ 593,800</u> |

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

In 2016 the County switched from fully-funded to partially self-funded medical insurance for employees. Due to this change, the County has claims payable for the first time.

Capital Leases

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

In August 2012, the County entered into a capital lease agreement for \$301,200 to purchase equipment which was paid from revenues of the Solid Waste Fund. The lease required quarterly payments of \$20,039, beginning November 2012. This lease accrued interest at a rate of 2.98% and was paid in full in August 2016.

In July 2013, the County entered into a capital lease agreement for \$168,276 to purchase equipment which will be paid from revenues of the Solid Waste Fund. The lease requires quarterly payments of \$11,193, beginning October 2013. This lease bears interest at a rate of 2.96% and will mature in July 2017.

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

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

GILPIN COUNTY, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2016

Leased improvements and equipment under capital leases in capital assets at December 31, 2016, include the following.

| | |
|--------------------------------|---------------------|
| Improvements | \$ 2,822,952 |
| Equipment | 673,598 |
| Less: Accumulated Depreciation | <u>(645,366)</u> |
| Net | <u>\$ 2,851,184</u> |

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

Future Debt Service Requirements

Following is a schedule of the future minimum lease payments required under the capital lease obligations at December 31, 2016:

| | |
|---|---------------------------|
| <u>Year Ended December 31,</u> | |
| 2017 | \$ 434,165 |
| 2018 | 400,581 |
| 2019 | 400,581 |
| 2020 | 353,853 |
| 2021 | 294,168 |
| 2022 – 2024 | <u>808,943</u> |
| Total Minimum Lease Payments | 2,692,291 |
| Less: Interest | <u>(301,801)</u> |
| Present Value of Minimum Lease Payments | <u>\$2,390,490</u> |

GILPIN COUNTY, COLORADO

NOTES TO FINANCIAL STATEMENTS
December 31, 2016

NOTE 5: FUND BALANCES

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

| | <u>General</u> | <u>Public Works</u> | <u>Human Services Fund</u> | <u>Non-major Governmental Funds</u> | <u>Totals</u> |
|---------------------------|----------------------------|----------------------------|----------------------------|-------------------------------------|----------------------------|
| Non-Spendable: | | | | | |
| Inventory amounts | \$ - | \$ 12,411 | \$ 50 | \$ - | \$ 12,461 |
| Prepaid amounts | 9,749 | 154,703 | - | 13,788 | 178,240 |
| | <u>9,749</u> | <u>167,114</u> | <u>50</u> | <u>13,788</u> | <u>190,701</u> |
| Restricted: | | | | | |
| Emergency reserves | 580,000 | - | - | - | 580,000 |
| Highways and streets | - | 1,235,888 | - | - | 1,235,888 |
| Human services | - | - | 643,609 | - | 643,609 |
| Culture and recreation | - | - | - | 244,493 | 244,493 |
| | <u>580,000</u> | <u>1,235,888</u> | <u>643,609</u> | <u>244,493</u> | <u>2,703,990</u> |
| Committed: | | | | | |
| Library Fund | - | - | - | 75,898 | 75,898 |
| Public Health Fund | - | - | - | 138,441 | 138,441 |
| Solid Waste Fund | - | - | - | 236,876 | 236,876 |
| | <u>-</u> | <u>-</u> | <u>-</u> | <u>451,215</u> | <u>451,215</u> |
| Assigned: | | | | | |
| Donations | 43,907 | - | 21,574 | 21,425 | 86,906 |
| eRecording | 8,739 | - | - | - | 8,739 |
| Open space | 179,871 | - | - | - | 179,871 |
| GCART | 834 | - | - | - | 834 |
| Disasters | 1,000,000 | - | - | - | 1,000,000 |
| Justice Center roof | 550,000 | - | - | - | 550,000 |
| Capital projects | 300,000 | - | - | - | 300,000 |
| Medical | 1,000,000 | - | - | - | 1,000,000 |
| Broadband | 100,000 | - | - | - | 100,000 |
| PILT | 90,000 | - | - | - | 90,000 |
| | <u>3,273,351</u> | <u>-</u> | <u>21,574</u> | <u>21,425</u> | <u>3,316,350</u> |
| Unassigned: | | | | | |
| General Fund | 8,321,871 | - | - | - | 8,321,871 |
| Total Fund Balance | <u><u>\$12,184,971</u></u> | <u><u>\$ 1,403,002</u></u> | <u><u>\$ 665,233</u></u> | <u><u>\$ 730,921</u></u> | <u><u>\$14,984,127</u></u> |

GILPIN COUNTY, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2016

NOTE 6: INTERFUND TRANSFERS

Inter-fund transfers for the year ended December 31, 2016, were comprised of the following:

| <u>Transfer In</u> | <u>Transfer Out</u> | <u>Amount</u> |
|--------------------|---------------------|----------------------------|
| Public Works Fund | General Fund | \$ 1,500,000 |
| Library Fund | General Fund | 240,000 |
| Public Health Fund | General Fund | 30,000 |
| Solid Waste Fund | General Fund | <u>70,000</u> |
| Total | | <u>\$ 1,840,000</u> |

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

NOTE 7: RETIREMENT COMMITMENTS

401(a) Employee Pension Plan

The County contributes to a multiple employer Defined Contribution retirement plan administered by the Colorado County Officials and Employees Retirement Association (CCOERA). Substantially all eligible County employees are required to participate immediately upon being hired. Both the County and the employee contribute three percent of the employee's eligible compensation. The County's contributions for each employee is 100% vested upon participation in the plan. The contribution rate is determined by the Board of County Commissioners. During the year ended December 31, 2016, employer and employees each contributed \$206,434, equal to their required contributions.

457(b) Deferred Compensation

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

GILPIN COUNTY, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2016

NOTE 8: PUBLIC ENTITY RISK POOL

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

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

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

Partially Self-Funded Medical Insurance

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

The County's individual stop loss insurance coverage for 2016 is \$75,000. The aggregate stop-loss limit for the County is 125% of expected claims, or \$1,736,766.

The self-insurance balance assigned as part of the General Fund at the end of the current fiscal year is \$1,000,000. This cash balance plus monthly contributions by the County and its employees is expected to cover any anticipated claims during the coming year.

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

| | |
|--|--------------------|
| Changes in claims payable for the employee medical plan were as follows: | |
| Claims Payable, December 31, 2015 | \$ - |
| Claims Incurred and Adjustments | 1,666,189 |
| Payments | <u>(1,466,189)</u> |
| Claims Payable, December 31, 2016 | <u>\$ 200,000</u> |

GILPIN COUNTY, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2016

NOTE 9: COMMITMENTS AND CONTINGENCIES

Tabor Amendment

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

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

The County has established an emergency reserve, representing 3% of qualifying expenditures, as required by the Amendment. At December 31, 2016, the emergency reserve of \$580,000 was reported as restricted fund balance in the General Fund.

Litigation

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

Claims and Judgments

The County participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental entities. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the County may be required to reimburse the grantor government. At December 31, 2016, significant amounts of grant expenditures have not been audited but management believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on the overall financial position of the County.

NOTE 10: SPECIAL ITEMS

During the year ended December 31, 2016, the County disposed of heavy equipment with a salvage value of \$120,000. In addition, the County had previously taken ownership of the Belvidere Theatre and during the year ended December 31, 2016, donated the Theatre to the City of Central.

NOTE 11: SUBSEQUENT EVENTS

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

REQUIRED SUPPLEMENTARY INFORMATION

GILPIN COUNTY, COLORADO

GENERAL FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended December 31, 2016

| | ORIGINAL BUDGET | FINAL BUDGET | ACTUAL | VARIANCE Positive (Negative) |
|---|----------------------|----------------------|----------------------|------------------------------------|
| REVENUES | | | | |
| Taxes | \$ 2,958,000 | \$ 2,958,000 | \$ 2,982,453 | \$ 24,453 |
| Gaming Taxes | 10,000,000 | 10,535,315 | 10,535,315 | - |
| Intergovernmental | 2,114,299 | 2,311,586 | 2,454,032 | 142,446 |
| Licenses and Permits | 179,000 | 179,000 | 351,689 | 172,689 |
| Charges for Services | 867,201 | 867,201 | 1,004,779 | 137,578 |
| Interest Income | 5,250 | 5,250 | 22,896 | 17,646 |
| Miscellaneous | 26,265 | 26,265 | 136,317 | 110,052 |
| TOTAL REVENUES | <u>16,150,015</u> | <u>16,882,617</u> | <u>17,487,481</u> | <u>604,864</u> |
| EXPENDITURES | | | | |
| Current | | | | |
| General Government | 6,430,536 | 6,406,662 | 6,136,405 | 270,257 |
| Public Safety | 5,463,184 | 5,611,558 | 5,515,646 | 95,912 |
| Culture and Recreation | 1,163,257 | 1,191,861 | 1,166,488 | 25,373 |
| Community Development | 348,283 | 348,283 | 318,320 | 29,963 |
| Capital Outlay | 95,600 | 155,950 | 243,690 | (87,740) |
| Debt Service | | | | |
| Principal | 226,197 | 226,197 | 226,197 | - |
| Interest | 67,970 | 67,970 | 67,970 | - |
| TOTAL EXPENDITURES | <u>13,795,027</u> | <u>14,008,481</u> | <u>13,674,716</u> | <u>333,765</u> |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | 2,354,988 | 2,874,136 | 3,812,765 | 938,629 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers Out | <u>(1,840,000)</u> | <u>(1,840,000)</u> | <u>(1,840,000)</u> | <u>-</u> |
| NET CHANGE IN FUND BALANCE | 514,988 | 1,034,136 | 1,972,765 | 938,629 |
| FUND BALANCE, Beginning | <u>9,776,461</u> | <u>9,776,461</u> | <u>10,212,206</u> | <u>435,745</u> |
| FUND BALANCE, Ending | <u>\$ 10,291,449</u> | <u>\$ 10,810,597</u> | <u>\$ 12,184,971</u> | <u>\$ 1,374,374</u> |

See the accompanying independent auditors' report.

GILPIN COUNTY, COLORADO

PUBLIC WORKS FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended December 31, 2016

| | ORIGINAL AND FINAL BUDGET | ACTUAL | VARIANCE Positive (Negative) |
|---|---------------------------------|--------------------|------------------------------------|
| REVENUES | | | |
| Taxes | \$ 319,000 | \$ 320,598 | \$ 1,598 |
| Intergovernmental | 623,337 | 665,915 | 42,578 |
| Licenses and Permits | 1,500 | 5,504 | 4,004 |
| Charges for Services | 33,600 | 47,918 | 14,318 |
| Interest Income | 1,000 | 3,196 | 2,196 |
| Miscellaneous | 20,000 | 82,004 | 62,004 |
| TOTAL REVENUES | 998,437 | 1,125,135 | 126,698 |
| EXPENDITURES | | | |
| Highways and Streets | 2,454,951 | 2,303,838 | 151,113 |
| Capital Outlay | 770,000 | 475,140 | 294,860 |
| Debt Service | | | |
| Principal | 184,375 | 41,951 | 142,424 |
| Interest | 19,760 | 4,777 | 14,983 |
| TOTAL EXPENDITURES | 3,429,086 | 2,825,706 | 603,380 |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | (2,430,649) | (1,700,571) | 730,078 |
| OTHER FINANCING SOURCES | | | |
| Capital Lease | 770,000 | 401,190 | (368,810) |
| Transfers In | 1,500,000 | 1,500,000 | - |
| TOTAL OTHER FINANCING SOURCES | 2,270,000 | 1,901,190 | (368,810) |
| NET CHANGE IN FUND BALANCE | (160,649) | 200,619 | 361,268 |
| FUND BALANCE, Beginning | 1,052,104 | 1,202,383 | 150,279 |
| FUND BALANCE, Ending | \$ 891,455 | \$ 1,403,002 | \$ 511,547 |

See the accompanying independent auditors' report.

GILPIN COUNTY, COLORADO

HUMAN SERVICES FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended December 31, 2016

| | ORIGINAL BUDGET | FINAL BUDGET | ACTUAL | VARIANCE Positive (Negative) |
|----------------------------|--------------------|-------------------|-------------------|------------------------------------|
| REVENUES | | | | |
| Taxes | \$ 165,500 | \$ 165,500 | \$ 168,119 | \$ 2,619 |
| Intergovernmental | 1,751,972 | 1,851,972 | 1,682,915 | (169,057) |
| Interest Income | 1,000 | 1,000 | 1,523 | 523 |
| Miscellaneous | 5,000 | 5,000 | 7,283 | 2,283 |
| TOTAL REVENUES | <u>1,923,472</u> | <u>2,023,472</u> | <u>1,859,840</u> | <u>(163,632)</u> |
| EXPENDITURES | | | | |
| Health and Welfare | <u>2,179,736</u> | <u>2,279,736</u> | <u>1,961,794</u> | <u>317,942</u> |
| TOTAL EXPENDITURES | <u>2,179,736</u> | <u>2,279,736</u> | <u>1,961,794</u> | <u>317,942</u> |
| NET CHANGE IN FUND BALANCE | (256,264) | (256,264) | (101,954) | 154,310 |
| FUND BALANCE, Beginning | <u>796,624</u> | <u>796,624</u> | <u>767,187</u> | <u>(29,437)</u> |
| FUND BALANCE, Ending | <u>\$ 540,360</u> | <u>\$ 540,360</u> | <u>\$ 665,233</u> | <u>\$ 124,873</u> |

See the accompanying independent auditors' report.

GILPIN COUNTY, COLORADO

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION December 31, 2016

NOTE 1: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets and Budgetary Accounting

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

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

Legal Compliance

The expenditures of the Conservation Trust Fund exceeded the budgeted appropriations by \$10. This may be a violation of State statute.

SUPPLEMENTARY INFORMATION

GILPIN COUNTY, COLORADO

NONMAJOR GOVERNMENTAL FUNDS
 COMBINING BALANCE SHEET
 As of December 31, 2016

| | LIBRARY FUND | PUBLIC HEALTH FUND | SOLID WASTE FUND | CONSERVATION TRUST FUND | TOTALS |
|---|-------------------|--------------------------|------------------------|-------------------------------|-------------------|
| ASSETS | | | | | |
| Cash and Investments | \$ 107,642 | \$ 155,654 | \$ 253,297 | \$ 244,493 | \$ 761,086 |
| Property Taxes Receivable | 86,010 | - | 101,485 | - | 187,495 |
| Accounts Receivable | 358 | 6,530 | 1,689 | - | 8,577 |
| Prepaid Expenditures | - | - | - | 13,788 | 13,788 |
| TOTAL ASSETS | \$ 194,010 | \$ 162,184 | \$ 356,471 | \$ 258,281 | \$ 970,946 |
| LIABILITIES AND FUND BALANCES | | | | | |
| LIABILITIES | | | | | |
| Accounts Payable | \$ 3,297 | \$ 23,743 | \$ 13,362 | \$ - | \$ 40,402 |
| Accrued Liabilities | 7,380 | - | 4,748 | - | 12,128 |
| TOTAL LIABILITIES | 10,677 | 23,743 | 18,110 | - | 52,530 |
| DEFERRED INFLOWS OF RESOURCES | | | | | |
| Deferred Property Tax Revenue | 86,010 | - | 101,485 | - | 187,495 |
| FUND BALANCES | | | | | |
| Nonspendable | - | - | - | 13,788 | 13,788 |
| Restricted | - | - | - | 244,493 | 244,493 |
| Committed | 75,898 | 138,441 | 236,876 | - | 451,215 |
| Assigned | 21,425 | - | - | - | 21,425 |
| TOTAL FUND BALANCES | 97,323 | 138,441 | 236,876 | 258,281 | 730,921 |
| TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES | \$ 194,010 | \$ 162,184 | \$ 356,471 | \$ 258,281 | \$ 970,946 |

See the accompanying independent auditors' report.

GILPIN COUNTY, COLORADO

NONMAJOR GOVERNMENTAL FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 Year Ended December 31, 2016

| | LIBRARY FUND | PUBLIC HEALTH FUND | SOLID WASTE FUND | CONSERVATION TRUST FUND | TOTALS |
|---|-----------------|--------------------------|------------------------|-------------------------------|----------------|
| REVENUES | | | | | |
| Taxes | \$ 91,112 | \$ - | \$ 107,505 | \$ - | \$ 198,617 |
| Intergovernmental | 4,500 | 45,603 | - | 55,558 | 105,661 |
| Charges for Services | - | 5,070 | 206,784 | - | 211,854 |
| Interest Income | 300 | 389 | 554 | 485 | 1,728 |
| Miscellaneous | 27,859 | - | 4,638 | - | 32,497 |
| TOTAL REVENUES | 123,771 | 51,062 | 319,481 | 56,043 | 550,357 |
| EXPENDITURES | | | | | |
| Current | | | | | |
| General Government | - | - | 266,236 | - | 266,236 |
| Health and Welfare | - | 143,320 | - | - | 143,320 |
| Culture and Recreation | 338,456 | - | - | 560 | 339,016 |
| Debt Service | | | | | |
| Principal | - | - | 102,222 | - | 102,222 |
| Interest and Fiscal Charges | - | - | 2,668 | - | 2,668 |
| TOTAL EXPENDITURES | 338,456 | 143,320 | 371,126 | 560 | 853,462 |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | (214,685) | (92,258) | (51,645) | 55,483 | (303,105) |
| OTHER FINANCING SOURCES | | | | | |
| Transfers In | 240,000 | 30,000 | 70,000 | - | 340,000 |
| NET CHANGE IN FUND BALANCES | 25,315 | (62,258) | 18,355 | 55,483 | 36,895 |
| FUND BALANCES, Beginning | 72,008 | 200,699 | 218,521 | 202,798 | 694,026 |
| FUND BALANCES, Ending | \$ 97,323 | \$ 138,441 | \$ 236,876 | \$ 258,281 | \$ 730,921 |

See the accompanying independent auditors' report.

GILPIN COUNTY, COLORADO

LIBRARY FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended December 31, 2016

| | ORIGINAL AND FINAL BUDGET | ACTUAL | VARIANCE Positive (Negative) |
|---|---------------------------------|-----------|------------------------------------|
| REVENUES | | | |
| Taxes | \$ 89,500 | \$ 91,112 | \$ 1,612 |
| Intergovernmental | 3,000 | 4,500 | 1,500 |
| Interest Income | 100 | 300 | 200 |
| Miscellaneous | 3,820 | 27,859 | 24,039 |
| TOTAL REVENUES | 96,420 | 123,771 | 27,351 |
| EXPENDITURES | | | |
| Culture and Recreation | 344,700 | 338,456 | 6,244 |
| TOTAL EXPENDITURES | 344,700 | 338,456 | 6,244 |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | (248,280) | (214,685) | 33,595 |
| OTHER FINANCING SOURCES | | | |
| Transfers In | 240,000 | 240,000 | - |
| NET CHANGE IN FUND BALANCE | (8,280) | 25,315 | 33,595 |
| FUND BALANCE, Beginning | 67,624 | 72,008 | 4,384 |
| FUND BALANCE, Ending | \$ 59,344 | \$ 97,323 | \$ 37,979 |

See the accompanying independent auditors' report.

GILPIN COUNTY, COLORADO
PUBLIC HEALTH FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2016

| | ORIGINAL AND FINAL BUDGET | ACTUAL | VARIANCE Positive (Negative) |
|---|---------------------------------|--------------------|------------------------------------|
| REVENUES | | | |
| Intergovernmental | \$ 43,841 | \$ 45,603 | \$ 1,762 |
| Charges for Services | 2,500 | 5,070 | 2,570 |
| Interest Income | 200 | 389 | 189 |
| TOTAL REVENUES | <u>46,541</u> | <u>51,062</u> | <u>4,521</u> |
| EXPENDITURES | | | |
| Health and Welfare | <u>168,152</u> | <u>143,320</u> | <u>24,832</u> |
| TOTAL EXPENDITURES | <u>168,152</u> | <u>143,320</u> | <u>24,832</u> |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | (121,611) | (92,258) | 29,353 |
| OTHER FINANCING SOURCES | | | |
| Transfers In | <u>30,000</u> | <u>30,000</u> | <u>-</u> |
| NET CHANGE IN FUND BALANCE | (91,611) | (62,258) | 29,353 |
| FUND BALANCE, Beginning | <u>194,913</u> | <u>200,699</u> | <u>5,786</u> |
| FUND BALANCE, Ending | <u>\$ 103,302</u> | <u>\$ 138,441</u> | <u>\$ 35,139</u> |

See the accompanying independent auditors' report.

GILPIN COUNTY, COLORADO
 SOLID WASTE FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended December 31, 2016

| | ORIGINAL AND FINAL BUDGET | ACTUAL | VARIANCE Positive (Negative) |
|---|---------------------------------|-------------------|------------------------------------|
| REVENUES | | | |
| Taxes | \$ 105,500 | \$ 107,505 | \$ 2,005 |
| Charges for Services | 191,400 | 206,784 | 15,384 |
| Interest Income | 450 | 554 | 104 |
| Miscellaneous | - | 4,638 | 4,638 |
| TOTAL REVENUES | <u>297,350</u> | <u>319,481</u> | <u>22,131</u> |
| EXPENDITURES | | | |
| General Government | 300,230 | 266,236 | 33,994 |
| Capital Outlay | 6,000 | - | 6,000 |
| Debt Service | | | |
| Principal | 102,223 | 102,222 | 1 |
| Interest and Fiscal Charges | 2,669 | 2,668 | 1 |
| TOTAL EXPENDITURES | <u>411,122</u> | <u>371,126</u> | <u>39,996</u> |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | (113,772) | (51,645) | 62,127 |
| OTHER FINANCING SOURCES | | | |
| Transfers In | 70,000 | 70,000 | - |
| NET CHANGE IN FUND BALANCE | (43,772) | 18,355 | 62,127 |
| FUND BALANCE, Beginning | <u>190,643</u> | <u>218,521</u> | <u>27,878</u> |
| FUND BALANCE, Ending | <u>\$ 146,871</u> | <u>\$ 236,876</u> | <u>\$ 90,005</u> |

See the accompanying independent auditors' report.

GILPIN COUNTY, COLORADO
 CONSERVATION TRUST FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended December 31, 2016

| | ORIGINAL AND FINAL BUDGET | ACTUAL | VARIANCE Positive (Negative) |
|----------------------------|---------------------------------|-------------------|------------------------------------|
| REVENUES | | | |
| Intergovernmental | \$ 45,000 | \$ 55,558 | \$ 10,558 |
| Interest Income | 200 | 485 | 285 |
| TOTAL REVENUES | <u>45,200</u> | <u>56,043</u> | <u>10,843</u> |
| EXPENDITURES | | | |
| Culture and Recreation | 550 | 560 | (10) |
| TOTAL EXPENDITURES | <u>550</u> | <u>560</u> | <u>(10)</u> |
| NET CHANGE IN FUND BALANCE | 44,650 | 55,483 | 10,833 |
| FUND BALANCE, Beginning | <u>202,655</u> | <u>202,798</u> | <u>143</u> |
| FUND BALANCE, Ending | <u>\$ 247,305</u> | <u>\$ 258,281</u> | <u>\$ 10,976</u> |

See the accompanying independent auditors' report.

GILPIN COUNTY, COLORADO

COMBINING STATEMENT OF FIDUCIARY
 ASSETS AND LIABILITIES
 AGENCY FUNDS
 As of December 31, 2016

| | <u>COUNTY TREASURER</u> | <u>PUBLIC TRUSTEE</u> | <u>SHERIFF FORFEITURE</u> | <u>TOTALS</u> |
|---------------------------|-----------------------------|---------------------------|-------------------------------|-------------------|
| ASSETS | | | | |
| Cash and Investments | \$ 355,247 | \$ 272,634 | \$ 20,656 | \$ 648,537 |
| TOTAL ASSETS | <u>\$ 355,247</u> | <u>\$ 272,634</u> | <u>\$ 20,656</u> | <u>\$ 648,537</u> |
| LIABILITIES | | | | |
| Due to Other Governments | \$ 355,247 | \$ 272,634 | \$ - | \$ 627,881 |
| Held for Sheriff Expenses | <u>-</u> | <u>-</u> | <u>20,656</u> | <u>20,656</u> |
| TOTAL LIABILITIES | <u>\$ 355,247</u> | <u>\$ 272,634</u> | <u>\$ 20,656</u> | <u>\$ 648,537</u> |

See the accompanying independent auditors' report.

GILPIN COUNTY, COLORADO

COMBINING STATEMENT OF CHANGES IN
 FIDUCIARY ASSETS AND LIABILITIES
 AGENCY FUNDS
 Year Ended December 31, 2016

| | BALANCE <u>12/31/2015</u> | <u>ADDITIONS</u> | <u>DEDUCTIONS</u> | BALANCE <u>12/31/2016</u> |
|---------------------------|------------------------------|----------------------|----------------------|------------------------------|
| ASSETS | | | | |
| Cash and Investments | | | | |
| Treasurer | \$ 709,427 | \$ 15,478,913 | 15,833,093 | \$ 355,247 |
| Public Trustee | 28,228 | 704,256 | 459,850 | 272,634 |
| Sheriff Forfeiture | <u>24,452</u> | <u>2</u> | <u>3,798</u> | <u>20,656</u> |
| TOTAL ASSETS | <u>\$ 762,107</u> | <u>\$ 16,183,171</u> | <u>\$ 16,296,741</u> | <u>\$ 648,537</u> |
| LIABILITIES | | | | |
| Due to Other Governments | 737,655 | 16,183,169 | 16,292,943 | 627,881 |
| Held for Sheriff Expenses | <u>24,452</u> | <u>2</u> | <u>3,798</u> | <u>20,656</u> |
| TOTAL LIABILITIES | <u>\$ 762,107</u> | <u>\$ 16,183,171</u> | <u>\$ 16,296,741</u> | <u>\$ 648,537</u> |

See the accompanying independent auditors' report.

COMPLIANCE SECTION

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

| | | |
|--|------------------------|--------------------------------|
| LOCAL HIGHWAY FINANCE REPORT | | City or County: GILPIN |
| | | YEAR ENDING : December 2016 |
| This Information From The Records Of (example - City of _ or County of) | Prepared By: Phone: | Clorinda Smith 303-951-3671 |

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

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES

| ITEM | AMOUNT |
|---|-----------|
| A. Receipts from local sources: | |
| 1. Local highway-user taxes | |
| a. Motor Fuel (from Item I.A.5.) | |
| b. Motor Vehicle (from Item I.B.5.) | |
| c. Total (a.+b.) | |
| 2. General fund appropriations | 1,500,000 |
| 3. Other local imposts (from page 2) | 326,103 |
| 4. Miscellaneous local receipts (from page 2) | 99,006 |
| 5. Transfers from toll facilities | |
| 6. Proceeds of sale of bonds and notes: | |
| a. Bonds - Original Issues | |
| b. Bonds - Refunding Issues | |
| c. Notes | 401,190 |
| d. Total (a. + b. + c.) | 401,190 |
| 7. Total (1 through 6) | 2,326,299 |
| B. Private Contributions | |
| C. Receipts from State government (from page 2) | 687,968 |
| D. Receipts from Federal Government (from page 2) | 12,059 |
| E. Total receipts (A.7 + B + C + D) | 3,026,326 |

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

| ITEM | AMOUNT |
|---|-----------|
| A. Local highway disbursements: | |
| 1. Capital outlay (from page 2) | 478,021 |
| 2. Maintenance: | 501,533 |
| 3. Road and street services: | |
| a. Traffic control operations | 9,527 |
| b. Snow and ice removal | 64,046 |
| c. Other | 108,848 |
| d. Total (a. through c.) | 182,421 |
| 4. General administration & miscellaneous | 1,617,004 |
| 5. Highway law enforcement and safety | |
| 6. Total (1 through 5) | 2,778,979 |
| B. Debt service on local obligations: | |
| 1. Bonds: | |
| a. Interest | |
| b. Redemption | |
| c. Total (a. + b.) | 0 |
| 2. Notes: | |
| a. Interest | 4,777 |
| b. Redemption | 41,951 |
| c. Total (a. + b.) | 46,728 |
| 3. Total (1.c + 2.c) | 46,728 |
| C. Payments to State for highways | |
| D. Payments to toll facilities | |
| E. Total disbursements (A.6 + B.3 + C + D) | 2,825,707 |

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) | | 401,190 | 41,951 | 359,239 |

V. LOCAL ROAD AND STREET FUND BALANCE

| | A. Beginning Balance | B. Total Receipts | C. Total Disbursements | D. Ending Balance | E. Reconciliation |
|--|----------------------|-------------------|------------------------|-------------------|-------------------|
| | 1,202,383 | 3,026,326 | 2,825,707 | 1,403,002 | 0 |

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT

STATE:
Colorado
YEAR ENDING (mm/yy):
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 | 300,655 | a. Interest on investments | 3,196 |
| 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 | 65,345 |
| 4. Licenses | | f. Charges for Services | 10,171 |
| 5. Specific Ownership &/or Other | 25,448 | g. Other Misc. Receipts | 3,634 |
| 6. Total (1. through 5.) | 25,448 | h. Other | 16,660 |
| c. Total (a. + b.) | 326,103 | i. Total (a. through h.) | 99,006 |
| | (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 | 653,821 | 1. FHWA (from Item I.D.5.) | |
| 2. State general funds | | 2. Other Federal agencies: | |
| 3. Other State funds: | | a. Forest Service | 9,583 |
| a. State bond proceeds | | b. FEMA | 2,476 |
| b. Project Match | | c. HUD | |
| c. Motor Vehicle Registrations | 34,147 | 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.) | 34,147 | g. Total (a. through f.) | 12,059 |
| 4. Total (1. + 2. + 3.f) | 687,968 | 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 | | 11,631 | 11,631 |
| (3). System Preservation | | | 0 |
| (4). System Enhancement & Operation | | 466,390 | 466,390 |
| (5). Total Construction (1) + (2) + (3) + (4) | 0 | 478,021 | 478,021 |
| d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5) | 0 | 478,021 | 478,021 |
| | | | (Carry forward to page 1) |

Notes and Comments: