

HINSDALE COUNTY, COLORADO
FINANCIAL STATEMENTS AND REPORT OF
INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

December 31, 2017

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Office of the State Auditor

July 10, 2018

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INDEPENDENT AUDITOR'S REPORT

June 28, 2018

To the Board of County Commissioners
Hinsdale County, Colorado

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Hinsdale County, Colorado (the County) as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

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 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, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Hinsdale County, Colorado, as of December 31, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.



Board of County Commissioners
June 28, 2018
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Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3-7 and 36-38 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 the 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 County's basic financial statements. The combining and individual nonmajor fund financial statements, the governmental and proprietary budget to actual schedules as listed in the table of contents, and the Local Highway Finance Report 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 and the governmental and proprietary budget to actual schedules as listed in the table of contents, and the Local Highway Finance Report, are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Chadwick, Steinkirchner, Davis & Co., P.C.

Chadwick, Steinkirchner, Davis & Co., P.C.
Grand Junction, Colorado



HINSDALE COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2017

This management's discussion and analysis of Hinsdale County financial statements provides an overview of the County's financial activities for the fiscal year ended December 31, 2017. The intent of this discussion and analysis is to look at the County's financial performance as a whole; it should be read in conjunction with the basic financial statements and notes to enhance the reader's understanding of the County's overall financial performance.

USING THE BASIC FINANCIAL STATEMENTS

This annual report consists of four parts—management's discussion and analysis (this section), the basic financial statements, the supplementary information, and the single audit, if applicable. The basic financial statements include two types of information on the same statement that present different views of the County:

- Government-wide financial statements report information on all of the activities of County and its component units, except for County fiduciary activity.
- Fund financial statements of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, deferred inflows, fund equity, revenues, and expenditures or expenses.

Government-wide Statements

The government-wide statements include the Statement of Net Position and the Statement of Activities. The effect of interfund activity has been removed from these statements. Governmental activities, which are normally supported by taxes, charges for services and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on user charges for support.

These two statements report the County's net position and changes in it. The County's net position—the difference of assets, liabilities, and deferred inflows—are one way to measure the County's financial health, or financial position. Over time, increases or decreases in the County's net position are one indicator of whether its financial health is improving or deteriorating. Other non-financial factors, however, such as changes in the County's property tax base and the condition of the infrastructure, are needed to assess the overall health of the County.

HINSDALE COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2017

Fund Financial Statements

The fund financial statements provide more detailed information about the County's funds, focusing on its most significant funds—not the County as a whole. The County's major governmental funds include the General Fund, the Road and Bridge Fund, and the Sheriff Fund.

Governmental funds – The County's activities are reported in twelve governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending in future periods. The funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash.

The Proprietary Fund is accounted for using the accrual basis of accounting as follows:

- Revenues are recognized when earned, and expenses are recognized when the liabilities are incurred.
- Current-year contributions, administrative expenses, and premium payments, which are not received or paid until the subsequent year, are accrued.

Fiduciary Fund Financial Statements consist of the Trust and Agency Funds and are custodial in nature (assets equal liabilities) and do not involve measurement or results of operations.

THE COUNTY AS A WHOLE

Statement of Net Position

The perspective of the Statement of Net Position is of the County as a whole. Following is a summary of the County's net position for the fiscal years 2016 and 2017.

	2016			2017		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Current and Other assets	3,799,408	90,993	3,890,401	3,744,012	89,405	3,833,417
Capital Assets	2,352,774	59,579	2,412,353	2,520,320	48,883	2,569,203
Total Assets	6,152,182	150,572	6,302,754	6,264,332	138,288	6,402,620
Long-Term Liabilities outstanding	35,084	0	35,084	33,181	0	33,181
Other Liabilities	375,055	6,211	381,266	331,904	5,133	337,037
Deferred Inflows: Property Taxes	1,141,422	0	1,141,422	1,080,850	0	1,080,850
Total Liabilities	1,555,131	6,211	1,561,342	1,445,935	5,133	1,451,068
Net Position:						
Net investment in Capital Assets	2,352,774	59,579	2,412,353	2,520,320	48,883	2,569,203
Restricted for TABOR	113,174	0	113,174	116,448	0	116,448
Unrestricted	2,088,143	84,782	2,172,925	2,181,630	84,272	2,265,902
Total Net Position	4,600,621	144,361	4,744,982	4,818,398	133,155	4,951,553

HINSDALE COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2017

The County shows a positive balance in net position. The most significant items on the statement of net position are an increase in Capital Assets with an increase in Current Assets and a decrease in Total Liabilities.

Statement of Activities

The perspective of the Statement of Activities is of the County as a whole. The Statement of Activities reflects the cost of program services and the charges for services and sales, grants and contributions offsetting those services. The following detail reflects the total cost of services supported by program revenues, sales taxes, and general property taxes, as well as other general revenues, resulting in the overall change in net position for the fiscal years 2016 and 2017.

REVENUES:	2016			2017		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Program Revenues:						
Charges for Services	553,011	168,238	721,239	525,622	169,036	694,658
Grants & Contributions	1,119,538	0	1,119,538	1,228,526	0	1,228,526
General Revenues:						
Taxes	2,548,817	0	2,548,817	2,554,027	0	2,554,027
Interest & Other Revenue	15,854	0	15,854	39,049	0	39,049
Total Revenues	4,237,210	168,238	4,405,448	4,347,224	169,036	4,516,260
EXPENSES:						
General Government	1,855,518	0	1,855,518	2,073,019	0	2,095,911
Public Safety	510,749	0	510,749	570,868	0	570,868
Health & Welfare	474,437	0	474,437	208,834	0	208,834
Highways & Streets	1,203,606	0	1,203,606	1,135,464	0	1,135,464
Culture & Recreation	312,093	0	312,093	126,669	0	126,669
Transfer Station/Recreation	0	189,199	189,199	0	180,242	180,242
Interest Expense	0	0	0	0	0	0
Total Expenses	4,356,403	189,199	4,545,602	4,114,854	180,242	4,295,096
Increase (Decrease) in net position:	(119,193)	(20,961)	(140,154)	232,370	(11,206)	221,164
Net Position January 1	4,686,407	165,322	4,851,729	4,600,621	144,361	4,744,982
Prior Period Adj	33,407	0	33,407	(15,116)	0	(15,116)
Net Position January 1 restated	4,719,814	165,322	4,885,136	4,585,505	144,361	4,729,866
Net Position December 31	4,600,624	144,361	4,744,982	4,817,875	133,155	4,951,030

The County's primary sources of revenue are from taxes and grants. These revenues are used to pay the cost of the general government and capital asset improvements.

The County operated at an increase in net position for governmental activities in 2017.

HINSDALE COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2017

The County's Major Funds

The County's procedures in establishing budgetary data reflected in the financial statements are summarized in Note B of the financial statements. An amended budget was not adopted by the County during the fiscal year 2017.

General Fund Budgetary Highlights

General Fund Resources (Inflows)

The County's final revenues in the amount of \$2,856,177 were less than the budget expectations of \$3,283,532 by \$427,355 due to a decrease in Sales Tax collections, General Property Taxes and the Hill 71 Grant budgeted for but not received.

General Fund Charges to Appropriations (Outflows)

The County's final expenditures of \$2,989,886 were less than the appropriated budget of \$3,023,934 by \$34,048 due to the Assessor and Treasurers offices coming in under budget.

Road and Bridge Budgetary Highlights

Road and Bridge Fund Resources (Inflows)

The County's final revenues in the amount of \$1,251,586 were more than the budget expectations of \$1,223,455 by \$28,131 due to an increase in "Machine Hire for Others" because of additional work done for the Town of Lake City and the Transfer Station.

Road and Bridge Fund Resources (Outflows)

The County's final expenditures in the amount of \$1,069,627 were less than the budget expectations of \$1,248,667 by \$179,040 due to a decrease in snow removal for the winter, Shop Facility payroll decreasing and Capital Outlay items budgeted for but not purchased.

Public Health Budgetary Highlights

Public Health Fund Resources (Inflows)

The County's final revenues in the amount of \$584,734 were lower than the budget expectations of \$594,584 by \$9,850 due to a decrease in grant money received. Most grants were affected somewhat.

Public Health Fund Resources (Outflows)

The County's final expenditures of \$527,429 were lower than the budget expectations of \$614,394 by \$86,965 due to a decrease in grant monies received which reduced the spending, mainly the Tobacco grant.

HINSDALE COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2017

CAPITAL ASSETS

At the end of 2017, the County had a total \$2,520,320 invested in capital assets of governmental activities. The amount of capital assets for business-type activities totalled \$48,883 after accumulated depreciation. See Note E Capital Assets.

LONG-TERM DEBT

The balance of Long-Term Debt at the end of 2017 is \$77,985 in Compensated balances.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our residents, customers, taxpayers, investors, and creditors with a general overview of the County's finances and to show the County's accountability for the money it receives. If you have any questions regarding this report or need additional financial information, please contact:

HINSDALE COUNTY
Attn: Lynn McNitt, Accounting and Finance Administrator
PO Box 277
Lake City CO 81235
PH: 970-944-2225 x 103
FAX: 970-644-2630
e-mail: accounting@hinsdalecountycolorado.us

BASIC FINANCIAL STATEMENTS

Hinsdale County, Colorado

Statement of Net Position

December 31, 2017

	Primary Government		Total	Component Unit
	Governmental Activities	Business-Type Activities		Silver Thread
Assets				
Current Assets:				
Cash and investments	\$ 2,023,711	\$ 86,155	\$ 2,109,866	\$ 95,438
Accounts receivable	169,845	3,250	173,095	-
Intergovernmental receivable	324,497	-	324,497	5,263
Property taxes receivable	1,080,850	-	1,080,850	-
Prepaid expenses	-	-	-	-
Inventories	145,109	-	145,109	-
Total current assets	<u>3,744,012</u>	<u>89,405</u>	<u>3,833,417</u>	<u>100,701</u>
Noncurrent Assets				
Capital assets:				
Land	857,400	6,327	863,727	-
Construction in progress	559,118	-	559,118	-
Buildings	1,905,239	-	1,905,239	-
Machinery and equipment	2,539,646	261,280	2,800,926	-
Vehicles	814,837	-	814,837	-
Less accumulated depreciation	<u>(4,155,920)</u>	<u>(218,724)</u>	<u>(4,374,644)</u>	<u>-</u>
Total noncurrent assets	<u>2,520,320</u>	<u>48,883</u>	<u>2,569,203</u>	<u>-</u>
Total Assets	<u>6,264,332</u>	<u>138,288</u>	<u>6,402,620</u>	<u>100,701</u>
Liabilities				
Current Liabilities				
Accounts payable	196,377	589	196,966	4,470
Accrued liabilities	7,837	-	7,837	-
Deposits payable	-	4,544	4,544	-
Unearned grant revenue	82,886	-	82,886	-
Compensated absences	44,804	-	44,804	-
Total current liabilities	<u>331,904</u>	<u>5,133</u>	<u>337,037</u>	<u>4,470</u>
Noncurrent liabilities				
Compensated absences	<u>33,181</u>	<u>-</u>	<u>33,181</u>	<u>-</u>
Total noncurrent liabilities	<u>33,181</u>	<u>-</u>	<u>33,181</u>	<u>-</u>
Total Liabilities	<u>365,085</u>	<u>5,133</u>	<u>370,218</u>	<u>4,470</u>
Deferred inflows				
Property taxes	<u>1,080,850</u>	<u>-</u>	<u>1,080,850</u>	<u>-</u>
Net Position				
Investment in capital assets	2,520,320	48,883	2,569,203	-
Restricted for :				
TABOR	116,448	-	116,448	14,449
Unrestricted	2,181,630	84,272	2,265,902	81,782
Total Net Position	<u>\$ 4,818,398</u>	<u>\$ 133,155</u>	<u>\$ 4,951,553</u>	<u>\$ 96,231</u>

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

Hinsdale County, Colorado
Statement of Activities
For the year ended December 31, 2017

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Unit
		Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Governmental Activities	Business-Type Activities	TOTAL	Silver Thread
Primary Government:								
Governmental Activities:								
General government	\$ 2,073,019	\$ 179,427	\$ 59,715	\$ 848,780	\$ (985,097)	\$ -	\$ (985,097)	\$ -
Public safety	570,868	98,932	68,508	44,858	(358,570)	-	(358,570)	-
Health and welfare	208,834	62,491	40,175	-	(106,168)	-	(106,168)	-
Highways and streets	1,134,941	164,372	145,081	-	(825,488)	-	(825,488)	-
Culture and recreation	126,669	20,400	21,409	-	(84,860)	-	(84,860)	-
Total Governmental Activities	<u>4,114,331</u>	<u>525,622</u>	<u>334,888</u>	<u>893,638</u>	<u>(2,360,183)</u>	<u>-</u>	<u>(2,360,183)</u>	<u>-</u>
Business-Type Activities								
Recreation	22,925	32,536	-	-	-	9,611	9,611	-
Transfer station	157,317	136,500	-	-	-	(20,817)	(20,817)	-
Total Business-Type Activities	<u>180,242</u>	<u>169,036</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(11,206)</u>	<u>(11,206)</u>	<u>-</u>
Total Primary Government	<u>\$ 4,294,573</u>	<u>\$ 694,658</u>	<u>\$ 334,888</u>	<u>\$ 893,638</u>	<u>(2,360,183)</u>	<u>(11,206)</u>	<u>(2,371,389)</u>	<u>-</u>
Component unit								
Public Health	<u>\$ 527,429</u>	<u>\$ 9,550</u>	<u>\$ 578,184</u>	<u>\$ -</u>				<u>60,305</u>
General Revenues:								
Taxes:								
General property taxes					1,131,920	-	1,131,920	-
Specific ownership tax					80,493	-	80,493	-
Sales and use tax					365,607	-	365,607	-
Highway users tax					760,694	-	760,694	-
Other taxes					215,313	-	215,313	-
Other revenue					21,720	-	21,720	-
Gain on sale of assets					8,091	-	8,091	-
Interest on investments					9,238	-	9,238	-
Total General Revenues					<u>2,593,076</u>	<u>-</u>	<u>2,593,076</u>	<u>-</u>
Change in net position					232,893	(11,206)	221,687	60,305
Beginning net position					4,600,621	144,361	4,744,982	35,926
					(15,116)	-	(15,116)	-
Beginning net position, restated					<u>4,585,505</u>	<u>144,361</u>	<u>4,729,866</u>	<u>35,926</u>
Net position, ending					<u>\$ 4,818,398</u>	<u>\$ 133,155</u>	<u>\$ 4,951,553</u>	<u>\$ 96,231</u>

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

Hinsdale County, Colorado

Balance Sheet
Governmental Funds

December 31, 2017

	General Fund	Road and Bridge Fund	Other Governmental Funds	Total Governmental Funds
Assets				
Cash and investments	\$ 1,308,930	\$ 510,831	\$ 203,950	\$ 2,023,711
Accounts receivable	91,168	78,677	-	169,845
Intergovernmental receivable	324,497	-	-	324,497
Property taxes receivable	1,005,301	58,434	17,115	1,080,850
Due from pooled cash	21,973	-	-	21,973
Due from other funds	20,329	-	-	20,329
Inventory	19,369	125,740	-	145,109
Total assets	2,791,567	773,682	221,065	3,786,314
Liabilities				
Accounts payable	100,133	38,302	57,942	196,377
Accrued liabilities	7,837	-	-	7,837
Unearned grant revenue	60,000	-	22,886	82,886
Due to pooled cash	-	-	21,973	21,973
Due to other funds	-	-	20,329	20,329
Total liabilities	167,970	38,302	123,130	329,402
Deferred inflows				
Property taxes	1,005,301	58,434	17,115	1,080,850
Fund balance				
Non-spendable				
Inventory	19,369	125,740	-	145,109
Restricted				
TABOR emergency reserve	116,448	-	-	116,448
Human services	-	-	-	-
Marketing and advertising	-	-	29,640	29,640
Open space	19,077	-	-	19,077
Retirement	80,696	-	-	80,696
Snow grooming	-	-	18,191	18,191
Road maintenance and construc	-	551,206	-	551,206
Public safety	134,868	-	-	134,868
Assigned				
Capital purchases	-	-	71,298	71,298
Unassigned				
	1,247,839	-	(38,309)	1,209,530
Total fund balance	\$ 1,618,297	\$ 676,946	\$ 80,820	\$ 2,376,063

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

Hinsdale County, Colorado

Reconciliation of Governmental Fund Balance to
The Statement of Net Position

December 31, 2017

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

Total fund balance - governmental funds		\$	2,376,063
Capital assets used in governmental activities are not current financial resources and therefore, are not reported in the funds			
Cost	\$	6,676,240	
Accumulated depreciation		<u>(4,155,920)</u>	2,520,320
Long-term liabilities including leases payable and compensated absences are not due and payable in the current period and therefore are not reported in the funds.			
Compensated absences			<u>(77,985)</u>
Total government wide activities net position		\$	<u><u>4,818,398</u></u>

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

Hinsdale County, Colorado

Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds

For the year ended December 31, 2017

	General Fund	Road and Bridge Fund	Other Governmental Funds	Total Governmental Funds
Revenues				
Taxes	\$ 1,492,870	\$ 65,644	\$ 89,673	\$ 1,648,187
Intergovernmental revenue	1,026,782	995,634	80,566	2,102,982
Licenses and permits	25,058	-	-	25,058
Interest on investments	9,238	-	-	9,238
Charges for services	223,851	164,372	-	388,223
Reimbursement	35,559	-	-	35,559
Miscellaneous	62,129	25,936	-	88,065
Total Revenues	2,875,487	1,251,586	170,239	4,297,312
Expenditures				
Current expenditures				
General government	1,833,040	-	-	1,833,040
EMS services	154,506	-	-	154,506
Public safety	529,010	-	-	529,010
Health and welfare	-	-	54,328	54,328
Highways and streets	-	1,056,202	-	1,056,202
Culture and recreation	-	-	126,669	126,669
Capital outlay	473,330	12,902	-	486,232
Total Expenditures	2,989,886	1,069,104	180,997	4,239,987
Excess (deficiency) of revenue over expenditures	(114,399)	182,482	(10,758)	57,325
Other financing sources (uses)				
Proceeds from sale of assets	-	10,350	-	10,350
Transfer in	-	133,000	38,820	171,820
Transfer out	(171,820)	-	-	(171,820)
Total other financing sources (uses)	(171,820)	143,350	38,820	10,350
Excess (deficiency) of revenues over expenditures and other sources (uses)	(286,219)	325,832	28,062	67,675
Fund balance at beginning of year	1,919,632	351,260	52,758	2,323,650
Prior period adjustment	(15,116)	-	-	(15,116)
Fund balance at beginning of year, restated	1,904,516	351,114	52,758	2,308,388
Fund balance at end of year	\$ 1,618,297	\$ 676,946	\$ 80,820	\$ 2,376,063

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

Hinsdale County, Colorado

Reconciliation of the Statement of Revenues, Expenditures
And Changes in Fund Balances of the Governmental Funds
To the Statement of Activities

For the Year ended December 31, 2017

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

Net change in fund balances - total governmental funds		\$ 67,675
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.		
	Capital outlays	\$ 375,347
	Depreciation expense	(218,701)
		<u>156,646</u>
Capital asset disposals are not recognized in the funds. This is the amount of loss recognized in the government wide statements for assets disposed during 2017.		(28,658)
Contributed capital assets are not recognized in the funds but are recognized in the government-wide financial statements. This is the value of capital assets contributed to the County during the year.		39,558
Accrued liabilities for employees compensation benefits are considered long-term liabilities and as such are not recognized in the funds but are recognized in the government wide financial statements.		
	Increase in compensated absences	<u>(2,328)</u>
Change in net position of governmental activities		<u>\$ 232,893</u>

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

Hinsdale County, Colorado

Statement of Net Position
Proprietary Funds

December 31, 2017

	Business-type Activities - Enterprise Funds		
	Transfer Station	Recreation	Total
	Fund	Fund	
Assets			
Cash and cash equivalents	\$ 45,678	\$ 40,477	\$ 86,155
Accounts receivable	3,250	-	3,250
Land	291	6,036	6,327
Machinery and equipment	210,913	50,367	261,280
Accumulated depreciation	(182,814)	(35,910)	(218,724)
Total Assets	77,318	60,970	138,288
Liabilities			
Accounts payable	224	365	589
Deposits payable	4,544	-	4,544
Total Liabilities	4,768	365	5,133
Net Position			
Unrestricted	72,550	60,605	133,155
Total Net Position	\$ 72,550	\$ 60,605	\$ 133,155

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

Hinsdale County, Colorado

Statement of Revenue, Expenses and Changes in Fund Net Position
Proprietary Funds

For the Year ended December 31, 2017

	Transfer Station Fund	Recreation Fund	Total Current Year
Operating revenues			
Disposal fees	\$ 136,500	\$ -	\$ 136,500
Campground fees	-	32,536	32,536
Total operating revenues	<u>136,500</u>	<u>32,536</u>	<u>169,036</u>
Operating expenses			
Payroll expenses	27,563	80	27,643
Insurance	1,149	135	1,284
Sanitation and maintenance expenses	116,214	16,006	132,220
Supplies	1,650	4,021	5,671
Depreciation	8,287	2,409	10,696
Miscellaneous	2,454	274	2,728
Total operating expenses	<u>157,317</u>	<u>22,925</u>	<u>180,242</u>
Increase (decrease) in net position	(20,817)	9,611	(11,206)
Net position at beginning of year	93,367	50,994	144,361
Net position at end of year	<u>\$ 72,550</u>	<u>\$ 60,605</u>	<u>\$ 133,155</u>

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

Hinsdale County, Colorado

Statement of Cash Flows
Proprietary Funds

For the Year ended December 31, 2017

	Transfer Station Fund	Recreation Fund	Total
Cash flows from operating activities			
Cash received from customers	\$ 143,853	\$ 32,536	\$ 176,389
Cash payments to suppliers for goods and services	(125,969)	(20,171)	(146,140)
Cash payments to employees for services	(25,834)	-	(25,834)
Net cash provided (used) by operating activities	<u>(7,950)</u>	<u>12,365</u>	<u>4,415</u>
Net increase (decrease) in cash and cash equivalents	(7,950)	12,365	4,415
Cash and cash equivalents, beginning of year	53,628	28,112	81,740
Cash and cash equivalents, end of year	<u>\$ 45,678</u>	<u>\$ 40,477</u>	<u>\$ 86,155</u>
Reconciliation of operating income (loss) to net cash Provided (used) by operating activities:			
Income (loss) from operations	\$ (20,817)	\$ 9,611	\$ (11,206)
Adjustments to reconcile income (loss) from operations to net cash provided (used) by operating activities:			
Depreciation	8,287	2,409	10,696
(Increase) decrease in accounts receivable	5,504	-	5,504
Increase (decrease) in deposits payable	1,849	-	1,849
(Increase) decrease in prepaid expenses	462	37	499
Increase (decrease) in accounts payable	(3,235)	308	(2,927)
Net cash provided (used) by operating activities	<u>\$ (7,950)</u>	<u>\$ 12,365</u>	<u>\$ 4,415</u>

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

Hinsdale County, Colorado

Statement of Fiduciary Net Position
Fiduciary Funds

December 31, 2017

	<u>Treasurer's Agency Fund</u>
Cash and cash equivalents	<u>\$ 422,981</u>
Due to other governments	<u>\$ 422,981</u>

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

Silver Thread Public Health District

Balance Sheet
General Fund

December 31, 2017

Assets	
Cash and investments	\$ 95,438
Accounts receivable	5,263
Total assets	<u>100,701</u>
Liabilities	
Accounts payable	<u>4,470</u>
Total liabilities	<u>4,470</u>
Fund balance	
Restricted	
TABOR emergency reserve	14,449
Unassigned	81,782
Total fund balance	<u>\$ 96,231</u>

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

Silver Thread Public Health District

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

For the year ended December 31, 2017

Revenues	
Intergovernmental revenue	\$ 577,161
Charges for services	9,550
Miscellaneous	1,023
Total Revenues	<u>587,734</u>
Expenditures	
Current expenditures	
Public Health	<u>527,429</u>
Total Expenditures	<u>527,429</u>
Excess (deficiency) of revenue over expenditures	<u>60,305</u>
Fund balance at beginning of year	<u>35,926</u>
Fund balance at end of year	<u>\$ 96,231</u>

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

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2017

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting policies of the County reflected in the accompanying financial statements conform to accounting principles generally accepted in the United States of America applicable to state and local governments. Accounting principles generally accepted in the United States of America for local governments are those promulgated by the Governmental Accounting Standards Board (GASB) in *Government Accounting and Financial Reporting Standards*.

1. Reporting Entity

Primary Government

The County is a political subdivision organized under the statutes of the State of Colorado. The County is governed by a three-member elected Board of County Commissioners (the Board). There are also five other elected officials – assessor, clerk and recorder, sheriff, district attorney, and treasurer. The treasurer is also the County Public Trustee. The County provides a wide range of services to its residents including public safety, highways and streets, parks and open spaces, health and social services, public improvements, planning, zoning, and general administration.

Component Unit

Silver Thread Public Health District (the “District”) was formed in 2016 to provide health information, programs, services, and resources to the residents and visitors of Hinsdale and Mineral Counties. The District is governed by a 5 member board appointed by a committee composed of one commissioner from each of the counties comprising the District. The District is funded through contributions from each of the counties it serves as well as through grants from federal, state and local sources, and through user fees. Hinsdale County provides the District’s facilities, and performs all financial accounting and reporting functions for the District. Hinsdale County also approved the District’s 2017 budget. The County handles all payroll for the District’s employees and its employees participate in the County’s benefit programs. Due to the integration of Silver Thread’s accounting systems, people and assets with Hinsdale County, management determined that it should be reported as a discretely presented component unit of the County. The District follows the accounting policies of Hinsdale County.

2. Government-Wide Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. Government-wide statements report information on all of the activities of the County and its component units, except for County fiduciary activity. The effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes, charges for services and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on user charges for support.

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2017

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES- CONTINUED

The statement of activities reflects the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include:

- Charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and
- Grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segments. Taxes and other items not properly included in program revenues are reported as general revenues.

3. Fund Financial Statements

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

All governmental funds are accounted for on a flow of current financial resources basis. Balance sheets for these funds generally include only current assets, current liabilities, and appropriate deferred inflows. 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.

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

The County reports the following major governmental funds:

- The General Fund is the general operating fund of the County. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. Principal sources of revenues for this fund are property taxes, licenses and permits, intergovernmental assistance, and charges for services. Primary expenditures are for functions related to public safety, planning and zoning, property valuation, tax collection, vehicles licensing, document recording, and other County administrative functions.
- The Road and Bridge Fund is a special revenue fund used to account for the maintenance and improvements of streets and highways. The sources of funds include property taxes, highway user

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2017

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES- CONTINUED

fees, and PILT money. By state law, Colorado counties are required to establish a Road and Bridge Fund with a portion of any property taxes assessed for this purpose to be allocated to cities and towns located within that county.

The County also reports six nonmajor governmental funds. These include one capital fund that accumulates resources for ambulance replacements and five special revenues funds, each of which has a restricted revenue sources that used to fund the purpose of the fund. The special revenue funds are used to account for revenues and expenditures related to human services, tourism, conservation, wildfire prevention and snow grooming.

The Proprietary Funds are accounted for using the accrual basis of accounting which means that revenues are recognized when earned, and expenses are recognized when the liabilities are incurred. The proprietary funds recognize all long-term liabilities and assets.

Fiduciary Fund Financial Statements consist of the Trust and Agency Fund established to record transactions relating to assets held by the County in a trustee capacity or as an agent for individuals, governmental entities, and non-public organizations. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement or results of operations.

4. 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, as are the enterprise fund financial statements. 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. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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. “Available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred. Exceptions to this general rule include: (1) principal and interest on general long-term debt, which is recognized when due and (2) compensated absences, which are recognized when the obligations are expected to be liquidated with expendable available resources.

Those revenues susceptible to accrual are interest revenue and charges for services. Entitlement revenues are not susceptible to accrual because, generally, they are not measurable until received. Grant revenues are recognized as they are earned.

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2017

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES- CONTINUED

5. Assets, Liabilities, and Net Position or Equity

Cash

The County's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments

Investments are stated at fair value based on quoted market values, with the exception of money market funds and external investments pools, which are stated at cost, which is equal to fair value.

Property Taxes

Property taxes are levied on January 1 based on assessed valuation as of the previous January 1 when an enforceable lien is placed on the property. Property taxes payable in the following year are reported as a receivable on December 31. All current taxes receivable are offset by the full amount of the deferred inflow of property taxes. Taxes are payable in full by April 30, or in two equal installments due February 28 and June 15.

Receivables

General receivables are reported at gross unless management has determined that there is a significant amount that will not be collected. The majority of the receivables balance relates to intergovernmental payments for grant reimbursements and receivables for user fees related to EMT services.

Allowance for doubtful accounts

The allowance for doubtful accounts is based on the expected collectability of current receivable based on actual historical experience.

Inter-fund transactions

There are transactions between funds that are treated as revenues and expenditures if the services provided are reasonably equivalent in value to the amount paid. Transactions that constitute reimbursement of a fund for expenditures initially made from that fund, which are properly applicable to another fund, are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed. All other inter-fund transactions are reported as transfers. Outstanding balances between funds at the end of the year are reported as due to/from other funds.

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2017

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES- CONTINUED

5. Assets, Liabilities, and Net Position or Equity - continued

Inventories and Prepaid Items

Inventory is valued at cost (first-in, first-out). Inventory in the Special Revenue Funds consists of expendable supplies held for use. Reported inventories are reported as non-spendable fund balance, which indicates that they do not constitute “available spendable resources” even though they are a component of net current assets. Inventory policy on government-wide statements is consistent with fund statements.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The expenditures will be recognized using the consumption method in the period that they benefit.

Capital Assets

Capital assets, which include land, buildings and improvements, equipment, construction in progress, and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items), are reported in the applicable governmental activities columns in the Government-wide Financial Statements. The County defines capital assets as assets with an initial, individual cost of more than \$5,000 and a life of more than one year. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at their estimated 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.

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

<u>Assets</u>	<u>Years</u>
Building	40
Furniture & Fixtures	7
General Equipment	10
Vehicles	3-5

Long-Term Obligations

Long-term debt and other long-term obligations are recorded as liabilities in the Government-wide Financial Statements. In the fund financial statements for governmental fund types, debt proceeds are reported as another financing source. The County does not have any long-term debt at December 31, 2017.

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2017

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES- CONTINUED

5. Assets, Liabilities, and Net Position or Equity - continued

Compensated Absences

County policy allows employees to accumulate unused vacation and sick leave up to certain maximum hours. Retiring employees are paid 100% of unused vacation up to 240 hours, but are not paid for unused sick leave. The County has recorded the accrued liability for the accumulated vacation time as compensated absences in the accompanying financial statements.

Unearned Revenue

Revenues on grants, which are restricted by the grant document for specific purposes, are recognized as revenue only after eligible grant costs have been incurred. Grant funds received in excess of grant expenditures are recorded as unearned revenues.

Deferred inflows

Deferred inflows of resources represents an acquisition or net position of fund balance that applies to future periods and will not be recognized as an inflow of resources as revenue until applicable. Hinsdale County records property taxes receivable as of December 31 for the subsequent year's tax levy but because this acquisition of net position or fund balance applies to a future period it is offset by a deferred inflow of resources.

Fund Equity

In the fund financial statements the following classifications describe the relative strength of the spending constraint.

Non-spendable fund balance – The portion of fund balance that cannot be spent because it is either not in spendable form (such as prepaid expense and inventory), or is legally or contractually required to be maintained intact.

Restricted fund balance – The portion of fund balance constrained to being used for a specific purpose by external parties (such as grantors or bondholders), constitutional provisions or enabling legislation.

Committed fund balance – The portion of fund balance constrained for specific purposes according to resolution passed by the County's highest level of decision making authority, the Board of County Commissioners, prior to the end of the current fiscal year. The constraint may be removed or changed only through resolution by the Board of County Commissioners. Commitments are created through adoption and subsequent amendment of the budget.

Hinsdale County, Colorado

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2017

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES- CONTINUED

5. Assets, Liabilities, and Net Position or Equity - continued

Assigned fund balance – The portion of fund balance set aside for planned or intended purposes. The intended use may be expressed by the Board of County Commissioners or other individuals authorized to assign funds to be used for a specific purpose.

Unassigned fund balance – The residual portion of fund balance that does not meet any of the above criteria. The County will only report a positive unassigned fund balance in the General Fund.

If both restricted and unrestricted amounts of fund balance are available for use when an expenditure is incurred, it is County policy to use restricted amounts first. Unrestricted fund balance will be used in the following order; committed, assigned and unassigned.

Use of Estimates

The preparation of the financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

NOTE B - CASH, DEPOSITS, AND INVESTMENTS

A summary of cash and investments as of December 31, 2017 follows:

Petty cash	\$ 1,625
Cash deposits	2,620,260
Investments	<u>6,400</u>
Total cash and investments	<u>\$ 2,628,285</u>

Cash and investments are reported in the financial statements as follows:

Pooled cash and investments	\$ 2,109,866
Agency cash and investments	<u>422,981</u>
Total county cash and investments	<u>2,532,847</u>
Silver Thread Public Health District	
Pooled cash and investments	<u>95,438</u>
Total pooled cash and investments	<u>\$ 2,628,285</u>

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2017

NOTE B - CASH, DEPOSITS, AND INVESTMENTS – CONTINUED

1. Cash Deposits

Colorado State Statutes govern the County's deposits of cash. The statutes specify eligible depositories for public cash deposits, which must be Colorado institutions and must maintain federal insurance (FDIC) on deposits held.

The Colorado Public Deposit Protections Act (PDPA) requires that all units of local government deposit cash in eligible public depositories determined by state regulators. Eligibility is determined by state regulations. Amounts on deposits in excess of federal insurance levels must be collateralized in accordance with the PDPA. PDPA allows the institution to create a single collateral pool for all public funds 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 102% of the aggregate uninsured deposits.

Custodial Credit Risk- Deposits

Custodial credit risk is the risk that in the event of the failure of a depository institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. At December 31, 2017, the County had bank deposits totaling \$2,630,873, of this, \$750,000 was covered by FDIC. The remaining balance of \$1,880,873 was covered by PDPA.

2. Investments

The County's investments are subject to interest rate, credit risk, and concentration of credit risk.

The types of investments which are authorized to be made with County funds are controlled by state statute and the investment policies of the County. Colorado statutes and the County's investment policies specify investment instruments meeting defined rating and risk criteria in which the County may invest:

- 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
- Repurchase agreements
- Money market funds
- Guaranteed investment contracts
- Corporate or bank debt issued by eligible corporations or banks

Hinsdale County, Colorado

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2017

NOTE B - CASH, DEPOSITS, AND INVESTMENTS – CONTINUED

2. Investments - continued

Credit Risk

The County's investment policy calls for investment diversification within the portfolio to avoid unreasonable risk inherent in over investing in specific instruments, individual financial institutions or maturities. The County's investment policy allows for the County to invest in local government investment pools. As of December 31, 2017, the local government investment pool (ColoTrust) in which the County had invested, was rated AAAM by Standard & Poor's.

Interest Rate Risk

Colorado Revised Statutes limit investment maturities to five years or less from date of purchase. This limit on investment maturities is a means of limiting exposure to fair values arising from increasing interest rates. The County has no investments with maturities past five years.

The Colorado Government Liquid Asset Trust (COLOTRUST), is an investment vehicle established for local government entities in Colorado pursuant to Part 7 of Article 75 of Title 24 of the Colorado Revised Statutes, to pool surplus funds for investment purposes. COLOTRUST operates similarly to a money market fund and each share is equal in value to \$1. The fair value of the position in the pool is the same as the value of the pool shares. The designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. Substantially all securities owned by the pool are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by the pool. Investments of the pool consist of U.S. Treasury bills, notes and note strips and repurchased agreements collateralized by U.S. Treasury notes.

NOTE D – INTER-FUND ACTIVITY

The County reports inter-fund balances between many of its funds. The balances resulted from the time lag between the dates that (1) inter-fund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. Inter-fund balances are generally expected to be repaid within one year of the financial statement date.

Inter-fund transfers for the year ended December 31, 2017 are as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ –	\$ 171,820
Road and Bridge	133,000	–
Ambulance Fund	3,000	–
Human Services Fund	35,820	–
	<u>\$ 171,820</u>	<u>\$ 171,820</u>

Hinsdale County, Colorado

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2017

NOTE E – CAPITAL ASSETS

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

	Balance December 31, 2016	Additions	Deletions	Balance December 31, 2017
GOVERNMENT ACTIVITIES				
Capital assets not being depreciated:				
Land	\$ 857,400	\$ –	\$ –	\$ 857,400
Construction in progress	<u>189,966</u>	<u>369,152</u>	<u>–</u>	<u>559,118</u>
Total capital assets not being depreciated	<u>1,047,366</u>	<u>369,152</u>	<u>–</u>	<u>1,416,518</u>
Capital assets being depreciated:				
Buildings and Improvements	1,955,124	–	(49,885)	1,905,239
Machinery and Equipment	2,570,151	6,195	(36,700)	2,539,646
Vehicles	<u>785,279</u>	<u>39,558</u>	<u>(10,000)</u>	<u>814,837</u>
Total capital assets being depreciated	5,310,554	45,753	(96,585)	5,259,722
Less accumulated depreciation:				
Buildings	(1,298,283)	(26,919)	21,227	(1,303,974)
Machinery and Equipment	(2,068,692)	(126,136)	36,700	(2,158,127)
Vehicles	<u>(638,171)</u>	<u>(65,646)</u>	<u>10,000</u>	<u>(693,819)</u>
Total accumulated depreciation	<u>(4,005,146)</u>	<u>(218,701)</u>	<u>67,927</u>	<u>(4,155,920)</u>
Total Capital Assets being depreciated, net	<u>1,305,408</u>	<u>(172,948)</u>	<u>(28,658)</u>	<u>1,103,802</u>
GOVERNMENTAL ACTIVITIES				
CAPITAL ASSETS, NET	<u>\$ 2,352,774</u>	<u>\$ 196,204</u>	<u>\$ (28,658)</u>	<u>\$ 2,520,320</u>
BUSINESS- TYPE ACTIVITIES				
Capital assets not be depreciated				
Land	<u>\$ 6,327</u>	<u>\$ –</u>	<u>\$ –</u>	<u>\$ 6,327</u>
Total capital assets not be depreciated	<u>6,327</u>	<u>–</u>	<u>–</u>	<u>6,327</u>
Capital assets being depreciated				
Equipment	<u>261,280</u>	<u>–</u>	<u>–</u>	<u>261,280</u>
Total capital assets being depreciated	<u>261,280</u>	<u>–</u>	<u>–</u>	<u>261,280</u>
Less accumulated depreciation:				
Equipment	<u>(208,028)</u>	<u>(10,696)</u>	<u>–</u>	<u>(218,724)</u>
Capital assets being depreciated, net	<u>53,252</u>	<u>(10,696)</u>	<u>–</u>	<u>42,556</u>
BUSINESS- TYPE ACTIVITIES				
CAPITAL ASSETS, NET	<u>\$ 59,579</u>	<u>\$ (10,696)</u>	<u>\$ –</u>	<u>\$ 48,883</u>

Hinsdale County, Colorado

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2017

NOTE E – CAPITAL ASSETS - CONTINUED

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

Governmental Activities:	
General Government	\$ 98,104
Public Safety	41,858
Highways and Streets	<u>78,739</u>
Total depreciation expense – governmental activities	<u>\$ 218,701</u>

NOTE F – LONG- TERM LIABILITIES

Long- term liability balances for the year ended December 31, 2017 were as follows:

	Balance December 31, 2016	Additions	Deletions	Balance December 31, 2017	Due Within One Year
Governmental Activities:					
Compensated Absences	\$ 75,657	\$ 2,328	\$ —	\$ 77,985	\$ 44,804
Total Governmental Activities					
Long-term Liabilities	<u>\$ 75,657</u>	<u>\$ 2,328</u>	<u>\$ —</u>	<u>\$ 77,985</u>	<u>\$ 44,804</u>

NOTE G – RETIREMENT

Pension Plans

The County is a member of the Colorado County Officials and Employees Retirement Association (CCOERA) which offers a defined contribution pension plan 401(a), and a Section 457 deferred compensation plan. CCOERA was organized in 1966 pursuant to state statutes, and includes counties, municipalities and special districts. Required contributions established by the governing board of the Association.

Defined Contribution Pension Plan

Under a defined contribution pension plan, the benefits a participant receives depend solely on the amount contributed to the participant’s account plus the returns earned on investments of those contributions.

Participation is mandatory for all employees after one year of employment. Eligible employees contribute four percent (4%) of their base pay which is matched by the County. The plan has a five (5) year vesting period and is distributed upon the employee’s termination or retirement. Two (2) additional voluntary plans are also offered. One plan provides for contributions up to ten percent (10%) of an employee’s base pay while the other plan provides for deferred compensation in which the employee may tax shelter up to nineteen percent (19%) of their base pay.

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2017

NOTE G – RETIREMENT – CONTINUED

During the year, the County's required and actual contributions amounted to \$50,851 which was four percent (4%) of its current year covered payroll of \$1,271,268. The County's total payroll for 2017 was \$1,610,873.

Deferred Compensation Plan

The County offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all County employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are to be held in trust for the exclusive benefit of the plan participants and their beneficiaries.

The accrual basis of accounting is used for the plan. Revenues are recognized when earned and expenditures are recognized when incurred. Investments are recorded at market value.

The County has no liability for losses under the plan but does have the duty of due care what would be required of an ordinary prudent investor. The County does not administer the plan and is not the Trustee of the plan.

NOTE H – TABOR AMENDMENT RESERVE

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

Fiscal year spending and revenue limits are determined based on the prior year's spending adjusted for inflation and local growth. The voters of the County have approved a measure that allows the County to retain and spend revenue in excess of the limit.

The amendment also requires that Emergency Reserves be established. These reserves must be at least 3 percent of fiscal year spending. The Emergency Reserve has been presented as restricted fund balance in the General fund. The County is not allowed to use the Emergency Reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2017

NOTE I – RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft or, damage to and destruction of assets; errors and omissions; and natural disasters for which the government carries commercial insurance.

The County mitigates risk through the following self- insurance pools:

The County is exposed to various risks of loss related to property and casualty losses. The County joined together with other counties in the State of Colorado to form the Colorado Counties Casualty and Property Pool (CAPP), a public entity risk pool currently operating as a common risk management and insurance program for member counties. The County pays an annual contribution to CAPP for its property and casualty insurance coverage. The inter-governmental agreement of formation of CAPP provides that the pool will be financially self-sustaining through member contributions and additional assessments, if necessary, and the Pool will purchase excess insurance through commercial companies for members' claims in excess of a specified self-insured retention that is determined each policy year. There have been no significant reductions in insurance coverage. Settled claims from these risks have not exceeded insurance coverage for the current year or the three prior years.

Colorado Workers' Compensation Pool (CWCP)

The County is exposed to various risks of loss related to injuries of employees while on the job. The County has joined together with other counties in the State of Colorado to form the Colorado Workers' Compensation Pool (CWCP), a public entity risk pool currently operating as a common risk management and insurance program for member counties. The County pays an annual contribution to CWCP for its workers' compensation insurance coverage. The inter-governmental agreement of formation of CWCP provides that the pool will be financially self-sustaining through member contributions and additional assessments, if necessary, and the Pool will purchase excess insurance through commercial companies for members' claims in excess of a specified self- insured retention that is determined each policy year. There have been no significant reductions in insurance coverage. Settled claims from these risks have not exceeded insurance coverage for the current year of the three prior years.

NOTE J – COMMITMENTS AND CONTINGENCIES

The County participates in a member of federal and state grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The amount of expenditures, if any, which may be disallowed by the granting agencies cannot be determined at this time although the County expects any such amounts to be immaterial.

The County is a member of the Colorado Counties Casualty and Property Pool (CAPP) and the Colorado Workers' Compensation Pool (CWCP). CAPP and CWCP have a legal obligation for claims against its members to the extent that funds are available in their annually established loss funds and amounts are available from insurance providers under excess specific and aggregate insurance contracts. Losses

Hinsdale County, Colorado

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2017

NOTE J – COMMITMENTS AND CONTINGENCIES – CONTINUED

incurred in excess of loss funds are direct liabilities of the participating members. CAPP and CWCP have indicated that the amount of any excess losses would be billed to members in proportion to their contributions in the year such excess occurs. The ultimate liability to the County resulting from claims not covered by CAPP and CWCP is not presently determinable.

NOTE K – BUDGET VIOLATIONS

The County had budget violations in the current year. The General Fund was over budget by \$50,101 due to interfund transfers that were made but not included in the original appropriation, the Human Services Fund was over budget by \$12,338, and the Transfer Station Fund was over budget by \$10,465.

NOTE L – PRIOR PERIOD ADJUSTMENT

The County recognized Senior Vet Tax Exemptions as revenue in the general fund for balances that were due to other entities rather than for only the amount that was due to the General Fund. Our testing revealed that this occurred in 2015 and 2016 as well and so an adjustment was made to decrease General Fund cash and revenue by \$15,116.

REQUIRED SUPPLEMENTARY INFORMATION

Hinsdale County, Colorado

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

For the Year ended December 31, 2017

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 1,696,799	\$ 1,696,799	\$ 1,492,870	\$ (203,929)
Intergovernmental	1,238,258	1,238,258	1,026,782	(211,476)
Licenses and permits	32,600	32,600	25,058	(7,542)
Interest on investments	4,000	4,000	9,238	5,238
Charges for services	208,750	208,750	223,851	15,101
Reimbursement	20,200	20,200	35,559	15,359
Miscellaneous	82,925	82,925	62,129	(20,796)
Total revenues	<u>3,283,532</u>	<u>3,283,532</u>	<u>2,875,487</u>	<u>(408,045)</u>
Expenditures				
Current expenditures				
General government	1,920,113	1,920,113	1,833,040	87,073
EMS services	152,992	152,992	154,506	(1,514)
Public Safety	525,829	525,829	529,010	(3,181)
Capital outlay	425,000	425,000	473,330	(48,330)
Total expenditures	<u>3,023,934</u>	<u>3,023,934</u>	<u>2,989,886</u>	<u>34,048</u>
Excess (deficiency) of revenues over (under) expenditures	259,598	259,598	(114,399)	(373,997)
Other financing sources (uses)				
Transfer out	(90,671)	(90,671)	(171,820)	(81,149)
Total other financing sources (uses)	<u>(90,671)</u>	<u>(90,671)</u>	<u>(171,820)</u>	<u>(81,149)</u>
Excess (deficiency) of revenues over expenditures and other sources (uses)	168,927	168,927	(286,219)	(455,146)
Beginning fund balance	1,919,632	1,919,632	1,919,632	-
Prior period adjustment	-	-	(15,116)	(15,116)
Beginning fund balance, restated	<u>1,919,632</u>	<u>1,919,632</u>	<u>1,904,516</u>	<u>(15,116)</u>
Fund balance at end of year	<u>\$ 2,088,559</u>	<u>\$ 2,088,559</u>	<u>\$ 1,618,297</u>	<u>\$ (470,262)</u>

Hinsdale County, Colorado

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

For the Year ended December 31, 2017

	Budgeted Amounts		Actual	Variance With
	Original	Final		Final Budget Positive (Negative)
Revenues				
Taxes	\$ 62,955	\$ 62,955	\$ 65,644	\$ 2,689
Intergovernmental	928,000	928,000	995,634	67,634
Charges for services	169,500	169,500	164,372	(5,128)
Reimbursement	25,000	25,000	-	(25,000)
Miscellaneous	38,000	38,000	25,936	(12,064)
Total revenues	<u>1,223,455</u>	<u>1,223,455</u>	<u>1,251,586</u>	<u>28,131</u>
Expenditures				
Current expenditures				
Highways and streets	1,159,667	1,159,667	1,056,725	102,942
Capital outlay	89,000	89,000	12,902	76,098
Total expenditures	<u>1,248,667</u>	<u>1,248,667</u>	<u>1,069,627</u>	<u>179,040</u>
Excess (deficiency) of revenue over (under) expenditures	(25,212)	(25,212)	181,959	207,171
Other financing sources (uses)				
Proceeds from sale of assets	-	-	10,350	10,350
Transfer in	44,000	44,000	133,000	89,000
Total other financing sources (uses)	<u>44,000</u>	<u>44,000</u>	<u>143,350</u>	<u>99,350</u>
Excess (deficiency) of revenues over expenditures and other sources (uses)	18,788	18,788	325,309	306,521
Beginning fund balance	351,114	351,114	351,114	-
Fund balance at end of year	<u>\$ 369,902</u>	<u>\$ 369,902</u>	<u>\$ 676,423</u>	<u>\$ 306,521</u>

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

December 31, 2017

NOTE RSI 1 – BUDGETARY INFORMATION

Hinsdale County follows the procedures set for them in the Colorado Local Government Budget Law when preparing the annual budget for each fund. Budget procedures include:

- Preparation of budget documents by administrative staff, which shall be submitted to the Board no later than October 15 of each year.
- Publication of a notice stating that the budget is available for public inspection.
- Discussion of the budget in a meeting open to the public.
- Adoption of the budget in a public meeting by appropriate resolution, no later than December 31.

Formal budgetary integration is employed as a management control device for all funds of the County. All budgets are adopted on a basis consistent with U.S. generally accepted accounting principles (GAAP).

Any increases or decreases to the adopted budget at the fund level require that an amended or supplemental budget be approved by the Board of County Commissioners through formal resolution at a public meeting, with prior notice of the proposed changes.

All budget amounts presented in the accompanying supplementary information reflect the original and final budget amounts.

There were budget violations in the current year that are described in Note K to the financial statements.

SUPPLEMENTARY INFORMATION

Hinsdale County, Colorado

Combining Balance Sheet
Non-Major Governmental Funds

December 31, 2017

	Title III Fund	Human Services Fund	Lodging Tax Fund	Ambulance Replacement Fund	Conservation Trust Fund	Snow Grooming Fund	Total Non-Major Governmental Funds
Assets							
Cash and cash equivalents	\$ 22,863	\$ -	\$ 91,598	\$ 71,298	\$ -	\$ 18,191	\$ 203,950
Property taxes receivable	-	17,115	-	-	-	-	17,115
Total assets	22,863	17,115	91,598	71,298	-	18,191	221,065
Liabilities							
Unearned revenue	22,886	-	-	-	-	-	22,886
Accounts payable	-	16,313	41,629	-	-	-	57,942
Due to pooled cash	-	21,973	20,329	-	-	-	42,302
Total liabilities	22,886	38,286	61,958	-	-	-	123,130
Deferred inflows							
Property taxes	-	17,115	-	-	-	-	17,115
Fund Balance							
Restricted							
Open space	-	-	-	-	-	-	-
Snow grooming	-	-	-	-	-	18,191	18,191
Schools and roads	-	-	-	-	-	-	-
Assigned							
Ambulance replacement	-	-	-	71,298	-	-	71,298
Marketing and advertising	-	-	29,640	-	-	-	29,640
Unassigned	(23)	(38,286)	-	-	-	-	(38,309)
Total Fund Balances	\$ (23)	\$ (38,286)	\$ 29,640	\$ 71,298	\$ -	\$ 18,191	\$ 80,820

Hinsdale County, Colorado

Combining Schedule of Revenues, Expenditures and Changes in Fund Balance
Non-Major Governmental Funds

For the Year Ended December 31, 2017

	Title III Fund	Human Services Fund	Lodging Tax Fund	Ambulance Replacement Fund	Conservation Trust Fund	Snow Grooming Fund	Total Non-Major Governmental Funds
Revenues							
Taxes	\$ -	\$ 19,504	\$ 70,169	\$ -	\$ -	\$ -	\$ 89,673
Intergovernmental revenue	56,234	-	-	-	3,944	20,388	80,566
Total revenues	<u>56,234</u>	<u>19,504</u>	<u>70,169</u>	<u>-</u>	<u>3,944</u>	<u>20,388</u>	<u>170,239</u>
Expenditures							
Current expenditures							
Health and welfare	-	54,328	-	-	-	-	54,328
Culture and recreation	52,896	-	41,691	-	3,944	28,138	126,669
Total expenditures	<u>52,896</u>	<u>54,328</u>	<u>41,691</u>	<u>-</u>	<u>3,944</u>	<u>28,138</u>	<u>180,997</u>
Excess (deficiency) of revenue over expenditures	3,338	(34,824)	28,478	-	-	(7,750)	(10,758)
Other financing sources (uses)							
Transfers in	-	35,820	-	3,000	-	-	38,820
Total other financing sources (uses)	<u>-</u>	<u>35,820</u>	<u>-</u>	<u>3,000</u>	<u>-</u>	<u>-</u>	<u>38,820</u>
Excess (deficiency) of revenues over expenditures and other sources (uses)	3,338	996	28,478	3,000	-	(7,750)	28,062
Fund balance at beginning of year	<u>(3,361)</u>	<u>(39,282)</u>	<u>1,162</u>	<u>68,298</u>	<u>-</u>	<u>25,941</u>	<u>52,758</u>
Fund balance at end of year	<u>\$ (23)</u>	<u>\$ (38,286)</u>	<u>\$ 29,640</u>	<u>\$ 71,298</u>	<u>\$ -</u>	<u>\$ 18,191</u>	<u>\$ 80,820</u>

Hinsdale County, Colorado

Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Title III

For the Year ended December 31, 2017

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental revenue	\$ 390,863	\$ 390,863	\$ 56,234	\$ (334,629)
Total revenues	<u>390,863</u>	<u>390,863</u>	<u>56,234</u>	<u>(334,629)</u>
Expenditures				
Culture and recreation	<u>386,821</u>	<u>386,821</u>	<u>52,896</u>	<u>333,925</u>
Total expenditures	<u>386,821</u>	<u>386,821</u>	<u>52,896</u>	<u>333,925</u>
Excess (deficiency) of revenue over expenditures	4,042	4,042	3,338	(704)
Fund balance at beginning of year	<u>(3,361)</u>	<u>(3,361)</u>	<u>(3,361)</u>	<u>-</u>
Fund balance at end of year	<u>\$ 681</u>	<u>\$ 681</u>	<u>\$ (23)</u>	<u>\$ (704)</u>

Hinsdale County, Colorado

Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Human Services Fund

For the Year ended December 31, 2017

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
General property taxes	\$ 18,328	\$ 18,328	18,165	\$ (163)
Specific ownership taxes	-	-	1,275	1,275
Delinquent taxes and interest	-	-	64	64
Total revenues	<u>18,328</u>	<u>18,328</u>	<u>19,504</u>	<u>1,176</u>
Expenditures				
Health and welfare	<u>41,990</u>	<u>41,990</u>	<u>54,328</u>	<u>(12,338)</u>
Total expenditures	<u>41,990</u>	<u>41,990</u>	<u>54,328</u>	<u>(12,338)</u>
Excess (deficiency) of revenue over (under) expenditures	(23,662)	(23,662)	(34,824)	(11,162)
Other financing Sources (Uses)				
Transfers In	<u>17,505</u>	<u>17,505</u>	<u>35,820</u>	<u>18,315</u>
Total other financing sources (uses)	<u>17,505</u>	<u>17,505</u>	<u>35,820</u>	<u>18,315</u>
Excess (deficiency) of revenues over (under) expenditures and other sources (uses)	(6,157)	(6,157)	996	7,153
Fund balance at beginning of year	<u>(39,282)</u>	<u>(39,282)</u>	<u>(39,282)</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ (45,439)</u></u>	<u><u>\$ (45,439)</u></u>	<u><u>\$ (38,286)</u></u>	<u><u>\$ 7,153</u></u>

Hinsdale County, Colorado

Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Lodging Tax Fund

For the Year ended December 31, 2017

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Lodging tax	\$ 58,000	\$ 58,000	\$ 70,169	\$ 12,169
Total revenues	<u>58,000</u>	<u>58,000</u>	<u>70,169</u>	<u>12,169</u>
Expenditures				
Culture and recreation	<u>57,500</u>	<u>57,500</u>	<u>41,691</u>	<u>15,809</u>
Total expenditures	<u>57,500</u>	<u>57,500</u>	<u>41,691</u>	<u>15,809</u>
Excess (deficiency) of revenue over expenditures	500	500	28,478	27,978
Fund balance at beginning of year	<u>1,162</u>	<u>1,162</u>	<u>1,162</u>	<u>-</u>
Fund balance at end of year	<u>\$ 1,662</u>	<u>\$ 1,662</u>	<u>\$ 29,640</u>	<u>\$ 27,978</u>

Hinsdale County, Colorado

Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Ambulance Replacement Fund

For the Year ended December 31, 2017

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Interest Income	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
Expenditures	-	-	-	-
Excess (deficiency) of revenue over expenditures	-	-	-	-
Other financing sources (uses)				
Transfers in (out)	3,000	3,000	3,000	-
Total other financing sources (uses)	3,000	3,000	3,000	-
Excess (deficiency) of revenues over expenditures and other sources (uses)	3,000	3,000	3,000	-
Fund balance at beginning of year	68,298	68,298	68,298	-
Fund balance at end of year	\$ 71,298	\$ 71,298	\$ 71,298	\$ -

Hinsdale County, Colorado

Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Conservation Trust Fund

For the Year ended December 31, 2017

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental revenue	\$ 7,500	\$ 7,500	\$ 3,944	\$ (3,556)
Total Revenues	<u>7,500</u>	<u>7,500</u>	<u>3,944</u>	<u>(3,556)</u>
Expenditures	<u>7,500</u>	<u>7,500</u>	<u>3,944</u>	<u>3,556</u>
Excess of revenue over expenditures	-	-	-	-
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Hinsdale County, Colorado

Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Snow Grooming Fund

For the Year ended December 31, 2017

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Trail maintenance fees	\$ 46,800	\$ 46,800	\$ 20,388	\$ (26,412)
Total revenues	<u>46,800</u>	<u>46,800</u>	<u>20,388</u>	<u>(26,412)</u>
Expenditures	<u>47,894</u>	<u>47,894</u>	<u>28,138</u>	<u>19,756</u>
Excess (deficiency) of revenue over (under) expenditures	(1,094)	(1,094)	(7,750)	(6,656)
Fund balance at beginning of year	<u>25,941</u>	<u>25,941</u>	<u>25,941</u>	<u>-</u>
Fund balance at end of year	<u>\$ 46,847</u>	<u>\$ 24,847</u>	<u>\$ 18,191</u>	<u>\$ (6,656)</u>

Hinsdale County, Colorado

Schedule of Revenues, Expenditures and Changes in Net Position
Budget and Actual - Transfer Station Fund

For the Year ended December 31, 2017

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Operating revenues:				
Disposal fees	136,190	\$ 136,190	\$ 136,500	\$ 310
Total revenue	<u>136,190</u>	<u>136,190</u>	<u>136,500</u>	<u>310</u>
Operating expenses:				
Operating expenses	138,565	138,565	149,030	(10,465)
Total expenses	<u>138,565</u>	<u>138,565</u>	<u>149,030</u>	<u>(10,465)</u>
Change in net position	(2,375)	(2,375)	(12,530)	(10,155)
Net position at beginning of year	<u>93,367</u>	<u>93,367</u>	<u>93,367</u>	<u>-</u>
Net position at end of year, budget basis	<u>\$ 90,992</u>	<u>\$ 90,992</u>	80,837	<u>\$ (10,155)</u>
Reconciliation to GAAP basis:				
Depreciation expense			<u>(8,287)</u>	
Net position at end of year, GAAP basis			<u>\$ 72,550</u>	

Hinsdale County, Colorado

Schedule of Revenues, Expenditures and Changes in Net Position
Budget and Actual - Recreation Fund

For the Year ended December 31, 2017

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Operating revenues:				
Recreation fees	\$ 25,560	\$ 25,560	\$ 32,536	\$ 6,976
Total revenues	<u>25,560</u>	<u>25,560</u>	<u>32,536</u>	<u>6,976</u>
Operating expenses	<u>24,815</u>	<u>24,815</u>	<u>20,516</u>	<u>4,299</u>
Total expenses	<u>24,815</u>	<u>24,815</u>	<u>20,516</u>	<u>4,299</u>
Change in net position	745	745	12,020	2,677
Net position at beginning of year	<u>50,994</u>	<u>50,994</u>	<u>50,994</u>	<u>-</u>
Net position at end of year, budget basis	<u>\$ 51,739</u>	<u>\$ 51,739</u>		<u>\$ (51,739)</u>
Reconciliation to GAAP basis:				
Depreciation expense			<u>(2,409)</u>	
Net position at end of year, GAAP basis			<u>\$ 60,605</u>	

Silver Thread Public Health District

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

For the year ended December 31, 2017

	Budget		Variance With Final Budget Positive (Negative)
	Original and Final	Actual	
Revenues			
Intergovernmental revenue	\$ 568,918	\$ 577,161	\$ 8,243
Charges for services	14,066	9,550	(4,516)
Miscellaneous	11,600	1,023	(10,577)
Total Revenues	<u>594,584</u>	<u>587,734</u>	<u>(6,850)</u>
Expenditures			
Current expenditures			
Public Health	614,394	527,429	86,965
Total Expenditures	<u>614,394</u>	<u>527,429</u>	<u>86,965</u>
Excess (deficiency) of revenue over expenditures	<u>(19,810)</u>	<u>60,305</u>	<u>80,115</u>
Fund balance at beginning of year	<u>35,926</u>	<u>35,926</u>	<u>-</u>
Fund balance at end of year	<u>\$ 16,116</u>	<u>\$ 96,231</u>	<u>\$ 80,115</u>

Hinsdale County, Colorado

Combining Balance Sheet - General Fund and Sub-Funds

December 31, 2017

	General Fund	EMS Fund	Sheriff's Fund	Retirement Fund	Total Combined General Fund
Assets					
Cash and investments	\$ 1,159,285	\$ (71,693)	\$ 140,155	\$ 81,183	\$ 1,308,930
Accounts receivable	81,724	6,750	2,694	-	91,168
Intergovernmental receivables	324,497	-	-	-	324,497
Property taxes receivable	951,512	-	-	53,789	1,005,301
Due from pooled cash	21,973	-	-	-	21,973
Due from other funds	20,329	-	-	-	20,329
Inventory	-	19,369	-	-	19,369
Total Assets	2,559,320	(45,574)	142,849	134,972	2,791,567
Liabilities					
Accounts payable	83,844	8,308	7,981	-	100,133
Accrued liabilities	7,350	-	-	487	7,837
Unearned revenue	60,000	-	-	-	60,000
Total Liabilities	151,194	8,308	7,981	487	167,970
Deferred inflows					
Property taxes	951,512	-	-	53,789	1,005,301
Fund Balance					
Nonspendable					
Inventory	-	19,369	-	-	19,369
Restricted for:					
TABOR	116,448	-	-	-	116,448
Assigned to:					
Public safety	-	-	134,868	-	134,868
Retirement	-	-	-	80,696	80,696
Open space	19,077	-	-	-	19,077
Unassigned	1,321,090	(73,251)	-	-	1,247,839
Total Fund Balance	\$ 1,456,615	\$ (53,882)	\$ 134,868	\$ 80,696	\$ 1,618,297

Hinsdale County, Colorado

Combining Budget to Actual Schedule - General Fund and Sub-Funds

Year ended December 31, 2017

	General Fund		EMS Fund		Retirement Fund		Sheriff's Fund		Combined General Fund	
	Budget		Budget		Budget		Budget		Budget	
	Original & Final	Actual	Original & Final	Actual	Original & Final	Actual	Original & Final	Actual	Original & Final	Actual
Revenues										
Taxes	\$ 1,632,780	\$ 1,432,193	\$ -	\$ -	\$ 64,019	\$ 60,677	\$ -	\$ -	\$ 1,696,799	\$ 1,492,870
Intergovernmental	1,116,278	917,509	43,600	37,761	-	-	78,380	71,512	1,238,258	1,026,782
Licenses and permits	32,600	25,058	-	-	-	-	-	-	32,600	25,058
Interest on investments	4,000	9,238	-	-	-	-	-	-	4,000	9,238
Charges for services	121,750	155,345	83,500	62,491	-	-	3,500	6,015	208,750	223,851
Reimbursement	200	9,973	-	-	-	-	20,000	25,586	20,200	35,559
Miscellaneous	14,625	2,882	4,000	9,190	-	-	64,300	50,057	82,925	62,129
Total revenues	2,922,233	2,552,198	131,100	109,442	64,019	60,677	166,180	153,170	3,283,532	2,875,487
Expenditures										
Current expenditures										
General government	1,858,817	1,778,769	-	-	61,296	54,271	-	-	1,920,113	1,833,040
EMS services	-	-	152,992	154,506	-	-	-	-	152,992	154,506
Public Safety	-	-	-	-	-	-	525,829	529,010	525,829	529,010
Capital outlay	400,000	473,330	-	-	-	-	25,000	-	425,000	473,330
Total expenditures	2,258,817	2,252,099	152,992	154,506	61,296	54,271	550,829	529,010	3,023,934	2,989,886
Excess (deficiency) of revenue over expenditures	663,416	300,099	(21,892)	(45,064)	2,723	6,406	(384,649)	(375,840)	259,598	(114,399)
Other financing sources (uses)										
Transfers in	-	-	20,000	55,800	-	-	385,000	727,000	405,000	782,800
Transfer out	(495,671)	(954,620)	-	-	-	-	-	-	(495,671)	(954,620)
Total other financing sources (uses)	(495,671)	(954,620)	20,000	55,800	-	-	385,000	727,000	(90,671)	(171,820)
Excess (deficiency) of revenues over expenditures and other sources (uses)	167,745	(654,521)	(1,892)	10,736	2,723	6,406	351	351,160	168,927	(286,219)
Beginning fund balance	2,126,252	2,126,252	(64,618)	(64,618)	74,290	74,290	(216,292)	(216,292)	1,919,632	1,919,632
Prior period adjustment		(15,116)								(15,116)
Beginning fund balance, restated	2,126,252	2,111,136	(64,618)	(64,618)	74,290	74,290	(216,292)	(216,292)	1,919,632	1,904,516
Fund balance at end of year	\$ 2,293,997	\$ 1,456,615	\$ (66,510)	\$ (53,882)	\$ 77,013	\$ 80,696	\$ (215,941)	\$ 134,868	\$ 2,088,559	\$ 1,618,297

LOCAL HIGHWAY FINANCE REPORT	STATE: COLORADO	
	YEAR ENDING (mm/yy):	DEC 2017

This Information From The Records Of: HINSDALE COUNTY Prepared By: LYNN MCNITT
970-944-2225

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

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES

III. EXPENDITURES FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway expenditures:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	624,285
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	119,303
2. General fund appropriations		b. Snow and ice removal	64,419
3. Other local imposts (from page 2)		c. Other	3,057
4. Miscellaneous local receipts (from page 2)		d. Total (a. through c.)	811,065
5. Transfers from toll facilities		4. General administration & miscellaneous	266,834
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	
a. Bonds - Original Issues		6. Total (1 through 5)	1,077,899
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)		a. Interest	
7. Total (1 through 6)		b. Redemption	
Private Contributions		c. Total (a. + b.)	
C. Receipts from State government (from page 2)	765,442	2. Notes:	
D. Receipts from Federal Government (from page 2)	82,770	a. Interest	
E. Total receipts (A.7 + B + C + D)		b. Redemption	
		c. Total (a. + b.)	
		3. Total (1.c + 2.c)	
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total expenditures (A.6 + B.3 + C + D)	

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

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

IV. LOCAL ROAD AND STREET FUND BALANCE

A. Beginning Balance	449,212
B. Total Receipts	1,131,957
C. Total Disbursements	1,077,899
D. Ending Balance	503,270
E. Reconciliation	

LOCAL HIGHWAY FINANCE REPORT

STATE: COLORADO

YEAR ENDING (mm/yy):
DEC 2017

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments	60,471	a. Interest on investments	219
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes		c. Parking Garage Fees	
2. Infrastructure & Impact Fees		d. Parking Meter Fees	
3. Liens		e. Sales of Surplus Property	26,409
4. Licenses		f. Charges for Services	191,194
5. Specific Ownership/Other	4,352	g. Other Misc Receipts	950
6. Total (1. through 5.)		h. Other	150
c. Total (a. + b.)	64,823	i. Total (a. through h.)	218,922
(Carry forward to page 1)		(Carry forward to page 1)	

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes (from Item I.C.5.)	758,664	1. FHWA (from Item I.D.5.)	
2. State general fund:		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	62,859
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	6,779	d. Federal Transit Administration	
d. Other (Specify) DOLA Grant		e. US Corps of Engineers	
e. Other (Specify)		f. Other Federal	19,911
f. Total (a. through e.)	6,779	g. Total (a. through f.)	82,770
4. Total (1. + 2. + 3.f)	765,442	3. Total (1. + 2.g)	82,770
(Carry forward to page 1)		(Carry forward to page 1)	

III. EXPENDITURES FOR ROAD AND STREET PURPOSES - DETAIL

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

Notes and Comments: