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San Miguel County  
Financial Statements and  
Independent Auditor's Report  
as of  
December 31, 2016

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INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners  
San Miguel County

**Report on the Financial Statements**

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

***Management's Responsibility for the Financial Statements***

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

***Auditor's Responsibility***

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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that 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 auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, 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 the San Miguel County, Colorado, 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.

To the Board of Commissioners  
San Miguel County  
Page two

***Other Matters***

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, Information about infrastructure assets reported using the modified approach and budgetary comparison information on pages 3 through 15 and 37 through 42 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 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 the San Miguel County, Colorado's basic financial statements. The combining and individual nonmajor fund financial statements, and Local Highway Finance Report are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, Local Highway Finance Report and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, Local Highway Finance Report and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

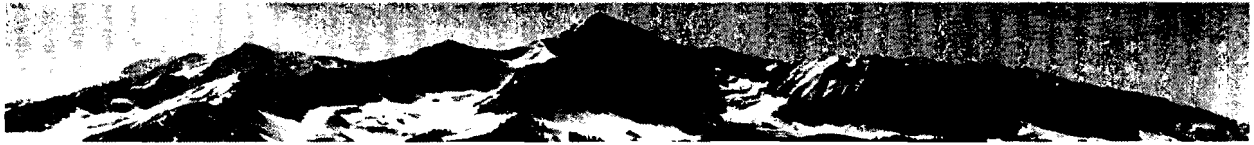
***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 19, 2016, on our consideration of the San Miguel County, Colorado's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the San Miguel County, Colorado's internal control over financial reporting and compliance.

***Blair and Associates, P.C.***

Cedaredge, Colorado  
June 16, 2017

## San Miguel County Management's Discussion and Analysis



As management of San Miguel County, we offer to readers of the San Miguel County's financial statements, this narrative overview and analysis of the financial activities of the County for the fiscal year ended December 31, 2016. We encourage readers to consider the information that we have furnished in the basic financial statements to better understand the financial position of San Miguel County.

### Financial Highlights

- San Miguel County's assets, \$ 114.8 million, exceeded liabilities and deferred inflows of resources, \$ 12.5 million, by \$102.3 million at the end of 2016. Of this amount, \$ 20.5 million may be used to meet the County's ongoing obligations to citizens. The remaining \$ 79.5 million are invested in capital assets and \$ 2.3 million is restricted for other purposes.
- Governmental funds reported combined ending fund balances of \$23.5 million, an increase of \$ 274,029.
- The County's fund balance for the General Fund was \$ 13 million, an increase of \$ 425,536.
- Total long-term liabilities decreased by \$ 197,304 during 2016 with no new debt issued.
- General property, sales and other taxes totaled \$ 11.9 million, or 83% of general revenues.
- It is the goal of the county to maintain an operating reserve in the general fund equal to approximately six months of operating expenditures. At December 31, 2016, the General Fund has over six months of operating reserves.

### Overview of the Financial Statements

This discussion and analysis is intended to serve as introduction San Miguel County's basic financial statements, which are comprised of: 1. Government-wide financial statements. 2. Fund financial statements. 3. Notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

### Government-wide financial statements

The *government-wide financial statements* are designed to provide readers with a broad overview of San Miguel County finances and in a manner similar to a private sector business.

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

## San Miguel County Management's Discussion and Analysis

The *statement of activities* presents information showing how the County's net position changed over the past year. All changes in net position is reported as soon as an "event" causing a change occurs, regardless of when related cash flows actually take place. As a result, revenues and expenses are reported in this statement for some items that will only result in cash flows in future financial periods; for example, grants not yet reimbursed or vacation leave which has been earned but not yet used.

Both of the government-wide financial statements distinguish activities of San Miguel County that are primarily supported by taxes and state/federal monies (intergovernmental activities) from activities that are intended to be funded primarily from user fees and charges (business-type activities). The governmental activities of the County include general government, public safety, public health and welfare, open space and recreation, road and bridge, and agriculture/natural resources.

The government-wide financial statements include not only San Miguel County government itself (known as the primary government), but also legally separate entities, the San Miguel County Housing Authority, and the San Miguel County Solid Waste Disposal District, which have significant operational and financial relationships with the County.

### **Fiduciary Funds**

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not included in the government-wide financial statements because the resources of these funds are not available to support the County's operations. San Miguel County has one fiduciary fund the Treasurer's Agency Fund. This fund is used to account for cash held by the County Treasurer for distribution to other governments.

### **Fund Financial Statements**

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been set aside for specific activities or purposes. San Miguel County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the County's funds can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

### **Governmental Funds**

*Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, governmental fund financial statements focus on near-term flows of spendable resources, as well as on balances of spendable resources available at the end of the year. This information is helpful in evaluating the County's near-term financing requirements.

## San Miguel County Management's Discussion and Analysis

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

San Miguel County maintains thirteen governmental funds. Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balance for the General Fund, the Road and Bridge Fund, and the Open Space Fund all of which are considered to be major funds. Information from the other ten governmental funds, Public Welfare Fund, Sales Tax Fund, Transit Fund, Contingent Fund, Retirement Fund, Conservation Trust Fund, Lodging Tax Tourism, Public Health Fund, Energy Fund and Dependent Districts are combined into a single, aggregated presentation.

The County's financial statements include the accounts of all county operations including general operations (general fund), and special revenue funds, including road and bridge, social services, capital expenditures, contingent, retirement, conservation trust and lodging tax tourism funds. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

- **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 as special revenue funds.
- **Road & Bridge Fund** receives local property tax revenues of \$ 1,513,337, state highway users tax of \$ 1,950,009, plus revenues from other sources designated for construction, improvements, maintenance and administration of county roads and bridges.
- **Open Space Fund** accounts for the property tax revenue, user fees, and grant funds that are collected and used for the acquisition of land and the building and maintenance of recreational facilities.
- **Public Welfare Fund** receives federal and state funds plus local mill levy revenues \$ 128,658 designated for public welfare programs.
- **Sales Tax Capital Fund** revenues are deposited to this fund and used for county capital expenditures. The fund accounts for one half of the revenues from the county's 1% sales tax. The remaining one half of the sales tax revenue goes to the general fund for general operations, with the first \$15,000 monthly (\$135,000@9 months) of the General Fund portion to be used for Jail operations.
- **Contingent Fund** is a reserve fund to be used for contingencies or emergencies that could not have been reasonably foreseen at the time of adoption of the budget. Included in this fund are the mandatory emergency reserves of 3% of annual Fiscal Year Spending (FYS) as required by Article X, Section 20, part 5, of the Colorado Constitution. In the case of a contingency, the Board of Commissioners is authorized to spend in excess of the appropriations.
- **Transit Fund** is used for public transportation. Funding sources include transportation impact fees and interest earnings.
- **Retirement Fund** is used for county employees which participate in a defined contribution retirement savings plan, a 5% payroll deduction matched by the county, with a 5-year vesting provision. Funded by property tax. The plan is administered by the Colorado County Officials and Employees Retirement Association.
- **Conservation Trust Fund** receives funds distributed to the county from the Colorado lottery (GOCO), which are designated for the acquisition, development and maintenance of new conservation sites or for capital improvements or maintenance for recreational purposes on any public site.

## San Miguel County Management's Discussion and Analysis

- **Public Health** accounts for all revenues and expenditures related to the administration of public health services and programs. The fund was set up pursuant to Senate Bill – 08-194.
- **Lodging Tax Tourism Fund**-Approved by voters in 1993, a 2% lodging tax was imposed for advertising and marketing tourism throughout San Miguel County. Currently, by contract, funds collected in the Telluride Region are passed through for promotion services, funds collected in the Norwood Region are passed through to the Norwood Chamber for promotion services.
- **Energy Fund**-This fund was created in 2011 per Resolution 2011-50 for the sole purpose of funding capital expenses associated with the purchase, installation, and/or construction of renewable energy and/or energy conservation facilities or projects located within San Miguel County.

**OTHER DISTRICTS/SPENDING AUTHORITIES**-The San Miguel County Board of County Commissioners is also the governing board for various spending authorities and special districts. Depending on the statutory authority of generating revenues, these are operated similar to Governmental Funds or operated as enterprise funds. The BOCC is responsible for budgetary control over these funds, districts and authorities.

### ➤ **San Miguel County Housing Authority**

Created on or about December 11, 1980 and activated in 1991 to facilitate employee housing projects in the Telluride region via bond issues, writing and receiving grants, and administering the County's deed restriction program. Budgets are prepared as an administrative tool, but are not required by State Statute. The governing body of the San Miguel County Housing Authority is the San Miguel County Board of County Commissioners. Most functions of the Authority are contracted to the San Miguel Regional Housing Authority.

### ➤ **San Miguel County Solid Waste Disposal District**

An entity created in 1991 pursuant to the provisions of 30-20-201 C.R.S. to assist in providing current and long term disposal of solid waste, trash and garbage within San Miguel County. The daily operations are assigned to the County Department of Environmental Health with the Board of County Commissioners acting as the governing board.

## **BUDGET POLICIES**

The Board of Commissioners follows certain procedures in establishing the budgetary data reflected in the financial documents:

- (1) In accordance with statutory requirements, prior to October 15, the finance manager submits to the board (County Administrator) a proposed operating budget for the calendar year commencing the following January 1. The operating budget includes proposed expenditures and means of financing them for the upcoming year, along with estimates for the current year and the actual data from the three preceding years.

**San Miguel County**  
**Management's Discussion and Analysis**

Detailed line item budgets received from each department and spending agency are included and reviewed for administrative control. The level of control of individual budgets exists with the elected official or department head.

- (2) Work sessions are held with department heads and public hearings are held to obtain public comment. All work sessions as well as public hearings are properly noticed and public comment is accepted.
- (3) Prior to December 31, the budgets are adopted pursuant to state statute by the approval of a resolution and approved in accordance with generally accepted accounting principles (GAAP).
- (4) Financial reports are reviewed with the County Administrator throughout the budget year comparing actual revenues and expenditures with the approved budgets. Any significant discrepancies from budgeted receipts or spending are discussed and resolved.
- (5) Appropriations lapse at the end of each fiscal year (statutory provision). If certain programs or projects have been approved for a budget year and not completed during that budget year, consideration is given to carrying unused funds forward to the next budget year for project completion.
- (6) All monies received by the County, its agencies, departments and programs, must be deposited with the County Treasurer and included in the annual budget and appropriations in order to be spent. The Board of Commissioners may authorize supplemental appropriations to the budgets during the budget year.

**Budgetary Comparisons**

San Miguel County adopts an annual appropriated budget for all of its funds. Budget to actual comparisons for each fund are provided in this report.

**Notes to the Financial Statements**

These notes provide additional information that is necessary in gaining a full understanding of the data provided in the government-wide and fund financial statements.

**Other information**

The combining statements referred to earlier in connection with non-major governmental, enterprise and internal service funds are presented immediately following the notes to the financial statements.

**San Miguel County**  
**Management's Discussion and Analysis**

**COUNTY-WIDE FINANCIAL ANALYSIS**

Net position may serve over time as a useful indicator of a government's financial position. As of December 31, 2016, assets exceeded liabilities by \$ 102.3 million.

The following table provides a summary of the County's governmental type net position for 2016 and 2015.

	<b>Governmental Activities</b>	
	<b>2016</b>	<b>2015</b>
<b>Assets</b>		
Current and other assets	\$ 33,368,347	\$ 33,333,828
Capital assets, net	81,453,491	80,055,798
Total assets	<u>114,821,838</u>	<u>113,389,626</u>
<b>Liabilities</b>		
Current and other liabilities	1,786,623	1,921,193
Long-term liabilities	2,678,002	2,875,306
Total liabilities	<u>4,464,625</u>	<u>4,796,499</u>
<b>Deferred Inflows of resources</b>		
Deferred revenue other	33,262	37,794
Deferred property tax revenue	8,005,231	8,105,639
<b>Total Deferred Inflows of resources</b>	<u>8,038,493</u>	<u>8,143,433</u>
<b>Net Position</b>		
Investment in capital assets	79,533,970	77,934,777
Restricted	2,321,694	2,449,708
Unrestricted	20,463,056	20,065,209
Total net position	<u>\$ 102,318,720</u>	<u>\$ 100,449,694</u>

**San Miguel County**  
**Management's Discussion and Analysis**

**Changes in Net Position**

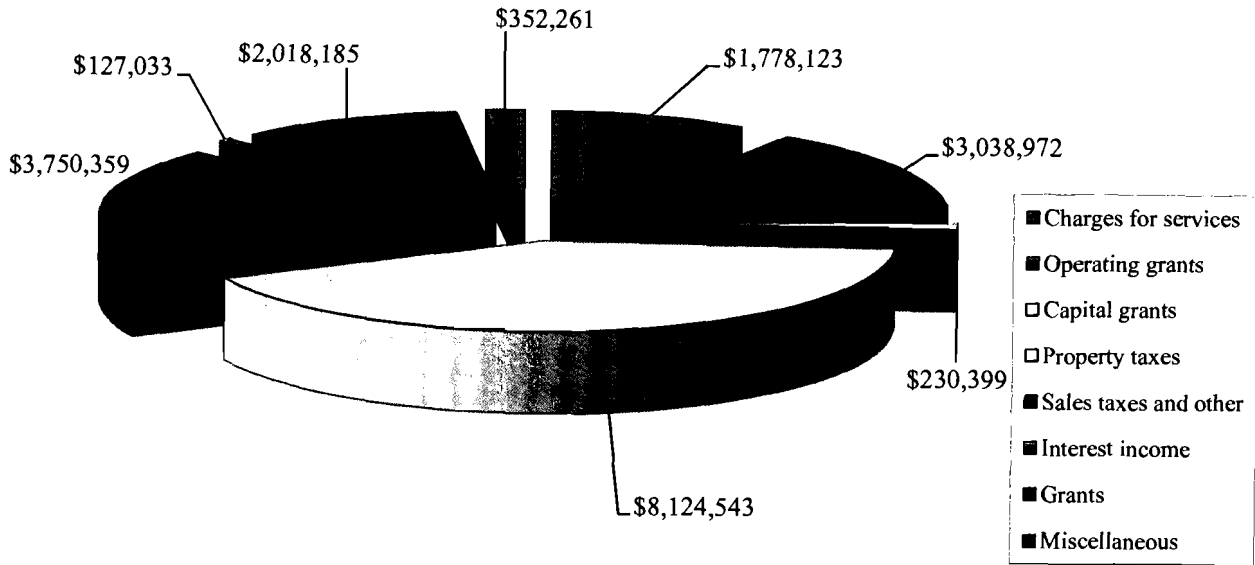
Governmental type activities increased the County's net position by \$1,869,026 in 2016.

The following table indicates the changes in net assets for governmental and business-type activities for 2016 and 2015.

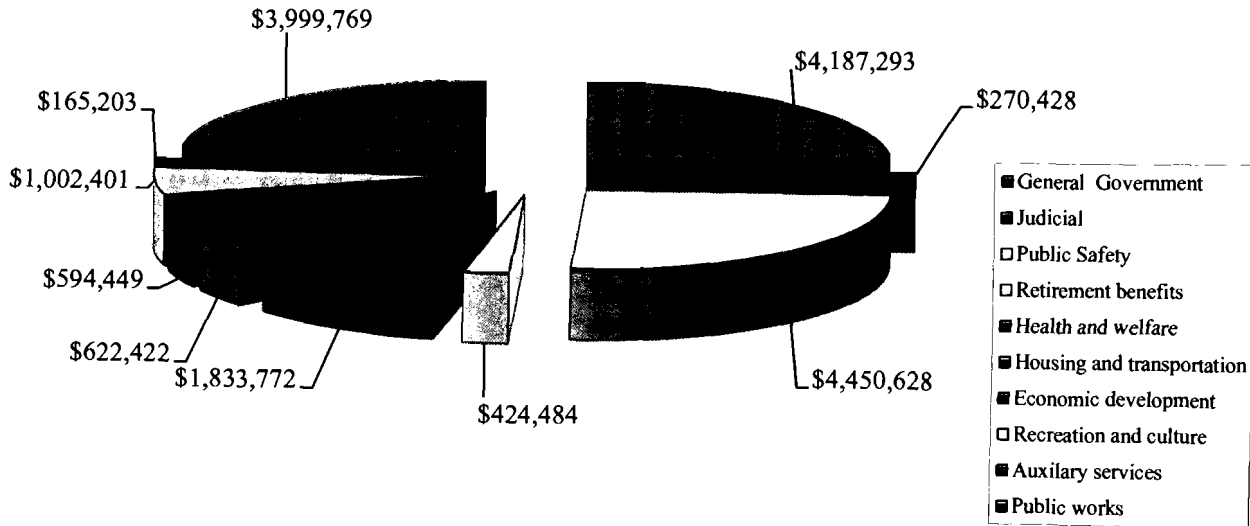
	<b>Governmental Activities</b>	
	<b>2016</b>	<b>2015</b>
<b>Revenues</b>		
<b>Program revenues</b>		
Charges for services	\$ 1,778,123	\$ 2,156,505
Operating grants	3,038,972	3,247,801
Capital grants	230,399	242,313
<b>General Revenues</b>		
Property taxes	8,124,543	7,324,406
Sales taxes and other	3,750,359	3,531,333
Interest income	127,033	40,810
Federal and state grants	2,018,185	2,122,359
Miscellaneous	380,962	491,025
Loss on sale of assets	(28,701)	(26,682)
<b>Total</b>	<b>19,419,875</b>	<b>19,129,870</b>
<b>Expenses</b>		
General government	4,187,293	4,371,854
Judicial	270,428	238,228
Public safety	4,450,628	4,192,155
Retirement benefits	424,484	384,229
Health and welfare	1,833,772	1,952,146
Housing and transportation	622,422	550,792
Economic development	594,449	446,165
Recreation and culture	1,002,401	1,020,215
Auxiliary services	165,203	158,620
Public works	3,999,769	3,790,711
<b>Total expenses</b>	<b>17,550,849</b>	<b>17,105,115</b>
<b>Increase in net position</b>	<b>1,869,026</b>	<b>2,024,755</b>
<b>Beginning</b>	<b>100,449,694</b>	<b>98,424,939</b>
<b>Ending</b>	<b>\$ 102,318,720</b>	<b>\$ 100,449,694</b>

**San Miguel County  
Management's Discussion and Analysis**

**Revenues by Source-Governmental Activities**



**Expenses by Department-Governmental Activities**



San Miguel County  
Management's Discussion and Analysis

**FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS**

As mentioned earlier, San Miguel County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds**

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

As of the end of 2016, the combined ending fund balances of San Miguel County's governmental funds were \$ 23,543,231. Approximately 55% of this consists of unreserved fund balance which is available as working capital and for current spending in accordance with the purposes of the specific funds.

The County has three major governmental funds. These are the General Fund and the Road and Bridge Fund, and Open Space Fund.

	Balances 1/1/2016	Additions	Deletions	Balances 12/31/2016
<b>Capital assets not being depreciated</b>				
Land	\$ 7,730,347	\$ 624,706	\$ -	\$ 8,355,053
Construction in progress	575,391	88,978	(575,391)	88,978
Infrastructure	59,056,591	-	(52,421)	59,004,170
Total capital assets not being depreciated	<u>67,362,329</u>	<u>713,684</u>	<u>(627,812)</u>	<u>67,448,201</u>
<b>Capital assets being depreciated</b>				
Buildings and improvements	15,809,217	1,441,868	-	17,251,085
Equipment and furniture	8,354,530	652,074	(32,121)	8,974,483
Total capital assets being depreciated	<u>24,163,747</u>	<u>2,093,942</u>	<u>(32,121)</u>	<u>26,225,568</u>
Less accumulated depreciation				
Buildings and improvements	5,501,004	374,991	-	5,875,995
Equipment and furniture	5,969,274	403,918	(28,909)	6,344,283
Total accumulated depreciation	<u>11,470,278</u>	<u>778,909</u>	<u>(28,909)</u>	<u>12,220,278</u>
Total capital assets being depreciated, net	<u>12,693,469</u>	<u>1,315,033</u>	<u>(3,212)</u>	<u>14,005,290</u>
<b>Governmental activities capital assets</b>	<u>\$ 80,055,798</u>	<u>\$ 2,028,717</u>	<u>\$ (631,024)</u>	<u>\$ 81,453,491</u>

**San Miguel County**  
**Management's Discussion and Analysis**

**Economic Factors & Future Budget**

- As of December 31, 2016 San Miguel County's general fund was in a strong financial position with an estimated ending fund balance for 2016 of \$13,034,682. This represents approximately 16 months of operating reserve. Although this reserve seems high, it has been established to offset any projected future revenue shortages of property tax revenues, federal funding levels, and state funding levels in the next five years. Revenues in the General Fund for 2016 exceed the expenditures by approximately \$488,076. Continual fiscal monitoring is needed by all management staff in order to control expenditures, collect revenues, and monitor operating budgets. This approach has helped maintain a healthy fund balance each year; however, future years projections are reflecting a significant decline in operating reserves.
- Assessed valuation for budget year 2017 has decreased by \$6,420,800. This represents a decrease of property tax revenue in the amount of \$69,141 for all funds. San Miguel County's mill levy totals 10.120 for budget year 2017. San Miguel County citizens have approved the removal of the constitutional limitations of TABOR (Taxpayers Bill of Rights).
- Sales tax revenues increased in 2016 by 5.93% over the 2015 revenues. Revenue trends are showing that the sales tax collections overall have seen small increases during fiscal year 2016. Sales tax related to cannabis sales have increased the overall collections in 2016 by \$37,071.
- Lodging tax revenues for 2016 were up 17.97% compared to 2015. The 2017 projected revenue is very conservative to 2015 actuals; however, whatever is received is distributed. These revenues are passed thru to Marketing Telluride and the Norwood Chamber of Commerce to help promote tourism and recreation in the County.
- The prediction of construction activity continues to be difficult to predict. Building permit fees collected by San Miguel County are calculated from a formula devised by the International Code Council. The fees are relative to the cost of the project and the fees are intended to cover the expense of providing code review & inspection services for the project. San Miguel County Building Department also collects a Use Tax with the building permit fees. The Use Tax amount is derived from the anticipated cost of materials being used in the project. The Use Tax is calculated as a 1% tax on 40% of the project cost (the 40% is estimated to be the cost of materials). In order to feel confident about a construction price the Building Department does require a line-item budget and/or a contract for the project to be submitted with the building permit application.
- Average investment interest rates in 2016 rose approximately 0.3% over 2015. For bank investments, annual interest rates varied from 0.01 to 0.3 in 2016 compared to .000998 to 0.2 percent in 2015. Alpine Bank, utilized for operations, pays no interest on public deposits, however charged no fees. Public Investment Pools yielded between 0.22 to 0.93 percent in 2016 compared to 0.10 to 0.37 percent in 2015. With the current sentiments of the Federal Reserve to not increase interest rates in the first quarter of 2016, staff does not anticipate a major interest rate adjustment in 2017.

## San Miguel County Management's Discussion and Analysis

- PILT (Federal Payment in Lieu of Tax) funding in the amount of \$1,074,459 was received for fiscal year 2017 and \$1,027,765 was received for fiscal year 2016. Given the uncertainty of the future of the PILT program, staff continues to be very conservative in the future projections of this revenue.
- Public transportation continues to be a very important alternative for the many commuters traveling from Montrose, Ridgway, Norwood, and west Montrose County to the Telluride area. In 2016 San Miguel County spent \$250,008 for transit services (Galloping Goose) to Norwood and \$6,821 for the van pool to Ridgway. The Ridgway van pool expenditures included non-routine maintenance and insurance for the two vans. San Miguel County owns the vans and there has been no debt service associated with these vans since 2012. Revenues to fund this function currently come primarily from real estate transfer taxes. San Miguel County received a FTA Operational Grant for 2016 in the amount of \$110,000. This grant was used to help fund the costs associated with the Norwood transit, Down Valley transit, and ½ of the Lawson Hill transit routes. In 2016, the voters of San Miguel County who are within the SMART (San Miguel Authority for Regional Transportation) jurisdictional boundary, approved a mill levy of .75 mills and a sales tax increase of .25% to fund the SMART district for regional transportation. San Miguel County is anticipating transitioning all transit functions to this district beginning in 2018.
- The 2017 budget includes funding for 121.63 FTE's. This represents an increase of 1.35% from the 2016 staffing levels.
- Trail work within the county continued in 2016 with the following projects being worked on:
  - Idarado Legacy Trail: 12 new water bars and drainage features were installed in areas suffering from erosion problems. Red breeze trail mix was also added to the project area to improve the trail.
  - Galloping Goose Connector Trail: a section of the old trail was revegetated and a new alignment was constructed to avoid a muddy area with poor drainage. The old section was seeded with native grass and wildflowers.
  - Marshall Creek: A new trail head sign was installed and light trail maintenance was performed. The easement for the trail is one of several easements Idarado donated to San Miguel County related to the Via Ferrata. This trail will provide access to and exit from the VF, but may also provide a future hiking trail into Tomboy Basin.
  - Aldasoro Connector Trail: numerous volunteer hours were spent improving this trail and making it safe for hikers and bikers.
  - Keystone Gorge Loop Trail: The Southwest Conservation Corp was contracted to install several new water bars and drainage improvements on the section of the trail from the lower bridge up to the connection with the Galloping Goose Trail.
  - M59 River Trail: trail maintenance was performed to control vegetation and to repair damage done by mud slides.
  - Adopt-A-Trail Program: County park's staff in collaboration with students and teachers from the Mountain School performed light maintenance on the Keystone Gorge Loop Trail.
  - Angell Lode Trail: This fairly primitive trail located on the eastern side of Placerville had a new trailhead sign installed and new water bars and drainage features installed.
- A major project planned for the Down Valley Park (DVP) is a Pollinator Garden. This 7,500 square foot garden will be the home of flower-rich habitat for local butterflies and bees.

## San Miguel County Management's Discussion and Analysis

- This site is located in the meadow just west of the DVP restrooms and picnic pavilion. Phase I is complete which included the tilling and cultivation of 139 cubic yards of amended top soil. Planting has been completed. Funding for this project is through the Payment for Ecosystem Services budget within the Open Space Fund.
- The County is piloting a Soil Health PES program to develop a protocol to assist farmers and ranchers to improve their soil and increase the water holding capacity. This project will run for several years, as soil carbon and microbial populations take time to stabilize.
- Two land conservation easements were acquired in 2016. One consists of 4 parcels totaling 1,680 acres just east of Egnar, also known as the Washburn land conservation easement. This was a cooperative effort between the Marsh family, the Montezuma Land Conservancy, and San Miguel County. The second easement that was acquired was a 125-acre easement located on Wright's Mesa south of Norwood. This has been donated to the County in a cooperative effort with the Montezuma Land Conservancy. The goals of the land conservation easement project are to protect open space, encourage protection of wildlife habitat and riparian areas, and to protect the natural beauty so vital to the regional economy.
- San Miguel County hosted the first Indigenous People's Day Ceremony on October 10, 2016. This was a day of healing and education to recognize the great injustice served upon the Ute people 135 years ago. It was a cooperative effort with the Towns of Telluride and Mountain Village.
- Historic preservation projects consisted of the replacement of the east side porch roof on the Courthouse with a new show shed roof. The County also added two Deep Creek structures to the Historic Register. These were the Carr Structure and the Aldasoro Barn. Additional work was done on the Lewis Mill to stabilize the southeast roof edge and the elevator shaft. Window openings were also boarded and the upper roofing was re-attached. The County continues to work in conjunction with the Town of Telluride for the potential conveyance of the Pandora Mill. Both are working diligently with the Idarado Mining Co. to preserve and protect the structure from being demolished. Roof repairs were made to the roof in 2016.
- A comprehensive electrical upgrade to the Grandstands and Outdoor arena were completed in 2016. Fairground activities and events included the fair/carnival/rodeo, summer baseball program, gymkhana series, Roping Club buckle series, skating rink, Telluride Baseball Festival, 2nd Annual Pioneer Day Car Show, and the Fire Department's Star Spangled Saturday. New events included a Mustang Maddy Horsemanship demonstration, a CWBRA Mountain Madness Barrell Race, a Bicycle Tour of Colorado, and a Mustang Adoption event. Accomplishments include installation of two shade structures near the ballfields, as well as a newly renovated parking area. The maintenance shop and scale house were also re-sided.

**San Miguel County**  
**Management's Discussion and Analysis**

- Vegetation Management – 2016 Program Accomplishments
  - Oxeye Daisy and Yellow Toadflax treatment in Mountain Village
  - Cooperative treatment of Tamarisk in Disappointment Valley
  - Classes were held for Weeds 101, Environmental Appreciation Day, and CSU Master Gardner courses.
  - Staff worked with CDOT, Navaro, and various municipalities
  - Hosted a legislative meet and greet via the Colorado Weed Management Association
  - Ron Mabry served on the CWMA board of directors
  - Ron Mabry served as a member of the Ag Council
  - Hired a full-time assistant and training is on-going
  - Total acres treated in 2016 were 598

The dedicated staff of San Miguel County will continue to look for ways to improve processes, and will work to maintain quality service levels for the citizens and taxpayers of San Miguel County. Staff continues to be committed to making wise spending decisions every day in order to make the most of every taxpayer dollar. This attitude is a key factor in successful budgeting and financial management.

**REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of San Miguel County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to San Miguel County Finance Department, PO Box 486, Norwood, CO 81423; 970-327-4885; [finance@sanmiguelcountyco.gov](mailto:finance@sanmiguelcountyco.gov).

**SAN MIGUEL COUNTY, COLORADO**  
**STATEMENT OF NET POSITION**  
**December 31, 2016**

	<b>Primary Government</b>	
	<b>Governmental Activities</b>	
	<b>2016</b>	<b>2015</b>
<b>Assets</b>		
Cash and cash equivalents	\$ 23,999,616	\$ 23,658,549
Property taxes receivable	8,005,231	8,105,639
Note receivable	116,981	121,187
Accounts receivable	975,931	1,303,376
Due from other governmental units	31,080	31,078
Inventories	239,508	113,999
Capital assets		
Nondepreciable	67,448,201	67,362,329
Depreciable, net of accumulated depreciation	14,005,290	12,693,469
<b>Total assets</b>	<b>114,821,838</b>	<b>113,389,626</b>
<b>Liabilities</b>		
Accounts payable	925,895	1,090,259
Accrued vacation and sick leave	758,481	754,285
Accrued payroll	76,247	50,649
Deposit-bond payable	26,000	26,000
Long-term liabilities		
Due more than one year:		
Leases payable	1,919,521	2,121,021
Accrued vacation and sick leave	758,481	754,285
<b>Total liabilities</b>	<b>4,464,625</b>	<b>4,796,499</b>
<b>Deferred Inflows of Resources</b>		
Deferred revenue other	33,262	37,794
Deferred property tax revenue	8,005,231	8,105,639
<b>Total deferred inflows of resources</b>	<b>8,038,493</b>	<b>8,143,433</b>
<b>Net position</b>		
Invested in capital assets	79,533,970	77,934,777
Restricted for:		
Seizure funds	1,385	1,385
Health Insurance	64,369	64,369
Emergencies	627,831	627,831
Transportation	284,981	258,715
Housing	1,228,246	1,332,571
Solid waste	114,882	119,481
Unrestricted:	20,463,056	20,110,565
<b>Total Net position</b>	<b>\$102,318,720</b>	<b>\$ 100,449,694</b>

See accompanying notes to the basic financial statements

**SAN MIGUEL COUNTY, COLORADO**  
**STATEMENT OF ACTIVITIES**  
**Year Ended December 31, 2016**

<b>Functions/Programs</b>	<b>Expenses</b>	<b>Program Revenues</b>		
		<b>Charges for Services &amp; Fees</b>	<b>Operating and Contributions</b>	<b>Capital Grants and Contributions</b>
<b>Primary government:</b>				
Governmental activities:				
General government	\$ 4,187,293	\$ 1,320,512	\$ -	\$ -
Judicial	270,428	-	-	-
Public safety	4,450,628	69,052	-	-
Retirement Benefits	424,484	-	-	-
Health and welfare	1,833,772	80,894	946,907	-
Housing and transportation	622,422	251,436	110,000	-
Economic development	594,449	-	-	-
Recreation and culture	1,002,401	31,114	30,734	-
Auxiliary services	165,203	-	-	-
Public works	3,999,769	25,115	1,951,331	230,399
<b>Total governmental activities</b>	<b>17,550,849</b>	<b>1,778,123</b>	<b>3,038,972</b>	<b>230,399</b>

**General Revenues**

Taxes:

Property taxes

Sales taxes and other

Unrestricted investment earnings

Federal and state grants

Other general revenues

Loss on disposal of assets

**Total General Revenues**

**Changes in Net Position**

**Net Position-January 1**

**Net Position-December 31**

See accompanying notes to the basic financial statements

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**Net (Expense) Revenue and Changes in Net Position**  
**Primary Government**

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	<u>2016</u>		<u>2015</u>
\$	(2,866,781)	\$	(2,978,495)
	(270,428)		(238,228)
	(4,381,576)		(4,130,643)
	(424,484)		(384,229)
	(805,971)		(740,096)
	(260,986)		(165,869)
	(594,449)		(446,165)
	(940,553)		(650,706)
	(165,203)		(158,620)
	(1,792,924)		(1,565,445)
	<u>(12,503,355)</u>		<u>(11,458,496)</u>
	8,124,543		7,324,406
	3,750,359		3,531,333
	127,033		40,810
	2,018,185		2,122,359
	380,962		491,025
	(28,701)		(26,682)
	<u>14,372,381</u>		<u>13,483,251</u>
	1,869,026		2,024,755
	<u>100,449,694</u>		<u>98,424,939</u>
\$	<u>102,318,720</u>	\$	<u>100,449,694</u>

See accompanying notes to the basic financial statements

**SAN MIGUEL COUNTY, COLORADO**  
**BALANCE SHEET-GOVERNMENTAL FUNDS**  
**YEAR ENDED DECEMBER 31, 2016**  
**WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2015**

	General Fund	Road and Bridge	Open Space	Other Governmental Funds	TOTALS	
					2016	2015
<b>Assets</b>						
Cash and cash equivalents	\$ 13,691,302	\$ 2,883,142	\$ 2,579,525	\$ 4,845,647	\$ 23,999,616	\$ 23,658,549
Property taxes receivable	4,884,615	1,502,958	1,186,546	431,112	8,005,231	8,105,639
Note receivable	-	-	-	116,981	116,981	121,187
Accounts receivable	319,719	246,719	6,088	403,405	975,931	1,303,376
Due from other entities	-	-	-	31,080	31,080	41,078
Inventories	-	239,508	-	-	239,508	113,999
<b>Total assets</b>	<b>\$ 18,895,636</b>	<b>\$ 4,872,327</b>	<b>\$ 3,772,159</b>	<b>\$ 5,828,225</b>	<b>\$ 33,368,347</b>	<b>\$ 33,343,828</b>
<b>Liabilities and fund balance</b>						
<b>Liabilities</b>						
Accounts payable	\$ 389,708	\$ 172,114	\$ 43,374	\$ 320,699	\$ 925,895	\$ 1,090,259
Accrued payroll	17,170	48,254	668	10,155	76,247	50,649
Accrued vacation and sick leave	603,945	98,873	21,578	34,085	758,481	754,285
Due to other funds	-	-	-	-	-	10,000
Deposit-bond payable	-	26,000	-	-	26,000	26,000
<b>Total liabilities</b>	<b>1,010,823</b>	<b>345,241</b>	<b>65,620</b>	<b>364,939</b>	<b>1,786,623</b>	<b>1,931,193</b>
<b>Deferred Inflows of Resources</b>						
Unearned revenue	28,059	-	-	5,203	33,262	37,794
Deferred property tax revenue	4,884,615	1,502,958	1,186,546	431,112	8,005,231	8,105,639
<b>Total deferred inflows of resources</b>	<b>4,912,674</b>	<b>1,502,958</b>	<b>1,186,546</b>	<b>436,315</b>	<b>8,038,493</b>	<b>8,143,433</b>
<b>Fund balances</b>						
<b>Restricted</b>						
Emergencies for tabor	-	-	-	627,831	627,831	627,831
Park and recreation	-	-	-	48,008	48,008	47,072
Public health and welfare	-	-	-	131,861	131,861	50,928
<b>Committed</b>						
Transportation	-	-	-	284,981	284,981	267,813
Housing	-	-	-	1,228,246	1,228,246	1,332,571
Tourism	-	-	-	8,164	8,164	8,164
Solid waste	-	-	-	114,882	114,882	155,739
Employee benefits	-	-	-	39,357	39,357	62,613
Capital purchases	-	700,000	-	2,407,517	3,107,517	2,939,195
Open space	-	-	2,519,993	-	2,519,993	2,176,545
Highway and streets	-	2,324,128	-	-	2,324,128	2,876,474
Energy	-	-	-	27,742	27,742	34,615
Air quality	-	-	-	65,411	65,411	65,411
Vegetation management	-	-	-	42,971	42,971	77,628
<b>Assigned</b>						
Seizure funds	1,385	-	-	-	1,385	1,385
Health insurance	64,369	-	-	-	64,369	64,369
Unassigned	12,906,385	-	-	-	12,906,385	12,480,849
<b>Total fund balances</b>	<b>12,972,139</b>	<b>3,024,128</b>	<b>2,519,993</b>	<b>5,026,971</b>	<b>23,543,231</b>	<b>23,269,202</b>
<b>Total liabilities and fund balances</b>	<b>\$ 18,895,636</b>	<b>\$ 4,872,327</b>	<b>\$ 3,772,159</b>	<b>\$ 5,828,225</b>	<b>\$ 33,368,347</b>	<b>\$ 33,343,828</b>

See accompanying notes to the basic financial statements

**SAN MIGUEL COUNTY, COLORADO**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET**  
**TO THE STATEMENT OF NET POSITION**  
**December 31, 2016**

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<b>Total governmental fund balances</b>	\$ 23,543,231
Amounts reported for governmental activities in the statement of activities are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	81,453,491
Long-term liabilities, including bonds payable and compensated absences, are not due and payable in the current period and therefore are not reported in the funds.	
Leases Payable	(1,919,521)
Compensated absences	(758,481)
<b>Net position of governmental activities</b>	<u><u>\$ 102,318,720</u></u>

See accompanying notes to the basic financial statements

**SAN MIGUEL COUNTY, COLORADO**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**YEAR ENDED DECEMBER 31, 2016**  
**WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2015**

	General Fund	Road and Bridge	Open Space	Other Governmental Funds	TOTALS	
					2016	2015
<b>Revenues</b>						
Taxes	\$ 6,712,572	\$ 1,577,094	\$ 1,245,074	\$ 2,317,384	\$ 11,852,124	\$ 10,833,175
Intergovernmental	1,659,606	2,293,144	426	1,357,158	5,310,334	5,635,037
Licenses and permits	217,449	1,250	-	18,697	237,396	329,526
Charges for services	1,172,115	8,941	-	328,551	1,509,607	1,490,638
Miscellaneous	301,682	528	31,114	205,791	539,115	868,176
<b>Total revenues</b>	<b>10,063,424</b>	<b>3,880,957</b>	<b>1,276,614</b>	<b>4,227,581</b>	<b>19,448,576</b>	<b>19,156,552</b>
<b>Expenditures</b>						
Current:						
General government	4,585,267	-	-	-	4,585,267	4,222,934
Judicial	270,428	-	-	-	270,428	238,228
Public safety	4,136,490	-	-	101,591	4,238,081	3,959,707
Retirement benefits	-	-	-	424,484	424,484	384,229
Health and welfare	-	-	-	1,654,389	1,654,389	1,836,707
Housing and transportation	-	-	-	622,422	622,422	550,792
Economic development	-	-	-	594,449	594,449	446,165
Energy programs	-	-	-	6,873	6,873	40,570
Vegetation management	-	-	-	185,986	185,986	111,690
Recreation and culture	-	-	924,125	-	924,125	1,639,439
Auxiliary services	165,203	-	-	-	165,203	158,620
Public Works	-	4,678,215	-	-	4,678,215	4,073,378
Debt Service	-	-	-	244,200	244,200	244,200
Capital outlay	-	-	-	732,866	732,866	472,159
<b>Total expenditures</b>	<b>9,157,388</b>	<b>4,678,215</b>	<b>924,125</b>	<b>4,567,260</b>	<b>19,326,988</b>	<b>18,378,818</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>906,036</b>	<b>(797,258)</b>	<b>352,489</b>	<b>(339,679)</b>	<b>121,588</b>	<b>777,734</b>
<b>Other financing sources (uses)</b>						
Transfers in (out)	(480,500)	92,471	(9,041)	397,070	-	-
Sale of assets	-	26,932	-	-	26,932	110
<b>Total other financing sources (uses)</b>	<b>(480,500)</b>	<b>119,403</b>	<b>(9,041)</b>	<b>397,070</b>	<b>26,932</b>	<b>110</b>
<b>Net change to fund balance</b>	<b>425,536</b>	<b>(677,855)</b>	<b>343,448</b>	<b>57,391</b>	<b>148,520</b>	<b>777,844</b>
<b>Fund balance, January 1</b>	<b>12,546,603</b>	<b>3,576,474</b>	<b>2,176,545</b>	<b>4,969,580</b>	<b>23,269,202</b>	<b>22,535,461</b>
<b>Increase an inventory</b>	<b>-</b>	<b>125,509</b>	<b>-</b>	<b>-</b>	<b>125,509</b>	<b>(44,103)</b>
<b>Fund balance, December 31</b>	<b>\$ 12,972,139</b>	<b>\$ 3,024,128</b>	<b>\$ 2,519,993</b>	<b>\$ 5,026,971</b>	<b>\$ 23,543,231</b>	<b>\$ 23,269,202</b>

See accompanying notes to the basic financial statements

**SAN MIGUEL 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**

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**Net change in fund balances - total governmental funds** \$ 148,520

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Fixed assets current additions	\$ 2,232,235	
Depreciation expense	<u>(778,909)</u>	
Excess of capital outlay over depreciation		1,453,326

The net effect of various transactions involving capital assets(i.e.,sales, trade ins, and contributions) is to decrease net assets.	(55,633)
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Some expenses not reported in the Statement of Activities that do require the use of current financial resources and therefore are reported as expenditures in governmental funds.

Principal payments on debt service		201,500
Compensated absences		(4,196)
Inventory Increase		125,509

<b>Change in net position of governmental funds</b>	<u><u>\$ 1,869,026</u></u>
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**SAN MIGUEL COUNTY, COLORADO**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**December 31, 2016**

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**Treasurer's Agency Fund**

**Cash and investments** \$ 537,997

**Due to other governments** \$ 537,997

**Note 1 – Summary of Significant Accounting Policies**

The accounting and reporting policies of San Miguel County, Colorado conform to generally accepted accounting principles (GAAP) as applicable to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following summary of significant accounting policies is presented to assist the reader in evaluating the County's financial statements.

**Financial Reporting Entity**

San Miguel County is located in western Colorado with a population of approximately 7,800. The principal towns are Telluride, Mountain Village and Norwood. San Miguel County is a political subdivision of the State of Colorado, governed by an elected three-member Board of County Commissioners. The County has six other elected officials; the Assessor, the Clerk and Recorder, the Coroner, the Sheriff, the Surveyor and the Treasurer. San Miguel County is included in the Seventh Judicial District. An elected District Attorney for the District serves Montrose, Delta, Gunnison, Hinsdale, San Miguel and Ouray Counties. The County provides several additional services through other governmental organizations, which are excluded or included in this report, as detailed below.

Related Entities

*Public Trustee*

The Public Trustee is a state statutorily mandated position, whose financial transactions are independent of the County. However, all expenditures and associated funding transactions relating to the operations of the County Office of the Public Trustee are included in the General Fund.

*Jointly Funded Organization*

The County, in conjunction with other counties, shares in the financial support of the District Attorney of the Seventh Judicial District of the State of Colorado. In 2016, the County contributed \$155,655 for the operation of the District Attorney.

The County, in conjunction with other Towns within San Miguel County, share in the financial support of the San Miguel Regional Housing Authority. The County contributed \$80,388 for the operation of the Housing Authority. The County records the R-1 Housing Deed Restricted Fund, along with other County housing funds in the Dependent District on pages 45 and 46.

*Other*

The County Commissioners are also responsible for appointing members of the board of the San Miguel Disposal District and approving their budget. Therefore, their financial statements are included in the County's financial reports.

**Note 1 – Summary of Significant Accounting Policies (continued)**

**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 nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues and other nonexchange transactions are reported separately from *business-type activities*, which rely to a significant extent on fees and user charges for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segments 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 as *general revenues*.

**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* as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as 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. The County considers revenues to be available if they are collectible within 90 days except for property taxes which are considered available if they are collectible within sixty days after year-end. Property taxes, sales taxes, licenses, and interest associated with the current year are considered to be susceptible to accrual and so have been recognized as revenues of the current year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded when payment is due. Compensated absences, claims and judgements are expected to be liquidated with expendable available resources and are reported as expenditures and a fund liability of the governmental fund that will pay for it.

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

**Note 1 – Summary of Significant Accounting Policies (continued)**

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation**  
(continued)

The fund financial statements provide information about the County's funds, including its fiduciary funds. Separate statements for each category-*governmental and fiduciary*-are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

**Deferred Outflows / Inflows of Resources**

In addition to liabilities, the statement of net position will sometimes report a separate section of deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. Property taxes revenue that are related to a future period have been recorded as deferred inflows. Grants and entitlements received before eligibility requirements are met (e.g., cash advances) are recorded as deferred inflows. These amounts are deferred and will be recognized as an inflow of resources in the period that the amounts become available.

The government reports the following major governmental funds:

The *General Fund* is the County's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *Road and Bridge Fund* records costs related to County road and bridge construction and maintenance. By State law, Colorado counties are required to maintain a road and bridge fund. A portion of road and bridge taxes is allocated to cities and towns for use in their road and street activities.

The *Open Space Fund* accounts for the administration and operations of the Parks and Recreation Fund and also the purchase of land for open space.

The government reports the following non-major governmental funds:

The *Public Welfare Fund* accounts for the administration and operations of the County's public health and welfare system.

*Sales Tax Fund* accounts for revenues derived from sales tax. One half of the sales tax revenue collected annually is designated for capital expenditures or debt service.

*Transit Fund* accounts for the collection of transportation impact fees and other sources designated for mass transit and other transportation services.

*Retirement Fund* accounts for revenues from property taxes designated for a county employee retirement program.

**Note 1 – Summary of Significant Accounting Policies (continued)**

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation**  
(continued)

*Conservation Trust Fund* reflects the receipt of the County's share of Colorado Lottery funds and money from other sources to be used for recreation purposes within the County.

*Contingent Fund* reflects the accumulation and disbursement of funds set aside to be used as needed for unforeseen contingencies.

*Lodging Tax Fund* accounts for revenues derived from lodging tax to be used for economic development.

*Public Health Fund* accounts for all revenues and expenditures related to the administration of public health services and programs. The fund was set up pursuant to Senate Bill – 08-194.

*Energy Fund* was created in 2011 per Resolution 2011-50 for the sole purpose of funding capital expenses associated with the purchase, installation, and/or construction of renewable energy and/or energy conservation facilities or projects located within San Miguel County.

*Dependent District Funds* - special revenue funds used to account for the revenue from property taxes and other revenues designated for specific purposes. The San Miguel County Housing Authority's general fund has been blended as a dependent district.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are certain charges between the County's enterprise funds and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments.

Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues included all taxes.

**Assets, Liabilities, and Net Assets or Equity**

*Receivable and Payable Balances*

Significant components of receivables and payables are disaggregated in the financial statements. All receivables are expected to be collected within one year. All material payables are expected to be paid within one year with the exception of the amounts for the accrual for compensated absences and capital leases.

San Miguel County, Colorado  
Notes to Financial Statements  
December 31, 2016

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**Note 1 – Summary of Significant Accounting Policies (continued)**

**Assets, Liabilities, and Net Assets or Equity (continued)**

Property Taxes

Property taxes are levied in December and attached as an enforceable lien on property as of January 1 of the following year. Taxes are payable either in two installments due on February 28 and June 15 or in full on April 30. The County, through the San Miguel County Treasurer, bills and collects its own property taxes as well as property taxes of all other taxing authorities within the County.

Taxes levied in 2016 for collection in 2017 are recorded in governmental funds as taxes receivable and deferred inflows of resources as of December 31, 2016 since the amount is measurable but not available until 2017. An allowance for uncollectible taxes is not provided as the uncollectible amounts were determined to be negligible based upon an analysis of historical trends.

Interfund Transactions

Transactions between funds that would be treated as revenues, expenditures, or expenses if they involved organizations external to the County are accounted for as revenues, expenditures, or expenses in the funds involved. Transactions which constitute reimbursements of a fund for expenditures or expenses initially made from that fund which are properly applicable to another fund are recorded as expenditures or expenses in the reimbursing fund and as reductions of the expenditure or expense in the fund that is reimbursed. At year end, outstanding balances between funds are reported as “due to/from other funds.” Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.” These amounts are eliminated in the Total Column on the “statement of net assets” column. Any residual balances outstanding between “discrete presented component units” and the “primary government” are reported on a separate line.

Inventories

Inventories are valued at cost which is determined using the first-in, first-out method. Inventories in most Governmental funds are recorded as expenditures when purchased. Inventories in the Road and Bridge Fund are recorded as expenditures when consumed rather than when purchased.

Capital Assets

Capital assets, which include property, plant equipment, and infrastructure assets (e.g., roads, bridges and similar items), are reported in the applicable governmental activities columns in the government-wide financial statements. Capital assets are defined by the County as assets with an initial, individual cost of more than \$5,000 and a useful life of more than one year. All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are recorded at fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

San Miguel County, Colorado  
Notes to Financial Statements  
December 31, 2016

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**Note 1 – Summary of Significant Accounting Policies (continued)**

**Assets, Liabilities, and Net Assets or Equity (continued)**

Capital Assets

Depreciation on capital assets, with the exception of infrastructure, is provided on the straight-line basis over the following estimated useful lives:

Buildings and improvements	20 to 40 Years
Equipment and Furniture	5 to 10 Years

Future Compensated Absences

A maximum of 24 to 48 days vacation per year may be accumulated by each employee. Employees will be paid for up to the maximum accumulation of unused vacation days upon separation from County service after six months continuous service.

Full-time employees can earn one (1) day of sick leave per payroll reporting period. For part-time employees, sick leave is earned at a rate of one day per payroll reporting period that is proportionate to 1/5 of their weekly hours. After two (2) years of continuous service, upon separation from employment (either voluntary or involuntary), the terminating employee will be paid at the current regular rate of pay for 50% of their unused accrued sick leave. After fifteen (15) years will be paid at 75% of their current regular rate of pay for up to 120 days of unused accrued sick leave. After twenty (20) years terminating employee will be paid at 100% of their current regular rate of pay for up to 120 days of unused accrued sick leave. Starting after March 1, 2013, the continuous service was changed from two to ten years the terminating employee will be paid at the current regular rate of pay for 50% of their unused accrued sick leave.

Long-term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements. Long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. At December 31, 2016 the only long term debt that San Miguel County had was from the accrual of compensated absences and capital leases.

Fund Equity

In the fund financial statements, governmental funds report the following classifications of fund balance:

Nonspendable - includes amounts that are not in spendable form (such as inventory) or are required to be maintained intact.

San Miguel County, Colorado  
Notes to Financial Statements  
December 31, 2016

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**Note 1 – Summary of Significant Accounting Policies (continued)**

**Assets, Liabilities, and Net Assets or Equity (continued)**

*Fund Equity (continued)*

Restricted – includes amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions or by enabling legislation.

Committed – includes amounts constrained to specific purposes by the County itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the County Commissioners take the same highest level action to remove or change the constraint.

Assigned – includes amounts the County intends to use for a specific purpose; intent can be expressed by the County Commissioners or by an official or body to which the County Commissioners delegates the authority.

Unassigned – includes amounts that have not been assigned to other funds or restricted, committed or assigned to a specific purpose within the General Fund. The General Fund is the only fund that would report a positive amount in unassigned fund balance. Negative fund balance in other governmental funds are reported as unassigned once other purposes of that fund were reduced. For the General Fund, a negative fund balance would be eliminated by reducing unassigned fund balance first.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the County considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the County considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless County Commissioners' have provided otherwise in its commitment or assignment actions.

Net position is reported as restricted when there are constraints placed on their use either by law through constitutional provisions or enabling legislation or through restrictions externally imposed by creditors, grantors, laws, or regulations of other governments.

The reserve for emergencies as required by Section 20 to Article X of the Colorado Constitution, also known as the Taxpayer's Bill of Rights (TABOR) is classified as restricted net assets on the entity-wide statements.

As provided for in the amendment the voters of San Miguel County approved in November 1994, for the 1995 budget year and subsequent budget years, that the San Miguel County mill levy may remain at the 1994 level of 10.120 mills; and, authorized the County to increase its revenues and expenditure limitations beyond those authorized by Article X, Section 20 as amended, for 1995 and each subsequent year thereafter, in the amount of \$750,000 per year.

The Amendment is complex and subject to judicial interpretation. The County believes it is in compliance with the requirements of the amendment.

**Note 1 – Summary of Significant Accounting Policies** (continued)

**Assets, Liabilities, and Net Assets or Equity** (continued)

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Contraband Proceeds

The Colorado Contraband Forfeiture Act requires the proceeds from the seizure of contraband be audited although they are not subject to the appropriations process. During 2016, the County had no proceeds from the seizures of contraband.

**Note 2 – Stewardship, Compliance, and Accountability**

**A. Budgetary Information**

Annual budgets are adopted for all funds, except agency funds, of the County. The Finance Office submits a proposed operating budget for the following calendar year to the County Commissioners prior to October 15 of each year. The budget is prepared using the modified accrual basis of accounting. The operating budget includes proposed expenditures/expenses and the anticipated revenues. As required by statute, public hearings are conducted to obtain citizen's comments. Prior to the levy of property tax, the budget is legally adopted through the passage of a budget adoption and appropriation resolution.

**B. Budgeted Level of Expenditures**

The budgetary control is maintained at the department level for the general fund and at specific fund level for all other funds. Although the budget shows various classifications by object and by function, the department directors are authorized to transfer budgeted amounts within each of the object classifications. All annual appropriations lapse at year end. During 2016, one supplemental appropriation was adopted by the County Commissioners.

For the budget to actual reporting required by state statutes the proprietary funds present the adjustments necessary to reconcile ending net income (loss) on the budgetary basis to the GAAP basis net change in fund equity.

All budget amounts presented in the accompanying supplementary information reflect the original budget and the final amended budget. No budget is shown or required for the San Miguel Regional Housing Authority. The County could be in violation of Colorado Budget Law because the Retirement and Lodging Tax Tourism Funds actual expenditures exceed budgetary amounts.

San Miguel County, Colorado  
Notes to Financial Statements  
December 31, 2016

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**Note 3 – Deposits and Investments**

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 regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. 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 the aggregate uninsured deposits. Collateral in the pool is considered to be equal to depository insurance pursuant to definitions listed in GASB Statement No. 40. At December 31, 2016, the bank balance of the County's deposits was \$ 8,209,561 of which \$ 838,864 was covered by federal depository insurance and \$ 7,370,697 was collateralized under PDPA.

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local government entities may invest. Authorized investments include obligations of the United States and certain U.S. government agency securities; certain international agency securities; general obligation and revenue bonds of U.S. local government entities; bankers' acceptances of certain banks; commercial paper; local government investment pools; written repurchase agreements collateralized by certain authorized securities; certain money market funds; and guaranteed investment contracts. The County's investment policy follows Colorado statutes.

The County had invested \$ 9,342,659 in the Colorado Government Liquid Asset Trust (COLOTRUST), and \$4,046,830 in CSAFE, which are investment vehicles established for local government entities in Colorado to pool surplus funds. They operate similarly to a money market fund and each share is equal in value to \$1.00. Investments in these pools consist of U.S. Treasury bills, notes and note strips and repurchase agreements collateralized by U.S. Treasury securities. A designated custodial bank provides safekeeping and depository services for these investment pools in connection with the direct investment and withdrawal functions. Substantially all securities owned by these investment pools are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned these pools. These pools are not required to and are not registered with the SEC, but are rated AAA by Standard and Poor's, Fitch's and Moody's rating services.

The County's investments carried at fair market value as of December 31, 2016 are:

	<u>Fair Value</u>	<u>Credit Risk</u>
Sweep Account-Government Bonds	\$ 1,866,416	AAAm
Federal Home Loan Mortgage	545,065	Aaa
Money Market-SIGMA	2,585	Not Rated
ColoTrust (Governmental Pool)	9,342,659	AAA
Wells Fargo Bank National Assn	462,027	Not Rated
Csafe	<u>4,046,830</u>	AAA
	<u>\$16,265,582</u>	

**Summary of Combined Cash and Investments Held By Primary Government and Dependent Districts:**

<u>Description</u>	<u>Cost</u>
Demand deposits and cash	\$ 833,159
Certificates of deposits and savings	7,372,648
Investments	16,265,582
Cash and receivables	<u>66,224</u>
	<u>\$ 24,537,613</u>

San Miguel County, Colorado  
Notes to Financial Statements  
December 31, 2016

**Note 4 – Capital Assets**

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

	Balances 1/1/2016	Additions	Deletions	Balances 12/31/2016
<b>Capital assets not being depreciated</b>				
Land	\$ 7,730,347	\$ 624,706	\$ -	\$ 8,355,053
Construction in progress	575,391	88,978	(575,391)	88,978
Infrastructure	59,056,591	-	(52,421)	59,004,170
Total capital assets not being depreciated	<u>67,362,329</u>	<u>713,684</u>	<u>(627,812)</u>	<u>67,448,201</u>
<b>Capital assets being depreciated</b>				
Buildings and improvements	15,809,217	1,441,868	-	17,251,085
Equipment and furniture	8,354,530	652,074	(32,121)	8,974,483
Total capital assets being depreciated	<u>24,163,747</u>	<u>2,093,942</u>	<u>(32,121)</u>	<u>26,225,568</u>
<b>Less accumulated depreciation</b>				
Buildings and improvements	5,501,004	374,991	-	5,875,995
Equipment and furniture	5,969,274	403,918	(28,909)	6,344,283
Total accumulated depreciation	<u>11,470,278</u>	<u>778,909</u>	<u>(28,909)</u>	<u>12,220,278</u>
Total capital assets being depreciated, net	<u>12,693,469</u>	<u>1,315,033</u>	<u>(3,212)</u>	<u>14,005,290</u>
<b>Governmental activities capital assets</b>	<u>\$ 80,055,798</u>	<u>\$ 2,028,717</u>	<u>\$ (631,024)</u>	<u>\$ 81,453,491</u>

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

Governmental activities:	
General government	\$ 208,293
Public safety	231,255
Public works	237,235
Recreation and culture	97,226
Health and welfare	4,900
Total depreciation expense-governmental activities	<u>\$ 778,909</u>

San Miguel County, Colorado  
Notes to Financial Statements  
December 31, 2016

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**Note 5 – Long-Term Liabilities**

**Long-term obligations**

The County has adopted the policy of acquiring certain fixed assets through the use of lease purchase agreements. For the lease purchase backed by the full faith and credit of the County, debt service is accounted for in the fund that accounts for the function associated with the asset.

General capitalized lease obligations payable are comprised of the following:

Zion Bank, land purchase agreement, semi-annual payments on June 20<sup>th</sup> and December 20<sup>th</sup> at \$97,846.44 with an additional payment of \$48,507.12 in June for total payments each year of \$244,200.00 through December 2025 at 2.074% annual interest rate. \$ 1,919,521

Year	Principal	Interest	Payment
2017	\$ 205,700	\$ 38,500	\$ 244,200
2018	209,989	34,211	244,200
2019	214,366	29,834	244,200
2020	218,836	25,364	244,200
2021	223,398	20,802	244,200
2022-2025	847,232	35,655	882,887
<b>Total</b>	<b>\$ 1,919,521</b>	<b>\$ 184,366</b>	<b>\$ 2,103,887</b>

The repayment of the capital lease is subject to annual appropriations by the County Commissioners. Leased land under Capital Leases in Capital Assets at December 31, 2016 included the following: Land \$3,962,423.

A summary of long-term debt is as follows:

	Payable January 2016	Additions	Deletions	Payable December 2016
General capitalized lease obligation	\$ 2,121,021	\$ -	\$ 201,500	\$ 1,919,521
Compensated absences payable	754,285	4,196	-	758,481
	<b>\$ 2,875,306</b>	<b>\$ 4,196</b>	<b>\$ 201,500</b>	<b>\$ 2,678,002</b>

San Miguel County, Colorado  
Notes to Financial Statements  
December 31, 2016

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**Note 6 – Retirement Plan**

San Miguel County is a member employer of the Colorado County Officials and Employees Retirement Association (CCOERA). This association was formed by Colorado State Statute to provide retirement benefits to employees of Colorado local governments. CCOERA administers two different retirement plans a 401(a) Defined Contribution Plan and a 457 Deferred Compensation Plan.

San Miguel County provides pension benefits for all of its full-time employees through a defined contribution plan with the Colorado County Officials and Employees Retirement Association Retirement Plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are eligible to participate upon hire. Elected officials are eligible to participate immediately. Participation is mandatory for all eligible employees and for all elected officials. Both the County and the employee contribute 5% of the employee's monthly base salary to the plan.

The County's contribution for each employee (and interest allocated to the employee's account) is 100% vested after five years. Any non-vested County contributions forfeited by an employee who leaves the County's employment are remitted to the County. The County also participates in a voluntary deferred compensation contribution for those employed more than five years.

The County's total payroll was \$ 7,321,819 in 2016. The total payroll covered by the pension plan was \$ 6,735,658 in 2016. The total contribution paid was \$ 680,531 in 2016 (10% of covered payroll), \$ 319,285 by the employees and \$ 361,246 by the County.

The County has no liability for losses under the plan.

Complete financial statements for the retirement plans may be obtained from the CCOERA, 4949 S. Syracuse St., Suite 400, Denver, Colorado, 80237.

**Note 7 – Post Employment Benefits**

The County provides no post employment benefits to employees who retire from the County other than those mandated by the State and Federal governments.

The "Consolidated Omnibus Budget Reconciliation Act of 1985" (COBRA), that is mandated by the Federal Government, requires that employers allow eligible employees the opportunity to purchase medical and dental insurance for various periods of time after their employment is discontinued. San Miguel County complies with the Federal Statutes.

San Miguel County, Colorado  
Notes to Financial Statements  
December 31, 2016

**Note 8 – Noncash Program Activity**

Schedule of EBT Authorizations, Warrant Expenditures, and Total Expenditures  
For the Year Ended December 31, 2016

	County EBT Authorizations	State and Federal Share of Authorizations	Expenditures by County Warrant	Authorizations Plus Expenses by County Warrant	Total County Expenditures
TANF	\$ 26,939	\$ (46,809)	\$ 30,171	\$ 57,110	\$ 10,301
Child care	51,783	(49,752)	8,361	60,144	10,392
Child welfare	22,566	(203,889)	227,548	250,114	46,225
Child welfare-TANF reserve	-	-	486	486	486
Administration	-	(125,767)	92,926	92,926	(32,841)
Core services	-	(24,182)	13,125	13,125	(11,057)
IV-D Administration	-	(7,744)	14,282	14,282	6,538
Aid to needy disabled	-	(620)	-	-	(620)
Old age pension	(2,835)	(26,428)	20,484	17,649	(8,779)
Home care allowance	3,610	-	-	3,610	3,610
Adult foster care	27,677	-	-	27,677	27,677
LEAP	-	(27,677)	17,427	17,427	(10,250)
Medicaid transportation	-	(19,258)	-	-	(19,258)
Miscellaneous	19,258	(158,040)	428,018	449,440	291,400
Subtotal	148,998	(690,166)	852,828	1,003,990	313,824
Food assistance	385,203	(385,203)	-	385,203	-
Grand total	<u>\$ 534,201</u>	<u>\$ (1,075,369)</u>	<u>\$ 852,828</u>	<u>\$ 1,389,193</u>	<u>\$ 313,824</u>

- A. Welfare payments authorized by the San Miguel County Department of Human Services. These County authorizations are paid by the Colorado Department of Human Services by QUEST debit cards or by electronic funds transfer (EFT).
- B. County share of EBT authorizations - these amounts are settled monthly by a reduction of State cash advances to the County.
- C. Expenditures made by County warrants or other County payment methods
- D. This represents the total cost of the welfare programs that are administered by San Miguel County.
- E. This total matches the expenditures on the Social Services Department Fund Statement of Revenues, Expenditures, and Changes in Fund Balance.

San Miguel County, Colorado  
Notes to Financial Statements  
December 31, 2016

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**Note 9 – Budget Amendment**

During 2016 the County amended its budget once. The following is a schedule of the changes to the original budget:

Fund	Original Budget	Revisions	Final Budget
General	\$ 9,966,339	\$ -	\$ 9,966,339
Road and Bridge	5,274,819	-	5,274,819
Open Space	1,385,696	-	1,385,696
Public Welfare	1,515,294	-	1,515,294
Transit	271,820	-	271,820
Sales tax capital	1,931,603	-	1,931,603
Retirement	418,000	-	418,000
Conservation Trust	35,000	-	35,000
Lodging Tax Tourism	450,425	25,000	475,425
Vegetation Management	214,398	-	214,398
Public Health	602,385	42,500	644,885
Energy	24,000	-	24,000
SMC Solid Waste Disposal District	112,880	10,000	122,880
Totals	<u>\$ 22,202,659</u>	<u>\$ 77,500</u>	<u>\$ 22,280,159</u>

**Note 10 - Transfers**

The following schedule briefly summarizes the County's transfer activity:

Fund	Transfers In	Transfers Out
General	\$ -	\$ 480,500
Retirement	50,000	-
Public Health	370,500	-
Conservation Trust	-	-
Sales Tax Capital	-	112,471
Open Space and Park	20,000	29,041
Vegetation Management	89,041	-
Road and Bridge	112,471	20,000
Totals	<u>\$ 642,012</u>	<u>\$ 642,012</u>

Transfers to and from the various funds were to cover the costs of operations, capital and retirement benefits.

San Miguel County, Colorado  
Notes to Financial Statements  
December 31, 2016

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**Note 11 – Loan Receivable**

On September 19, 2012 the County made a loan to the San Miguel Community Facilities, Inc. (SMCF) in the amount of \$140,000 for the construction of a childcare facility. Until October 1, 2017, SMCF will pay interest on the principal balance of the loan at an annual rate of 2.5%. Beginning October 1, 2017, SMCF will pay interest to the County at an annual rate to be determine by adding .25% to the most recent Prime Rate published in the Wall Street Journal on the date that is 45 days before that Adjusted Date. Principal and interest payments on the loan are paid monthly commencing on November 1, 2012 and continuing until October 1, 2022 at which time the entire remaining principal balance shall become due and payable to the County. The principal balance on the loan receivable was \$116,981 at December 31, 2016.

**SAN MIGUEL COUNTY, COLORADO**  
**INFORMATION ABOUT INFRASTRUCTURE ASSETS REPORTED USING**  
**THE MODIFIED APPROACH**  
**For the year ended December 31, 2016**

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As allowed by GASB Statement No.34, Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments, the county has adopted an alternative method for reporting costs associated with certain infrastructure assets. Under this alternative method, referred to as the "modified approach," infrastructure assets are not depreciated, and maintenance and preservation costs are expensed. The County capitalizes costs related to new construction, major replacements, and improvements that increase the capacity and /or efficiency of infrastructure assets reported under the modified approach.

In order to utilize the modified approach, the County is required to:

- Maintain an asset management system that includes an up-to-date inventory of eligible infrastructure assets,
- Perform and document replicable condition assessments once every three years of the eligible infrastructure assets and summarize the results using a measurement scale.
- Estimate each year the annual amount to maintain and preserve the eligible infrastructure assets at the condition level established and disclosed by the County.
- Document that the infrastructure assets are being preserved approximately at, or above the condition level established by the County.

## **ROADS**

San Miguel County applies the modified approach to all roads, owned and/ or maintained by the County. The goal of the County in conjunction with adopting the modified approach is to develop and provide a cost effective maintenance program that preserves the County's investment in its road network and enhances public transportation and safety.

### *Condition Assessments*

Roads are categorized as native, gravel and oil surface. Formal condition assessments are not done on natural and rock surface roads. These roads are maintained on an as-needed basis, for example, when a road is washed out. Formal condition assessments are performed on all gravel and oil surface roads at least once every three years in accordance with GASB 34. Each year a formal assessment is performed on a portion of the County's roads on a rotating basis. The results of formal condition assessments performed in 2015 and 2016 are disclosed. The process and purpose of these condition assessments are described briefly below.

**Gravel Surface Roads:** The condition assessments of gravel roads are based on gravel thickness and surface smoothness. Roads are rated as excellent, good and poor. A poor rating indicates gravel thickness of less than 1" or excessive surface deterioration. Roads rated in poor condition require maintenance.

**SAN MIGUEL COUNTY, COLORADO**  
**INFORMATION ABOUT INFRASTRUCTURE ASSETS REPORTED USING**  
**THE MODIFIED APPROACH**  
**For the year ended December 31, 2016**

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Paved Roads: The condition assessments of paved roads are based on the following criteria: potholes, cracking, rutting, shoulder condition, surface smoothness and base condition. Roads are rated as excellent, good, fair and poor. For GASB 34 reporting purposes, the County's official desired condition is 70%. The County's goal is to maintain its infrastructure at a category condition level of fair or better.

*Condition Rating of the County's Road System*

Percentage of Lane-Miles in Fair to Excellent Conditions in 2016:

	<u>Percentage</u>
Paved	75%
Gravel	75%
Overall System	76%

Percentage of Lane-Miles in Poor Conditions in 2016:

	<u>Percentage</u>
Paved	1%
Gravel	3%
Overall System	2%

Comparison of Needed-to-Actual Maintenance/Preservation in 2016: The County did not budget separately for maintenance/preservation costs for roads and bridges in 2016, therefore they are shown combined below. Amounts will be budgeted separately in the future.

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Estimated	\$4,950,499	\$4,515,962	\$4,590,215	\$4,997,345	\$5,254,819
Actual	\$3,578,717	\$3,398,770	\$3,402,792	\$4,073,378	\$4,726,063

**SAN MIGUEL COUNTY, COLORADO**  
**INFORMATION ABOUT INFRASTRUCTURE ASSETS REPORTED USING**  
**THE MODIFIED APPROACH**  
**For the year ended December 31, 2016**

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**BRIDGES**

The structural sufficiency of the County's bridges is determined using the state of Colorado's Structure Inspection and Inventory Program. The bridge sufficiency rating is based on the assessment of the ability of individual components to function structurally. The rating system uses a numerical scale from 50 (needs replacement) to 100 (new). It is the County's policy to keep the number and square footage of deck area of bridges with a condition rating of fair equal to or greater than 70 percent. Bridges are inspected by the state of Colorado Department of Transportation every two years. GASB 34 requires inspection every three years. The most recent inspection was in 2014. There were no new bridge structures added to the system during 2016.

*Disclosures for a Network of Bridges 2016*

**Number of Bridges**

	CDOT Structural Sufficiency Rating	<u>Number</u>	<u>%</u>
Excellent	91-100	17	68%
Good	71-90	6	24%
Fair	51-70	0	0%
Poor	50 and below	<u>2</u>	<u>8%</u>
Total		<u>25</u>	<u>100.0%</u>

**SAN MIGUEL COUNTY, COLORADO**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**YEAR ENDED DECEMBER 31, 2016**  
**WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2015**

	<b>Budgeted</b>		<b>Actual</b>	<b>Variance</b>	<b>2015</b>
	<b>Original</b>	<b>Final</b>			<b>Actual</b>
<b>Revenues</b>					
Property taxes	\$ 4,934,163	\$ 4,934,163	\$ 4,918,331	\$ (15,832)	\$ 4,431,376
Sales and miscellaneous taxes	1,640,000	1,640,000	1,794,241	154,241	1,795,997
Fees and charges	927,420	927,420	1,172,115	244,695	1,167,297
Licenses and permits	112,100	112,100	217,449	105,349	287,574
Intergovernmental	1,459,348	1,459,348	1,659,606	200,258	1,802,044
Interest earnings	28,000	28,000	122,616	94,616	40,525
Miscellaneous	105,850	105,850	179,066	73,216	270,145
<b>Total revenues</b>	<u>9,206,881</u>	<u>9,206,881</u>	<u>10,063,424</u>	<u>856,543</u>	<u>9,794,958</u>
<b>Expenditures</b>					
Current					
General government	4,892,460	4,892,460	4,585,267	307,193	4,222,934
Judicial	254,352	254,352	270,428	(16,076)	238,228
Public Safety	4,212,678	4,212,678	4,136,490	76,188	3,860,666
Auxiliary services	168,849	168,849	165,203	3,646	158,620
<b>Total expenditures</b>	<u>9,528,339</u>	<u>9,528,339</u>	<u>9,157,388</u>	<u>370,951</u>	<u>8,480,448</u>
<b>Revenues over (under) expenditures</b>	(321,458)	(321,458)	906,036	1,227,494	1,314,510
<b>Other Financing Sources</b>					
Transfer in (Out)	(438,000)	(438,000)	(480,500)	(42,500)	(431,000)
<b>Total other financing sources</b>	<u>(438,000)</u>	<u>(438,000)</u>	<u>(480,500)</u>	<u>(42,500)</u>	<u>(431,000)</u>
<b>Revenues and other sources over expenditures</b>	(759,458)	(759,458)	425,536	1,184,994	883,510
<b>Fund balance, January 1</b>	12,198,841	12,198,841	12,546,603	347,762	11,724,119
<b>Residual Transfers</b>	-	-	-	-	(61,026)
<b>Fund balance, December 31</b>	<u>\$ 11,439,383</u>	<u>\$ 11,439,383</u>	<u>\$ 12,972,139</u>	<u>\$ 1,532,756</u>	<u>\$ 12,546,603</u>

**SAN MIGUEL COUNTY, COLORADO**  
**ROAD AND BRIDGE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**YEAR ENDED DECEMBER 31, 2016**  
**WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2015**

	<u>Budgeted</u>		<u>Actual</u>	<u>Variance</u>	<u>2015</u>
	<u>Original</u>	<u>Final</u>			<u>Actual</u>
<b>Revenues</b>					
Taxes					
General property tax	\$1,518,704	\$ 1,518,704	\$ 1,513,337	\$ (5,367)	\$ 1,363,512
Specific ownership tax	48,500	48,500	59,253	10,753	58,793
Penalty and interest	3,000	3,000	4,504	1,504	2,907
Total	<u>1,570,204</u>	<u>1,570,204</u>	<u>1,577,094</u>	<u>6,890</u>	<u>1,425,212</u>
<b>Intergovernmental</b>					
Payment in lieu of taxes	100	100	540	440	502
Mineral leasing	80,000	80,000	64,003	(15,997)	69,382
Forest service	40,000	40,000	24,093	(15,907)	36,896
R & B services	26,000	26,000	-	(26,000)	25,919
Federal land and materials	200	200	-	(200)	-
Total	<u>146,300</u>	<u>146,300</u>	<u>88,636</u>	<u>(57,664)</u>	<u>132,699</u>
Intergovernmental - State and Local					
Highway user's - County	1,775,000	1,775,000	1,950,009	175,009	1,926,839
Grants	231,210	231,210	230,399	(811)	242,313
Town of Sawpit	1,200	1,200	1,322	122	1,368
Automobile registration	18,000	18,000	22,778	4,778	22,564
Total	<u>2,025,410</u>	<u>2,025,410</u>	<u>2,204,508</u>	<u>179,098</u>	<u>2,193,084</u>
Licenses and permits					
Special permits and fees	3,000	3,000	1,250	(1,750)	2,300
Total	<u>3,000</u>	<u>3,000</u>	<u>1,250</u>	<u>(1,750)</u>	<u>2,300</u>
Miscellaneous					
Charges for services	400	400	528	128	1,336
Sale of assets	-	-	26,932	26,932	110
Total revenues	<u>3,745,314</u>	<u>3,745,314</u>	<u>3,907,889</u>	<u>162,575</u>	<u>3,788,703</u>
<b>Expenditures</b>					
Current					
Maintenance of conditions	4,118,406	4,118,406	3,606,168	512,238	3,057,174
Snow and ice removal	41,128	41,128	23,971	17,157	20,344
Administration	1,095,285	1,095,285	1,048,076	47,209	995,860
Total expenditures	<u>5,254,819</u>	<u>5,254,819</u>	<u>4,678,215</u>	<u>576,604</u>	<u>4,073,378</u>
<b>Revenues over (under)</b>					
<b>expenditures</b>	(1,509,505)	(1,509,505)	(770,326)	739,179	(284,675)
<b>Transfers in (out)</b>	115,000	115,000	92,471	(22,529)	193,429
<b>Fund balance, January 1</b>	3,181,879	3,181,879	3,576,474	394,595	3,711,823
<b>Changes in reserve for inventory</b>	-	-	125,509	125,509	(44,103)
<b>Fund balance, December 31</b>	<u>\$1,787,374</u>	<u>\$1,787,374</u>	<u>\$ 3,024,128</u>	<u>\$1,236,754</u>	<u>\$ 3,576,474</u>

**SAN MIGUEL COUNTY, COLORADO**  
**OPEN SPACE AND PARK FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**YEAR ENDED DECEMBER 31, 2016**  
**WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2015**

	Budgeted		Actual	Variance	2015
	Original	Final			Actual
<b>Revenues</b>					
Taxes					
General property tax	\$ 1,198,582	\$ 1,198,582	\$ 1,194,739	\$ (3,843)	\$ 1,076,458
Specific ownership tax	29,000	29,000	46,779	17,779	46,416
Penalty and interest	1,600	1,600	3,556	1,956	2,295
<b>Total</b>	<u>1,229,182</u>	<u>1,229,182</u>	<u>1,245,074</u>	<u>15,892</u>	<u>1,125,169</u>
<b>Intergovernmental</b>					
Payment in lieu of taxes	396	396	426	30	396
Other grants	-	-	-	-	7,360
<b>Total</b>	<u>396</u>	<u>396</u>	<u>426</u>	<u>30</u>	<u>7,756</u>
<b>Miscellaneous</b>					
Event center fees	4,000	4,000	8,195	4,195	3,779
Fairground fees	11,000	11,000	13,562	2,562	5,000
Other fees	10,000	10,000	2,341	(7,659)	10,074
Other	2,150	2,150	7,016	4,866	317,399
<b>Total</b>	<u>27,150</u>	<u>27,150</u>	<u>31,114</u>	<u>3,964</u>	<u>336,252</u>
<b>Total revenues</b>	<u>1,256,728</u>	<u>1,256,728</u>	<u>1,276,614</u>	<u>19,886</u>	<u>1,469,177</u>
<b>Expenditures</b>					
Current					
Recreation	270,083	270,083	207,217	62,866	492,476
Open space commission	233,750	233,750	168,707	65,043	417,721
Historical preservation	215,700	215,700	41,502	174,198	45,339
Fairgrounds and regional park	255,374	255,374	215,470	39,904	189,116
Parks administration	385,789	385,789	291,229	94,560	494,787
<b>Total expenditures</b>	<u>1,360,696</u>	<u>1,360,696</u>	<u>924,125</u>	<u>436,571</u>	<u>1,639,439</u>
<b>Other financing sources and (uses)</b>					
Transfer In (Out)	(5,000)	(5,000)	(9,041)	(4,041)	-
<b>Total other financing sources (uses)</b>	<u>(5,000)</u>	<u>(5,000)</u>	<u>(9,041)</u>	<u>(4,041)</u>	<u>-</u>
<b>Revenues over (under) expenditures</b>	(108,968)	(108,968)	343,448	452,416	(170,262)
<b>Fund balance, January 1</b>	2,049,981	2,049,981	2,176,545	126,564	2,346,807
<b>Fund balance, December 31</b>	<u>\$ 1,941,013</u>	<u>\$ 1,941,013</u>	<u>\$ 2,519,993</u>	<u>\$ 578,980</u>	<u>\$ 2,176,545</u>

**SAN MIGUEL COUNTY, COLORADO  
COMBINING BALANCE SHEET  
NON-MAJOR GOVERNMENTAL FUNDS  
YEAR ENDED DECEMBER 31, 2016  
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2015**

	<b>Lodging</b>						
	<b>Tax</b>	<b>Tourism</b>	<b>Sales Tax</b>	<b>Transit</b>	<b>Contingent</b>	<b>Welfare</b>	<b>Retirement</b>
<b>Assets</b>							
Cash and cash equivalents	\$	33,797	\$2,197,768	\$259,846	\$627,831	\$ 90,818	\$ 81,780
Taxes receivable	-	-	-	-	-	122,610	308,502
Notes receivable	-	116,981	-	-	-	-	-
Due from other governmental units	-	-	-	-	-	31,080	-
Other receivables	92,079	210,038	26,359	-	-	1,160	-
<b>Total assets</b>	<b>\$125,876</b>	<b>\$2,524,787</b>	<b>\$286,205</b>	<b>\$627,831</b>	<b>\$245,668</b>	<b>\$390,282</b>	<b>-</b>
<b>Liabilities and fund balances</b>							
<b>Liabilities</b>							
Accounts payable	\$117,712	\$ 117,270	\$ 1,224	\$ -	\$ -	\$ 9,635	\$ 34,813
Accrued payroll	-	-	-	-	-	-	7,610
Accrued vacation and sick leave	-	-	-	-	-	-	-
<b>Total liabilities</b>	<b>117,712</b>	<b>117,270</b>	<b>1,224</b>	<b>-</b>	<b>-</b>	<b>9,635</b>	<b>42,423</b>
<b>Deferred Inflows of Resources</b>							
Unearned revenues	-	-	-	-	-	5,203	-
Deferred property tax revenue	-	-	-	-	-	122,610	308,502
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>127,813</b>	<b>308,502</b>
<b>Fund balances</b>							
Reserved for:							
Emergencies	-	-	-	-	627,831	-	-
Transportation	-	-	284,981	-	-	-	-
Housing	-	-	-	-	-	-	-
Energy	-	-	-	-	-	-	-
Solid waste	-	-	-	-	-	-	-
Air quality	-	-	-	-	-	-	-
Capital Acquisition	-	-	-	-	-	-	-
Unreserved:	8,164	2,407,517	-	-	-	108,220	39,357
<b>Total fund balances</b>	<b>8,164</b>	<b>2,407,517</b>	<b>284,981</b>	<b>627,831</b>	<b>108,220</b>	<b>39,357</b>	<b>-</b>
<b>Total liabilities and fund balances</b>	<b>\$125,876</b>	<b>\$2,524,787</b>	<b>\$286,205</b>	<b>\$627,831</b>	<b>\$245,668</b>	<b>\$390,282</b>	<b>-</b>

Conservation Trust	Public Health	Energy	Vegetation Management	Dependent Districts	Totals	
					2016	2015
\$ 47,739	\$ 104,420	\$ 34,615	\$ 16,417	\$1,350,616	\$ 4,845,647	\$ 4,690,224
-	-	-	-	-	431,112	439,358
-	-	-	-	-	116,981	121,187
-	-	-	-	-	31,080	41,078
269	43,836	-	26,640	3,024	403,405	403,444
<u>\$ 48,008</u>	<u>\$ 148,256</u>	<u>\$ 34,615</u>	<u>\$ 43,057</u>	<u>\$1,353,640</u>	<u>\$ 5,828,225</u>	<u>\$ 5,695,291</u>
\$ -	\$ 22,574	\$ 6,873	\$ 86	\$ 10,512	\$ 320,699	\$ 230,379
-	2,545	-	-	-	10,155	1,818
-	34,085	-	-	-	34,085	53,820
-	59,204	6,873	86	10,512	364,939	286,017
-	-	-	-	-	5,203	336
-	-	-	-	-	431,112	439,358
-	-	-	-	-	436,315	439,694
-	-	-	-	-	627,831	627,831
-	-	-	-	-	284,981	267,813
-	-	-	-	1,228,246	1,228,246	1,332,571
-	-	27,742	-	-	27,742	34,615
-	-	-	-	114,882	114,882	155,739
-	65,411	-	-	-	65,411	65,411
-	-	-	34,091	-	34,091	59,572
48,008	23,641	-	8,880	-	2,643,787	2,426,028
48,008	89,052	27,742	42,971	1,343,128	5,026,971	4,969,580
<u>\$ 48,008</u>	<u>\$ 148,256</u>	<u>\$ 34,615</u>	<u>\$ 43,057</u>	<u>\$1,353,640</u>	<u>\$ 5,828,225</u>	<u>\$ 5,695,291</u>

**SAN MIGUEL COUNTY, COLORADO**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**YEAR ENDED DECEMBER 31, 2016**  
**WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2015**

	<b>Lodging Tax Tourism</b>	<b>Sales Tax</b>	<b>Transit Fund</b>	<b>Contingent</b>	<b>Welfare</b>	<b>Retirement</b>
<b>Revenues</b>						
Taxes	\$ 594,449	\$ 1,224,799	\$ -	\$ -	\$ 128,658	\$ 323,720
Intergovernmental	-	-	110,000	-	946,907	-
Charges for services	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Interest earnings	-	-	937	-	-	-
Miscellaneous	-	2,993	169,671	-	-	27,508
<b>Total revenues</b>	<b>594,449</b>	<b>1,227,792</b>	<b>280,608</b>	<b>-</b>	<b>1,075,565</b>	<b>351,228</b>
<b>Expenditures</b>						
Current:						
Public safety	-	-	-	-	-	-
Retirement benefits and contributions	-	-	-	-	-	424,484
Health and human services	-	-	-	-	1,058,477	-
Urban development, housing and transportation	-	-	263,440	-	-	-
Economic development	594,449	-	-	-	-	-
Energy programs	-	-	-	-	-	-
Vegetation management	-	-	-	-	-	-
Capital outlay	-	702,799	-	-	-	-
Debt service payments	-	244,200	-	-	-	-
<b>Total expenditures</b>	<b>594,449</b>	<b>946,999</b>	<b>263,440</b>	<b>-</b>	<b>1,058,477</b>	<b>424,484</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>-</b>	<b>280,793</b>	<b>17,168</b>	<b>-</b>	<b>17,088</b>	<b>(73,256)</b>
<b>Other financing sources and (uses)</b>						
Transfer In (Out)	-	(112,471)	-	-	-	50,000
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>(112,471)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>50,000</b>
<b>Net change to fund balance</b>	<b>-</b>	<b>168,322</b>	<b>17,168</b>	<b>-</b>	<b>17,088</b>	<b>(23,256)</b>
<b>Fund balance, January 1</b>	<b>8,164</b>	<b>2,239,195</b>	<b>267,813</b>	<b>627,831</b>	<b>91,132</b>	<b>62,613</b>
<b>Residual transfer</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund balance, December 31</b>	<b>\$ 8,164</b>	<b>\$ 2,407,517</b>	<b>\$284,981</b>	<b>\$627,831</b>	<b>\$ 108,220</b>	<b>\$ 39,357</b>

<b>Conservation Trust</b>	<b>Public Health</b>	<b>Energy</b>	<b>Vegetation Management</b>	<b>Dependent Districts</b>	<b>Totals</b>	
					<b>2016</b>	<b>2015</b>
\$ -	\$ -	\$ -	\$ -	\$ 45,758	\$ 2,317,384	\$ 2,055,421
30,734	230,788	-	38,729	-	1,357,158	1,499,454
-	38,638	-	23,553	266,360	328,551	289,379
-	18,697	-	-	-	18,697	39,652
269	-	-	-	3,211	4,417	285
-	1,134	-	6	62	201,374	219,633
<u>31,003</u>	<u>289,257</u>	<u>-</u>	<u>62,288</u>	<u>315,391</u>	<u>4,227,581</u>	<u>4,103,824</u>
-	-	-	-	101,591	101,591	99,041
-	-	-	-	-	424,484	384,229
-	595,912	-	-	-	1,654,389	1,836,707
-	-	-	-	358,982	622,422	550,792
-	-	-	-	-	594,449	446,165
-	-	6,873	-	-	6,873	40,570
-	-	-	185,986	-	185,986	111,690
30,067	-	-	-	-	732,866	472,159
-	-	-	-	-	244,200	244,200
<u>30,067</u>	<u>595,912</u>	<u>6,873</u>	<u>185,986</u>	<u>460,573</u>	<u>4,567,260</u>	<u>4,185,553</u>
936	(306,655)	(6,873)	(123,698)	(145,182)	(339,679)	(81,729)
-	370,500	-	89,041	-	397,070	237,571
<u>-</u>	<u>370,500</u>	<u>-</u>	<u>89,041</u>	<u>-</u>	<u>397,070</u>	<u>237,571</u>
936	63,845	(6,873)	(34,657)	(145,182)	57,391	155,842
47,072	25,207	34,615	77,628	1,488,310	4,969,580	4,752,712
-	-	-	-	-	-	61,026
<u>\$ 48,008</u>	<u>\$ 89,052</u>	<u>\$ 27,742</u>	<u>\$ 42,971</u>	<u>\$ 1,343,128</u>	<u>\$ 5,026,971</u>	<u>\$ 4,969,580</u>

**SAN MIGUEL COUNTY, COLORADO**  
**COMBINING BALANCE SHEET**  
**NON-MAJOR GOVERNMENTAL FUNDS - DEPENDENT DISTRICTS**  
**YEAR ENDED DECEMBER 31, 2016**  
**WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2015**

	San Miguel Disposal District	San Miguel County Housing Authority	Totals	
			2016	2015
<b>Assets</b>				
Cash and cash equivalents	\$ 122,370	\$ 1,228,246	\$ 1,350,616	\$1,495,244
Other receivables	3,024	-	3,024	-
<b>Total assets</b>	<b>\$ 125,394</b>	<b>\$ 1,228,246</b>	<b>\$ 1,353,640</b>	<b>\$1,495,244</b>
<b>Liabilities and fund balances</b>				
<b>Liabilities</b>				
Accounts payable	\$ 10,512	\$ -	\$ 10,512	\$ 6,934
<b>Total liabilities</b>	<b>10,512</b>	<b>-</b>	<b>10,512</b>	<b>6,934</b>
<b>Fund balances</b>				
Reserved for:				
Housing	-	1,228,246	1,228,246	1,332,571
Solid waste	114,882	-	114,882	155,739
<b>Total fund balances</b>	<b>114,882</b>	<b>1,228,246</b>	<b>1,343,128</b>	<b>1,488,310</b>
<b>Total liabilities and fund balances</b>	<b>\$ 125,394</b>	<b>\$ 1,228,246</b>	<b>\$ 1,353,640</b>	<b>\$1,495,244</b>

**SAN MIGUEL COUNTY, COLORADO**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**NON-MAJOR GOVERNMENTAL FUNDS - DEPENDENT DISTRICTS**  
**YEAR ENDED DECEMBER 31, 2016**  
**WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2015**

	San Miguel Disposal District	San Miguel County Housing Authority	Totals	
			2016	2015
<b>Revenues</b>				
Taxes	\$ 45,758	\$ -	\$ 45,758	\$ 44,248
Charges for services	14,924	251,436	266,360	238,783
Interest earnings	-	3,211	3,211	719
Miscellaneous	52	10	62	4,814
<b>Total revenues</b>	<u>60,734</u>	<u>254,657</u>	<u>315,391</u>	<u>288,564</u>
<b>Expenditures</b>				
Current:				
Public safety	101,591	-	101,591	99,041
Urban development, housing and transportation	-	358,982	358,982	209,484
<b>Total expenditures</b>	<u>101,591</u>	<u>358,982</u>	<u>460,573</u>	<u>308,525</u>
<b>Net change to fund balance</b>	(40,857)	(104,325)	(145,182)	(19,961)
<b>Fund balance, January 1</b>	<u>155,739</u>	<u>1,332,571</u>	<u>1,488,310</u>	<u>1,508,271</u>
<b>Fund balance, December 31</b>	<u>\$ 114,882</u>	<u>\$ 1,228,246</u>	<u>\$ 1,343,128</u>	<u>\$ 1,488,310</u>

**SAN MIGUEL COUNTY, COLORADO**  
**LODGING TAX TOURISM FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**YEAR ENDED DECEMBER 31, 2016**  
**WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2015**

	<u>Budgeted</u>		<u>Actual</u>	<u>Variance</u>	<u>2015</u>
	<u>Original</u>	<u>Final</u>			<u>Actual</u>
<b>Revenues</b>					
Taxes					
Lodging tax	\$ 450,000	\$ 475,000	\$ 594,449	\$ 119,449	\$ 446,076
<b>Total revenues</b>	<u>450,000</u>	<u>475,000</u>	<u>594,449</u>	<u>119,449</u>	<u>446,076</u>
<b>Expenditures</b>					
Current					
Economic development					
Other contracted services	450,425	475,425	594,449	(119,024)	446,165
<b>Total expenditures</b>	<u>450,425</u>	<u>475,425</u>	<u>594,449</u>	<u>(119,024)</u>	<u>446,165</u>
<b>Revenues over (under) expenditures</b>	(425)	(425)	-	425	(89)
<b>Fund balance, January 1</b>	<u>8,054</u>	<u>8,054</u>	<u>8,164</u>	<u>110</u>	<u>8,253</u>
<b>Fund balance, December 31</b>	<u>\$ 7,629</u>	<u>\$ 7,629</u>	<u>\$ 8,164</u>	<u>\$ 535</u>	<u>\$ 8,164</u>

**SAN MIGUEL COUNTY, COLORADO**  
**SALES TAX CAPITAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**YEAR ENDED DECEMBER 31, 2016**  
**WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2015**

	<u>Budgeted</u>		<u>Actual</u>	<u>Variance</u>	<u>2015</u>
	<u>Original</u>	<u>Final</u>			<u>Actual</u>
<b>Revenues</b>					
Taxes					
Sales and use tax	\$ 1,160,000	\$ 1,160,000	\$ 1,224,799	\$ 64,799	\$ 1,156,285
Grants	337,483	337,483	-		-
Miscellaneous	7,980	7,980	2,993	(4,987)	11,501
<b>Total revenues</b>	<u>1,505,463</u>	<u>1,505,463</u>	<u>1,227,792</u>	<u>59,812</u>	<u>1,167,786</u>
<b>Expenditures</b>					
Capital outlay	1,552,403	1,552,403	702,799	849,604	472,159
Debt service					
Lease payments	244,200	244,200	244,200	-	244,200
<b>Total expenditures</b>	<u>1,796,603</u>	<u>1,796,603</u>	<u>946,999</u>	<u>849,604</u>	<u>716,359</u>
<b>Revenues over (under) expenditures</b>	(291,140)	(291,140)	280,793	909,416	451,427
<b>Other Financing Sources</b>					
Transfers In	(135,000)	(135,000)	(112,471)	22,529	(213,429)
<b>Total other financing sources</b>	<u>(135,000)</u>	<u>(135,000)</u>	<u>(112,471)</u>	<u>22,529</u>	<u>(213,429)</u>
<b>Revenues and other sources over expenditures</b>	(426,140)	(426,140)	168,322	931,945	237,998
<b>Fund balance, January 1</b>	<u>2,215,975</u>	<u>2,215,975</u>	<u>2,239,195</u>	<u>23,220</u>	<u>2,001,197</u>
<b>Fund balance, December 31</b>	<u>\$ 1,789,835</u>	<u>\$ 1,789,835</u>	<u>\$ 2,407,517</u>	<u>\$ 955,165</u>	<u>\$ 2,239,195</u>

**SAN MIGUEL COUNTY, COLORADO**  
**TRANSIT FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**YEAR ENDED DECEMBER 31, 2016**  
**WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2015**

	<u>Budgeted</u>		<u>Actual</u>	<u>Variance</u>	<u>2015</u>
	<u>Original</u>	<u>Final</u>			<u>Actual</u>
<b>Revenues</b>					
Interest	\$ 350	\$ 350	\$ 937	\$ 587	\$ (497)
Grants	110,000	110,000	110,000	-	164,624
Other	11,000	11,000	13,800	2,800	20,782
RETA fees	100,000	100,000	155,871	55,871	147,301
<b>Total revenues</b>	<u>221,350</u>	<u>221,350</u>	<u>280,608</u>	<u>59,258</u>	<u>332,210</u>
<b>Expenditures</b>					
Current					
Other	21,400	21,400	13,057	8,343	90,927
Transportation contract	250,420	250,420	250,383	37	250,381
<b>Total expenditures</b>	<u>271,820</u>	<u>271,820</u>	<u>263,440</u>	<u>37</u>	<u>341,308</u>
<b>Revenues over (under) expenditures</b>	(50,470)	(50,470)	17,168	67,638	(9,098)
<b>Fund balance, January 1</b>	<u>193,338</u>	<u>193,338</u>	<u>267,813</u>	<u>74,475</u>	<u>276,911</u>
<b>Fund balance, December 31</b>	<u>\$ 142,868</u>	<u>\$ 142,868</u>	<u>\$284,981</u>	<u>\$142,113</u>	<u>\$ 267,813</u>

**SAN MIGUEL COUNTY, COLORADO**  
**CONTINGENT FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**YEAR ENDED DECEMBER 31, 2016**  
**WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2015**

	<u>Budgeted</u>		<u>Actual</u>	<u>Variance</u>	<u>2015</u>
	<u>Original</u>	<u>Final</u>			<u>Actual</u>
<b>Revenues</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total revenues</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Expenditures</b>					
Current					
General government	-	-	-	-	-
<b>Total expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Revenues over (under) expenditures</b>	-	-	-	-	-
<b>Fund balance, January 1</b>	<u>627,831</u>	<u>627,831</u>	<u>627,831</u>	<u>-</u>	<u>627,831</u>
<b>Fund balance, December 31</b>	<u><u>\$ 627,831</u></u>	<u><u>\$ 627,831</u></u>	<u><u>\$ 627,831</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 627,831</u></u>

**SAN MIGUEL, COLORADO**  
**PUBLIC WELFARE FUND-SOCIAL SERVICES**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**YEAR ENDED DECEMBER 31, 2016**  
**WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2015**

	<u>Budgeted</u>		<u>Actual</u>	<u>Variance</u>	<u>2015</u>
	<u>Original</u>	<u>Final</u>			<u>Actual</u>
<b>Revenues</b>					
Taxes	\$ 128,003	\$ 128,003	\$ 128,658	\$ 655	\$ 116,267
County administration	112,120	112,120	132,505	20,385	138,339
Old age pension	66,450	66,450	26,428	(40,022)	43,577
Aid to the needy and disabled	9,600	9,600	620	(8,980)	(5,261)
Child care	47,000	47,000	49,752	2,752	46,582
Food assistance	608,000	608,000	390,125	(217,875)	505,255
Child welfare	208,000	208,000	207,146	(854)	224,366
Core services	35,764	35,764	24,182	(11,582)	18,172
Leap	64,500	64,500	27,677	(36,823)	52,448
CSBG grant	10,000	10,000	12,919	2,919	10,893
Colorado works	70,000	70,000	46,809	(23,191)	51,975
Child support	6,600	6,600	7,744	1,144	8,331
Medicaid transportation and other	16,000	16,000	19,258	3,258	25,512
Miscellaneous	62,908	62,908	1,742	(61,166)	1,524
<b>Total revenues</b>	<u>1,444,945</u>	<u>1,444,945</u>	<u>1,075,565</u>	<u>(369,380)</u>	<u>1,237,980</u>
<b>Expenditures</b>					
County funded grants	20,000	20,000	25,121	(5,121)	57,806
County administration	170,466	170,466	162,275	8,191	174,692
Old age pension	66,500	66,500	26,428	40,072	43,577
Colorado works	80,000	80,000	56,726	23,274	62,730
Aid to the needy and disabled	6,000	6,000	775	5,225	(6,576)
Medicaid transportation	16,000	16,000	19,258	(3,258)	16,805
Child care	48,000	48,000	60,144	(12,144)	52,622
General assistance	10,000	10,000	2,443	7,557	1,343
Leap	64,500	64,500	27,677	36,823	52,447
Child welfare	300,000	300,000	252,723	47,277	281,573
Core services	31,800	31,800	27,863	3,937	18,818
CSBG grant	8,000	8,000	2,164	5,836	16,472
Child support	10,000	10,000	9,516	484	9,640
Direct cost allocation	(7,500)	(7,500)	(8,236)	736	(8,605)
Food assistance	608,000	608,000	393,600	214,400	505,255
Miscellaneous	83,528	83,528	-	83,528	7,132
<b>Total expenditures</b>	<u>1,515,294</u>	<u>1,515,294</u>	<u>1,058,477</u>	<u>456,817</u>	<u>1,285,731</u>
<b>Excess (deficiency) of revenues over expenditures</b>	(70,349)	(70,349)	17,088	87,437	(47,751)
<b>Fund balance, January 1</b>	<u>121,751</u>	<u>121,751</u>	<u>91,132</u>	<u>(30,619)</u>	<u>138,883</u>
<b>Fund balance, December 31</b>	<u>\$ 51,402</u>	<u>\$ 51,402</u>	<u>\$ 108,220</u>	<u>\$ 56,818</u>	<u>\$ 91,132</u>

**SAN MIGUEL COUNTY, COLORADO**  
**RETIREMENT FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**YEAR ENDED DECEMBER 31, 2016**  
**WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2015**

	<b>Budgeted</b>		<b>Actual</b>	<b>Variance</b>	<b>2015</b>
	<b>Original</b>	<b>Final</b>			<b>Actual</b>
<b>Revenues</b>					
Taxes					
General property tax	\$ 311,631	\$ 311,631	\$310,631	\$ (1,000)	\$279,876
Delinquent tax	-	-	1	1	3
Specific ownership tax	7,800	7,800	12,163	4,363	12,069
Penalty and interest	425	425	925	500	597
Other					
Forfeitures and miscellaneous	21,000	21,000	27,508	6,508	22,977
<b>Total revenues</b>	<u>340,856</u>	<u>340,856</u>	<u>351,228</u>	<u>10,372</u>	<u>315,522</u>
<b>Expenditures</b>					
Current					
Employer's contribution	418,000	418,000	424,484	(6,484)	384,229
<b>Total expenditures</b>	<u>418,000</u>	<u>418,000</u>	<u>424,484</u>	<u>(6,484)</u>	<u>384,229</u>
<b>Revenues over (under) expenditures</b>	(77,144)	(77,144)	(73,256)	3,888	(68,707)
<b>Other Financing Sources</b>					
Transfers (Out)	50,000	50,000	50,000	-	50,000
<b>Total other financing sources</b>	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>-</u>	<u>50,000</u>
<b>Revenues and other sources over expenditures</b>	(27,144)	(27,144)	(23,256)	3,888	(18,707)
<b>Fund balance, January 1</b>	<u>42,263</u>	<u>42,263</u>	<u>62,613</u>	<u>20,350</u>	<u>81,320</u>
<b>Fund balance, December 31</b>	<u>\$ 15,119</u>	<u>\$ 15,119</u>	<u>\$ 39,357</u>	<u>\$ 24,238</u>	<u>\$ 62,613</u>

**SAN MIGUEL COUNTY, COLORADO**  
**CONSERVATION TRUST FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**YEAR ENDED DECEMBER 31, 2016**  
**WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2015**

	<u>Budgeted</u>		<u>Actual</u>	<u>Variance</u>	<u>2015</u>
	<u>Original</u>	<u>Final</u>			<u>Actual</u>
<b>Revenues</b>					
Intergovernmental					
State lottery proceeds	\$ 24,000	\$ 24,000	\$ 30,734	\$ 6,734	\$ 25,897
Interest income	125	125	269	144	63
<b>Total revenues</b>	<u>24,125</u>	<u>24,125</u>	<u>31,003</u>	<u>6,878</u>	<u>25,960</u>
<b>Expenditures</b>					
Current					
Capital outlay	35,000	35,000	30,067	4,933	-
<b>Total expenditures</b>	<u>35,000</u>	<u>35,000</u>	<u>30,067</u>	<u>4,933</u>	<u>-</u>
<b>Revenues over (under) expenditures</b>	(10,875)	(10,875)	936	11,811	25,960
<b>Fund balance, January 1</b>	<u>37,238</u>	<u>37,238</u>	<u>47,072</u>	<u>9,834</u>	<u>21,112</u>
<b>Fund balance, December 31</b>	<u>\$ 26,363</u>	<u>\$ 26,363</u>	<u>\$ 48,008</u>	<u>\$ 21,645</u>	<u>\$ 47,072</u>

**SAN MIGUEL COUNTY, COLORADO  
PUBLIC HEALTH FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2016  
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2015**

	<u>Budgeted</u>		<u>Actual</u>	<u>Variance</u>	<b>2015</b>
	<u>Original</u>	<u>Final</u>			<u>Actual</u>
<b>Revenues</b>					
Intergovernmental	\$ 192,363	\$ 192,363	\$ 230,788	\$ 38,425	\$ 145,201
Licenses and permits	42,000	42,000	18,697	(23,303)	39,652
Charges for services	40,000	40,000	38,638	(1,362)	44,412
Miscellaneous	-	-	1,134	1,134	12,169
<b>Total revenues</b>	<u>274,363</u>	<u>274,363</u>	<u>289,257</u>	<u>14,894</u>	<u>241,434</u>
<b>Expenditures</b>					
Current					
Health and welfare	602,385	644,885	595,912	48,973	550,976
<b>Total expenditures</b>	<u>602,385</u>	<u>644,885</u>	<u>595,912</u>	<u>48,973</u>	<u>550,976</u>
<b>Revenues over (under) expenditures</b>	(328,022)	(370,522)	(306,655)	63,867	(309,542)
<b>Other Financing Sources</b>					
Transfers In or (Out)	328,000	370,500	370,500	-	321,000
<b>Total other financing sources</b>	<u>328,000</u>	<u>370,500</u>	<u>370,500</u>	<u>-</u>	<u>321,000</u>
<b>Revenues and other sources over expenditures</b>	(22)	(22)	63,845	63,867	11,458
<b>Fund balance, January 1</b>	<u>25,708</u>	<u>25,708</u>	<u>25,207</u>	<u>(501)</u>	<u>13,749</u>
<b>Fund balance, December 31</b>	<u>\$ 25,686</u>	<u>\$ 25,686</u>	<u>\$ 89,052</u>	<u>\$ 63,366</u>	<u>\$ 25,207</u>

**SAN MIGUEL COUNTY, COLORADO**  
**ENERGY FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**YEAR ENDED DECEMBER 31, 2016**  
**WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2015**

	<u>Budgeted</u>		<u>Actual</u>	<u>Variance</u>	<u>2015</u>
	<u>Original</u>	<u>Final</u>			<u>Actual</u>
<b>Revenues</b>					
Miscellaneous					
Other	\$ -	\$ -	\$ -	\$ -	\$ -
Interest income	-	-	-	-	-
<b>Total revenues</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Expenditures</b>					
Current					
Energy programs	24,000	24,000	6,873	17,127	40,570
<b>Total expenditures</b>	<u>24,000</u>	<u>24,000</u>	<u>6,873</u>	<u>17,127</u>	<u>40,570</u>
<b>Revenues over (under) expenditures</b>	(24,000)	(24,000)	(6,873)	17,127	(40,570)
<b>Fund balance, January 1</b>	<u>33,185</u>	<u>33,185</u>	<u>34,615</u>	<u>1,430</u>	<u>75,185</u>
<b>Fund balance, December 31</b>	<u>\$ 9,185</u>	<u>\$ 9,185</u>	<u>\$ 27,742</u>	<u>\$ 18,557</u>	<u>\$ 34,615</u>

**SAN MIGUEL COUNTY, COLORADO  
VEGETATION MANAGEMENT FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2016  
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2015**

	<u>Budgeted</u>		<u>Actual</u>	<u>Variance</u>	<u>2015</u>
	<u>Original</u>	<u>Final</u>			<u>Actual</u>
<b>Revenues</b>					
Taxes					
Charges for Services	\$ 57,400	\$ 57,400	\$ 23,553	\$ (33,847)	\$ 6,184
Intergovernmental	71,600	71,600	38,729	(32,871)	42,019
Other	-	-	6	6	89
<b>Total revenues</b>	<u>129,000</u>	<u>129,000</u>	<u>62,288</u>	<u>(66,712)</u>	<u>48,292</u>
<b>Expenditures</b>					
Vegetation Management	<u>214,398</u>	<u>214,398</u>	<u>185,986</u>	<u>28,412</u>	<u>111,690</u>
<b>Total expenditures</b>	<u>214,398</u>	<u>214,398</u>	<u>185,986</u>	<u>28,412</u>	<u>111,690</u>
<b>Revenues over (under) expenditures</b>	(85,398)	(85,398)	(123,698)	(38,300)	(63,398)
<b>Other Financing Sources</b>					
Transfers (Out)	<u>85,000</u>	<u>85,000</u>	<u>89,041</u>	<u>(4,041)</u>	<u>80,000</u>
<b>Total other financing sources</b>	<u>85,000</u>	<u>85,000</u>	<u>89,041</u>	<u>(4,041)</u>	<u>80,000</u>
<b>Revenues and other sources over expenditures</b>	(398)	(398)	(34,657)	(34,259)	16,602
<b>Fund balance, January 1</b>	21,199	21,199	77,628	56,429	-
<b>Residual transfer</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>61,026</u>
<b>Fund balance, December 31</b>	<u>\$ 20,801</u>	<u>\$ 20,801</u>	<u>\$ 42,971</u>	<u>\$ 22,170</u>	<u>\$ 77,628</u>

**SAN MIGUEL COUNTY, COLORADO**  
**SAN MIGUEL DISPOSAL DISTRICT**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**YEAR ENDED DECEMBER 31, 2016**  
**WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2015**

	<u>Budgeted</u>		<u>Actual</u>	<u>Variance</u>	<u>2015</u>
	<u>Original</u>	<u>Final</u>			<u>Actual</u>
<b>Revenues</b>					
Taxes					
General property tax	\$ 43,962	\$ 43,962	\$ 43,922	\$ (40)	\$ 43,922
Specific ownership tax	1,300	1,300	1,716	416	1,716
Penalty and interest	50	50	120	70	120
<b>Total taxes</b>	<u>45,312</u>	<u>45,312</u>	<u>45,758</u>	<u>446</u>	<u>45,758</u>
Intergovernmental					
Other	50	50	52	2	52
Charges for services	15,788	15,788	14,924	(864)	14,924
<b>Total intergovernmental</b>	<u>15,838</u>	<u>15,838</u>	<u>14,976</u>	<u>(862)</u>	<u>14,976</u>
<b>Total revenues</b>	<u>61,150</u>	<u>61,150</u>	<u>60,734</u>	<u>(416)</u>	<u>60,734</u>
<b>Expenditures</b>					
Current					
General government					
Waste disposal	112,880	122,880	101,591	21,289	101,591
<b>Total expenditures</b>	<u>112,880</u>	<u>122,880</u>	<u>101,591</u>	<u>21,289</u>	<u>101,591</u>
<b>Revenues over (under) expenditures</b>	(51,730)	(61,730)	(40,857)	20,873	(40,857)
<b>Fund balance, January 1</b>	<u>149,084</u>	<u>149,084</u>	<u>155,739</u>	<u>6,655</u>	<u>155,739</u>
<b>Fund balance, December 31</b>	<u>\$ 97,354</u>	<u>\$ 87,354</u>	<u>\$ 114,882</u>	<u>\$ 27,528</u>	<u>\$ 114,882</u>

## ANNUAL HIGHWAY FINANCE REPORT - CY16

- Step 1: Enter your email and select your City or County from the list below.
- Step 2: Click on "Start" to edit/update your data.
- Step 3: Click on "Submit" at the bottom of the form to edit/update your data.

Your Email Address:

Select County:

### II - RECEIPTS FOR ROAD AND STREET PURPOSES

Please no commas or dollar signs for the input

#### A. Receipts from local sources

- 2. General Fund Appropriations: \$
- 3. Other local imposts: *from A.3. Total below* \$ 1,577,094.00
- 4. Miscellaneous local receipts: *from A.4. Total below* \$ 150,121.00
- 5. Transfers from toll facilities \$
- 6. Proceeds of sale of bonds and notes
  - a. Bonds - Original Issues: \$
  - b. Bonds - Refunding Issues: \$
  - c. Notes: \$

SubTotal: \$ 1,727,215.00

B. Private Contributions \$

### II - RECEIPTS FOR ROAD AND STREET PURPOSES (Detail)

Please no commas or dollar signs for the input

#### A.3. Other local imposts

- a. Property Taxes and Assessments \$ 1517841.00
- b. Other Local Imposts

1. Sales Taxes:	\$ 0.00
2. Infrastructure and Impact Fees:	\$ 0.00
3. Liens:	\$ 0.00
4. Licenses:	\$ 0.00
5. Specific Ownership and/or Other:	\$ 59253.00

Total: (a + b) carried to 'Other local Impasts' above \$ 1,577,094.00

**A.4. Miscellaneous local receipts**

Please no commas or dollar signs for the input

a. Interest on Investments:	\$ 0.00
b. Traffic fines & Penalties:	\$ 0.00
c. Parking Garage Fees:	\$ 0.00
d. Parking Meter Fees:	\$ 0.00
e. Sale of Surplus Property:	\$ 26932.00
f. Charges for Services:	\$ 0.00
g. Other Misc. Receipts:	\$ 10718.00
h. Other:	\$ 112471.00

Total: (a through h) carried to 'Misc local receipts' above \$ 150,121.00

**C. Receipts from State Government**

Please no commas or dollar signs for the input

1. Highway User Taxes:	\$ 1951331.00
3. Other State funds:	
c. Motor Vehicle Registrations:	\$ 22779.00
d. Other (Specify):	
Comments: DOLA Grant	\$ 230399.00
e. Other (Specify):	
Comments: undefined	\$ 0.00

Total: (1+3c,d,e) \$ 2,204,509.00

**D. Receipts from Federal Government**

Please no commas or dollar signs for the input

2. Other Federal Agencies	
a. Forest Service:	\$ 24093.00
b. FEMA:	\$ 0.00
c. HUD:	\$ 0.00

d. Federal Transit Administration:	\$	0.00
e. U.S. Corp of Engineers	\$	0.00
f. Other Federal:	\$	64544.00
Total: (2a-f)		\$ 88,637.00

**III - DISBURSEMENTS FOR ROAD AND STREET PURPOSES**

Please no commas or dollar signs for the input

**A. Local highway disbursements**

1. Capital outlay: (from A.1.d. 'Total Capital Outlay' below)	\$	0.00
2. Maintenance:	\$	3573340.00
3. Road and street services		
a. Traffic control operations:	\$	0.00
b. Snow and ice removal:	\$	109620.00
c. Other:	\$	0.00
4. General administration & miscellaneous	\$	1063103.00
5. Highway law enforcement and safety	\$	0.00
Total: (A.1-5)		\$ 4,746,063.00

Please no commas or dollar signs for the input

**B. Debt service on local obligations**

1. Bonds		
a. Interest	\$	0.00
b. Redemption	\$	0.00
2. Notes		
a. Interest	\$	0.00
b. Redemption	\$	0.00
SubTotal: (1+2)		\$ 0.00

Please no commas or dollar signs for the input

<b>C. Payments to State for Highways:</b>	\$	0.00
---	----	------

D. Payments to Toll Facilities:

\$

Total Disbursements: *(A+B+C+D)* \$ 4,746,063.00

Please no commas or dollar signs for the input

**III - DISBURSEMENTS FOR ROAD AND STREET PURPOSES - (Detail)**

Please no commas or dollar signs for the input

	A. ON NATIONAL HIGHWAY SYSTEM	B. OFF NATIONAL HIGHWAY SYSTEM	C. TOTAL
<b>A.1. Capital Outlay</b>			
a. Right-Of-Way Costs:	\$ <input type="text" value="0.00"/>	\$ <input type="text" value="0.00"/>	\$ 0.
b. Engineering Costs:	\$ <input type="text" value="0.00"/>	\$ <input type="text" value="0.00"/>	\$ 0.
c. Construction			
1. New Facilities:	\$ <input type="text" value="0.00"/>	\$ <input type="text" value="0.00"/>	\$ 0.
2. Capacity Improvements:	\$ <input type="text" value="0.00"/>	\$ <input type="text" value="0.00"/>	\$ 0.
3. System Preservation:	\$ <input type="text" value="0.00"/>	\$ <input type="text" value="0.00"/>	\$ 0.
4. System Enhancement:	\$ <input type="text" value="0.00"/>	\$ <input type="text" value="0.00"/>	\$ 0.
5. Total Construction:			<u>\$ 0.</u>
d. Total Capital Outlay: <i>(Lines A.1.a. + 1.b. + 1.c.5)</i>			<u>\$ 0.</u>

**IV. LOCAL HIGHWAY DEBT STATUS**

Please no commas or dollar signs for the input

	OPENING DEBT	AMOUNT ISSUED	REDEMPTIONS	CLOSING DE
<b>A. Bonds (Total)</b>	\$ <input type="text" value="0.00"/>	\$ <input type="text" value="0.00"/>	\$ <input type="text" value="0.00"/>	\$ 0.0
1. Bonds (Refunding Portion)		\$ <input type="text" value="0.00"/>	\$ <input type="text" value="0.00"/>	\$ 0.0
<b>B. Notes (Total):</b>	\$ <input type="text" value="0.00"/>	\$ <input type="text" value="0.00"/>	\$ <input type="text" value="0.00"/>	\$ 0.0

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

Please no commas or dollar signs for the input

A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliati
\$ 2871779.00	\$ 4,020,361.00	\$ 4,746,063.00	\$ 2146077.00	\$ 0.0

**Notes & Comments:**

undefined

Please enter your name:

Please provide a telephone number where you may be reached:

Note: Printing your form will \*NOT\* save it. Save \*BEFORE\* printing.

**SAN MIGUEL, COLORADO**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED DECEMBER 31, 2016**

<b>Federal Grantor/Pass Through Grantor/Program Title</b>	<b>FEDERAL CFDA NUMBER</b>	<b>FEDERAL AWARDS EXPENDED</b>
<b>DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>		
Passed Through Colorado Department of Health care policy and Financing Medical Assistance program	93.778	\$ 52,013
Passed Through Colorado Department of Public Health and Environment:		
Public Health Emergency Preparedness	93.069	12,122
Public Health EPR	93.074	5,856
Family Planning Services	93.217	22,723
Childhood Immunization	93.268	11,451
Maternal and Child health Services Block Grant to the states	93.994	8,118
Passed Through Colorado Department of Human Services		
Temporary Assistance to Needy Families	93.558	46,669
Child Support Enforcement ( Title IV-d)	93.563	35,291
Low Income Home Energy Assistance	93.568	17,853
Child Care and Development Block Grant	93.575	14,024
Child Care mandatory and Matching Funds of the Child Care and Development fund and Development Block Grant	93.596	23,057
Child Welfare Services - State Grants	93.645	1,118
Foster Care - Title IV-E	93.658	57,555
Adoption Assistance	93.659	6,984
Social Services Block Grant	93.667	36,758
Single Entry Point	93.XXX	7,912
<b>Total Department of Health and Human Services</b>		<b>\$ 359,504</b>

**SAN MIGUEL COUNTY, COLORADO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED DECEMBER 31, 2016**

<b>Federal Grantor/Pass Through Grantor/Program Title</b>	<b>FEDERAL CFDA NUMBER</b>	<b>FEDERAL AWARDS EXPENDED</b>
<b>DEPARTMENT OF AGRICULTURE</b>		
Passed Through Colorado Department of Health Services:		
SNAP	10.551	\$ 858
State Administrative matching Grants for Food Stamp program	10.561	\$ 53,426
Passed Through Colorado Department of Public Health and Environment:		
Special Supplemental Nutrition program for Women, Infants, and Children	10.557	34,429
Special Supplemental Nutrition program Women Infants and Children - Non Cash	10.557	40,272
Farmers Market and Local Food Promotion	10.168	19,644
Total Department of Agriculture		<u>148,629</u>
<b>DEPARTMENT OF HOMELAND SECURITY</b>		
Passed Through Colorado Department of Public Safety:		
Emergency Management Performance Grant	97.042	49,210
Homeland Security Grant-2014	97.067	174,685
		<u>223,895</u>
<b>DEPARTMENT OF JUSTICE</b>		
Passed Through Bureau of Justice Affairs:		
JAG Grant	16.606	<u>36,225</u>
<b>DEPARTMENT OF TRANSPORTATION</b>		
Passed Through Colorado Department of Transportation:		
Formula Grants For Rural Areas	20.509	<u>110,000</u>
		<u>110,000</u>
<b>Total federal award expenditures</b>		<u><u>\$ 878,253</u></u>

**SAN MIGUEL, COLORADO**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

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**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Presentation**

The Schedule of Expenditures of Federal Awards includes the federal grant activity of the San Miguel County, Colorado, and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulation (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance).

**NOTE B - REPORTING ENTITY**

The financial reporting entity consists of San Miguel County, Colorado (the County) as the primary government; organizations for which the County is financially accountable; and other organizations for which the nature and significance of their relationship with the County are such that exclusion would cause the County's financial statements to be misleading or incomplete.

**NOTE C - PASS-THROUGH AWARDS**

The County receives certain federal awards from pass-through awards from the State of Colorado. The amounts received are commingled by the State of Colorado with other funds. Only the federal amount of such pass-through awards is included in the Schedule of Expenditures of Federal Awards.

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

To the Board of San Miguel County Commissioners  
San Miguel County, Colorado

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of San Miguel County, Colorado, as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise San Miguel County, Colorado's basic financial statements, and have issued our report thereon dated June 16, 2017.

**Internal Control over Financial Reporting**

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

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

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

**Compliance and Other Matters**

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

To the Board of San Miguel County Commissioners  
San Miguel County, Colorado  
Page Two

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Blair and Associates, P.C.*

Cedaredge, Colorado  
June 16, 2017

Blair  
and  
Associates P.C.

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM

AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of San Miguel County Commissioners  
San Miguel County, Colorado

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

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

***Management's Responsibility***

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

***Auditor's Responsibility***

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

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

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

In our opinion, the San Miguel County, Colorado, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2016.

**Report on Internal Control over Compliance**

Management of the San Miguel County, Colorado, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the San Miguel County, Colorado's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the San Miguel County, Colorado's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

*Blair and Associates, P.C.*

Cedaredge, Colorado  
June 16, 2017

**SAN MIGUEL, COLORADO**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**Year ended December 31, 2016**

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**Section I - Summary of Auditor's Results**

**Financial Statements**

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	None Reported
Noncompliance material to financial statements noted	No

**Federal Awards**

Internal Control over major programs:	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	None Reported

Type of auditor's report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance 2 CFR 200.516	No

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
10.557	Special Supplemental Nutrition Program Women Infants and Children
20.509	Formula Grants for Rural Areas

Dollar threshold used to distinguish between Type A and Type B programs:	\$750,000
Auditee qualified as low-risk auditee?	Yes

**SAN MIGUEL, COLORADO**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS — CONTINUED**  
**Year ended December 31, 2016**

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SECTION II — Financial Statement Findings

None noted in the current year audit

SECTION III — Federal Award Findings and Questioned Costs

None noted in the current year audit

**SAN MIGUEL, COLORADO**  
**SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS**  
**Year ended December 31, 2016**

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FINDINGS UNDER GENERALLY ACCEPTED GOVERNMENT AUDITING STANDARDS

None

FINDINGS AND QUESTIONED COSTS UNDER OMB CIRCULAR A-133 for 2015 Audit

None