

Minturn Cemetery District

**Financial Statements
December 31, 2017**

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June 5, 2018

**Minturn Cemetery District
Financial Statements
December 31, 2017**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors Minturn Cemetery District

We have audited the accompanying financial statements of the governmental activities and the general fund of the Minturn Cemetery District (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, and the related notes to the financial statements.

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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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 and the general fund of the Minturn Cemetery District as of December 31, 2017, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Member: American Institute of Certified Public Accountants

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Other Matters

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis in Section B 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 Management's Discussion and Analysis in Section B 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.

The budgetary comparison information in section E is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. The budgetary comparison information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

McMahan and Associates, L.L.C.

**McMahan and Associates, L.L.C.
May 15, 2018**

MANAGEMENT'S DISCUSSION AND ANALYSIS

MINTURN CEMETERY DISTRICT

Management's Discussion and Analysis
December 31, 2017

As management of the Minturn Cemetery District (the "District"), we offer readers of the District's financial statements this narrative summary of the financial activities of the District for the fiscal year ended December 31, 2017.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's general purpose financial statements. The District's general purpose financial statements are comprised of two components: 1) financial statements; and 2) notes to the financial statements. These components are discussed below.

Financial Statements

The 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 Net Position presents information on all the District's assets, deferred outflows, liabilities and deferred inflows (both short-term and long-term), with the difference between the two reported as fund balance or net position. The General Fund column presents the financial position focusing on short-term available resources and is reported on a modified accrual basis of accounting. The Statement of Net Position column presents the financial position focusing on long-term economic resources and is reported on a full accrual basis. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The Statement of Revenues, Expenditures, and Changes in Fund Balance / Statement of Activities shows how the government's fund balance and net positions changed during the most recent fiscal year. Again, the General Fund column focuses on short-term available resources and is reported on a modified accrual basis. The Statement of Activities column focuses on long-term economic resources and is reported on a full accrual basis.

The District's financial statements can be found on pages C1 through C2 of this report.

Notes to the Financial Statements

The notes provide a background of the entity, certain required statutes, and accounting policies utilized by the District. They also provide additional information that will aid in the interpretation of the financial statements. The notes to the financial statements can be found on pages D1 through D10 of this report.

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Financial Analysis of the District

Assets:	2017	2016
Current and other assets	\$ 2,839,900	\$ 2,548,500
Capital assets	2,014,930	2,153,824
Total Assets	\$ 4,854,830	\$ 4,702,324
Liabilities and Deferred Inflows:		
Current liabilities	\$ 1,774	\$ 3,186
Total Liabilities	\$ 1,774	\$ 3,186
Deferred Inflows:		
Unavailable tax revenues	\$ 541,795	\$ 500,346
Total Deferred Inflows	\$ 541,795	\$ 500,346
Net Position:		
Restricted for emergency	\$ 17,035	\$ 16,700
Invested in Capital Assets	2,014,930	2,153,824
Unrestricted	2,279,296	2,028,268
Total Net Position	\$ 4,311,261	\$ 4,198,792

Approximately 47% of the District's net position reflects its investment in capital assets, which includes land, buildings, infrastructure, vehicles, and equipment.

At the end of the 2017 fiscal year, the District is able to report positive balances in all three categories of net positions. Overall, the District's net position increased \$112,469 from the prior year. This increase can be attributed to property taxes revenues being used to acquire capital assets which have been capitalized in the Statement of Net Position.

Minturn Cemetery District's Change in Net Position

Revenues:	2017	2016
Property taxes	\$ 501,954	\$ 498,135
Specific ownership taxes	27,649	25,304
Investment income	25,547	13,362
Mausoleum Revenue	-	4,004
Burial Plot Revenue	12,692	15,850
Total Revenues	567,842	556,655
Expenses:		
Operating expenses	375,018	350,453
Administration expenses	57,907	53,937
Treasurer fees	15,081	14,973
Capital Outlay	7,367	8,472
Total Expenses	455,373	427,835
Change in Net Position	112,469	128,820
Net Position - January 1	4,198,792	4,069,972
Net Position - December 31	\$ 4,311,261	\$ 4,198,792

Property taxes were the most significant sources of revenues, accounting for 88% of total revenues. Depreciation of \$188,368 accounted for approximately 41% of total District expenses in 2017.

Budget Variances in the General Fund

The District expenditures generally showed favorable variances compared to budget. Detail of the budget variances can be found on page E1 of this report.

Capital Asset and Debt Administration

Capital Assets

The District's investment in capital assets decreased \$138,894 in 2017 due to depreciation expense being greater than capital expenditures. Additional information as well as a detailed classification of the District's net capital assets can be found in the notes to the financial statements on page D10.

Long-term Debts

The District does not currently have any long-term debt.

Request for Information

This financial report is designed to provide a general overview of the District'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: Minturn Cemetery District, c/o Marchetti & Weaver LLC, 28 Second St, Suite 213, Edwards, CO 81632.

FINANCIAL STATEMENTS

**Minturn Cemetery District
Balance Sheet/
Statement of Net Position
December 31, 2017**

	General Fund	Adjustments	Statement of Net Position
Assets:			
Cash and investments	2,298,105	-	2,298,105
Property tax receivable	541,795	-	541,795
Capital assets, net of accumulated depreciation	-	2,014,930	2,014,930
Total Assets	2,839,900	2,014,930	4,854,830
Liabilities:			
Accounts payable	1,774	-	1,774
Total Liabilities	1,774	-	1,774
Deferred Inflow of Resources:			
Unavailable tax revenues	541,795	-	541,795
Fund Balance/Net Position:			
Fund Balance:			
Restricted for emergencies	17,035	(17,035)	-
Unassigned	2,279,296	(2,279,296)	-
Total Fund Balance	2,296,331	(2,296,331)	-
Total Liabilities and Fund Balance	2,839,900	(2,296,331)	-
Net Position:			
Restricted for emergencies		17,035	17,035
Net invested in capital assets		2,014,930	2,014,930
Unrestricted		2,279,296	2,279,296
Total Net Position		4,311,261	4,311,261

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

Minturn Cemetery District
Statement of Revenues, Expenditures and Changes in Fund Balance/
Statement of Activities
For the Year Ended December 31, 2017

	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
Revenues:			
Taxes	529,603	-	529,603
Burial plot revenue	12,692	-	12,692
Net investment income	25,547	-	25,547
Total Revenues	<u>567,842</u>	<u>-</u>	<u>567,842</u>
Expenditures/Expenses:			
Administration	72,988	-	72,988
Operations	199,885	175,133	375,018
Capital outlay	43,606	(36,239)	7,367
Total Expenditures/Expenses	<u>316,479</u>	<u>138,894</u>	<u>455,373</u>
Excess (Deficiency) of Revenues Over Expenditures	251,363	(251,363)	
Change in Net Position		112,469	112,469
Fund Balance/Net Position:			
Beginning	<u>2,044,968</u>	2,153,824	<u>4,198,792</u>
Ending	<u>2,296,331</u>		<u>4,311,261</u>

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

NOTES TO THE FINANCIAL STATEMENTS

Minturn Cemetery District
Notes to the Financial Statements
December 31, 2017

I. Summary of Significant Accounting Policies

Minturn Cemetery District (the "District") is a quasi-municipal corporation organized and operated pursuant to provisions set forth in Section 30-20-801 of the C.R.S. The District was established to provide a cemetery in Minturn.

The District's financial statements are prepared in accordance with generally accepted accounting principles ("GAAP"). The Governmental Accounting Standards Board ("GASB") is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established by GAAP used by the District are discussed below.

A. Reporting Entity

The District is governed by a Board appointed by the Eagle County Board of County Commissioners, which is responsible for setting policy, appointing administrative personnel and adopting an annual budget in accordance with the provisions of the Colorado Special District Act.

The reporting entity consists of (a) the primary government; i.e., the District, and (b) organizations for which the District is financially accountable or the organization's primary purpose is to benefit the District. The District is considered financially accountable for legally separate organizations if it is able to appoint a voting majority of an organization's governing body and is either able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the District. Consideration is also given to other organizations which are fiscally dependent; i.e., unable to adopt a budget, levy taxes, or issue debt without approval by the District. Organizations for which the nature and significance of their relationship with the District are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete are also included in the reporting entity.

The District is not financially accountable for any entity based on the above criteria nor is the District a component unit of any other entity.

B. Government-wide and Fund Financial Statements

The District's basic financial statements include both government-wide (reporting the District as a whole) and fund financial statements (reporting the District's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type.

1. Government-wide Financial Statements

In the government-wide Statement of Net Position, the District's activities are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The District's net position is reported in three parts – net invested in capital assets; restricted; and unrestricted net position.

The focus of the government-wide Statement of Net Position and the Statement of Activities is on the sustainability of the District as an entity and the change in the District's net position resulting from the current year's activities.

Minturn Cemetery District
Notes to the Financial Statements
December 31, 2017

I. Summary of Significant Accounting Policies (continued)

B. Government-wide and Fund Financial Statements (continued)

2. Fund Financial Statements

The financial transactions of the District are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. The fund focus is on current available resources and budget compliance.

The District reports only a General Fund. The General Fund is the District's operating fund and accounts for all financial resources of the District.

C. Measurement Focus and Basis of Accounting

Measurement focus refers to whether financial statements measure changes in current resources only (current financial focus) or changes in both current and long-term resources (long-term economic focus). Basis of accounting refers to the point at which revenues, expenditures, or expenses are recognized in the accounts and reported in the financial statements.

1. Long-term Economic Focus and Accrual Basis

Governmental activities in the government-wide financial statements use the long-term economic focus and are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred, regardless of the timing of the related cash flows.

2. Current Financial Focus and Modified Accrual Basis

The governmental fund financial statements use the current financial focus and are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or soon enough thereafter (within 60 days of December 31) to be used to pay liabilities of the current period. Expenditures are generally recognized when the related liability is incurred. The exception to this general rule is that principal and interest on general long-term debt, if any, is recognized when due.

D. Financial Statement Accounts

1. Cash and Investments

Cash and cash equivalents are defined as deposits that can be withdrawn at any time without notice or penalty and investments with maturities of three months or less.

Investments are stated at fair value. The change in fair value of investments is recognized as an increase or decrease to investment assets and investment income.

**Minturn Cemetery District
Notes to the Financial Statements
December 31, 2017**

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts (continued)

1. Cash and Investments (continued)

The District follows Colorado statutes specifying specific investment instruments meeting defined rating criteria in which local governments may invest, which 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
- Banker's acceptances of certain banks
- Commercial paper
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market mutual funds
- Guaranteed investment contract
- Local government investment pools

2. Property Taxes

Property taxes are assessed in one year as a lien on the property, but not collected by the governmental entities until the subsequent year. In accordance with GAAP, the assessed but uncollected property taxes have been recorded as a receivable and as a deferred inflow of resources.

3. Capital Assets

Capital assets, which include land, buildings, infrastructure, and vehicles and equipment, are reported in the government-wide financial statements. The District defines capital assets as assets with an initial cost of \$5,000 or more and an estimated useful life in excess of two years. Such assets are recorded at historical cost. Donated capital assets are recorded at estimated fair value at the date of donation.

Capital expenditures for projects are capitalized as projects are constructed. Interest incurred during the construction phase is capitalized as part of the value of the asset.

Buildings, vehicles, and equipment are depreciated using the straight-line method over the following estimated useful lives:

Asset	Years
Buildings	7-25
Vehicles and equipment	3-7
Infrastructure	5-15

Minturn Cemetery District
Notes to the Financial Statements
December 31, 2017

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts (continued)

4. Deferred Outflows and Inflows of Resources

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

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has only one type of item, which is unavailable revenue from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

5. 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 the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

6. Fund Balance

The District classifies governmental fund balances as follows:

Non-spendable - includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual requirements.

Restricted – includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts constrained due to constitutional provisions or enabling legislation.

Committed – includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority which is the Board of Directors.

Assigned – includes spendable fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund balance may be assigned by the Board of Directors or its management designee.

Unassigned - includes residual positive fund balance within the General Fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

**Minturn Cemetery District
Notes to the Financial Statements
December 31, 2017**

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts (continued)

6. Fund Balance (continued)

The District uses restricted amounts first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the District first uses committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

The District does not have a formal minimum fund balance policy. However, the District's budget includes a calculation of a targeted reserve positions and management calculates targets and reports them annually to Board of Directors.

7. Restricted and Unrestricted Resources

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

II. Reconciliation of Government-wide and Fund Financial Statements

A. Explanation of differences between the governmental fund Balance Sheet and the government-wide Statement of Net Position

The governmental fund Balance Sheet and the government-wide Statement of Net Position includes a reconciling column. Explanation of the adjustments included in the reconciling column is as follows:

Capital assets, net	\$2,014,930
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Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.

B. Explanation of differences between the governmental fund Statement of Revenue, Expenditures and Changes in Fund Balance and the government-wide Statement of Activities

The governmental fund Statement of Revenue, Expenditures and Changes in Fund Balance and the government-wide Statement of Activities include a reconciling column. Explanation of the adjustments included in the reconciling column is as follows:

Operations	\$ 175,133
Capital outlay	(36,239)

Governmental funds report capital outlay as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. The adjustment in operations of \$188,368 and (\$13,235) are depreciation expense and capitalized costs, respectively. The adjustment of (\$36,239) is capitalized costs.

Minturn Cemetery District
Notes to the Financial Statements
December 31, 2017

III. Stewardship, Compliance, and Accountability

A. Budgets and Budgetary Accounting

In the fall of each year, the District's Board of Directors formally adopts a budget with appropriations by fund for the ensuing year pursuant to the Colorado Local Budget Law. The budget for the governmental funds and the fiduciary fund are adopted on a basis consistent with GAAP. As required by Colorado statutes, the District followed the following timetable in approving and enacting a budget for 2017:

- (1) For the 2017 budget, prior to August 25, 2016, the County Assessor sent to the District a certified assessed valuation of all taxable property within the District's boundaries. The County Assessor may change the assessed valuation on or before December 10, 2016 only once by a single notification to the District.
- (2) On or before October 15, 2016, the District's management submitted to the District's Board of Directors a recommended budget which detailed the necessary property taxes needed along with other available revenues to meet the District's operating requirements.
- (3) After a required publication of "Notice of Proposed Budget" and a public hearing, the District adopted the proposed budget and an appropriating resolution, which legally appropriated expenditures for the upcoming year.
- (4) For the 2017 budget, prior to December 15, 2016 the District computed and certified to the County Commissioners a rate of a levy that derived the necessary property taxes as computed in the proposed budget.
- (5) After adoption of the budget resolution, the District may make the following changes: (a) it may transfer appropriated monies between funds or between spending agencies within a fund, as determined by the original appropriation level; (b) supplemental appropriations to the extent of revenues in excess of the estimated in the budget; (c) emergency appropriations; and (d) reduction of appropriations for which originally estimated revenues are insufficient.
- (6) All appropriations lapse at a year-end.

Taxes levied in one year are collected in the succeeding year. Thus taxes certified in 2016 were collected in 2017 and taxes certified in 2017 will be collected in 2018. Taxes are due on January 1st in the year of collection; however, they may be paid in either one installment (no later than April 30th) or two equal installments (not later than February 28th and June 15th) without interest or penalty. Taxes that are not paid within the prescribed time bear interest at the rate of one percent (1%) per month until paid. Unpaid amounts and the accrued interest thereon become delinquent on June 15th.

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by the District because it is at present considered not necessary to assure effective budgetary control or to facilitate effective cash planning and control.

**Minturn Cemetery District
Notes to the Financial Statements
December 31, 2017**

III. Stewardship, Compliance, and Accountability (continued)

B. TABOR Amendment - Revenue and Spending Limitation Amendment

In November 1992, Colorado voters amended Article X of the Colorado Constitution by adding Section 20, commonly known as the Taxpayer's Bill of Rights ("TABOR"). TABOR contains revenue, spending, tax and debt limitations which apply to the State of Colorado and local governments. TABOR requires, with certain exceptions, advance voter approval for any new tax, tax rate increases, a mill levy above that for the prior year, extension of any expiring tax, or tax policy change directly causing a net tax revenue gain to any local government.

Except for refinancing bonded debt at a lower interest rate or adding new employees to existing pension plans, TABOR requires advance voter approval for the creation of any multiple-fiscal year debt or other financial obligation unless adequate present cash reserves are pledged irrevocably and held for payments in all future fiscal years.

TABOR also requires local governments to establish emergency reserves to be used for declared emergencies only. Emergencies, as defined by TABOR, exclude economic conditions, revenue shortfalls, or salary or fringe benefit increases. These reserves are required to be 3% or more of fiscal year spending (excluding bonded debt service). The District has reserved a portion of its December 31, 2017, year-end fund balance in the General Fund for emergencies as required under TABOR in the amount of \$17,035 which is the approximate required reserve at December 31, 2017.

The initial base for local government spending and revenue limits is December 31, 1992, fiscal year spending. Future spending and revenue limits are determined based on the prior year's fiscal year spending adjusted for inflation in the prior calendar year plus annual local growth. Fiscal year spending is generally defined as expenditures and reserve increases with certain exceptions. Revenue, if any, in excess of the fiscal year spending limit must be refunded in the next fiscal year unless voters approve retention of such revenue.

In November 1998, the District's voters approved the following ballot question: "Shall the Minturn Cemetery District be permitted to increase its mill levy to 0.7 mills and shall the District be permitted to collect and shall the District be permitted to expend, whatever additional amounts are raised annually in 1999 and any year thereafter, from the [Minturn] Cemetery District increased mill levy, as a voter approved mill levy change, revenue change and property tax revenue change and an exception to the limits which would otherwise apply under Article X, Section 20 of the Colorado Constitution; and shall the District be authorized in 1999 and any year thereafter to increase its mill levy to 0.7 mills and shall the District be authorized to collect and shall the District be authorized to expend whatever amounts are raised by the District's increased mill levy, regardless of the amount which otherwise would be permitted under the 5% limitation of Section 29-1-301, Colorado Revised Statutes, such additional revenues to be used for general purposes of the District?"

As of December 31, 2017, the District has no authorized or unissued debt.

The District's management believes it is in compliance with the financial provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of its provisions, including the interpretation of how to calculate fiscal year spending limits, will require judicial interpretation.

**Minturn Cemetery District
Notes to the Financial Statements
December 31, 2017**

IV. Detailed Notes on All Funds

A. Deposits and Investments

The District's deposits are entirely covered by federal depository insurance ("FDIC") or by collateral held under Colorado's Public Deposit Protection Act ("PDPA"). The FDIC insures the first \$250,000 of the District's deposits at each financial institution. Deposit balances over \$250,000 are collateralized as required by PDPA. The carrying amount of the District's demand deposits was \$68,024 at year end.

Fair Value of Investments

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

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

At December 31, 2017 the District had the following recurring fair value measurements:

Investments Measured at Net Asset Value	Amount
Colostrust	2,230,081
Total	2,230,081

The Investment Pool represents investments in COLOTRUST. The District has no regulatory oversight for the pool. At December 31, 2017, the District's investments in COLOTRUST were 100% of the District's investment portfolio.

Interest Rate Risk. As a means of limiting its exposure to interest rate risk, the District has invested primarily in COLOTRUST. Funds in COLOTRUST can be withdrawn without notice or penalty.

Credit Risk. The District's investment policy limits investments to those authorized by State statutes as listed in note I.D.1. The District's general investment policy is to apply the prudent-person rule: investments are made as a prudent person would be expected to act, with discretion and intelligence, to seek reasonable income, preserve capital, and, in general, avoid speculative investments.

Concentration of Credit Risk. The District diversifies its investments by security type and institution. Financial institutions holding District funds must provide the District a copy of the certificate from the Banking Authority that states that the institution is an eligible public depository. At December 31, 2017, the District held no investments.

**Minturn Cemetery District
Notes to the Financial Statements
December 31, 2017**

IV. Detailed Notes on All Funds (continued)

A. Deposits and Investments (continued)

At December 31, 2017, the District had no unrealize gains or losses. The District had the following cash and investments with the following maturities:

<u>Type</u>	<u>Standard & Poors Rating</u>	<u>Carrying Amount</u>	<u>Term to Maturity</u>	
			<u>Less Than One Year</u>	<u>Less Than Five Years</u>
<i>Deposits:</i>				
Cash with County Treasurer		\$ 2,299	\$ 2,299	-
Checking		65,725	65,725	-
<i>Investment pool:</i>				
Colotrust	AAAm	2,230,081	2,230,081	-
		<u>\$ 2,298,105</u>	<u>\$ 2,298,105</u>	<u>\$ -</u>

Financial Statement Captions:

Cash and investments	<u>2,298,105</u>
	<u>\$ 2,298,105</u>

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Minturn Cemetery District
Notes to the Financial Statements
December 31, 2017

IV. Detailed Notes on All Funds (continued)

B. Capital Assets

Capital asset activity for the year ended December 31, 2017 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decrease</u>	<u>Ending Balance</u>
Capital Assets, not being depreciated				
Land	\$ 53,443	-	-	53,443
Total capital assets, not being depreciated	<u>53,443</u>	<u>-</u>	<u>-</u>	<u>53,443</u>
Capital assets, being depreciated:				
Equipment	123,233	14,074	-	137,307
Buildings	1,682,559	10,713	-	1,693,272
Infrastructure	1,454,962	24,688	-	1,479,650
Total capital assets being depreciated	<u>3,260,754</u>	<u>49,474</u>	<u>-</u>	<u>3,310,228</u>
Less accumulated depreciate for:				
Equipment	(108,942)	(6,576)	-	(115,518)
Buildings	(399,156)	(67,516)	-	(466,672)
Infrastructure	(652,275)	(114,276)	-	(766,551)
Total accumulated depreciation	<u>(1,160,373)</u>	<u>(188,368)</u>	<u>-</u>	<u>(1,348,741)</u>
Total capital assets, being depreciated, net	<u>2,100,381</u>	<u>(138,894)</u>	<u>-</u>	<u>1,961,487</u>
Total capital assets, net	<u>\$ 2,153,824</u>	<u>(138,894)</u>	<u>-</u>	<u>2,014,930</u>

Depreciation expense of \$188,368 was charged to operations.

V. Other Information

A. Risk Management

The District is exposed to various risks of loss related to workers compensation; general liability, unemployment, torts, theft of, damage to, and destruction of assets; and errors and omissions. The District has acquired commercial coverage for these risks and claims, if any, are not expected to exceed the commercial insurance coverage.

REQUIRED SUPPLEMENTARY INFORMATION

Minturn Cemetery District
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
General Fund
For the Year Ended December 31, 2017
With Comparative Amounts for the Year Ended December 31, 2016

	2017		Final Budget Variance Positive (Negative)	2016
	Original and Final Budget	Actual		Actual
Revenues:				
Property tax	500,346	501,954	1,608	498,135
Specific ownership tax	22,516	27,649	5,133	25,304
Mausoleum revenue	2,500	-	(2,500)	4,004
Burial plot revenue	7,500	12,692	5,192	15,850
Miscellaneous income	750	-	(750)	-
Net investment income	3,500	25,547	22,047	13,362
Total Revenues	<u>537,112</u>	<u>567,842</u>	<u>30,730</u>	<u>556,655</u>
Expenditures:				
Administration:				
Accounting	12,600	9,863	2,737	9,710
Management	38,650	30,600	8,050	28,800
Legal	10,000	2,424	7,576	777
Insurance	9,500	8,965	535	9,021
Office supplies	-	5,436	(5,436)	5,084
Treasurer's fees	15,010	15,081	(71)	14,973
Miscellaneous	7,500	619	6,881	545
Total Administration	<u>93,260</u>	<u>72,988</u>	<u>20,272</u>	<u>68,910</u>
Operations:				
Repairs and maintenance	38,350	36,880	1,470	20,239
Contract labor	75,415	68,162	7,253	76,264
Equipment repair	13,400	2,715	10,685	4,016
Utilities	20,000	23,529	(3,529)	21,526
Landscaping	60,000	68,599	(8,599)	37,454
Contingency	10,000	-	10,000	-
Total Operations	<u>217,165</u>	<u>199,885</u>	<u>17,280</u>	<u>159,499</u>
Capital Outlay:				
Infrastructure	-	-	-	2,314
Utilities extension	-	789	(789)	-
Maintenance building	65,000	-	65,000	-
Irrigation system improvements	-	2,993	(2,993)	2,390
Landscaping	10,000	14,192	(4,192)	1,978
Mausoleums	10,000	10,713	(713)	312
Equipment	-	14,074	(14,074)	1,478
Engineering	-	845	(845)	-
Signage	-	-	-	17,719
Contingency	140,000	-	140,000	-
Total Capital Outlay	<u>225,000</u>	<u>43,606</u>	<u>181,394</u>	<u>26,191</u>
Total Expenditures	<u>535,425</u>	<u>316,479</u>	<u>218,946</u>	<u>254,600</u>
Excess (Deficiency) of Revenues Over Expenditures	1,687	251,363	249,676	302,055
Fund Balance - Beginning	<u>2,003,034</u>	<u>2,044,968</u>	<u>41,934</u>	<u>1,742,913</u>
Fund Balance - Ending	<u><u>2,004,721</u></u>	<u><u>2,296,331</u></u>	<u><u>291,610</u></u>	<u><u>2,044,968</u></u>

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