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**GUNNISON CEMETERY DISTRICT #1**

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ANNUAL FINANCIAL STATEMENTS

**December 31, 2017**



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## **Independent Auditor's Report**

Board of Directors  
Gunnison Cemetery District #1  
Gunnison, Colorado

I have audited the accompanying financial statements of the governmental activities and the major fund of the Gunnison Cemetery District #1 (the District) as of and for the year ended December 31, 2017, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

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

### **Auditor's Responsibility**

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

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

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

**Opinions**

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund, of the Gunnison Cemetery District #1, as of December 31, 2017, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Other Matter**

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Gunnison Cemetery District #1's financial statements as a whole. Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 7 and 19 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

April 11, 2018  
Grand Junction, CO

# **GUNNISON CEMETERY DISTRICT #1**

## **Management's Discussion and Analysis**

**For the Year Ended December 31, 2017**

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As management of the Gunnison Cemetery District #1 (the District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended December 31, 2017. We encourage readers to consider the information presented here in conjunction with the additional information furnished in our basic financial statements to better understand the financial position of the District.

### **Financial Highlights**

- In the government-wide financial statements, the District's assets exceeded its liabilities by \$827,173 at the end of the year, an increase of \$22,336 from the prior year.
- The General Fund reported an ending fund balance of \$620,530, increase of \$16,507 from the prior year. The ending fund balance includes the required 3% state mandated emergency reserve.

### **Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The basic financial statements are comprised of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the basic 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 the District's finances in a manner similar to a private sector business.

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

The statement of governmental activities presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

In the government-wide financial statements, the District's activities are shown in one category; *governmental activities*. The District's activities are principally supported by property taxes and charges for services.

The government-wide financial statements can be found on pages 7 and 8.

## **Fund Financial Statements**

A fund is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Fund accounting is used to ensure and demonstrate compliance with finance-related legal requirements. The District has a general fund only.

## **Governmental Funds**

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the General Fund balance sheet and the General Fund statement of revenues, expenditures and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. The District has only one governmental fund; the General Fund. The District's General Fund's financial statements can be found on pages 9 and 10.

An annual appropriated budget is adopted for the General Fund. A budgetary comparison statement on page 19 has been provided for the fund to demonstrate compliance with the budget.

## **Notes to Basic Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

The notes to the basic financial statements can be found on pages 11 through 16.

## **Government-wide Financial Analysis**

As noted earlier, net position may serve as a useful indicator of the government's financial position. In this case, the District's assets exceeded its liabilities by \$827,173 as of December 31, 2017.

## Government-wide Financial Analysis (Continued)

The following summarizes the District's governmental net position as of December 31:

	<u>2017</u>	<u>2016</u>
<b>Assets</b>		
Current and other assets.....	\$ 773,324	\$ 754,120
Capital assets .....	<u>206,643</u>	<u>200,814</u>
<b>Total Assets</b>	<u>979,967</u>	<u>954,934</u>
<b>Liabilities</b>		
Current liabilities .....	<u>7,101</u>	<u>7,839</u>
<b>Total Liabilities</b>	<u>7,101</u>	<u>7,839</u>
<b>Deferred Inflows</b>		
Property taxes receivable	<u>145,693</u>	<u>142,258</u>
<b>Net Position</b>		
Invested in capital assets .....	206,643	200,814
Restricted for emergencies .....	6,007	6,632
Unrestricted.....	<u>614,523</u>	<u>597,391</u>
<b>Net Position</b>	<u>\$ 827,173</u>	<u>\$ 804,837</u>

Restricted net assets of \$6,007 represents an emergency reserve required by an amendment to the State constitution.

The District's governmental activities increased the District's net position by \$22,336 in 2017.

The following summarizes the change in the District's governmental net position for the year ended December 31:

	<u>2017</u>	<u>2016</u>
<b>Revenues</b>		
Program revenues:		
Charges for services .....	\$ 19,164	\$ 17,700
Capital grants and contributions:		
Capital contributions.....	0	0
General revenues:		
Taxes .....	151,562	146,270
Earnings on deposits and investments .....	29,518	57,238
Loss on disposal of assets .....	0	0
Miscellaneous .....	<u>0</u>	<u>0</u>
<b>Total Revenues</b>	<u>200,244</u>	<u>221,208</u>
<b>Expenses</b>		
Operations .....	141,323	120,985
General and administrative .....	<u>36,585</u>	<u>37,463</u>
<b>Total Expenses</b>	<u>177,908</u>	<u>158,448</u>
<b>Change in Net Position</b>	22,336	62,760
<b>Net Position - January 1</b> .....	<u>804,837</u>	<u>742,077</u>
<b>Net Position - December 31</b> .....	<u>\$ 827,173</u>	<u>\$ 804,837</u>

## **Governmental Funds Financial Analysis**

As noted earlier, fund accounting is used to ensure and demonstrate compliance with finance related legal requirements.

The focus of governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. 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 fiscal year.

The District maintains only one governmental fund, the General Fund, which is the District's operating fund. The General Fund had a fund balance of \$ 620,530 as of December 31, 2017, an increase of \$16,507. The unreserved portion of the fund balance in the amount of \$ 614,019 is available for spending.

## **General Fund Budgetary Highlights**

The District amended its 2017 adopted budget. \$32,714 was transferred from the Capital Reserve Account to Capital Equipment, Capital Grounds, and Capital Buildings.

## **Capital Assets**

The District purchased a riding lawn mower, a pump and two granite benches during 2017 for a total of \$20,041.

The District does not have any long term debt.

## **Economic Factors and Next Year's Budget**

As of March 31, 2018, the District has received 37% of the expected property tax revenue. Cemetery Services, which includes the sale of plots, opening and closing fees, sale of columbarium niches, and sale of memorial spaces for engraving are 8% of the budgeted amount. Overall, the District has received 35% of the expected annual revenue. Operational expenses are below budget at this point at 18%.

## **Request for Information**

This financial report is designed to provide a general overview of the District's finances. Questions concerning any of the information provided in the report or requests for additional financial information should be addressed to the Administrative Assistant; Gunnison Cemetery District #1; PO Box 7079; Gunnison, CO 81230.

# GUNNISON CEMETERY DISTRICT #1

## Statement of Governmental Net Position

December 31, 2017

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### Assets

Cash.....	\$ 84,757
Receivables:	
Property taxes.....	145,693
Other .....	185
Prepaid expenses .....	504
Long-term certificate of deposit and investments:	
Certificates of deposit .....	185,400
Investments .....	356,785
Capital assets:	
Land .....	3,800
Buildings and improvements .....	39,611
Grounds improvements .....	174,992
Equipment .....	168,638
Less accumulated depreciation .....	<u>(180,398)</u>
	<b>Total Assets</b>
	<u>979,967</u>

### Liabilities

Accounts payable .....	<u>7,101</u>
	<b>Total Liabilities</b>
	<u>7,101</u>

### Deferred Inflows

Property taxes receivable.....	<u>145,693</u>
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### Net Position

Invested in capital assets .....	206,643
Restricted for emergencies .....	6,007
Unrestricted .....	<u>614,523</u>
	<b>Net Position</b>
	<u>\$ 827,173</u>

The accompanying notes are an integral part of this statement.

# GUNNISON CEMETERY DISTRICT #1

## Statement of Governmental Activities

Year Ended December 31, 2017

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<b>Expenses</b>	
Operations .....	\$ (141,323)
General and administrative.....	<u>(36,585)</u>
	<b>Total Expenses</b> <u>(177,908)</u>
<b>Program Revenues</b>	
Charges for services .....	<u>19,164</u>
	<b>Total Program Revenues</b> <u>19,164</u>
	<b>Net Expenses</b> <u>(158,744)</u>
<b>General Revenues</b>	
Property taxes.....	141,835
Specific ownership taxes.....	9,298
Interest on delinquent taxes.....	429
Earnings on deposits and investments.....	<u>29,518</u>
	<b>Total General Revenues</b> <u>181,080</u>
	<b>Change in Net Position</b> 22,336
<b>Net Position - January 1</b> .....	<u>804,837</u>
<b>Net Position - December 31</b> .....	<u>\$ 827,173</u>

The accompanying notes are an integral part of this statement.

**GUNNISON CEMETERY DISTRICT #1**

Balance Sheet - General Fund

**December 31, 2017**

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<b>Assets</b>	
Cash.....	\$ 84,757
Receivables:	
Property taxes.....	145,693
Other.....	185
Prepaid expenditures .....	504
Long-term certificate of deposit and investments:	
Certificates of deposit .....	185,400
Investments .....	<u>356,785</u>
<b>Total Assets</b>	<b><u>\$ 773,324</u></b>
<b>Liabilities and Fund Balances</b>	
Liabilities:	
Accounts payable .....	<u>\$ 7,101</u>
<b>Total Liabilities</b>	<b><u>7,101</u></b>
Deferred Inflows	
Property taxes receivable.....	<u>145,693</u>
Fund Balance:	
Restricted for emergencies .....	6,007
Unspendable ( prepaids).....	504
Unassigned .....	<u>614,019</u>
<b>Total Fund Balance</b>	<b><u>620,530</u></b>
<b>Total Liabilities, Deferred Inflows and Fund Balance</b>	<b><u>\$ 773,324</u></b>
Reconciliation of Governmental Fund Balance Sheet - General Fund to Statement of Governmental Net Position:	
Fund Balance .....	\$ 620,530
Amounts reported for governmental activities in the statement of governmental net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds.	
Cost of capital assets .....	\$ 387,041
Less accumulated depreciation.....	<u>(180,398)</u>
<b>Net Position - Government Funds</b>	<b><u>\$ 827,173</u></b>

**The accompanying notes are an integral part of this statement.**

**GUNNISON CEMETERY DISTRICT #1**

Statement of Revenues, Expenditures and Changes in Fund Balance - General Fund

**Year Ended December 31, 2017**

<b>Revenues</b>		
Taxes .....	\$	151,562
Charges for services .....		19,164
Earnings on deposits and investments.....		<u>29,518</u>
	<b>Total Revenues</b>	<u>200,244</u>
<b>Expenditures</b>		
Current:		
Operations .....		111,841
General and administrative .....		36,183
Capital outlay .....		<u>35,713</u>
	<b>Total Expenditures</b>	<u>183,737</u>
	<b>Excess of Expenditures over Revenues</b>	<u>16,507</u>
	<b>Net Change in Fund Balance</b>	
<b>Fund Balance - January 1</b> .....		<u>604,023</u>
<b>Fund Balance - December 31</b> .....	\$	<u><u>620,530</u></u>
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance - General Fund to the Statement of Governmental Activities:		
Net Change in Fund Balance .....	\$	16,507
Amounts reported for governmental activities in the statement of governmental activities are different because:		
Capital outlays are reported as expenditures in the fund; however, in the statement of governmental activities, the cost is allocated over the estimated useful lives of the assets as depreciation expense. The following is the amount by which capital outlays exceeded depreciation in the current period:		
Capital outlay .....	\$	20,041
Depreciation .....		<u>(14,212)</u>
		<u>5,829</u>
<b>Change in Net Position of Governmental Activities</b> .....	\$	<u><u>22,336</u></u>

**The accompanying notes are an integral part of this statement.**

# GUNNISON CEMETERY DISTRICT #1

## Notes to Basic Financial Statements

December 31, 2017

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### Note 1 - Summary of Significant Accounting Policies

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The financial statements of the Gunnison Cemetery District #1 (the District) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The more significant of the District's accounting policies are described below:

#### A. Reporting Entity

The District was established September 3, 1963 by resolution of the Gunnison County Commissioners upon petition of the property owners within the District. The District's Board of Directors (the Board) consists of three members appointed by the Gunnison County Commissioners. The Gunnison County Commissioners' accountability for the District does not extend beyond making appointments to the District's Board. There are no entities required to be included in the District's financial statements based on GASB requirements.

#### B. Government-wide Financial Statements

The government-wide financial statements (i.e., the statement of governmental net position and the statement of governmental activities) report information on all of the activities of the District. *Governmental activities* are supported by taxes and charges for services. The District has no *business-type activities*, which rely to a significant extent on user charges for support.

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

#### C. Fund Financial Statements

The accounts of the District are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues and expenditures. 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.

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**Note 1 - Summary of Significant Accounting Policies (Continued)**

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**C. Fund Financial Statements (Continued)**

All governmental funds are accounted for on a flow of current financial resources basis. Balance sheets for these funds generally include only current assets, deferred outflows of resources, current liabilities and deferred inflows of resources. Reported fund balances are considered a measure of available, spendable resources. Operating statements for these funds present a summary of available, spendable resources and expenditures for the period.

The District has only one governmental fund, the *General Fund*, which is the general operating fund of the District. The District has no financial resources required to be accounted for in a separate fund.

**D. Measurement Focus and Basis of Accounting**

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied.

The modified accrual basis of accounting is used by all governmental funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Those revenues associated with the current period susceptible to accrual are property taxes, interest revenue and charges for services. All other revenues are reported when cash is received. Expenditures are recorded when the related fund liability is incurred.

**E. Use of Estimates**

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**F. Property Taxes Receivable**

Property taxes for the current year are levied and attach as a lien on property the following January 1. They are payable in full by April 30 or in two equal installments due February 28 and June 15. Property taxes are reported as a receivable and deferred inflow of resources at December 31. The deferred taxes are reported as revenue in the year they are available and collected.

**G. Long-term Certificates of Deposit and Investments**

Reserved fund balance in the general fund consists of certificates of deposit at local financial institutions and corporate stocks which were donated to the District when it was established. Based on an opinion by the Colorado Attorney General, dated March 24, 1983 the District can

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**Note 1 - Summary of Significant Accounting Policies (Continued)**

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retain ownership of the stocks. The District's investments in stocks are reported at fair value based on quoted market prices.

**I. Capital Assets**

Capital assets are stated at cost. Donated assets are recorded at their estimated fair market value at the date of donation. The District defines capital assets as assets with an initial cost of more than \$500 for equipment and \$1,000 for buildings and grounds improvements. Replacements, which improve or extend the lives of property, are capitalized. Maintenance, repairs and equipment replacements of a routine nature are charged to expenditures as incurred and are not capitalized.

Capital assets are depreciated using the straight-line method over the following useful lives:

Buildings and improvements .....	20 - 40 years
Grounds improvements.....	10 - 40 years
Equipment.....	5 - 15 years

**J. Compensated Absences**

The District has no compensated absences policy requiring accrual in the financial statements.

**K. Net Position**

Net position represent the difference between assets and liabilities. Balances invested in capital assets consist of capital assets, net of accumulated depreciation. Amounts are reported as restricted when there are limitations imposed on their use by external restrictions imposed by creditors, grantors, laws or regulations of other governments. When the District has the option to use either restricted or unrestricted net assets to finance a program it is the District's policy to first apply restricted resources.

**L. Fund Balance**

The District has approved the following Fund Balance policies: Committed fund balances are approved by the District's Board via a majority vote. The District does not use the assigned fund balance designation. When the District has the option to use either restricted or unassigned fund balance to finance a program it is the District's policy to first apply restricted resources. It is also the District's policy to use committed fund balance first when it has the option to use committed or unassigned fund balance.

**M. Subsequent Events**

Management has evaluated subsequent events thru the date of the audit report.

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**Note 2 - Reconciliation of Government-wide and Fund Financial Statements**

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The governmental funds balance sheet includes reconciliation between *fund balances* of the *governmental funds* and *net position of governmental activities* as reported in the government-wide

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**Note 2 - Reconciliation of Government-wide and Fund Financial Statements – (Continued)**

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statement of governmental net position. Additionally, the governmental fund statement of revenues, expenditures and changes in fund balances includes reconciliation between the *net change in fund balances of the governmental funds* and the *changes in net position of governmental activities* as reported in the government-wide statement of governmental activities.

These reconciliations detail items that require adjustment to convert from the current resources measurement and modified accrual basis for government fund statements to the economic resources measurement and full accrual basis used for government-wide statements.

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**Note 3 - Tax, Spending and Debt Limitations**

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In November 1992, Colorado voters passed an amendment to the State Constitution, Article X, Section 20, which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local governments.

On November 3, 1998, the electors of the District approved the retention and spending of the District's non-tax revenues for the year beginning January 1, 1998, and subsequent years, without regard to the limitations imposed by the Amendment.

The Amendment requires that an emergency reserve be maintained at three percent of fiscal year spending. A portion of the general fund's fund balance is classified as restricted for emergencies as required by the Amendment.

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

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**Note 4 – Budgets**

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The District adheres to the following procedures in establishing the budgetary data reflected in the financial statements:

- A. Budgets are required by state law for all governmental, proprietary, and trust funds.
- B. The budget officer is required to submit a proposed budget to the Board by October 15.
- C. Public hearings are conducted by the Board to obtain taxpayer comments.
- D. Certification of the mill levies to the Board of County Commissioners and adoption of the budget and appropriations are required by December 15.
- E. Expenditures may not legally exceed appropriations at the fund level. Board approval is required for changes in the budget.
- F. Budget appropriations lapse at the end of each year.

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## Note 5 - Certificates of Deposit and Investments

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The Colorado Public Deposit Protection Act (PDPA) governs the District's cash deposits. The statutes specify eligible depositories for public cash deposits, which must be Colorado institutions and must maintain federal insurance (FDIC) on deposits held. Each eligible depository with deposits in excess of the insured levels must pledge a collateral pool of defined eligible assets, to be maintained by another institution or held in trust for all of its local government depositors as a group, with a fair value at least equal to 102% of the uninsured deposits. The State Regulatory Commissions for banks and savings and loan associations are required by statute to monitor the naming of eligible depositories and the reporting of uninsured deposits and assets maintained in the collateral pools. Additionally, the local governments are authorized to invest in obligations of the United States Treasury or its agencies, commercial paper, money market, mutual funds and certain corporate instruments.

Bank balance of cash and certificates of deposit of \$250,000 are insured by the FDIC and \$24,843 was collateralized under PDPA.

The District's investment policy is to comply with State Statutes regarding investments. However, the District continues to hold telecommunication corporate stocks based on a legal opinion received from the State Attorney General dated March 24, 1983. See Note 1 G. The stocks are reported in the financial statements at fair value based on market price (Level 1 Input). The investments in stocks are subject to market risk. The stocks are held either in certificate form or held by an agent in the District's name.

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## Note 6 - Capital Assets

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Capital assets activity for the year was as follows:

	Balance December 31, 2016	Increases	Decreases	Balance December 31, 2017
Capital assets, not being depreciated:				
Land .....	\$ 3,800	\$	\$	\$ 3,800
Capital assets, being depreciated:				
Buildings and improvements .....	39,611			39,611
Grounds improvements .....	171,992	3,000		174,992
Equipment .....	151,597	17,041		168,638
Total capital assets, being depreciated	363,200	20,041	0	383,241
Less accumulated depreciation for:				
Buildings and improvements .....	(25,612)	(1,236)		(26,848)
Grounds improvements .....	(69,395)	(5,908)		(75,303)
Equipment .....	(71,179)	(7,068)		(78,247)
Total accumulated depreciation	(166,186)	(14,212)	0	(180,398)
Total capital assets, being depreciated, net	197,014	5,829	0	202,843
Total capital assets, net of depreciation	<u>\$ 200,814</u>	<u>\$ 5,829</u>	<u>\$ 0</u>	<u>\$ 206,643</u>

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**Note 5 – Capital Assets – (Continued)**

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Total depreciation expense for the year ended December 31, 2017 was 14,212, with \$13,808 charged to the Operations function and \$404 charged to the General and Administrative function.

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**Note 7 - 401a Plan**

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The District participates in the Colorado County Officials and Employees Retirement Association which provides retirement benefits through a 401a plan to participating Colorado counties, municipalities and special districts. All full-time employees are eligible to participate in the plan after six months of service. The District is required to contribute a minimum of 3% of employee compensation up to a maximum of 8% of compensation. The District has agreed to contribute 8% of employee compensation. The employee is required to contribute an amount equal to the District's contribution, and may contribute up to an additional 22% of compensation. The District's contribution for each employee, including earnings allocated to the employee's account, vest at the rate of 20% for each year of participation in the plan. The District's contributions for, and earnings forfeited by, employees who leave employment before five years are returned to the District to reduce the current period contribution requirement.

The covered payroll for the plan was \$79,712 for the year ended December 31, 2017. The District's total payroll for the same period was \$83,800. The District and employees each contributed \$6,377, 8% of covered payroll.

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**Note 8 - Risk Management**

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The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Settled claims have not exceeded commercial coverage in any of the past three years.

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**REQUIRED SUPPLEMENTARY INFORMATION**

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# GUNNISON CEMETERY DISTRICT #1

Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

General Fund

Year Ended December 31, 2017

	Original Budget	Final Budget	Actual	Variance- Favorable (Unfavorable)
<b>Revenues</b>				
Taxes:				
Property taxes.....	\$ 142,258	\$ 142,258	\$ 141,835	\$ (423)
Specific Ownership taxes.....	7,650	7,650	9,298	1,648
Interest on Delinquent taxes.....	300	300	429	129
Total Taxes	<u>150,208</u>	<u>150,208</u>	<u>151,562</u>	<u>1,354</u>
Charges for services:				
Sale of burial plots .....	3,000	3,000	4,800	1,800
Grave openings .....	5,000	5,000	11,600	6,600
Memorial and Columbarium sales ...	2,000	2,000	2,450	450
Total Charges for Services	<u>10,000</u>	<u>10,000</u>	<u>18,850</u>	<u>8,850</u>
Miscellaneous:				
Earnings (losses) on investments .....	4,000	4,000	29,518	25,518
Other .....			314	314
Total Miscellaneous	<u>4,000</u>	<u>4,000</u>	<u>29,832</u>	<u>15,832</u>
<b>Total Revenues</b>	<u>164,208</u>	<u>164,208</u>	<u>200,244</u>	<u>36,036</u>
<b>Expenditures</b>				
Current				
Salaries and wages .....	82,250	82,250	83,201	(951)
Payroll taxes.....	6,539	6,539	6,709	(170)
Employee benefits.....	6,180	6,180	6,377	(197)
Workers' compensation .....	8,200	8,200	7,422	778
Repairs and Maintenance:				
Building .....	3,000	3,000	3,000	0
Grounds .....	13,450	13,450	8,535	4,915
Equipment.....	2,000	2,000	2,654	(654)
Electricity .....	5,700	5,700	5,614	86
Shop supplies .....	1,000	1,000	534	466
Fuel .....	6,200	6,200	4,259	1,941
Rent.....	5,200	5,200	4,800	400
County Treasurer's fees .....	4,260	4,260	4,272	(12)
Insurance .....	3,600	3,600	1,680	1,920
Office supplies .....	1,200	1,200	1,094	106
Audit .....	2,900	2,900	2,900	0
Legal fees .....	1,500	1,500		1,500
Directors' fees.....	600	600	600	0
Telephone.....	2,400	2,400	2,330	70
Miscellaneous .....	2,529	2,529	2,043	486
Capital outlay .....	5,500	27,763	35,713	(7,950)
Capital reserve.....	<u>65,400</u>	<u>32,686</u>		<u>32,686</u>
<b>Total Expenditures</b>	<u>229,608</u>	<u>219,157</u>	<u>183,737</u>	<u>35,420</u>
<b>Excess of Revenues over     (under) Expenditures</b>	(65,400)	(54,949)	16,507	71,456
<b>Fund Balance - January 1.....</b>	<u>604,023</u>	<u>604,023</u>	<u>604,023</u>	<u>0</u>
<b>Fund Balance - December 31.....</b>	<u>\$ 538,023</u>	<u>\$ 549,074</u>	<u>\$ 620,530</u>	<u>\$ 71,456</u>

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