
San Miguel County
Financial Statements and
Independent Auditor's Report
as of
December 31, 2017

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Office of the State Auditor

September 27, 2018

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INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
San Miguel County, Colorado

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the San Miguel County, Colorado, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the San Miguel County, Colorado's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the San Miguel County, Colorado, as of December 31, 2017, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

To the Board of Commissioners
San Miguel County, Colorado
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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, budgetary comparison information and information about infrastructure assets reported using the modified approach on pages 3–15, 38–40 and 41–43 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the San Miguel County, Colorado's basic financial statements. The combining and individual nonmajor fund financial statements and Local Highway Finance Report are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 27, 2018, on our consideration of the San Miguel County, Colorado's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the San Miguel County, Colorado's internal control over financial reporting and compliance.

Blair and Associates, P.C.

Cedaredge, Colorado
August 27, 2018

San Miguel County
Management's Discussion and Analysis



As management of San Miguel County, we offer to readers of the San Miguel County's financial statements, this narrative overview and analysis of the financial activities of the County for the fiscal year ended December 31, 2017. We encourage readers to consider the information that we have furnished in the basic financial statements to better understand the financial position of San Miguel County.

Financial Highlights

- San Miguel County's assets, \$ 117.2 million, exceeded liabilities and deferred inflows of resources, \$ 13.1 million, by \$104.1 million at the end of 2017. Of this amount, \$ 22.5 million may be used to meet the County's ongoing obligations to citizens. The remaining \$ 79.2 million are invested in capital assets and \$ 2.4 million is restricted for other purposes.
- Governmental funds reported combined ending fund balances of \$25.6 million, an increase of \$2.1 million.
- The County's fund balance for the General Fund was \$ 13.7 million, an increase of \$ 721,605.
- Total long-term liabilities decreased by \$221,887 during 2017 with no new debt issued.
- General property, sales and other taxes totaled \$ 12.2 million, or 81% of general revenues.
- It is the goal of the county to maintain an operating reserve in the general fund equal to approximately six months of operating expenditures. At December 31, 2017, the General Fund has over six months of operating reserves.

Overview of the Financial Statements

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

Government-wide financial statements

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

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

San Miguel County Management's Discussion and Analysis

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

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

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

Fiduciary Funds

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

Fund Financial Statements

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

Governmental Funds

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

San Miguel County Management's Discussion and Analysis

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

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

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

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

San Miguel County Management's Discussion and Analysis

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

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

➤ **San Miguel County Housing Authority**

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

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

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

BUDGET POLICIES

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

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

San Miguel County
Management's Discussion and Analysis

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

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

Budgetary Comparisons

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

Notes to the Financial Statements

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

Other information

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

San Miguel County
Management's Discussion and Analysis

COUNTY-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government's financial position. As of December 31, 2017, assets exceeded liabilities by \$ 104.1 million.

The following table provides a summary of the County's governmental type net position for 2016 and 2017.

Assets	Governmental Activities	
	2016	2017
Current and other assets	\$ 33,368,347	\$ 36,326,737
Capital assets, net	81,453,491	80,929,347
Total assets	114,821,838	117,256,084
Liabilities		
Current and other liabilities	1,786,623	2,256,204
Long-term liabilities	2,678,002	2,456,115
Total liabilities	4,464,625	4,712,319
Deferred Inflows of resources		
Deferred revenue other	33,262	64,415
Deferred property tax revenue	8,005,231	8,344,018
Total Deferred Inflows of resources	8,038,493	8,408,433
Net Position		
Investment in capital assets	79,533,970	79,215,574
Restricted	2,321,694	2,416,211
Unrestricted	20,463,056	22,503,547
Total net position	\$ 102,318,720	\$ 104,135,332

San Miguel County
Management's Discussion and Analysis

Changes in Net Position

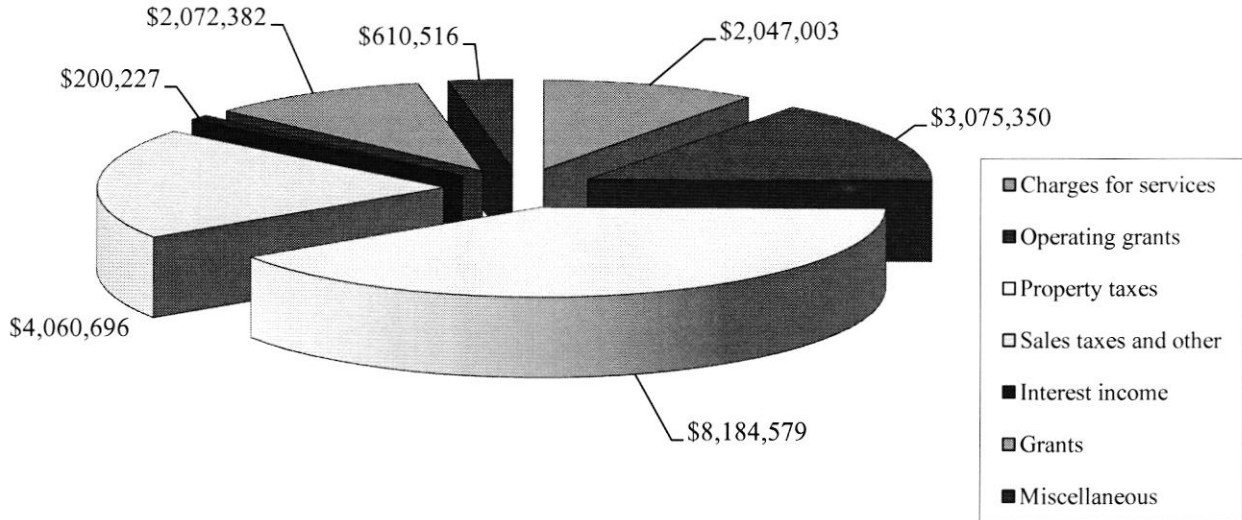
Governmental type activities increased the County's net position by \$1,816,612 in 2017.

The following table indicates the changes in net assets for governmental activities for 2016 and 2017.

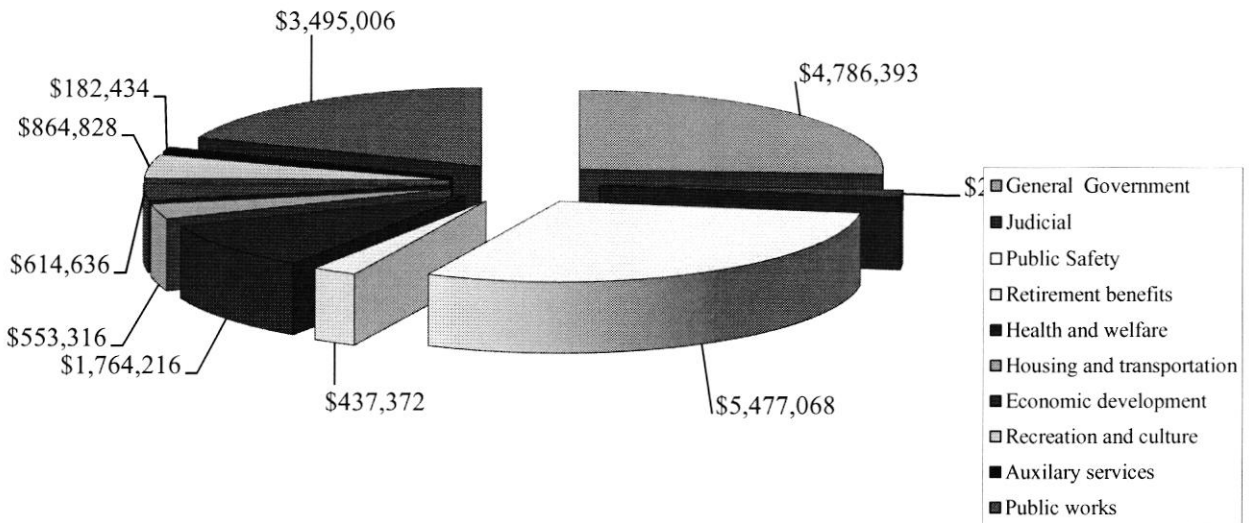
	Governmental Activities	
	2016	2017
Revenues		
Program revenues		
Charges for services	\$ 1,778,123	\$ 2,047,003
Operating grants	3,038,972	3,075,350
Capital grants	230,399	-
General Revenues		
Property taxes	8,124,543	8,184,579
Sales taxes and other	3,750,359	4,060,696
Interest income	127,033	200,227
Federal and state grants	2,018,185	2,072,382
Miscellaneous	380,962	596,895
Loss on sale of assets	(28,701)	13,621
Total	19,419,875	20,250,753
Expenses		
General government	4,187,293	4,786,393
Judicial	270,428	258,872
Public safety	4,450,628	5,477,068
Retirement benefits	424,484	437,372
Health and welfare	1,833,772	1,764,216
Housing and transportation	622,422	553,316
Economic development	594,449	614,636
Recreation and culture	1,002,401	864,828
Auxiliary services	165,203	182,434
Public works	3,999,769	3,495,006
Total expenses	17,550,849	18,434,141
Increase in net position	1,869,026	1,816,612
Beginning	100,449,694	102,318,720
Ending	\$ 102,318,720	\$ 104,135,332

San Miguel County
Management's Discussion and Analysis

Revenues by Source-Governmental Activities



Expenses by Department-Governmental Activities



San Miguel County
Management's Discussion and Analysis

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

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

Governmental funds

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

As of the end of 2017, the combined ending fund balances of San Miguel County's governmental funds were \$ 25,662,100. Approximately 53% of this consists of unreserved fund balance which is available as working capital and for current spending in accordance with the purposes of the specific funds.

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

	Balances			Balances		
	1/1/2017	Additions	Deletions	12/31/2017		
Capital assets not being depreciated						
Land	\$ 8,355,053	\$ -	\$ -	\$ 8,355,053		
Construction in progress	88,978	33,835	-	122,813		
Infrastructure	59,004,170	-	-	59,004,170		
Total capital assets not being depreciated	<u>67,448,201</u>	<u>33,835</u>	<u>-</u>	<u>67,482,036</u>		
Capital assets being depreciated						
Buildings and improvements	17,251,085	18,881	-	17,269,966		
Equipment and furniture	8,974,483	236,385	(201,043)	9,009,825		
Total capital assets being depreciated	<u>26,225,568</u>	<u>255,266</u>	<u>(201,043)</u>	<u>26,279,791</u>		
Less accumulated depreciation						
Buildings and improvements	5,875,995	413,244	-	6,289,239		
Equipment and furniture	6,344,283	387,169	(188,211)	6,543,241		
Total accumulated depreciation	<u>12,220,278</u>	<u>800,413</u>	<u>(188,211)</u>	<u>12,832,480</u>		
Total capital assets being depreciated, net	<u>14,005,290</u>	<u>(545,147)</u>	<u>(12,832)</u>	<u>13,447,311</u>		
Governmental activities capital assets	<u>\$ 81,453,491</u>	<u>\$ (511,312)</u>	<u>\$ (12,832)</u>	<u>\$ 80,929,347</u>		

San Miguel County
Management's Discussion and Analysis

Economic Factors & Future Budget

- As of December 31, 2017 San Miguel County's general fund had an ending fund balance of \$13,693,744. This represents approximately 13 months of operating reserve. The reserve has been established to offset any projected future revenue shortages of property tax revenues, federal funding levels, and state funding levels in the next five years. Revenues in the General Fund for 2017 exceed the expenditures by approximately \$721,605. Continual fiscal monitoring is needed by all management staff in order to control expenditures, collect revenues, and monitor operating budgets. This approach has helped maintain a healthy fund balance each year; however, future years projections are reflecting a significant decline in operating reserves.
- Assessed valuation for budget year 2018 increased by \$33,476,890. This represents an increase of property tax revenue in the amount of \$957,168 for all funds. San Miguel County's mill levy totals 10.870 for budget year 2018. San Miguel County citizens have approved the removal of the constitutional limitations of TABOR (Taxpayers Bill of Rights).
- Sales tax revenues increased in 2017 by 3.38% over the 2016 revenues. Revenue trends are showing that the sales tax collections overall have seen small increases during fiscal year 2017. Sales tax related to cannabis sales have increased the overall collections in 2017 by \$46,567.
- Lodging tax revenues for 2017 were up 15.21% compared to 2016. The 2018 projected revenue is reasonably close to 2016 actuals; however, whatever is received is distributed. These revenues are passed thru to Marketing Telluride and the Norwood Chamber of Commerce to help promote tourism and recreation in the County.
- The prediction of construction activity is always be difficult to predict due to the number of variable effecting the market. Building permit fees collected by San Miguel County are calculated from a formula devised by the International Code Council. The fees are relative to the cost of the project and the fees are intended to cover the expense of providing code review & inspection services for the project. Projects under 1,800 square feet get a 25% discount on both the Plan Review and Permitting Fees. San Miguel County Building Department also collects a Use Tax with the building permit fees. The Use Tax amount is derived from the anticipated cost of materials being used in the project. The Use Tax is calculated as a 1% tax on 40% of the project cost (the 40% is estimated to be the cost of materials). In order to feel confident about a construction price the Building Department does require a line-item budget and/or a contract for the project to be submitted with the building permit application.

San Miguel County
Management's Discussion and Analysis

- Interest rates experienced increase growth in 2017 to an average of 0.734% for county investments. Bank investments in 2017 saw annual interest rates vary from 0.01% to 0.45% for money market accounts to 0.7% for a 1 year CD. Alpine Bank, utilized for operations, paid no interest on public deposits, however, charged no fees. Public Investment pools yielded between .78% to 1.38% in 2017 compared to 0.22% to 0.93% in 2016. The Federal Reserve has announced plans for three or four 0.25% rate increases for 2018 so it is anticipated investment interest rates will continue to increase in 2018.
- PILT (Federal Payment in Lieu of Tax) funding in the amount of \$1,165,231 was received for fiscal year 2018 and \$1,074,459 was received for fiscal year 2017. Given the uncertainty of the funding level of the PILT program, staff continues to be conservative, yet reasonable in the future projections of this revenue.
- Public transportation continues to be a very important alternative for the many commuters traveling from Montrose, Ridgway, Norwood, and west Montrose County to the Telluride area. In 2016, the voters of San Miguel County who are within the SMART (San Miguel Authority for Regional Transportation) jurisdictional boundary, approved a mill levy of .75 mills and a sales tax increase of .25% to fund the SMART district for regional transportation. Additional revenues to fund this function continue to come from real estate transfer taxes. San Miguel County also received a FTA Operational Grant for 2017 in the amount of \$110,000. This grant was used to help fund the costs associated with the Norwood transit, Down Valley transit, and ½ of the Lawson Hill transit routes. San Miguel County is slowly transitioning all transit functions to the SMART district. San Miguel County received a \$1.5 million FTA grant to build a transit parking lot in Lawson Hill. That project is currently under construction and is expected to be done late 2018 or early 2019.
- The 2018 budget includes funding for 121.10 FTE's. This represents an increase of .93% from the 2011 staffing levels.

Parks and Open Space projects for 2017 included the following:

- Pandora Mill - San Miguel County and the Town of Telluride have expressed an interest in conveyance of the main Pandora Mill structure and potential ancillary buildings. Progress towards the preservation of the historic Pandora Mill is due to recent meetings with Newmont/Idarado, the Colorado Division of Reclamation Mining and Safety (DRMS) and the Colorado Department of Public Health and Environment (CDPHE).
- The Payment for Ecosystem Services (PES) project was initiated to measure soil productivity, water retention and carbon sequestration on various private crop and pasture lands in southwestern Colorado. Contracting with local ranchers and farmers, over time the project will track its test plots when amended with compost or when other soil improvement techniques are used. The intent is to determine what, if any, beneficial impacts from various improvement methods occur, and quantify how much water is stored and carbon locked up in improved and unimproved soils in our high plateau bio-region. An example of a project supported by PES is the Down Valley Park Pollinator Garden.

San Miguel County
Management's Discussion and Analysis

- In 2017, trail work focused on the Keystone Gorge Loop, Coal Chutes Loop Trail, Angell Lode Natural Area, and M59 River Trail. Parks & Open Space also provided oversight for impacts to the Galloping Goose Trail from the San Miguel Power Reliability Project. Parks & Open Space Program staff continues to provide grooming support for the Telluride Nordic Association on Nordic ski trails in the winter at Trout Lake, Priest Lake, and M59 River Trail.
- The Land Heritage Program is a criteria-based purchase of development rights program. The development rights are retired, and a conservation easement is placed on the property. The goals of the land conservation easement project are to protect open space, encourage protection of wildlife habitat and riparian areas, and to protect the natural beauty so vital to the regional economy.
- Historic preservation projects consisted of repairs and improvements to the Matterhorn Mill, Trout Lake Water Tank, and County Courthouse.
- Located in Norwood, the Fairgrounds hosted a wide variety of events in 2017, such as the annual Carnival, Fair & Rodeo, the Baseball Festival, and Star-Spangled Saturday. At the annual "Work for Fun" event, 45 local youths aged 1st-8th grade earned a carnival ticket for clearing the outdoor arena and horse race track of rocks and other debris before the rodeo. Also, a new chaparral gate was installed at the entrance to the Fairgrounds this year.
- Vegetation Management - Non-native invasive plants (weeds) pose a serious threat to the environment of San Miguel County. The mission of the San Miguel County Vegetation Management Program is to halt the degradation of our environment by implementing an Integrated Weed Management Plan with the goal of preventing the introduction of new invaders, early recognition of those plants that do arrive and stopping the spread of common noxious weeds already present within the County. Treatments in 2017 totaled approximately 380 acres and included road spraying and hand treatments. Some of the invasive species addressed included oxeye daisy, yellow toadflax, yellow sweet clover, hoary cress, kochia, mullien, many types of thistle, Russian knapweed and tamarisk.

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

San Miguel County
Management's Discussion and Analysis

REQUESTS FOR INFORMATION

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

SAN MIGUEL COUNTY, COLORADO
STATEMENT OF NET POSITION
December 31, 2017

	Primary Government	
	Governmental Activities	
	2017	2016
Assets		
Cash and cash equivalents	\$ 26,115,634	\$ 23,999,616
Property taxes receivable	8,344,018	8,005,231
Note receivable	115,913	116,981
Accounts receivable	1,533,164	975,931
Due from other governmental units	32,985	31,080
Inventories	185,023	239,508
Capital assets		
Nondepreciable	67,482,036	67,448,201
Depreciable, net of accumulated depreciation	13,447,311	14,005,290
Total assets	<u>117,256,084</u>	<u>114,821,838</u>
Liabilities		
Accounts payable	1,475,223	925,895
Accrued vacation and sick leave	758,481	758,481
Accrued payroll	-	76,247
Deposit-bond payable	22,500	26,000
Long-term liabilities		
Due more than one year:		
Leases payable	1,713,773	1,919,521
Accrued vacation and sick leave	742,342	758,481
Total liabilities	<u>4,712,319</u>	<u>4,464,625</u>
Deferred Inflows of Resources		
Deferred revenue other	64,415	33,262
Deferred property tax revenue	8,344,018	8,005,231
Total deferred inflows of resources	<u>8,408,433</u>	<u>8,038,493</u>
Net position		
Invested in capital assets	79,215,574	79,533,970
Restricted for:		
Seizure funds	1,385	1,385
Health Insurance	64,369	64,369
Emergencies	627,831	627,831
Transportation	279,500	284,981
Housing	1,369,868	1,228,246
Solid waste	73,258	114,882
Unrestricted:	22,503,547	20,463,056
Total Net position	<u>\$104,135,332</u>	<u>\$ 102,318,720</u>

See accompanying notes to the basic financial statements

SAN MIGUEL COUNTY, COLORADO
STATEMENT OF ACTIVITIES
Year Ended December 31, 2017

Functions/Programs	Expenses	Program Revenues		
		Charges for Services & Fees	Operating and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 4,786,393	\$ 1,526,260	\$ -	\$ -
Judicial	258,872	-	-	-
Public safety	5,477,068	58,192	-	-
Retirement Benefits	437,372	-	-	-
Health and welfare	1,764,216	99,400	930,585	-
Housing and transportation	553,316	285,996	110,000	-
Economic development	614,636	-	-	-
Recreation and culture	864,828	52,040	38,867	-
Auxiliary services	182,434	-	-	-
Public works	3,495,006	25,115	1,995,898	-
Total governmental activities	18,434,141	2,047,003	3,075,350	-

General Revenues

Taxes:

Property taxes

Sales taxes and other

Unrestricted investment earnings

Federal and state grants

Other general revenues

Gain on disposal of assets

Total General Revenues

Changes in Net Position

Net Position-January 1

Net Position-December 31

See accompanying notes to the basic financial statements

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

	<u>2017</u>	<u>2016</u>
\$	(3,260,133)	\$ (2,866,781)
	(258,872)	(270,428)
	(5,418,876)	(4,381,576)
	(437,372)	(424,484)
	(734,231)	(805,971)
	(157,320)	(260,986)
	(614,636)	(594,449)
	(773,921)	(940,553)
	(182,434)	(165,203)
	(1,473,993)	(1,792,924)
	<u>(13,311,788)</u>	<u>(12,503,355)</u>
	8,184,579	8,124,543
	4,060,696	3,750,359
	200,227	127,033
	2,072,382	2,018,185
	596,895	380,962
	13,621	(28,701)
	<u>15,128,400</u>	<u>14,372,381</u>
	1,816,612	1,869,026
	<u>102,318,720</u>	<u>100,449,694</u>
\$	<u>104,135,332</u>	<u>\$ 102,318,720</u>

See accompanying notes to the basic financial statements

SAN MIGUEL COUNTY, COLORADO
BALANCE SHEET-GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2017
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2016

	General Fund	Road and Bridge	Open Space	Other Governmental Funds	TOTALS	
					2017	2016
Assets						
Cash and cash equivalents	\$ 14,549,415	\$ 3,346,141	\$ 3,074,063	\$ 5,146,015	\$ 26,115,634	\$ 23,999,616
Property taxes receivable	5,091,335	1,566,565	1,236,761	449,357	8,344,018	8,005,231
Note receivable	-	-	-	115,913	115,913	116,981
Accounts receivable	666,228	150,688	22,897	693,351	1,533,164	975,931
Due from other entities	-	-	-	32,985	32,985	31,080
Inventories	-	185,023	-	-	185,023	239,508
Total assets	\$ 20,306,978	\$ 5,248,417	\$ 4,333,721	\$ 6,437,621	\$ 36,326,737	\$ 33,368,347
Liabilities and fund balance						
Liabilities						
Accounts payable	\$ 910,554	\$ 116,282	\$ 36,893	\$ 411,494	\$ 1,475,223	\$ 925,895
Accrued payroll	-	-	-	-	-	76,247
Accrued vacation and sick leave	603,945	98,873	21,578	34,085	758,481	758,481
Due to other funds	-	-	-	-	-	-
Deposit-bond payable	-	22,500	-	-	22,500	26,000
Total liabilities	1,514,499	237,655	58,471	445,579	2,256,204	1,786,623
Deferred Inflows of Resources						
Unearned revenue	7,400	47,668	-	9,347	64,415	33,262
Deferred property tax revenue	5,091,335	1,566,565	1,236,761	449,357	8,344,018	8,005,231
Total deferred inflows of resources	5,098,735	1,614,233	1,236,761	458,704	8,408,433	8,038,493
Fund balances						
Restricted						
Emergencies for labor	-	-	-	627,831	627,831	627,831
Park and recreation	-	-	-	74,624	74,624	48,008
Public health and welfare	-	-	-	170,325	170,325	131,861
Committed						
Transportation	-	-	-	279,500	279,500	284,981
Housing	-	-	-	1,369,868	1,369,868	1,228,246
Tourism	-	-	-	8,284	8,284	8,164
Solid waste	-	-	-	73,258	73,258	114,882
Employee benefits	-	-	-	41,500	41,500	39,357
Capital purchases	-	700,000	-	2,744,363	3,444,363	3,107,517
Open space	-	-	3,038,489	-	3,038,489	2,519,993
Highway and streets	-	2,696,529	-	-	2,696,529	2,324,128
Energy	-	-	-	24,416	24,416	27,742
Air quality	-	-	-	65,411	65,411	65,411
Vegetation management	-	-	-	53,958	53,958	42,971
Assigned						
Seizure funds	1,385	-	-	-	1,385	1,385
Health insurance	64,369	-	-	-	64,369	64,369
Unassigned	13,627,990	-	-	-	13,627,990	12,906,385
Total fund balances	13,693,744	3,396,529	3,038,489	5,533,338	25,662,100	23,543,231
Total liabilities and fund balances	\$ 20,306,978	\$ 5,248,417	\$ 4,333,721	\$ 6,437,621	\$ 36,326,737	\$ 33,368,347

See accompanying notes to the basic financial statements

SAN MIGUEL COUNTY, COLORADO
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
December 31, 2017

Total governmental fund balances \$ 25,662,100

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

Capital assets used in governmental activities are not financial resources
and therefore are not reported in the funds. 80,929,347

Long-term liabilities, including bonds payable and compensated absences,
are not due and payable in the current period and therefore are not reported
in the funds.

Leases Payable (1,713,773)
Compensated absences (742,342)

Net position of governmental activities \$ 104,135,332

SAN MIGUEL COUNTY, COLORADO
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2017
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2016

	General Fund	Road and Bridge	Open Space	Other Governmental Funds	TOTALS	
					2017	2016
Revenues						
Taxes	\$ 7,060,253	\$ 1,559,342	\$ 1,231,060	\$ 2,373,141	\$ 12,223,796	\$ 11,852,124
Intergovernmental	1,776,812	2,047,547	11,872	1,332,980	5,169,211	5,310,334
Licenses and permits	283,151	2,365	-	50,344	335,860	237,396
Charges for services	1,301,301	9,971	-	347,831	1,659,103	1,509,607
Miscellaneous	457,485	425	52,040	339,212	849,162	539,115
Total revenues	<u>10,879,002</u>	<u>3,619,650</u>	<u>1,294,972</u>	<u>4,443,508</u>	<u>20,237,132</u>	<u>19,448,576</u>
Expenditures						
Current:						
General government	4,494,786	-	-	-	4,494,786	4,585,267
Judicial	258,872	-	-	-	258,872	270,428
Public safety	5,029,225	-	-	101,179	5,130,404	4,238,081
Retirement benefits	-	-	-	437,372	437,372	424,484
Health and welfare	-	-	-	1,604,151	1,604,151	1,654,389
Housing and transportation	-	-	-	553,316	553,316	622,422
Economic development	-	-	-	614,636	614,636	594,449
Energy programs	-	-	-	3,326	3,326	6,873
Vegetation management	-	-	-	148,309	148,309	185,986
Recreation and culture	-	-	776,476	-	776,476	924,125
Auxiliary services	182,434	-	-	-	182,434	165,203
Public Works	-	3,192,055	-	-	3,192,055	4,678,215
Debt Service	-	-	-	244,200	244,200	244,200
Capital outlay	-	-	-	449,894	449,894	732,866
Total expenditures	<u>9,965,317</u>	<u>3,192,055</u>	<u>776,476</u>	<u>4,156,383</u>	<u>18,090,231</u>	<u>19,326,988</u>
Excess (deficiency) of revenues over expenditures	<u>913,685</u>	<u>427,595</u>	<u>518,496</u>	<u>287,125</u>	<u>2,146,901</u>	<u>121,588</u>
Other financing sources (uses)						
Transfers in (out)	(192,080)	(11,483)	-	203,563	-	-
Sale of assets	-	10,774	-	15,679	26,453	26,932
Total other financing sources (uses)	<u>(192,080)</u>	<u>(709)</u>	<u>-</u>	<u>219,242</u>	<u>26,453</u>	<u>26,932</u>
Net change to fund balance	721,605	426,886	518,496	506,367	2,173,354	148,520
Fund balance, January 1	12,972,139	3,024,128	2,519,993	5,026,971	23,543,231	23,269,202
Increase an inventory	-	(54,485)	-	-	(54,485)	125,509
Fund balance, December 31	<u>\$ 13,693,744</u>	<u>\$ 3,396,529</u>	<u>\$ 3,038,489</u>	<u>\$ 5,533,338</u>	<u>\$ 25,662,100</u>	<u>\$ 23,543,231</u>

See accompanying notes to the basic financial statements

SAN MIGUEL COUNTY, COLORADO
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
Year Ended December 31, 2017

Net change in fund balances - total governmental funds \$ 2,173,354

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

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

Fixed assets current additions	\$ 289,101	
Depreciation expense	<u>(800,413)</u>	
Excess of capital outlay over depreciation		(511,312)

The net effect of various transactions involving capital assets(i.e.,sales, trade ins, and contributions) is to decrease net assets.		(12,832)
--	--	----------

Some expenses not reported in the Statement of Activities that do require the use of current financial resources and therefore are reported as expenditures in governmental funds.

Principal payments on debt service		205,748
Compensated absences		16,139
Inventory Increase		(54,485)

Change in net position of governmental funds		<u><u>\$ 1,816,612</u></u>
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SAN MIGUEL COUNTY, COLORADO
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
December 31, 2017

Cash and investments \$ 2,081,098

Due to other governments \$ 2,081,098

Note 1 – Summary of Significant Accounting Policies

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

Financial Reporting Entity

San Miguel County is located in western Colorado with a population of approximately 7,900. The principal towns are Telluride, Mountain Village and Norwood. San Miguel County is a political subdivision of the State of Colorado, governed by an elected three-member Board of County Commissioners. The County has six other elected officials; the Assessor, the Clerk and Recorder, the Coroner, the Sheriff, the Surveyor and the Treasurer. San Miguel County is included in the Seventh Judicial District. An elected District Attorney for the District serves Montrose, Delta, Gunnison, Hinsdale, San Miguel and Ouray Counties. The County provides several additional services through other governmental organizations, which are excluded or included in this report, as detailed below.

Related Entities

Public Trustee

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

Jointly Funded Organization

The County, in conjunction with other counties, shares in the financial support of the District Attorney of the Seventh Judicial District of the State of Colorado. In 2017, the County contributed \$161,791 for the operation of the District Attorney.

The County, in conjunction with other Towns within San Miguel County, share in the financial support of the San Miguel Regional Housing Authority. The County contributed \$101,435 for the operation of the Housing Authority. The County records the R-1 Housing Deed Restricted Fund, along with other County housing funds in the Dependent District on pages 46 and 47.

Other

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

Note 1 – Summary of Significant Accounting Policies (continued)

Government-wide and Fund Financial Statements

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

The statement of activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues.

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. The County considers revenues to be available if they are collectible within 90 days except for property taxes which are considered available if they are collectible within sixty days after year-end. Property taxes, sales taxes, licenses, and interest associated with the current year are considered to be susceptible to accrual and so have been recognized as revenues of the current year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded when payment is due. Compensated absences, claims and judgements are expected to be liquidated with expendable available resources and are reported as expenditures and a fund liability of the governmental fund that will pay for it.

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

Note 1 – Summary of Significant Accounting Policies (continued)

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

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

Deferred Outflows / Inflows of Resources

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

The government reports the following major governmental funds:

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

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

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

The government reports the following non-major governmental funds:

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

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

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

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

Note 1 – Summary of Significant Accounting Policies (continued)

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

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

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

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

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

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

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

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

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

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

Assets, Liabilities, and Net Assets or Equity

Receivable and Payable Balances

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

San Miguel County, Colorado
Notes to Financial Statements
December 31, 2017

Note 1 – Summary of Significant Accounting Policies (continued)

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

Property Taxes

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

Taxes levied in 2017 for collection in 2018 are recorded in governmental funds as taxes receivable and deferred inflows of resources as of December 31, 2017 since the amount is measurable but not available until 2018. An allowance for uncollectible taxes is not provided as the uncollectible amounts were determined to be negligible based upon an analysis of historical trends.

Interfund Transactions

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

Inventories

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

Capital Assets

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

San Miguel County, Colorado
Notes to Financial Statements
December 31, 2017

Note 1 – Summary of Significant Accounting Policies (continued)

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

Capital Assets

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

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

Future Compensated Absences

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

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

Long-term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements. Long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. At December 31, 2017 the only long term debt that San Miguel County had was from the accrual of compensated absences and capital leases.

Fund Equity

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

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

San Miguel County, Colorado
Notes to Financial Statements
December 31, 2017

Note 1 – Summary of Significant Accounting Policies (continued)

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

Fund Equity (continued)

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

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

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

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

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

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

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

As provided for in the amendment the voters of San Miguel County approved in November 1994, for the 1995 budget year and subsequent budget years, that the San Miguel County mill levy may remain at the 1994 level of 10.120 mills; and, authorized the County to increase its revenues and expenditure limitations beyond those authorized by Article X, Section 20 as amended, for 1995 and each subsequent year thereafter, in the amount of \$750,000 per year. In 2017, an additional mill levy was approved of .75 mills for early childhood education.

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

Note 1 – Summary of Significant Accounting Policies (continued)

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

Estimates

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

Contraband Proceeds

The Colorado Contraband Forfeiture Act requires the proceeds from the seizure of contraband be audited although they are not subject to the appropriations process. During 2017, the County had no proceeds from the seizures of contraband.

Note 2 – Stewardship, Compliance, and Accountability

A. Budgetary Information

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

B. Budgeted Level of Expenditures

The budgetary control is maintained at the department level for the general fund and at specific fund level for all other funds. Although the budget shows various classifications by object and by function, the department directors are authorized to transfer budgeted amounts within each of the object classifications. All annual appropriations lapse at year end. During 2017, one supplemental appropriation was adopted by the County Commissioners.

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

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

San Miguel County, Colorado
Notes to Financial Statements
December 31, 2017

Note 3 – Deposits and Investments

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories; eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to the aggregate uninsured deposits. Collateral in the pool is considered to be equal to depository insurance pursuant to definitions listed in GASB Statement No. 40. At December 31, 2017, the bank balance of the County's deposits was \$ 9,959,769 of which \$ 891,608 was covered by federal depository insurance and \$ 9,068,161 was collateralized under PDPA.

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

The County had invested \$ 9,437,274 in the Colorado Government Liquid Asset Trust (COLOTRUST), and \$7,103,080 in CSAFE, which are investment vehicles established for local government entities in Colorado to pool surplus funds. They operate similarly to a money market fund and each share is equal in value to \$1.00. Investments in these pools consist of U.S. Treasury bills, notes and note strips and repurchase agreements collateralized by U.S. Treasury securities. A designated custodial bank provides safekeeping and depository services for these investment pools in connection with the direct investment and withdrawal functions. Substantially all securities owned by these investment pools are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned these pools. These pools are not required to and are not registered with the SEC, but are rated AAA by Standard and Poor's, Fitch's and Moody's rating services.

The County's investments carried at fair market value as of December 31, 2017 are:

	<u>Fair Value</u>	<u>Credit Risk</u>
Sweep Account-Government Bonds	\$ 2,149,231	AAAm
Federal Home Loan Mortgage	545,402	Aaa
Money Market-SIGMA	5,696	Not Rated
ColoTrust (Governmental Pool)	9,437,274	AAA
Csafe	<u>7,103,080</u>	AAA
	<u>\$19,240,683</u>	

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

<u>Description</u>	<u>Cost</u>
Demand deposits and cash	\$ 552,548
Certificates of deposits and savings	7,793,863
Investments	19,240,683
Cash and receivables	<u>609,638</u>
	<u>\$ 28,196,732</u>

San Miguel County, Colorado
Notes to Financial Statements
December 31, 2017

Note 4 – Capital Assets

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

Governmental Activities:

	Balances 1/1/2017	Additions	Deletions	Balances 12/31/2017
Capital assets not being depreciated				
Land	\$ 8,355,053	\$ -	\$ -	\$ 8,355,053
Construction in progress	88,978	33,835	-	122,813
Infrastructure	59,004,170	-	-	59,004,170
Total capital assets not being depreciated	<u>67,448,201</u>	<u>33,835</u>	<u>-</u>	<u>67,482,036</u>
 Capital assets being depreciated				
Buildings and improvements	17,251,085	18,881	-	17,269,966
Equipment and furniture	8,974,483	236,385	(201,043)	9,009,825
Total capital assets being depreciated	<u>26,225,568</u>	<u>255,266</u>	<u>(201,043)</u>	<u>26,279,791</u>
 Less accumulated depreciation				
Buildings and improvements	5,875,995	413,244	-	6,289,239
Equipment and furniture	6,344,283	387,169	(188,211)	6,543,241
Total accumulated depreciation	<u>12,220,278</u>	<u>800,413</u>	<u>(188,211)</u>	<u>12,832,480</u>
Total capital assets being depreciated, net	<u>14,005,290</u>	<u>(545,147)</u>	<u>(12,832)</u>	<u>13,447,311</u>
 Governmental activities capital assets	<u>\$ 81,453,491</u>	<u>\$ (511,312)</u>	<u>\$ (12,832)</u>	<u>\$ 80,929,347</u>

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

Governmental activities:	
General government	\$ 211,464
Public safety	240,375
Public works	248,466
Recreation and culture	88,352
Health and welfare	<u>11,756</u>
Total depreciation expense-governmental activities	<u>\$ 800,413</u>

San Miguel County, Colorado
Notes to Financial Statements
December 31, 2017

Note 5 – Long-Term Liabilities

Long-term obligations

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

General capitalized lease obligations payable are comprised of the following:

Zion Bank, land purchase agreement, semi-annual payments on June 20th and December 20th at \$97,846.45 with an additional payment of \$48,482.50 in June for total payments each year of \$244,175.00 through December 2025 at 2.074% annual interest rate. \$ 1,713,773

Year	Principal	Interest	Payment
2018	\$ 209,965	\$ 34,210	\$ 244,175
2019	214,343	29,832	244,175
2020	218,811	25,364	244,175
2021	223,373	20,802	244,175
2022	228,030	16,145	244,175
2023-2025	619,251	19,515	638,766
Total	<u>\$ 1,713,773</u>	<u>\$ 145,868</u>	<u>\$ 1,859,641</u>

The repayment of the capital lease is subject to annual appropriations by the County Commissioners. Leased land under Capital Leases in Capital Assets at December 31, 2017 included the following: Land \$3,962,423.

A summary of long-term debt is as follows:

	Payable January 2017	Additions	Deletions	Payable December 2017
General capitalized lease obligation	\$ 1,919,521	\$ -	\$ 205,748	\$ 1,713,773
Compensated absences payable	758,481	-	16,139	742,342
	<u>\$ 2,678,002</u>	<u>\$ -</u>	<u>\$ 221,887</u>	<u>\$ 2,456,115</u>

San Miguel County, Colorado
Notes to Financial Statements
December 31, 2017

Note 6 – Retirement Plan

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

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

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

The County's total payroll was \$ 8,267,568 in 2017. The total payroll covered by the pension plan was \$ 6,740,760 in 2017. The total contribution paid was \$ 698,600 in 2017 (10% of covered payroll), \$ 337,038 by the employees and \$ 361,562 by the County.

The County has no liability for losses under the plan.

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

Note 7 – Post Employment Benefits

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

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

San Miguel County, Colorado
Notes to Financial Statements
December 31, 2017

Note 8 – Noncash Program Activity

Schedule of EBT Authorizations, Warrant Expenditures, and Total Expenditures
For the Year Ended December 31, 2017

	County EBT Authorizations	State and Federal Share of Authorizations	Expenditures by County Warrant	Authorizations Plus Expenses by County Warrant	Total County Expenditures
TANF	\$ 47,174	\$ (69,457)	\$ 29,785	\$ 76,959	\$ 7,502
Child care	72,609	(59,642)	9,079	81,688	22,046
Child welfare	41,017	(193,471)	194,743	235,760	42,289
Child welfare-TANF reserve	-	-	359	359	359
FS Job Search	-	(1,642)	2,289	2,289	647
Administration	56,749	(112,296)	80,894	137,643	25,347
Core services	16,730	(13,687)	-	16,730	3,043
Aid to needy disabled	1,967	(1,573)	-	1,967	394
Old age pension	21,213	(26,604)	5,391	26,604	-
Child Support	-	(8,105)	9,497	9,497	1,392
LEAP	32,933	(36,877)	3,944	36,877	-
Medicaid transportation	-	(13,848)	18,801	18,801	4,953
General assistance	-	(30,000)	-	-	(30,000)
Miscellaneous	-	(147,781)	77,210	81,840	(65,941)
Subtotal	290,392	(714,983)	431,992	727,014	12,031
Food assistance	370,947	(370,947)	-	370,947	-
Grand total	<u>\$ 661,339</u>	<u>\$ (1,085,930)</u>	<u>\$ 431,992</u>	<u>\$ 1,097,961</u>	<u>\$ 12,031</u>

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

San Miguel County, Colorado
Notes to Financial Statements
December 31, 2017

Note 9 – Budget Amendment

During 2017 the County amended its budget once. The following is a schedule of the changes to the original budget:

Fund	Original Budget	Revisions	Final Budget
General	\$ 10,879,296	\$ -	\$ 10,879,296
Road and Bridge	4,298,715	-	4,298,715
Open Space	1,320,577	-	1,320,577
Public Welfare	1,395,300	-	1,395,300
Transit	301,552	110,000	411,552
Sales tax capital	2,204,136	-	2,204,136
Retirement	443,000	10,000	453,000
Conservation Trust	-	2,000	2,000
Lodging Tax Tourism	472,925	100,000	572,925
Vegetation Management	174,873	-	174,873
Public Health	528,162	42,000	570,162
Energy	12,500	-	12,500
Housing Authority	14,638	15,000	29,638
SMC Solid Waste Disposal District	116,955	-	116,955
Totals	<u>\$ 22,162,629</u>	<u>\$ 279,000</u>	<u>\$ 22,441,629</u>

Note 10 - Transfers

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

Fund	Transfers In	Transfers Out
General	\$ 250,000	\$ 442,080
Retirement	85,000	-
Public Welfare	30,000	-
Public Health	267,080	-
Sales Tax Capital	-	258,517
Open Space and Park	20,000	20,000
Vegetation Management	80,000	-
Road and Bridge	8,517	20,000
Totals	<u>\$ 740,597</u>	<u>\$ 740,597</u>

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

San Miguel County, Colorado
Notes to Financial Statements
December 31, 2017

Note 11 – Loan Receivable

On September 19, 2012 the County made a loan to the San Miguel Community Facilities, Inc. (SMCF) in the amount of \$140,000 for the construction of a childcare facility. Until October 1, 2017, SMCF will pay interest on the principal balance of the loan at an annual rate of 2.5%. Beginning October 1, 2017, SMCF will pay interest to the County at an annual rate to be determine by adding .25% to the most recent Prime Rate published in the Wall Street Journal on the date that is 45 days before that Adjusted Date. Principal and interest payments on the loan are paid monthly commencing on November 1, 2012 and continuing until October 1, 2022 at which time the entire remaining principal balance shall become due and payable to the County. The principal balance on the loan receivable was \$115,913 at December 31, 2017.

SAN MIGUEL COUNTY, COLORADO
INFORMATION ABOUT INFRASTRUCTURE ASSETS REPORTED USING
THE MODIFIED APPROACH
For the year ended December 31, 2017

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

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

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

ROADS

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

Condition Assessments

Roads are categorized as native, gravel and oil surface. Formal condition assessments are not done on natural and rock surface roads. These roads are maintained on an as-needed basis, for example, when a road is washed out. Formal condition assessments are performed on all gravel and oil surface roads at least once every three years in accordance with GASB 34. Each year a formal assessment is performed on a portion of the County's roads on a rotating basis. The results of formal condition assessments performed in 2016 and 2017 are disclosed. The process and purpose of these condition assessments are described briefly below.

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

SAN MIGUEL COUNTY, COLORADO
INFORMATION ABOUT INFRASTRUCTURE ASSETS REPORTED USING
THE MODIFIED APPROACH
For the year ended December 31, 2017

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

Condition Rating of the County's Road System

Percentage of Lane-Miles in Fair to Excellent Conditions in 2017:

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

Percentage of Lane-Miles in Poor Conditions in 2017:

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

Comparison of Needed-to-Actual Maintenance/Preservation in 2017: The County did not budget separately for maintenance/preservation costs for roads and bridges in 2017, therefore they are shown combined below. Amounts will be budgeted separately in the future.

	2013	2014	2015	2016	2017
Estimated	\$4,515,962	\$4,590,215	\$4,997,345	\$5,254,819	\$4,278,716
Actual	\$3,398,770	\$3,402,792	\$4,073,378	\$4,678,215	\$3,192,055

SAN MIGUEL COUNTY, COLORADO
INFORMATION ABOUT INFRASTRUCTURE ASSETS REPORTED USING
THE MODIFIED APPROACH
For the year ended December 31, 2017

BRIDGES

The structural sufficiency of the County's bridges is determined using the state of Colorado's Structure Inspection and Inventory Program. The bridge sufficiency rating is based on the assessment of the ability of individual components to function structurally. The rating system uses a numerical scale from 50 (needs replacement) to 100 (new). It is the County's policy to keep the number and square footage of deck area of bridges with a condition rating of fair equal to or greater than 70 percent. Bridges are inspected by the state of Colorado Department of Transportation every two years. GASB 34 requires inspection every three years. The most recent inspection was in 2014. There were no new bridge structures added to the system during 2017.

Disclosures for a Network of Bridges 2017

Number of Bridges

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

SAN MIGUEL COUNTY, COLORADO
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2017
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2016

	Budgeted		Actual	Variance	2016
	Original	Final			Actual
Revenues					
Property taxes	\$ 5,020,846	\$ 5,020,846	\$ 5,024,778	\$ 3,932	\$ 4,918,331
Sales and miscellaneous taxes	1,638,421	1,638,421	2,035,475	397,054	1,794,241
Fees and charges	1,055,650	1,055,650	1,301,301	245,651	1,172,115
Licenses and permits	170,700	170,700	283,151	112,451	217,449
Intergovernmental	1,219,678	1,219,678	1,776,812	557,134	1,659,606
Interest earnings	75,000	75,000	192,919	117,919	122,616
Miscellaneous	195,695	195,695	264,566	68,871	179,066
Total revenues	<u>9,375,990</u>	<u>9,375,990</u>	<u>10,879,002</u>	<u>1,503,012</u>	<u>10,063,424</u>
Expenditures					
Current					
General government	4,893,292	4,893,292	4,494,786	398,506	4,585,267
Judicial	296,321	296,321	258,872	37,449	270,428
Public Safety	5,067,477	5,067,477	5,029,225	38,252	4,136,490
Auxiliary services	190,126	190,126	182,434	7,692	165,203
Total expenditures	<u>10,447,216</u>	<u>10,447,216</u>	<u>9,965,317</u>	<u>481,899</u>	<u>9,157,388</u>
Revenues over (under) expenditures	(1,071,226)	(1,071,226)	913,685	1,984,911	906,036
Other Financing Sources					
Transfer in (Out)	(182,080)	(182,080)	(192,080)	(10,000)	(480,500)
Total other financing sources	<u>(182,080)</u>	<u>(182,080)</u>	<u>(192,080)</u>	<u>(10,000)</u>	<u>(480,500)</u>
Revenues and other sources over expenditures	(1,253,306)	(1,253,306)	721,605	1,974,911	425,536
Fund balance, January 1	12,998,976	12,998,976	12,972,139	1,532,756	12,546,603
Fund balance, December 31	<u>\$11,745,670</u>	<u>\$11,745,670</u>	<u>\$13,693,744</u>	<u>\$3,507,667</u>	<u>\$12,972,139</u>

SAN MIGUEL COUNTY, COLORADO
ROAD AND BRIDGE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2017
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Budgeted</u>		<u>Actual</u>	<u>Variance</u>	<u>2016</u>
	<u>Original</u>	<u>Final</u>			<u>Actual</u>
Revenues					
Taxes					
General property tax	\$1,500,453	\$1,500,453	\$ 1,490,751	\$ (9,702)	\$ 1,513,337
Specific ownership tax	48,500	48,500	64,645	16,145	59,253
Penalty and interest	3,000	3,000	3,946	946	4,504
Total	<u>1,551,953</u>	<u>1,551,953</u>	<u>1,559,342</u>	<u>7,389</u>	<u>1,577,094</u>
Intergovernmental					
Payment in lieu of taxes	540	540	540	-	540
Mineral leasing	65,000	65,000	29,630	(35,370)	64,003
Forest service	30,000	30,000	-	(30,000)	24,093
R & B services	26,000	26,000	-	(26,000)	-
Federal land and materials	200	200	-	(200)	-
Total	<u>121,740</u>	<u>121,740</u>	<u>30,170</u>	<u>(91,570)</u>	<u>88,636</u>
Intergovernmental - State and Local					
Highway user's - County	2,000,000	2,000,000	1,994,466	(5,534)	1,950,009
Grants	-	-	-	-	230,399
Town of Sawpit	1,200	1,200	1,432	232	1,322
Automobile registration	24,000	24,000	21,479	(2,521)	22,778
Total	<u>2,025,200</u>	<u>2,025,200</u>	<u>2,017,377</u>	<u>(7,823)</u>	<u>2,204,508</u>
Licenses and permits					
Special permits and fees	3,000	3,000	2,365	(635)	1,250
Total	<u>3,000</u>	<u>3,000</u>	<u>2,365</u>	<u>(635)</u>	<u>1,250</u>
Miscellaneous					
Charges for services	402	402	425	23	528
Sale of assets	-	-	9,971	9,971	8,941
Total revenues	<u>3,702,295</u>	<u>3,702,295</u>	<u>3,630,424</u>	<u>(71,871)</u>	<u>3,907,889</u>
Expenditures					
Current					
Maintenance of conditions	3,114,496	3,114,496	2,131,260	983,236	3,606,168
Snow and ice removal	41,128	41,128	24,800	16,328	23,971
Administration	1,123,092	1,123,092	1,035,995	87,097	1,048,076
Total expenditures	<u>4,278,716</u>	<u>4,278,716</u>	<u>3,192,055</u>	<u>1,086,661</u>	<u>4,678,215</u>
Revenues over (under)					
expenditures	(576,421)	(576,421)	438,369	1,014,790	(770,326)
Transfers in (out)					
	8,000	8,000	(11,483)	(19,483)	92,471
Fund balance, January 1	2,196,406	2,196,406	3,024,128	827,722	3,576,474
Changes in reserve for inventory	-	-	(54,485)	(54,485)	125,509
Fund balance, December 31	<u>\$1,627,985</u>	<u>\$1,627,985</u>	<u>\$ 3,396,529</u>	<u>\$1,768,544</u>	<u>\$ 3,024,128</u>

SAN MIGUEL COUNTY, COLORADO
OPEN SPACE AND PARK FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2017
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2016

	Budgeted		Actual	Variance	2016
	Original	Final			Actual
Revenues					
Taxes					
General property tax	\$ 1,184,173	\$ 1,184,173	\$ 1,176,909	\$ (7,264)	\$ 1,194,739
Specific ownership tax	37,500	37,500	51,035	13,535	46,779
Penalty and interest	2,200	2,200	3,116	916	3,556
Total	<u>1,223,873</u>	<u>1,223,873</u>	<u>1,231,060</u>	<u>7,187</u>	<u>1,245,074</u>
Intergovernmental					
Payment in lieu of taxes	400	400	426	26	426
Other grants	20,000	20,000	11,446	(8,554)	-
Total	<u>20,400</u>	<u>20,400</u>	<u>11,872</u>	<u>(8,528)</u>	<u>426</u>
Miscellaneous					
Event center fees	3,000	3,000	2,989	(11)	8,195
Fairground fees	17,500	17,500	8,402	(9,098)	13,562
Other fees	5,000	5,000	6,136	1,136	2,341
Other	2,200	2,200	34,513	32,313	7,016
Total	<u>27,700</u>	<u>27,700</u>	<u>52,040</u>	<u>24,340</u>	<u>31,114</u>
Total revenues	<u>1,271,973</u>	<u>1,271,973</u>	<u>1,294,972</u>	<u>22,999</u>	<u>1,276,614</u>
Expenditures					
Current					
Recreation	209,555	209,555	203,344	6,211	207,217
Open space commission	229,150	229,150	83,002	146,148	168,707
Historical preservation	90,100	90,100	19,756	70,344	41,502
Fairgrounds and regional park	283,727	283,727	226,858	56,869	215,470
Parks administration	488,045	488,045	243,516	244,529	291,229
Total expenditures	<u>1,300,577</u>	<u>1,300,577</u>	<u>776,476</u>	<u>524,101</u>	<u>924,125</u>
Other financing sources and (uses)					
Transfer In (Out)	-	-	-	-	(9,041)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(9,041)</u>
Revenues over (under) expenditures	(28,604)	(28,604)	518,496	547,100	343,448
Fund balance, January 1	2,518,392	2,518,392	2,519,993	1,601	2,176,545
Fund balance, December 31	<u>\$ 2,489,788</u>	<u>\$ 2,489,788</u>	<u>\$ 3,038,489</u>	<u>\$ 548,701</u>	<u>\$ 2,519,993</u>

**SAN MIGUEL COUNTY, COLORADO
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2017**

WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2016

	Lodging					
	Tax Tourism	Sales Tax	Transit	Contingent	Welfare	Retirement
Assets						
Cash and cash equivalents	\$ 56,195	\$2,559,378	\$220,539	\$627,831	\$ 81,027	\$ 50,890
Taxes receivable	-	-	-	-	127,799	321,558
Notes receivable	-	115,913	-	-	-	-
Due from other governmental units	-	-	-	-	32,985	-
Other receivables	120,919	203,990	82,656	-	1,160	11,255
Total assets	<u>\$177,114</u>	<u>\$2,879,281</u>	<u>\$303,195</u>	<u>\$627,831</u>	<u>\$242,971</u>	<u>\$383,703</u>
Liabilities and fund balances						
Liabilities						
Accounts payable	\$ 168,830	\$ 134,918	\$ 23,695	\$ -	\$ 9,635	\$ 20,645
Accrued payroll	-	-	-	-	-	-
Accrued vacation and sick leave	-	-	-	-	-	-
Total liabilities	<u>168,830</u>	<u>134,918</u>	<u>23,695</u>	<u>-</u>	<u>9,635</u>	<u>20,645</u>
Deferred Inflows of Resources						
Unearned revenues	-	-	-	-	9,347	-
Deferred property tax revenue	-	-	-	-	127,799	321,558
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>137,146</u>	<u>321,558</u>
Fund balances						
Reserved for:						
Emergencies	-	-	-	627,831	-	-
Transportation	-	-	279,500	-	-	-
Housing	-	-	-	-	-	-
Energy	-	-	-	-	-	-
Solid waste	-	-	-	-	-	-
Air quality	-	-	-	-	-	-
Capital Acquisition	-	-	-	-	-	-
Unreserved:	8,284	2,744,363	-	-	96,190	41,500
Total fund balances	<u>8,284</u>	<u>2,744,363</u>	<u>279,500</u>	<u>627,831</u>	<u>96,190</u>	<u>41,500</u>
Total liabilities and fund balances	<u>\$177,114</u>	<u>\$2,879,281</u>	<u>\$303,195</u>	<u>\$627,831</u>	<u>\$242,971</u>	<u>\$383,703</u>

Conservation Trust	Public Health	Energy	Vegetation Management	Dependent Districts	Totals	
					2017	2016
\$ 74,624	\$ 18,809	\$ 23,775	\$ (16,158)	\$1,449,105	\$ 5,146,015	\$ 4,845,647
-	-	-	-	-	449,357	431,112
-	-	-	-	-	115,913	116,981
-	-	-	-	-	32,985	31,080
-	180,464	-	92,907	-	693,351	403,405
<u>\$ 74,624</u>	<u>\$ 199,273</u>	<u>\$ 23,775</u>	<u>\$ 76,749</u>	<u>\$1,449,105</u>	<u>\$ 6,437,621</u>	<u>\$ 5,828,225</u>
\$ -	\$ 25,642	\$ (641)	\$ 22,791	\$ 5,979	\$ 411,494	\$ 320,699
-	-	-	-	-	-	10,155
-	34,085	-	-	-	34,085	34,085
-	59,727	(641)	22,791	5,979	445,579	364,939
-	-	-	-	-	9,347	5,203
-	-	-	-	-	449,357	431,112
-	-	-	-	-	458,704	436,315
-	-	-	-	-	627,831	627,831
-	-	-	-	-	279,500	284,981
-	-	-	-	1,369,868	1,369,868	1,228,246
-	-	24,416	-	-	24,416	27,742
-	-	-	-	73,258	73,258	114,882
-	65,411	-	-	-	65,411	65,411
-	-	-	39,396	-	39,396	34,091
74,624	74,135	-	14,562	-	3,053,658	2,643,787
<u>74,624</u>	<u>139,546</u>	<u>24,416</u>	<u>53,958</u>	<u>1,443,126</u>	<u>5,533,338</u>	<u>5,026,971</u>
<u>\$ 74,624</u>	<u>\$ 199,273</u>	<u>\$ 23,775</u>	<u>\$ 76,749</u>	<u>\$1,449,105</u>	<u>\$ 6,437,621</u>	<u>\$ 5,828,225</u>

SAN MIGUEL COUNTY, COLORADO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2017
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2016

	Lodging		Transit		Welfare	Retirement
	Tax Tourism	Sales Tax	Fund	Contingent		
Revenues						
Taxes	\$ 614,756	\$ 1,266,244	\$ -	\$ -	\$ 125,345	\$ 320,075
Intergovernmental	-	-	110,000	-	930,585	-
Charges for services	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Interest earnings	-	-	1,632	-	-	-
Miscellaneous	-	5,729	286,143	-	-	34,440
Total revenues	614,756	1,271,973	397,775	-	1,055,930	354,515
Expenditures						
Current:						
Public safety	-	-	-	-	-	-
Retirement benefits and contributions	-	-	-	-	-	437,372
Health and human services	-	-	-	-	1,097,960	-
Urban development, housing and transportation	-	-	403,256	-	-	-
Economic development	614,636	-	-	-	-	-
Energy programs	-	-	-	-	-	-
Vegetation management	-	-	-	-	-	-
Capital outlay	-	448,089	-	-	-	-
Debt service payments	-	244,200	-	-	-	-
Total expenditures	614,636	692,289	403,256	-	1,097,960	437,372
Excess (deficiency) of revenues over expenditures	120	579,684	(5,481)	-	(42,030)	(82,857)
Other financing sources and (uses)						
Transfer In (Out)	-	(258,517)	-	-	30,000	85,000
Sale of assets	-	15,679	-	-	-	-
Total other financing sources (uses)	-	(242,838)	-	-	30,000	85,000
Net change to fund balance	120	336,846	(5,481)	-	(42,030)	2,143
Fund balance, January 1	8,164	2,407,517	284,981	627,831	108,220	39,357
Fund balance, December 31	\$ 8,284	\$ 2,744,363	\$ 279,500	\$ 627,831	\$ 96,190	\$ 41,500

Conservation Trust	Public Health	Energy	Vegetation Management	Dependent Districts	Totals	
					2017	2016
\$ -	\$ -	\$ -	\$ -	\$ 46,721	\$ 2,373,141	\$ 2,317,384
27,421	197,975	-	66,999	-	1,332,980	1,357,158
-	36,759	-	12,297	298,775	347,831	328,551
-	50,344	-	-	-	50,344	18,697
-	-	-	-	5,676	7,308	4,417
1,000	4,527	-	-	65	331,904	201,374
<u>28,421</u>	<u>289,605</u>	<u>-</u>	<u>79,296</u>	<u>351,237</u>	<u>4,443,508</u>	<u>4,227,581</u>
-	-	-	-	101,179	101,179	101,591
-	-	-	-	-	437,372	424,484
-	506,191	-	-	-	1,604,151	1,654,389
-	-	-	-	150,060	553,316	622,422
-	-	-	-	-	614,636	594,449
-	-	3,326	-	-	3,326	6,873
-	-	-	148,309	-	148,309	185,986
1,805	-	-	-	-	449,894	732,866
-	-	-	-	-	244,200	244,200
<u>1,805</u>	<u>506,191</u>	<u>3,326</u>	<u>148,309</u>	<u>251,239</u>	<u>4,156,383</u>	<u>4,567,260</u>
26,616	(216,586)	(3,326)	(69,013)	99,998	287,125	(339,679)
-	267,080	-	80,000	-	203,563	397,070
-	-	-	-	-	15,679	-
<u>-</u>	<u>267,080</u>	<u>-</u>	<u>80,000</u>	<u>-</u>	<u>219,242</u>	<u>397,070</u>
26,616	50,494	(3,326)	10,987	99,998	506,367	57,391
<u>48,008</u>	<u>89,052</u>	<u>27,742</u>	<u>42,971</u>	<u>1,343,128</u>	<u>5,026,971</u>	<u>4,969,580</u>
<u>\$ 74,624</u>	<u>\$ 139,546</u>	<u>\$ 24,416</u>	<u>\$ 53,958</u>	<u>\$ 1,443,126</u>	<u>\$ 5,533,338</u>	<u>\$ 5,026,971</u>

SAN MIGUEL COUNTY, COLORADO
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS - DEPENDENT DISTRICTS
YEAR ENDED DECEMBER 31, 2017
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2016

	San Miguel Disposal District	San Miguel County Housing Authority	Totals	
			2017	2016
Assets				
Cash and cash equivalents	\$ 79,237	\$ 1,369,868	\$ 1,449,105	\$1,350,616
Other receivables	-	-	-	3,024
Total assets	<u>\$ 79,237</u>	<u>\$ 1,369,868</u>	<u>\$ 1,449,105</u>	<u>\$1,353,640</u>
Liabilities and fund balances				
Liabilities				
Accounts payable	\$ 5,979	\$ -	\$ 5,979	\$ 10,512
Total liabilities	<u>5,979</u>	<u>-</u>	<u>5,979</u>	<u>10,512</u>
Fund balances				
Reserved for:				
Housing	-	1,369,868	1,369,868	1,228,246
Solid waste	73,258	-	73,258	114,882
Total fund balances	<u>73,258</u>	<u>1,369,868</u>	<u>1,443,126</u>	<u>1,343,128</u>
Total liabilities and fund balances	<u>\$ 79,237</u>	<u>\$ 1,369,868</u>	<u>\$ 1,449,105</u>	<u>\$1,353,640</u>

SAN MIGUEL COUNTY, COLORADO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS - DEPENDENT DISTRICTS
YEAR ENDED DECEMBER 31, 2017
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2016

	San Miguel Disposal District	San Miguel County Housing Authority	Totals	
			2017	2016
Revenues				
Taxes	\$ 46,721	\$ -	\$ 46,721	\$ 45,758
Charges for services	12,779	285,996	298,775	266,360
Interest earnings	-	5,676	5,676	3,211
Miscellaneous	55	10	65	62
Total revenues	<u>59,555</u>	<u>291,682</u>	<u>351,237</u>	<u>315,391</u>
Expenditures				
Current:				
Public safety	101,179	-	101,179	101,591
Urban development, housing and transportation	-	150,060	150,060	358,982
Total expenditures	<u>101,179</u>	<u>150,060</u>	<u>251,239</u>	<u>460,573</u>
Net change to fund balance	(41,624)	141,622	99,998	(145,182)
Fund balance, January 1	<u>114,882</u>	<u>1,228,246</u>	<u>1,343,128</u>	<u>1,488,310</u>
Fund balance, December 31	<u>\$ 73,258</u>	<u>\$ 1,369,868</u>	<u>\$ 1,443,126</u>	<u>\$ 1,343,128</u>

SAN MIGUEL COUNTY, COLORADO
LODGING TAX TOURISM FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2017
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Budgeted</u>		<u>Actual</u>	<u>Variance</u>	<u>2016</u>
	<u>Original</u>	<u>Final</u>			<u>Actual</u>
Revenues					
Taxes					
Lodging tax	\$ 472,500	\$ 572,500	\$ 614,756	\$ 42,256	\$ 594,449
Total revenues	<u>472,500</u>	<u>572,500</u>	<u>614,756</u>	<u>42,256</u>	<u>594,449</u>
Expenditures					
Current					
Economic development					
Other contracted services	472,925	572,925	614,636	(41,711)	594,449
Total expenditures	<u>472,925</u>	<u>572,925</u>	<u>614,636</u>	<u>(41,711)</u>	<u>594,449</u>
Revenues over (under) expenditures	(425)	(425)	120	545	-
Fund balance, January 1	<u>7,940</u>	<u>7,940</u>	<u>8,164</u>	<u>224</u>	<u>8,164</u>
Fund balance, December 31	<u>\$ 7,515</u>	<u>\$ 7,515</u>	<u>\$ 8,284</u>	<u>\$ 769</u>	<u>\$ 8,164</u>

SAN MIGUEL COUNTY, COLORADO
SALES TAX CAPITAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2017
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Budgeted</u>		<u>Actual</u>	<u>Variance</u>	<u>2016</u>
	<u>Original</u>	<u>Final</u>			<u>Actual</u>
Revenues					
Taxes					
Sales and use tax	\$ 1,200,000	\$1,200,000	\$1,266,244	\$ 66,244	\$1,224,799
Grants	337,483	337,483	-	(337,483)	-
Miscellaneous	2,875	2,875	5,729	2,854	2,993
Total revenues	<u>1,540,358</u>	<u>1,540,358</u>	<u>1,271,973</u>	<u>(268,385)</u>	<u>1,227,792</u>
Expenditures					
Capital outlay	1,681,936	1,681,936	448,089	1,233,847	702,799
Debt service					
Lease payments	244,200	244,200	244,200	-	244,200
Total expenditures	<u>1,926,136</u>	<u>1,926,136</u>	<u>692,289</u>	<u>1,233,847</u>	<u>946,999</u>
Revenues over (under) expenditures	(385,778)	(385,778)	579,684	965,462	280,793
Other Financing Sources					
Sale of assets	-	-	15,679	15,679	-
Transfers In (Out)	(278,000)	(278,000)	(258,517)	19,483	(112,471)
Total other financing sources	<u>(278,000)</u>	<u>(278,000)</u>	<u>(242,838)</u>	<u>35,162</u>	<u>(112,471)</u>
Revenues and other sources over expenditures	(663,778)	(663,778)	336,846	1,000,624	168,322
Fund balance, January 1	<u>2,328,914</u>	<u>2,328,914</u>	<u>2,407,517</u>	<u>78,603</u>	<u>2,239,195</u>
Fund balance, December 31	<u>\$ 1,665,136</u>	<u>\$1,665,136</u>	<u>\$2,744,363</u>	<u>\$1,079,227</u>	<u>\$2,407,517</u>

SAN MIGUEL COUNTY, COLORADO
TRANSIT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2017
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Budgeted</u>		<u>Actual</u>	<u>Variance</u>	<u>2016</u>
	<u>Original</u>	<u>Final</u>			<u>Actual</u>
Revenues					
Interest	\$ 500	\$ 500	\$ 1,632	\$ 1,132	\$ 937
Grants	110,000	110,000	110,000	-	110,000
Other	15,000	125,000	89,374	(35,626)	13,800
RETA fees	105,000	105,000	196,769	91,769	155,871
Total revenues	<u>230,500</u>	<u>340,500</u>	<u>397,775</u>	<u>57,275</u>	<u>280,608</u>
Expenditures					
Current					
Other	25,400	135,400	102,057	33,343	13,057
Transportation contract	276,152	276,152	301,199	(25,047)	250,383
Total expenditures	<u>301,552</u>	<u>411,552</u>	<u>403,256</u>	<u>(25,047)</u>	<u>263,440</u>
Revenues over (under) expenditures	(71,052)	(71,052)	(5,481)	65,571	17,168
Fund balance, January 1	<u>231,760</u>	<u>231,760</u>	<u>284,981</u>	<u>53,221</u>	<u>267,813</u>
Fund balance, December 31	<u>\$ 160,708</u>	<u>\$ 160,708</u>	<u>\$279,500</u>	<u>\$118,792</u>	<u>\$ 284,981</u>

SAN MIGUEL COUNTY, COLORADO
CONTINGENT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2017
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Budgeted</u>		<u>Actual</u>	<u>Variance</u>	<u>2016</u>
	<u>Original</u>	<u>Final</u>			<u>Actual</u>
Revenues					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures					
Current					
General government	-	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues over (under) expenditures	-	-	-	-	-
Fund balance, January 1	<u>627,831</u>	<u>627,831</u>	<u>627,831</u>	<u>-</u>	<u>627,831</u>
Fund balance, December 31	<u>\$ 627,831</u>	<u>\$ 627,831</u>	<u>\$ 627,831</u>	<u>\$ -</u>	<u>\$ 627,831</u>

SAN MIGUEL, COLORADO
PUBLIC WELFARE FUND-SOCIAL SERVICES
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL

YEAR ENDED DECEMBER 31, 2017

WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Budgeted</u>		<u>Actual</u>	<u>Variance</u>	<u>2016</u>
	<u>Original</u>	<u>Final</u>			<u>Actual</u>
Revenues					
Taxes	\$ 126,515	\$ 126,515	\$ 125,345	\$ (1,170)	\$ 128,658
County administration	72,000	72,000	64,066	(7,934)	132,505
Old age pension	51,450	51,450	26,604	(24,846)	26,428
Aid to the needy and disabled	9,600	9,600	1,573	(8,027)	620
Child care	47,000	47,000	59,642	12,642	49,752
Food assistance	500,000	500,000	370,947	(129,053)	390,125
Child welfare	245,000	245,000	193,711	(51,289)	207,146
Core services	44,800	44,800	13,687	(31,113)	24,182
Leap	64,500	64,500	36,877	(27,623)	27,677
CSBG grant	10,000	10,000	12,956	2,956	12,919
Colorado works	70,000	70,000	69,457	(543)	46,809
Child support	6,600	6,600	8,105	1,505	7,744
Medicaid transportation and other	16,000	16,000	13,848	(2,152)	19,258
Miscellaneous	78,600	78,600	59,112	(19,488)	1,742
Total revenues	<u>1,342,065</u>	<u>1,342,065</u>	<u>1,055,930</u>	<u>(286,135)</u>	<u>1,075,565</u>
Expenditures					
County funded grants	66,000	66,000	57,035	8,965	25,121
County administration	160,000	160,000	80,894	79,106	162,275
Old age pension	51,500	51,500	26,604	24,896	26,428
Colorado works	80,000	80,000	76,857	3,143	56,726
Aid to the needy and disabled	12,000	12,000	1,967	10,033	775
Medicaid transportation	16,000	16,000	18,801	(2,801)	19,258
Child care	52,000	52,000	81,688	(29,688)	60,144
General assistance	10,000	10,000	10,924	(924)	2,443
Leap	64,500	64,500	36,877	27,623	27,677
Child welfare	295,000	295,000	235,760	59,240	252,723
Core services	49,800	49,800	16,730	33,070	27,863
CSBG grant	10,000	10,000	12,778	(2,778)	2,164
Child support	10,000	10,000	9,497	503	9,516
Direct cost allocation	(8,500)	(8,500)	(8,147)	(353)	(8,236)
Food assistance	500,000	500,000	370,947	129,053	393,600
Miscellaneous	27,000	27,000	68,748	(41,748)	-
Total expenditures	<u>1,395,300</u>	<u>1,395,300</u>	<u>1,097,960</u>	<u>297,340</u>	<u>1,058,477</u>
Excess (deficiency) of revenues over expenditures	(53,235)	(53,235)	(42,030)	11,205	17,088
Transfer In	30,000	30,000	30,000	-	-
Fund balance, January 1	110,916	110,916	108,220	(2,696)	91,132
Fund balance, December 31	<u>\$ 87,681</u>	<u>\$ 87,681</u>	<u>\$ 96,190</u>	<u>\$ 8,509</u>	<u>\$ 108,220</u>

SAN MIGUEL COUNTY, COLORADO
RETIREMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2017
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Budgeted</u>		<u>Actual</u>	<u>Variance</u>	<u>2016</u>
	<u>Original</u>	<u>Final</u>			<u>Actual</u>
Revenues					
Taxes					
General property tax	\$ 307,885	\$ 307,885	\$ 305,995	\$ (1,890)	\$ 310,631
Delinquent tax	-	-	1	1	1
Specific ownership tax	10,000	10,000	13,269	3,269	12,163
Penalty and interest	600	600	810	210	925
Other					
Forfeitures and miscellaneous	22,500	22,500	34,440	11,940	27,508
Total revenues	<u>340,985</u>	<u>340,985</u>	<u>354,515</u>	<u>13,530</u>	<u>351,228</u>
Expenditures					
Current					
Employer's contribution	443,000	453,000	437,372	15,628	424,484
Total expenditures	<u>443,000</u>	<u>453,000</u>	<u>437,372</u>	<u>15,628</u>	<u>424,484</u>
Revenues over (under) expenditures	(102,015)	(112,015)	(82,857)	29,158	(73,256)
Other Financing Sources					
Transfers (Out)	75,000	85,000	85,000	-	50,000
Total other financing sources	<u>75,000</u>	<u>85,000</u>	<u>85,000</u>	<u>-</u>	<u>50,000</u>
Revenues and other sources over expenditures	(27,015)	(27,015)	2,143	29,158	(23,256)
Fund balance, January 1	<u>37,297</u>	<u>37,297</u>	<u>39,357</u>	<u>2,060</u>	<u>62,613</u>
Fund balance, December 31	<u>\$ 10,282</u>	<u>\$ 10,282</u>	<u>\$ 41,500</u>	<u>\$ 31,218</u>	<u>\$ 39,357</u>

SAN MIGUEL COUNTY, COLORADO
CONSERVATION TRUST FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2017
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Budgeted</u>		<u>Actual</u>	<u>Variance</u>	<u>2016</u>
	<u>Original</u>	<u>Final</u>			<u>Actual</u>
Revenues					
Intergovernmental					
State lottery proceeds	\$ 24,000	\$ 24,000	\$ 27,421	\$ 3,421	\$ 30,734
Miscellaneous	-	-	1,000	1,000	-
Interest income	100	100	-	(100)	269
Total revenues	<u>24,100</u>	<u>24,100</u>	<u>28,421</u>	<u>4,321</u>	<u>31,003</u>
Expenditures					
Current					
Capital outlay	-	2,000	1,805	195	30,067
Total expenditures	<u>-</u>	<u>2,000</u>	<u>1,805</u>	<u>195</u>	<u>30,067</u>
Revenues over (under) expenditures	24,100	22,100	26,616	4,516	936
Fund balance, January 1	<u>40,355</u>	<u>40,355</u>	<u>48,008</u>	<u>7,653</u>	<u>47,072</u>
Fund balance, December 31	<u>\$ 64,455</u>	<u>\$ 62,455</u>	<u>\$ 74,624</u>	<u>\$ 12,169</u>	<u>\$ 48,008</u>

SAN MIGUEL COUNTY, COLORADO
PUBLIC HEALTH FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2017
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Budgeted</u>		<u>Actual</u>	<u>Variance</u>	2016
	<u>Original</u>	<u>Final</u>			<u>Actual</u>
Revenues					
Intergovernmental	\$ 193,053	\$ 193,053	\$ 197,975	\$ 4,922	\$ 230,788
Licenses and permits	33,000	33,000	50,344	17,344	18,697
Charges for services	40,000	40,000	36,759	(3,241)	38,638
Miscellaneous	-	-	4,527	4,527	1,134
Total revenues	<u>266,053</u>	<u>266,053</u>	<u>289,605</u>	<u>23,552</u>	<u>289,257</u>
Expenditures					
Current					
Health and welfare	<u>528,162</u>	<u>570,162</u>	<u>506,191</u>	<u>63,971</u>	<u>595,912</u>
Total expenditures	<u>528,162</u>	<u>570,162</u>	<u>506,191</u>	<u>63,971</u>	<u>595,912</u>
Revenues over (under) expenditures	(262,109)	(304,109)	(216,586)	87,523	(306,655)
Other Financing Sources					
Transfers In or (Out)	<u>267,080</u>	<u>267,080</u>	<u>267,080</u>	<u>-</u>	<u>370,500</u>
Total other financing sources	<u>267,080</u>	<u>267,080</u>	<u>267,080</u>	<u>-</u>	<u>370,500</u>
Revenues and other sources over expenditures	4,971	(37,029)	50,494	87,523	63,845
Fund balance, January 1	<u>12,986</u>	<u>12,986</u>	<u>89,052</u>	<u>76,066</u>	<u>25,207</u>
Fund balance, December 31	<u>\$ 17,957</u>	<u>\$ (24,043)</u>	<u>\$ 139,546</u>	<u>\$ 163,589</u>	<u>\$ 89,052</u>

SAN MIGUEL COUNTY, COLORADO
ENERGY FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2017
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Budgeted</u>		<u>Actual</u>	<u>Variance</u>	<u>2016</u>
	<u>Original</u>	<u>Final</u>			<u>Actual</u>
Revenues					
Miscellaneous					
Other	\$ -	\$ -	\$ -	\$ -	\$ -
Interest income	-	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures					
Current					
Energy programs	<u>12,500</u>	<u>12,500</u>	<u>3,326</u>	<u>9,174</u>	<u>6,873</u>
Total expenditures	<u>12,500</u>	<u>12,500</u>	<u>3,326</u>	<u>9,174</u>	<u>6,873</u>
Revenues over (under) expenditures	(12,500)	(12,500)	(3,326)	9,174	(6,873)
Fund balance, January 1	<u>13,115</u>	<u>13,115</u>	<u>27,742</u>	<u>14,627</u>	<u>34,615</u>
Fund balance, December 31	<u>\$ 615</u>	<u>\$ 615</u>	<u>\$ 24,416</u>	<u>\$ 23,801</u>	<u>\$ 27,742</u>

**SAN MIGUEL COUNTY, COLORADO
VEGETATION MANAGEMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2017
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2016**

	<u>Budgeted</u>		<u>Actual</u>	<u>Variance</u>	<u>2016</u>
	<u>Original</u>	<u>Final</u>			<u>Actual</u>
Revenues					
Taxes					
Charges for Services	\$ 11,500	\$ 11,500	\$ 12,297	\$ 797	\$ 23,553
Intergovernmental	58,106	58,106	66,999	8,893	38,729
Other	-	-	-	-	6
Total revenues	<u>69,606</u>	<u>69,606</u>	<u>79,296</u>	<u>9,690</u>	<u>62,288</u>
Expenditures					
Vegetation Management	<u>174,873</u>	<u>174,873</u>	<u>148,309</u>	<u>26,564</u>	<u>185,986</u>
Total expenditures	<u>174,873</u>	<u>174,873</u>	<u>148,309</u>	<u>26,564</u>	<u>185,986</u>
Revenues over (under) expenditures	(105,267)	(105,267)	(69,013)	36,254	(123,698)
Other Financing Sources					
Transfers (Out)	<u>85,000</u>	<u>85,000</u>	<u>80,000</u>	<u>5,000</u>	<u>89,041</u>
Total other financing sources	<u>85,000</u>	<u>85,000</u>	<u>80,000</u>	<u>5,000</u>	<u>89,041</u>
Revenues and other sources over expenditures	(20,267)	(20,267)	10,987	31,254	(34,657)
Fund balance, January 1	<u>78,768</u>	<u>78,768</u>	<u>42,971</u>	<u>(35,797)</u>	<u>77,628</u>
Fund balance, December 31	<u>\$ 58,501</u>	<u>\$ 58,501</u>	<u>\$ 53,958</u>	<u>\$ (4,543)</u>	<u>\$ 42,971</u>

SAN MIGUEL COUNTY, COLORADO
SAN MIGUEL DISPOSAL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2017
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Budgeted</u>		<u>Actual</u>	<u>Variance</u>	<u>2016</u>
	<u>Original</u>	<u>Final</u>			<u>Actual</u>
Revenues					
Taxes					
General property tax	\$ 44,447	\$ 44,447	\$ 44,547	\$ 100	\$ 43,922
Specific ownership tax	1,400	1,400	1,915	515	1,716
Penalty and interest	75	75	259	184	120
Total taxes	<u>45,922</u>	<u>45,922</u>	<u>46,721</u>	<u>799</u>	<u>45,758</u>
Intergovernmental					
Other	50	50	55	5	52
Charges for services	16,000	16,000	12,779	(3,221)	14,924
Total intergovernmental	<u>16,050</u>	<u>16,050</u>	<u>12,834</u>	<u>(3,216)</u>	<u>14,976</u>
Total revenues	<u>61,972</u>	<u>61,972</u>	<u>59,555</u>	<u>(2,417)</u>	<u>60,734</u>
Expenditures					
Current					
General government					
Waste disposal	116,955	116,955	101,179	15,776	101,591
Total expenditures	<u>116,955</u>	<u>116,955</u>	<u>101,179</u>	<u>15,776</u>	<u>101,591</u>
Revenues over (under) expenditures	(54,983)	(54,983)	(41,624)	13,359	(40,857)
Fund balance, January 1	<u>103,348</u>	<u>103,348</u>	<u>114,882</u>	<u>11,534</u>	<u>155,739</u>
Fund balance, December 31	<u>\$ 48,365</u>	<u>\$ 48,365</u>	<u>\$ 73,258</u>	<u>\$ 24,893</u>	<u>\$ 114,882</u>

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1. Click Ctrl + A on a Windows machine or Command + A on a Mac to select all data.
2. Right-click your mouse and select Print.
3. Confirm that print settings are correct - make sure "selection only" isn't checked.
4. Print hard copy or to PDF.
5. Click "Edit Mode" to return to modifying your data.
6. Remember to click "Save" to save any changes.

ANNUAL HIGHWAY FINANCE REPORT - CY17

Email address: phylliss@sanmiguelcountyco.gov

City/County: San Miguel County

II - RECEIPTS FOR ROAD AND STREET PURPOSES

Please no commas or dollar signs for the input

A. Receipts from local sources

2. General Fund Appropriations:	\$	0.00
3. Other local imposts: <i>from A.3. Total below</i>	\$	1,559,342.00
4. Miscellaneous local receipts: <i>from A.4. Total below</i>	\$	32,052.00
5. Transfers from toll facilities	\$	0.00
6. Proceeds of sale of bonds and notes		
a. Bonds - Original Issues:	\$	0.00
b. Bonds - Refunding Issues:	\$	0.00
c. Notes:	\$	0.00
SubTotal:	\$	1,591,394.00

B. Private Contributions \$ 0.00

II - RECEIPTS FOR ROAD AND STREET PURPOSES (Detail)

Please no commas or dollar signs for the input

A.3. Other local imposts

a. Property Taxes and Assessments	\$	1,494,697.00
b. Other Local Imposts		
1. Sales Taxes:	\$	0.00
2. Infrastructure and Impact Fees:	\$	0.00

3. Liens:	\$	0.00
4. Licenses:	\$	0.00
5. Specific Ownership and/or Other:	\$	64,645.00
Total: (a + b) carried to 'Other local imposts' above		\$ 1,559,342.00

A.4. Miscellaneous local receipts

Please no commas or dollar signs for the input

a. Interest on Investments:	\$	0.00
b. Traffic fines & Penalties:	\$	0.00
c. Parking Garage Fees:	\$	0.00
d. Parking Meter Fees:	\$	0.00
e. Sale of Surplus Property:	\$	10,774.00
f. Charges for Services:	\$	0.00
g. Other Misc. Receipts:	\$	21,278.00
h. Other:	\$	0.00
Total: (a through h) carried to 'Misc local receipts' above		\$ 32,052.00

C. Receipts from State Government

Please no commas or dollar signs for the input

1. Highway User Taxes:	\$	1,995,898.00
3. Other State funds:		
c. Motor Vehicle Registrations:	\$	21,479.00
d. Other (Specify):		
Comments: undefined	\$	0.00
e. Other (Specify):		
Comments: undefined	\$	0.00
Total: (1+3c,d,e)		\$ 2,017,377.00

D. Receipts from Federal Government

Please no commas or dollar signs for the input

2. Other Federal Agencies		
a. Forest Service:	\$	0.00
b. FEMA:	\$	0.00
c. HUD:	\$	0.00
d. Federal Transit Administration:	\$	0.00
e. U.S. Corp of Engineers	\$	0.00
f. Other Federal:	\$	30,169.00
Total: (2a-f)		\$ 30,169.00

III - DISBURSEMENTS FOR ROAD AND STREET PURPOSES

Please no commas or dollar signs for the input

A. Local highway disbursements

1. Capital outlay: <i>(from A.1.d. Total Capital Outlay below)</i>	\$	0.00
2. Maintenance:	\$	2,087,156.00
3. Road and street services		
a. Traffic control operations:	\$	0.00
b. Snow and ice removal:	\$	83,882.00
c. Other:	\$	0.00
4. General administration & miscellaneous	\$	1,034,552.00
5. Highway law enforcement and safety	\$	0.00
	Total: (A.1-5)	\$ 3,205,590.00

Please no commas or dollar signs for the input

B. Debt service on local obligations

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

Please no commas or dollar signs for the input

C. Payments to State for Highways:	\$	0.00
D. Payments to Toll Facilities:	\$	0.00

Total Disbursements: (A+B+C+D) \$ 3,205,590.00

Please no commas or dollar signs for the input

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

Please no commas or dollar signs for the input

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

IV. LOCAL HIGHWAY DEBT STATUS

Please no commas or dollar signs for the input

	OPENING DEBT	AMOUNT ISSUED	REDEMPTIONS	CLOSING DEBT
A. Bonds (Total)	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
1. Bonds (Refunding Portion)		\$ 0.00	\$ 0.00	\$ 0.00
B. Notes (Total):	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00

V - LOCAL ROAD AND STREET FUND BALANCE

Please no commas or dollar signs for the input

A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
\$ 2,146,077.00	\$ 3,638,940.00	\$ 3,205,590.00	\$ 2,579,427.00	\$ 0.00

Notes & Comments:
undefined

Please enter your name: Phyllis Shaffer

Please provide a telephone number where you may be reached: 970.327.4835

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FORM FHWA-536e (Version 4.5) - CY17

SAN MIGUEL, COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2017

Federal Grantor/Pass Through Grantor/Program Title	FEDERAL CFDA NUMBER	FEDERAL AWARDS EXPENDED
DEPARTMENT OF HEALTH AND HUMAN SERVICES		
Passed Through Colorado Department of Health care policy and Financing Medical Assistance program	93.778	\$ 54,714
Passed Through Colorado Department of Public Health and Environment:		
Public Health Emergency Preparedness	93.069	3,000
Public Health EPR	93.074	14,714
Family Planning Services	93.217	-
Childhood Immunization	93.268	1,109
Maternal and Child health Services Block Grant to the states	93.994	8,118
Passed Through Colorado Department of Human Services		
Temporary Assistance to Needy Families	93.558	69,202
Child Support Enforcement (Title IV-d)	93.563	35,111
Low Income Home Energy Assistance	93.568	3,945
Child Care and Development Block Grant	93.575	19,874
Child Care mandatory and Matching Funds of the Child Care and Development fund and Development Block Grant	93.596	24,381
Child Welfare Services - State Grants	93.645	1,209
Foster Care - Title IV-E	93.658	50,600
Adoption Assistance	93.659	6,478
Social Services Block Grant	93.667	21,729
Single Entry Point	93.XXX	32,953
Total Department of Health and Human Services		\$ 347,137

SAN MIGUEL COUNTY, COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2017

<u>Federal Grantor/Pass Through Grantor/Program Title</u>	<u>FEDERAL CFDA NUMBER</u>	<u>FEDERAL AWARDS EXPENDED</u>
DEPARTMENT OF AGRICULTURE		
Passed Through Colorado Department of Health Services:		
SNAP	10.551	\$ 844
State Administrative matching Grants for Food Stamp program	10.561	\$ 48,277
Passed Through Colorado Department of Public Health and Environment:		
Special Supplemental Nutrition program for Women, Infants, and Children	10.557	28,218
Special Supplemental Nutrition program Women Infants and Children - Non Cash	10.557	41,822
Total Department of Agriculture		<u>119,161</u>
DEPARTMENT OF HOMELAND SECURITY		
Passed Through Colorado Department of Public Safety:		
Emergency Management Performance Grant	97.042	54,000
Homeland Security Grants-2015, 2016 and 2017	97.067	324,814
		<u>378,814</u>
DEPARTMENT OF JUSTICE		
Passed Through Bureau of Justice Affairs:		
JAG Grant	16.606	<u>11,764</u>
DEPARTMENT OF TRANSPORTATION		
Passed Through Colorado Department of Transportation:		
Formula Grants For Rural Areas	20.509	110,000
		<u>110,000</u>
Total federal award expenditures		<u><u>\$ 966,876</u></u>

SAN MIGUEL, COLORADO
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

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

NOTE B - REPORTING ENTITY

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

NOTE C - PASS-THROUGH AWARDS

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

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of San Miguel County, Colorado, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise San Miguel County, Colorado's basic financial statements, and have issued our report thereon dated August 27, 2018.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

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

Purpose of this Report

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

Blair and Associates, P.C.

Cedaredge, Colorado
August 27, 2018

Blair
and
Associates P.C.

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM

AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

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

Report on Compliance for Each Major Federal Program

We have audited the San Miguel County, Colorado's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the San Miguel County, Colorado's major federal programs for the year ended December 31, 2017. San Miguel County, Colorado's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the San Miguel County, Colorado, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2017.

Report on Internal Control over Compliance

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

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

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

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

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

Blair and Associates, P.C.

Cedaredge, Colorado
August 27, 2018

SAN MIGUEL, COLORADO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year ended December 31, 2017

Section I - Summary of Auditor's Results

Financial Statements

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

Federal Awards

Internal Control over major programs:	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	None Reported
Type of auditor's report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance 2 CFR 200.516	No

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
97.067	Home land Security Grants-2015 2016 and 2017

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

SAN MIGUEL, COLORADO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS — CONTINUED
Year ended December 31, 2017

SECTION II — Financial Statement Findings

None noted in the current year audit

SECTION III — Federal Award Findings and Questioned Costs

None noted in the current year audit

SAN MIGUEL, COLORADO
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
Year ended December 31, 2017

FINDINGS UNDER GENERALLY ACCEPTED GOVERNMENT AUDITING STANDARDS

None

FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS 2016 Audit

None