
San Juan County, Colorado

Financial Statements
and
Independent Auditor's Report

December 31, 2018

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INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
San Juan County, Colorado

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of San Juan County, Colorado, as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the San Juan County, Colorado, as of December 31, 2018, 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.

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Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information for major funds on pages 3-10 and 32-34 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 Juan County, Colorado's basic financial statements. The combining and individual nonmajor fund financial statements, Schedule of revenues, expenditures and changes in fund balances and Local Highway Finance Report are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Blair and Associates, P.C.

Cedaredge, Colorado
November 12, 2019

SAN JUAN COUNTY
Management's Discussion and Analysis
Fiscal Year Ended December 31, 2018

As management of the San Juan County (the "County"), we offer readers of the County's basic financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended December 31, 2018. We encourage readers to consider the information presented here in conjunction with additional information provided in the financial statements.

FINANCIAL HIGHLIGHTS

- The County's assets exceeded its liabilities by \$ 6,770,679 (i.e. net position) as of December 31, 2018, a decrease of \$ 323,771 in comparison to the prior year.
- Governmental funds reported combined ending fund balances of \$ 2,507,376, a decrease of \$ 181,025 in comparison with the prior year.
- The County's fund balance for the General Fund was \$ 1,064,917, a decrease of \$ 449,533 in comparison to the prior year.
- Total long-term liabilities decreased by \$ 59,920 during the 2018 fiscal year with new debt of \$22,044 issued in 2018.
- General property tax, sales tax, and other tax totaled \$ 1,570,247 or 76% of general revenues.

OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The basic statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the County's finances in a manner similar to a private-sector business.

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

The **statement of activities** presents information showing how the County's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*.

Thus, revenues and expenses reported in this statement for some items will result in cash flows in future periods (e.g. uncollected taxes and earned but unused personal time).

The government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (*Governmental Activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*Business-type Activities*). The Governmental Activities of the County include general government administration, police, fire, public works, and tourism.

Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Fund accounting is used to ensure and demonstrate compliance with finance-related legal requirements. The County's funds can be divided into two categories: Governmental 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, unlike the government-wide financial statements, governmental fund financial statements focus on *short-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's short-term financing requirements. The accounting method is called *modified accrual* accounting.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental activities in the *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's short-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 between *governmental funds* and *governmental activities*.

The County maintains four major government funds, the General, Road and Bridge, Social Services and Emergency Services Sales Tax Funds. Information is presented separately in the governmental fund balance sheets and in the governmental fund statement of revenues, expenditures, and changes in fund balances for those funds.

Fiduciary Funds-The County maintains one type of fiduciary fund.

Notes to Financial Statements

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position

As noted previously, net position may serve over time as a useful indicator of the County's financial position. For the year ended December 31, 2018, the County's combined assets exceeded liabilities and deferred inflow of resources by \$ 6,770,679. Of this amount, \$ 1,278,966 is unrestricted and available to meet the County's ongoing financial obligations.

By far the largest portion of net position is the investment in capital assets (net of related debt) of \$ 4,247,929 (63% of net position). This amount reflects the investment in all capital assets (e.g. infrastructure, land, buildings, and equipment) less any related debt used to acquire those assets that are still outstanding. These capital assets are used to provide services to citizens; consequently, these assets are not available for future spending. Although the investment in capital assets is reported net of debt, it should be noted that the resources needed to repay this debt must be provided from other sources since capital assets themselves cannot be used to liquidate these liabilities.

The following table summarizes the County's governmental net position for 2017 and 2018:

	Governmental Activities	
	2017	2018
Assets		
Current and other assets	\$ 4,029,454	\$ 3,787,504
Capital assets	5,021,562	4,816,573
Total assets	9,051,016	8,604,077
Current Liabilities	500,002	444,223
Non-current liabilities		
Leases payable	570,905	507,125
Total liabilities	1,070,907	951,348
Deferred Inflow of Resources		
Deferred revenues	885,660	882,050
Net Position		
Investment in capital assets, net of related debt	4,392,999	4,247,929
Restricted	946,075	1,243,784
Unrestricted	1,755,375	1,278,966
Total net position	\$ 7,094,449	\$ 6,770,679

An additional portion of net position, \$ 1,243,784, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, \$ 1,278,966 (19% of net position), may be used to meet the government's ongoing obligations to citizens and creditors.

Change in Net Position

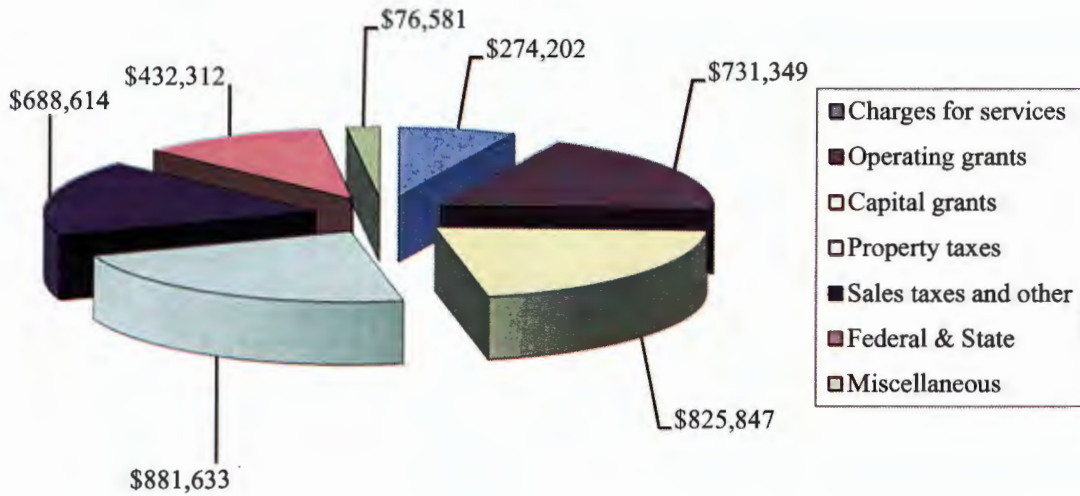
Governmental activities decreased the County's net position by \$ 326,094 in 2018.

	Governmental Activities	
	2017	2018
Revenues		
Program revenues		
Charges for services	\$ 257,041	\$ 288,130
Operating grants	601,135	731,349
Capital grants	825,847	825,847
General revenues		
Property taxes	849,862	881,633
Sales taxes and other	448,127	688,614
Federal and State	57,513	432,312
Miscellaneous	43,850	76,581
Totals	<u>3,083,375</u>	<u>3,924,466</u>
Expenses		
General Government	1,464,692	2,387,427
Judicial	25,523	15,436
Public safety	704,485	942,983
Health and welfare	266,047	269,741
Public works	676,990	553,863
Tourism	43,341	78,787
Total expenses	<u>3,181,078</u>	<u>4,248,237</u>
Increase in net position	(97,703)	(323,771)
Beginning	<u>7,192,153</u>	<u>7,094,450</u>
Ending	<u>\$ 7,094,450</u>	<u>\$ 6,770,679</u>

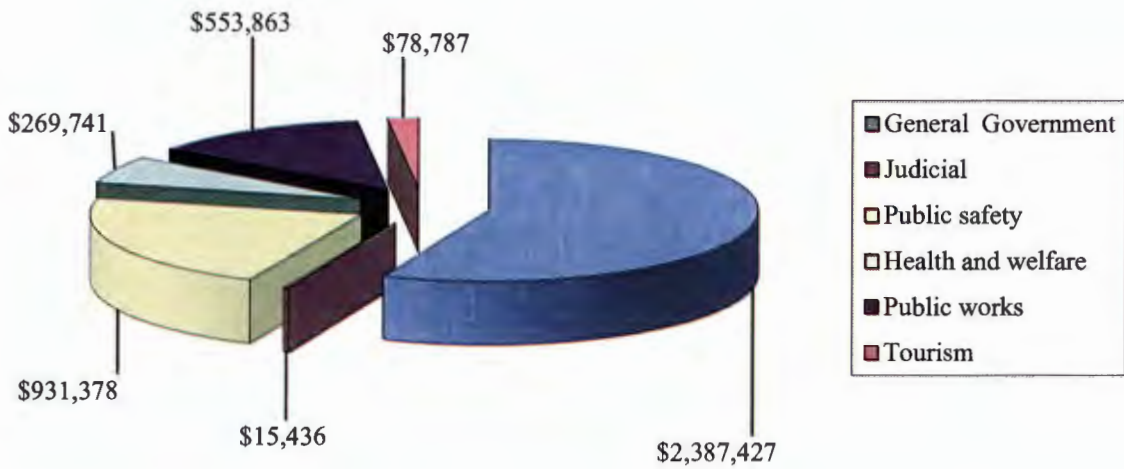
Governmental Activities

Governmental activities decreased the County's net position by \$ 326,094.

Revenues by Source-Governmental Activities



Expenses by Department-Governmental Activities



FINANCIAL ANALYSIS OF GOVERNMENT'S FUNDS

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 the County's net resources available for spending at the end of the fiscal year.

As of the end of 2018 the County's governmental funds reported combined ending fund balances of \$ 2,507,376, a decrease of \$ 181,025 in comparison with the prior year. Of the combined ending fund balances for all governmental funds 22% of this total amount, \$ 562,133, constitutes unassigned fund balance, which is available for appropriation at the County's discretion. The remainder of the fund balance is reserved to indicate that it is not available for new spending because it is already committed to meet other obligations.

The County has four major governmental funds, the General, Road and Bridge, Social Services and Emergency Services Sales Tax Funds. At the end of 2018, unassigned fund balance of the General Fund was \$ 562,133, while the total fund balance was \$ 1,064,917. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. The fund balance of the County's General Fund decreased by \$ 449,533 during 2018.

GENERAL FUND BUDGETARY HIGHLIGHTS

The County budgeted \$ 2,926,579 for 2018 expenditures. Actual expenditures were \$ 3,417,572.

CAPITAL ASSET AND DEBT ADMINISTRATION

The County's investment in capital assets for its governmental and business-type activities as of December 31, 2018, was \$ 4,816,573. The investment in capital assets includes land, buildings, building improvements, and equipment.

	Balance January 1, 2018	Additions	Dispositions	Balance December 31, 2018
Governmental Activities				
Capital assets not being depreciated				
Land	\$ 148,584	\$ -	\$ -	\$ 148,584
Total	<u>148,584</u>	<u>-</u>	<u>-</u>	<u>148,584</u>
Capital assets being depreciated				
Buildings	4,117,260	-	-	4,117,260
Equipment and vehicles	2,570,932	46,452	-	2,617,384
Infrastructure	1,360,063	-	-	1,360,063
Total	<u>8,048,255</u>	<u>46,452</u>	<u>-</u>	<u>8,094,707</u>
Less accumulated depreciation				
Buildings	(888,970)	(73,367)	-	(962,337)
Equipment and vehicles	(1,886,092)	(133,571)	-	(2,019,663)
Infrastructure	(400,215)	(44,503)	-	(444,718)
Total	<u>(3,175,277)</u>	<u>(251,441)</u>	<u>-</u>	<u>(3,426,718)</u>
Capital assets being depreciated, net	<u>4,872,978</u>	<u>(204,989)</u>	<u>-</u>	<u>4,667,989</u>
Total Governmental Activities capital assets	<u>\$ 5,021,562</u>	<u>\$ (204,989)</u>	<u>\$ -</u>	<u>\$ 4,816,573</u>

Long-term Debt

	Balance January 1, 2018	Additions	Reductions	Balance December 31, 2018	Due within one year
Governmental Activities					
Leases payable	\$ 606,520	\$ 22,044	\$ 59,920	\$ 568,644	\$ 61,519
Total	<u>\$ 606,520</u>	<u>\$ 22,044</u>	<u>\$ 59,920</u>	<u>\$ 568,644</u>	<u>\$ 61,519</u>

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

- The County's General fund has a fund balance that will cover three months of normal operations.
- The Assessed value for San Juan County increased slightly from 44,464,962 to 47,174,891.
- Revenues for San Juan County are projected to stable.
- The Secure Rural Schools and Payment in Lieu of Taxes have both been authorized by Congress. These Federal programs provides necessary revenues for the Road and Bridge Fund.
- An Emergency Services Fund was created to fund the Ambulance Association and Fire Authority. A 2.5% sales tax approved by the voters will generate an estimated \$611,000 per year for the Emergency Services Fund.
- The Gold King Incident of 2015 has resulted in portions of San Juan County being designated as a Superfund Site by EPA. The results of this designation could have an impact upon San Juan County's finances for the next 25 years.
- The Anvil Mountain Subdivision located on the former Walsh Smelter Site has been approved for the development of up to 53 affordable and attainable housing units. The first single family home has been constructed and two additional single family homes are under construction. San Juan County has also completed construction of a 12-unit apartment building to provide affordable workforce housing. The apartments are currently being rented and will be owned and operated by San Juan County.
- The County has an intergovernmental agreement with the Town of Silverton to provide ambulance, law enforcement, planning, code enforcement and building inspection services.
- The Town and County will fund the operation of the Fire Authority.

REQUEST FOR INFORMANTION

The financial report is designed to provide a general overview of the County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in the report or request for additional financial information should be addressed to:

County Administrator
San Juan County
Silverton, Colorado

SAN JUAN COUNTY, COLORADO
STATEMENT OF NET POSITION
December 31, 2018

	<u>Governmental Activities</u>	<u>Component Unit</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 1,960,639	\$ 15,374	\$ 1,976,013
Restricted cash	765,645	-	765,645
Property taxes receivable	882,050	-	882,050
Accrued interest receivable	3,360	-	3,360
Accounts receivable	101,304	-	101,304
Due from other governmental units	59,132	-	59,132
Capital assets, net	<u>4,816,573</u>	-	<u>4,816,573</u>
Total assets	<u>8,588,703</u>	<u>15,374</u>	<u>8,604,077</u>
LIABILITIES			
Accounts payable	382,704	-	382,704
Current portion of long term debt	61,519	-	61,519
Long-term liabilities			
Due more than one year:			
Leases payable	<u>507,125</u>	-	<u>507,125</u>
Total liabilities	<u>951,348</u>	-	<u>951,348</u>
Deferred Inflows of Resources			
Deferred revenue	<u>882,050</u>	-	<u>882,050</u>
NET POSITION			
Invested in capital assets	4,247,929	-	4,247,929
Restricted for:			
Emergencies	30,000	-	30,000
Capital purchases	395,410	-	395,410
Gravel	124,348	-	124,348
Other purposes	694,026	-	694,026
Unrestricted	<u>1,263,592</u>	<u>15,374</u>	<u>1,278,966</u>
Total net position	<u>\$ 6,755,305</u>	<u>\$ 15,374</u>	<u>\$ 6,770,679</u>

See accompanying notes to the basic financial statements

SAN JUAN COUNTY, COLORADO
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2018

	<u>General</u>	<u>Road and Bridge</u>	<u>Social Services</u>
ASSETS			
Cash and cash equivalents	\$ 816,776	\$ 426,900	\$ 57,350
Restricted Cash	502,784	255,932	-
Property taxes receivable	853,550	15,560	12,940
Accrued interest receivable	3,360	-	-
Accounts receivable	16,788	-	61,864
Due from other funds	-	-	22,523
Due from state	20,686	20,976	17,470
Total assets	<u>\$ 2,213,944</u>	<u>\$ 719,368</u>	<u>\$ 172,147</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 272,954	\$ 34,202	\$ 75,548
Due to other funds	22,523	-	-
Total liabilities	<u>295,477</u>	<u>34,202</u>	<u>75,548</u>
Deferred Inflows of Resources			
Deferred revenue	<u>853,550</u>	<u>15,560</u>	<u>12,940</u>
Fund balances:			
Restricted			
Emergencies	-	-	-
Parks and recreation	-	-	-
Committed			
Capital purchases	313,340	82,070	-
Gravel	-	124,348	-
Other purposes	189,444	49,514	-
Tourism	-	-	-
Health and human services	-	-	83,659
Assigned			
Highway and streets	-	413,674	-
Unassigned	562,133	-	-
Total fund balances	<u>1,064,917</u>	<u>669,606</u>	<u>83,659</u>
Total liabilities and fund balances	<u>\$ 2,213,944</u>	<u>\$ 719,368</u>	<u>\$ 172,147</u>

See accompanying notes to the basic financial statements

<u>Emergency Services Sales Tax</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 375,873	\$ 283,740	\$ 1,960,639
-	6,929	765,645
-	-	882,050
-	-	3,360
22,652	-	101,304
-	-	22,523
-	-	59,132
<u>\$ 398,525</u>	<u>\$ 290,669</u>	<u>\$ 3,794,653</u>

\$ -	\$ -	\$ 382,704
-	-	22,523
-	-	405,227

-	-	882,050
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-	30,000	30,000
-	8,246	8,246
-	-	395,410
-	-	124,348
398,525	56,543	694,026
-	195,880	195,880
-	-	83,659
-	-	413,674
-	-	562,133
<u>398,525</u>	<u>290,669</u>	<u>2,507,376</u>
<u>\$ 398,525</u>	<u>\$ 290,669</u>	<u>\$ 3,794,653</u>

SAN JUAN COUNTY, COLORADO
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO THE STATEMENT OF NET POSITION
December 31, 2018

Total governmental fund balances	\$ 2,507,376
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.	4,816,573
Long-term liabilities, including leases payable and compensated absences, are not due and payable in the current period and therefore are not reported in the funds.	
Leases payable	(568,644)
Net position of governmental activities	<u><u>\$ 6,755,305</u></u>

SAN JUAN COUNTY, COLORADO
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended December 31, 2018

	<u>General</u>	<u>Road and Bridge</u>	<u>Social Services</u>
REVENUES			
Property Taxes	\$ 855,719	\$ 11,697	\$ 14,217
Sales Taxes	189,738	-	-
Intergovernmental	1,258,159	525,966	110,061
Licenses and permits	3,675	-	-
Charges for services	11,264	-	-
Fees	262,938	-	-
Miscellaneous	67,007	5,739	-
Total revenues	<u>2,648,500</u>	<u>543,402</u>	<u>124,278</u>
EXPENDITURES			
Current:			
General government	2,340,500	-	-
Judicial	17,696	-	-
Public safety	852,031	-	-
Health and welfare	149,718	-	120,023
Tourism	-	-	-
Public Works	-	391,534	-
Debt Service	25,706	54,512	-
Capital outlay	31,921	29,112	-
Total expenditures	<u>3,417,572</u>	<u>475,158</u>	<u>120,023</u>
Excess (deficiency) of revenues over expenditures	<u>(769,072)</u>	<u>68,244</u>	<u>4,255</u>
OTHER FINANCING SOURCES (USES)			
Transfers in (out)	319,539	5,000	-
Total other financing sources (uses)	<u>319,539</u>	<u>5,000</u>	<u>-</u>
Net change to fund balance	(449,533)	73,244	4,255
Fund balance, January 1	1,514,450	596,362	79,404
Fund balance, December 31	<u>\$ 1,064,917</u>	<u>\$ 669,606</u>	<u>\$ 83,659</u>

See accompanying notes to the basic financial statements

<u>Emergency Services Sales Tax</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ -	\$ -	\$ 881,633
498,876	-	688,614
-	95,322	1,989,508
-	-	3,675
-	-	11,264
-	-	262,938
-	160	72,906
<u>498,876</u>	<u>95,482</u>	<u>3,910,538</u>
-	23	2,340,523
-	-	17,696
-	-	852,031
-	-	269,741
-	78,787	78,787
-	-	391,534
-	-	80,218
-	-	61,033
<u>-</u>	<u>78,810</u>	<u>4,091,563</u>
<u>498,876</u>	<u>16,672</u>	<u>(181,025)</u>
<u>(324,539)</u>	<u>-</u>	<u>-</u>
<u>(324,539)</u>	<u>-</u>	<u>-</u>
174,337	16,672	(181,025)
224,188	273,997	2,688,401
<u>\$ 398,525</u>	<u>\$ 290,669</u>	<u>\$ 2,507,376</u>

SAN JUAN 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, 2018

Net change in fund balances - total governmental funds \$ (181,025)

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.

Capital Outlay	\$ 46,452	
Depreciation expense	<u>(251,441)</u>	(204,989)

The issuance of long-term debt provides current resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of the governmental funds. Neither transaction, however, has any effect on net position. This is the amount by which issuance of long-term debt exceeded principal payments on debt in the current period.

Loan Proceeds		-
Principal payment on long-term debt		<u>59,920</u>

Change in net position of governmental funds \$ (326,094)

SAN JUAN COUNTY, COLORADO
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
December 31, 2018

	<u>Treasurer's Agency Fund</u>
Cash and investments	<u>\$ 108,760</u>
Due to other governments	<u>\$ 108,760</u>

See accompanying notes to the basic financial statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting policies of San Juan 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.

A. Reporting Entity

San Juan County is in western Colorado, located in Silverton, Colorado. San Juan County is a political subdivision of the State of Colorado, governed by an elected three-member Board of County Commissioners. The County provides the following services directly: general government, health and human services, public safety and protection, and road and bridge services. 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 the financial support of the District Attorney of the Ninth Judicial District of the State of Colorado. In 2018, the County contributed \$17,696 for the operation of the District Attorney.

Other

The Emergency Telephone 911 board is appointed by the County Commissioners. The County has financial responsibility over the Emergency Telephone 911. The Emergency Telephone 911 is a component unit of the County and is included in the financial statements at December 31, 2018 as a discrete component unit.

B. 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 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 and intergovernmental revenues, 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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

B. Government-wide and Fund Financial Statements – continued

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*.

Separate financial statements are provided for governmental funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

C. 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 60 days after year end. Property taxes, sales taxes, licenses, and interest are considered to be susceptible to accrual. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources. When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted revenues first, then unrestricted resources as they are needed.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

**C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation–
continued**

The government reports the following major governmental funds:

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.

Special Revenue Funds: are used to account for the proceeds of specific revenue sources that are restricted or committed to expenditures for specific purposes other than debt service or capital projects. The following are the County's major special revenue funds:

Road and Bridge Fund: This fund accounts for the maintenance and construction of County roads.

Social Services Fund: This fund accounts for the administration and operations of the County's public health and welfare system.

Emergency Services Sales Tax Fund accounts for the administration and operations of the County's emergency services system.

The government reports the following non-major governmental funds:

Conservation Trust Fund: This 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: This fund reflects the accumulation and disbursement of funds set aside to be used as needed for unforeseen contingencies.

Noxious Weed Fund: This fund reflects the accumulation and disbursement of funds set aside to be used for the purpose of controlling weeds.

Tourism Fund: This fund reflects the collection of lodging tax to be used to promote tourism in the county.

The County reports the following fiduciary fund type:

Agency Funds: This fund accounts for the monies held on behalf of other governments and agencies that use the County as a depository or for property taxes collected on behalf of the other governments or agencies.

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 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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

D. Assets, Liabilities, and Net Position or Equity

1. Cash and Investments

The County considers cash and cash equivalents in funds to be cash on hand and demand deposits. In addition, because the treasury pool is sufficiently liquid to permit withdrawal of cash at any time without prior notice or penalty, equity in the pool is also deemed to be a cash equivalent.

Investments

Investments at December 31, 2018, consisted of money market mutual funds and certificate of deposits stated at amortized cost and COLOTRUST stated at net asset value.

2. 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 capital leases.

3. Property Taxes

Property taxes are levied in December and attach 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 Juan 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 2018 for collection in 2019 are recorded in governmental funds as taxes receivable and deferred inflows of resources as of December 31, 2018 since the amount is measurable but not available until 2019. An allowance for uncollectible taxes is not provided as the uncollectible amounts were determined to be negligible based upon an analysis of historical trends.

4. 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 position” column. Any residual balances outstanding between “discrete presented component units” and the “primary government” are reported on a separate line.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

D. Assets, Liabilities, and Net Position or Equity continued

5. 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 or business-type 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.

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	50 Years
Equipment and Furniture	7 to 10 Years

6. Long-term Obligations

In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, statement of net position. At December 31, 2018 the only long term debt that San Juan County had was from the accrual of capital leases.

7. Fund Equity

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

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

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 a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint.

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

Unassigned: includes amounts that are available for any purpose; positive amounts are reported only in the general fund.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

D. Assets, Liabilities, and Net Position or Equity– continued

7. Fund Equity

For the General Fund, in the event that an expenditure can be considered restricted or unrestricted (committed, assigned, or unassigned) and both categories have available amounts, the funds will be first applied against the most restrictive fund balance classification.

The order of use of funds for special revenues funds will be from the least constrained to most constrained (i.e., unassigned, assigned, committed, restricted, and then nonspendable).

8. Net Position

Net position represent the difference between assets and liabilities. Net position invested in capital assets, consists of capital assets, net of accumulated depreciation. Net position are 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 position on the entity-wide statements.

As provided for in the amendment the voters of San Juan County approved in November 1995 a resolution authorizing the County to collect, retain and expend revenues collected from taxes and other sources in excess of these limits.

9. 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.

10. 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 2018, 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 Budget 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 2018 no supplemental appropriations were made.

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

NOTE 3- CASH AND INVESTMENTS

A. Deposits

Title II, Article 10.5 of the Colorado Revised Statutes, (the Public Deposit Protection Act of 1989); require all public monies to be deposited in financial institutions that have been designated as eligible public depositories. Eligible public depositories must pledge eligible collateral, as promulgated by the State banking board, having a market value in excess of 102% of the aggregate uninsured public deposits. Eligible collateral must be held in a single financial institution collateral pool in the custody of any federal reserve bank or any branch thereof or of any depository trust company which is a member of the federal reserve system, and which is supervised by the State banking board.

The Statutes further restrict such deposits to eligible public depositories having their principal offices within the State of Colorado. Collateral in the pool is considered to be held in the County's name under custodial credit risk category by pursuant to a private letter ruling from GASB regarding public deposits in the state of Colorado. At year end the carrying amount of the County's Primary Government's Funds and component unit deposits were \$1,225,541 and the bank balance was \$1,247,783. Of the bank balance \$500,000 was covered by FDIC insurance. The remaining \$747,783 was collateralized under the above referenced statute.

NOTE 3- CASH AND INVESTMENTS – continued

B. Investments

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; written repurchase agreements collateralized by certain authorized securities; certain money market funds; guaranteed investments contracts and local government investment pools. The local government investment pool is the Colorado Government Liquid Asset Trust (COLOTRUST). This pooled investment vehicle was established by local government entities in Colorado to pool surplus funds for investment purposes. This pool is overseen by the State Securities Commission. COLOTRUST operate similarly to money market funds and each share valued at \$1.00. The investment pool is routinely monitored by the Colorado Division of Securities with regard to operations and investments. Investments consist of U.S. Treasury bills, notes and note strips, and repurchase agreements collateralized by U.S. Treasury Notes. The designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions of each pooled investment. All securities owned by each pooled investment are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian’s internal records identify the investments owned by each pool investor. These pools are not required to and are not registered with the SEC. COLOTRUST’s funds are rated AAAm by Standard and Poor’s, Fitch’s and Moody’s rating services.

The County’s investments carried at fair market value or amortized costs as of December 31, 2018 are:

	<u>Amortized Costs</u>		
Money Market Funds-SIGMA	\$ 45,772		N/R
Certificate of Deposits	<u>228,542</u>		N/R
Total	<u>\$ 274,314</u>		
	<u>Net Asset Value</u>	<u>Credit Risk</u>	
Colostrust	<u>\$ 1,379,127</u>	AAA	

Table 1 - Summary of Combined Cash and Investments Held By Primary Government and Component Unit.

<u>Description</u>	<u>Cost</u>
Cash on hand	\$ 806
Demand deposits	637,155
Colostrust	1,379,127
Certificates of deposit and savings	585,485
Investments	274,314
Outstanding checks	(23,108)
Total	\$ 2,853,779

San Juan County
Notes to the Financial Statements
December 31, 2018

NOTE 4- CAPITAL ASSETS

Capital assets activity for the year ended December 31, 2018 was as follows:

	Balance January 1, 2018	Additions	Dispositions	Balance December 31, 2018
Governmental Activities				
Capital assets not being depreciated				
Land	\$ 148,584	\$ -	\$ -	\$ 148,584
	<u>148,584</u>	<u>-</u>	<u>-</u>	<u>148,584</u>
Capital assets being depreciated				
Buildings	4,117,260	-	-	4,117,260
Equipment and vehicles	2,570,932	46,452	-	2,617,384
Infrastructure	1,360,063	-	-	1,360,063
	<u>8,048,255</u>	<u>46,452</u>	<u>-</u>	<u>8,094,707</u>
Less accumulated depreciation				
Buildings	(888,970)	(73,367)	-	(962,337)
Equipment and vehicles	(1,886,092)	(133,571)	-	(2,019,663)
Infrastructure	(400,215)	(44,503)	-	(444,718)
	<u>(3,175,277)</u>	<u>(251,441)</u>	<u>-</u>	<u>(3,426,718)</u>
Capital assets being depreciated, net	<u>4,872,978</u>	<u>(204,989)</u>	<u>-</u>	<u>4,667,979</u>
 Total Governmental Activities Capital Assets	 <u>\$ 5,021,562</u>	 <u>\$ (204,989)</u>	 <u>\$ -</u>	 <u>\$ 4,816,573</u>

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

Governmental activities:

General government	\$ 32,323
Public safety	70,686
Public works	<u>148,432</u>
Total depreciation expense-Governmental Activities	<u>\$ 251,441</u>

NOTE 5- LONG-TERM LIABILITIES

	Balance January 1, 2018	Additions	Reductions	Balance December 31, 2018	Due within one year
Governmental Activities					
Leases payable	\$ 606,520	\$ 22,044	\$ 59,920	\$ 568,644	\$ 61,519
Total	<u>\$ 606,520</u>	<u>\$ 22,044</u>	<u>\$ 59,920</u>	<u>\$ 568,644</u>	<u>\$ 61,519</u>

San Juan County
Notes to the Financial Statements
December 31, 2018

NOTE 5- LONG-TERM LIABILITIES – continued

New Shop Building – The County entered into a lease purchase agreement on March 29, 2012 with Citizens State Bank to purchase Lots 16 through 19 of block 32 in the Town of Silverton, Colorado. The amount of the lease was \$ 262,711.49 with \$ 82,711.49 paid up front. The remaining principal was \$ 180,000 payable in 15 annual \$ 12,000 principal payments plus interest paid at 4.750%. Payments are due April 1st of each year below.

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 12,000	\$ 5,114	\$ 17,114
2020	12,000	4,544	16,544
2021	12,000	3,974	15,974
2022	12,000	3,404	15,404
2023	12,000	2,834	14,834
2024-2027	<u>47,667</u>	<u>5,637</u>	<u>53,304</u>
Total	<u>\$ 107,667</u>	<u>\$ 25,507</u>	<u>\$ 133,174</u>

Caterpillar D6T Tractor – The County entered into a lease purchase agreement with Caterpillar in 2016 to purchase a D6T Tractor. The amount of the lease was \$ 284,364. The lease is payable in 5 annual payments of \$36,798 which includes interest paid at 3.2%, with a balloon payment of \$136,720 on February 15, 2021.

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 29,499	\$ 7,299	\$ 36,798
2020	30,443	6,355	36,798
2021	<u>168,138</u>	<u>5,380</u>	<u>173,518</u>
Total	<u>\$ 228,080</u>	<u>\$ 19,034</u>	<u>\$ 247,114</u>

Fire Authority Building – The County entered into a lease purchase agreement with Bank of San Juans in 2014 to finance the construction of fire authority building. The amount of the lease was \$ 292,875, which is payable in 15 annual payments of \$ 25,706.31, which includes principal payments plus interest paid at 3.75%. The following are a schedule of the lease payments.

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 17,715	\$ 7,992	\$ 25,707
2020	18,379	7,327	25,706
2021	19,068	6,638	25,706
2022	19,783	5,923	25,706
2023	20,525	5,181	25,706
2024-2028	<u>117,644</u>	<u>13,876</u>	<u>131,520</u>
Total	<u>\$ 213,114</u>	<u>\$ 46,937</u>	<u>\$ 260,051</u>

NOTE 5- LONG-TERM LIABILITIES – continued

DA Courthouse Remodel – The County entered into a lease purchase agreement to finance the DA Courthouse remodel. The amount of the lease was \$ 21,990, which is payable in 10 annual payments of \$ 2,700.69, which includes principal payments plus interest paid at 2.00%. The following are a schedule of the lease payments.

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 2,305	\$ 7,992	\$ 25,707
2020	2,351	7,327	25,706
2021	2,398	6,638	25,706
2022	2,446	5,923	25,706
2023	2,495	5,181	25,706
2024-2026	<u>7,788</u>	<u>13,876</u>	<u>131,520</u>
Total	<u>\$ 19,783</u>	<u>\$ 46,937</u>	<u>\$ 260,051</u>

NOTE 6- RETIREMENT PLAN

San Juan 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 Juan County provides pension benefits for all 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 one year from the date of employment. 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 3% of the employee's monthly base salary to the plan. Employees may also make additional contributions up to a maximum of 10% of compensation. The County's contribution for each employee (and interest allocated to the employee's account) is 100% vested after five years. If an elected official fails to become re-elected, they immediately become fully vested. Any non-vested County contributions forfeited by an employee who leaves the County's employment are remitted to the County.

The County's total payroll was \$ 943,542 in 2018. The total payroll covered by the pension plan was \$ 818,633 in 2018. The total contribution paid was \$ 53,292 in 2018, \$ 28,733 by the employees and \$ 24,559 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.

San Juan County
Notes to the Financial Statements
December 31, 2018

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 Juan County complies with the Federal Statutes.

NOTE 8- RISK MANAGEMENT

Colorado Counties Casualty and Property Pool

The County is exposed to various risks of loss related to property and casualty losses. The County has joined with other Counties in the State of Colorado to form the Colorado Counties Casualty and Property Pool (CAPP), a public entity risk pool currently operating as a common risk management and insurance program for member counties. The Pool provides the County with general property, vehicle comprehensive and collision, and other liability insurance coverage. The County pays an annual contribution to CAPP for its property and casualty insurance coverage and the County Workers Compensation Pool (CWCP) for its general and workmen’s compensation insurance coverage. The intergovernmental agreement of formation of CAPP and CWCP provides that the pool will be financially self-sustaining through member contributions and additional assessments, if necessary, and that the Pool will purchase insurance through commercial companies for members' claims in excess of a specified self-insured retention, which is determined each policy year.

NOTE 9- NONCASH PROGRAM ACTIVITY

Expenditure/Revenue Report
For the Year Ended December 2018

	County EBT Expended Authorizations	State & Fed Share of All Authorizations	Expenditures By County Warrant	County EBT Authorizations Plus Expend By Co. Warrant	Total County Expenditures
Colorado Works	\$ 21,011.00	\$ 2,905.45	\$ 4,840.90	\$ 25,851.90	\$ 7,746.35
Child Care	82.59	82.59	8,185.02	8,267.61	8,267.61
Child Welfare	-	-	6,511.87	6,511.87	6,511.87
Administration	-	-	48,810.82	48,810.82	48,810.82
Child Support	-	-	668.30	668.30	668.30
Core Services	-	-	24,021.10	24,021.10	24,021.10
LEAP	38,411.92	-	986.30	39,398.22	986.30
Old Age Pension	15,216.85	-	1,389.04	16,605.89	1,389.04
Child Care Quality Grant	-	-	19,926.69	19,926.69	19,926.69
Subtotal	<u>74,722.36</u>	<u>2,988.04</u>	<u>117,664.00</u>	<u>192,386.36</u>	<u>120,652.04</u>
Food Assistance	105,849.18	-	-	105,849.18	105,849.18
Grant Total	<u>\$ 180,571.54</u>	<u>\$ 2,988.04</u>	<u>\$ 117,664.00</u>	<u>\$ 298,235.54</u>	<u>\$ 226,501.22</u>

NOTE 9- NONCASH PROGRAM ACTIVITY- continued

- A. Welfare payments authorized by the San Juan 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. Welfare payments authorized by the San Juan 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).
- C. County share of EBT authorizations - these amounts are settled monthly by a reduction of State cash advances to the County.
- D. Expenditures made by County warrants or other County payment methods
- E. This represents the total cost of the welfare programs that are administered by San Juan County.
- F. This total matches the expenditures on the Social Services Department Fund Statement of Revenues, Expenditures, and Changes in Fund Balance.

NOTE 10- INTERFUND TRANSFERS

The County reports interfund transfers between many of its funds. The sum of all transfers presented in this table agrees with the sum of interfund transfers presented in the balance sheets for governmental.

Interfund transfers at December 31, 2018 were as follows:

Fund	Transfer In	Transfer Out
General	\$ 446,021	\$ 126,482
Road and Bridge	\$ 5,000	
Emergency Services Sales Tax	\$ 121,482	\$ 446,021

NOTE 11- OPERATING LEASE

The County has an operating lease for the use of 2 motor graders with John Deere Financial, with an annual rental lease of \$ 42,023 for 2018 thru 2022.

NOTE 12- CONTRACTUAL COMMITMENTS

Anvil Mountain Apartments

The County has entered into an agreement to build the Anvil Mountain Apartments in 2018. The County has received a DOLA grant of \$315,270, in kind costs from County and Town of Silverton of \$ 737,660 and construction loan of \$1,200,000. Total costs of project is estimated to be \$2,252,930.

Supplementary Information

SAN JUAN COUNTY, COLORADO
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year Ended December 31, 2018

	Budgeted		Actual	Variance
	Original	Final		
REVENUES				
Taxes:				
Property	\$ 861,750	\$ 861,750	\$ 855,719	\$ (6,031)
Other	211,500	211,500	189,738	(21,762)
Intergovernmental	1,698,013	1,698,013	1,258,159	(439,854)
Licenses and permits	5,000	5,000	3,675	(1,325)
Charges for services	17,450	17,450	11,264	(6,186)
Fees	216,346	216,346	262,938	46,592
Miscellaneous	41,200	41,200	67,007	25,807
Total revenues	<u>3,051,259</u>	<u>3,051,259</u>	<u>2,648,500</u>	<u>(402,759)</u>
EXPENDITURES				
Assessor	104,700	104,700	104,306	394
Administrator	102,300	102,300	100,486	1,814
Board of County Commissioners	117,400	117,400	120,553	(3,153)
Clerk and Recorder	91,050	91,050	98,452	(7,402)
County Attorney	48,500	48,500	48,223	277
County Coroner	22,000	22,000	19,210	2,790
County Jail	22,000	22,000	28,120	(6,120)
District Attorney	22,747	22,747	17,696	5,051
Elections	10,000	10,000	14,319	(4,319)
Emergency Medical Services	-	-	461,400	(461,400)
Emergency Office	34,599	34,599	48,890	(14,291)
Veterans Officer	998	998	1,005	(7)
Fire department	-	-	35,082	(35,082)
Intergovernmental	1,555,580	1,555,580	1,492,150	63,430
Courthouse	81,800	81,800	76,555	5,245
Public Health	127,554	127,554	149,718	(22,164)
Miscellaneous	86,000	86,000	102,027	(16,027)
Treasurer's fees	52,000	52,000	55,541	(3,541)
Sheriff	362,401	362,401	365,846	(3,445)
Surveyor	2,200	2,200	2,200	-
Treasurer	82,750	82,750	75,793	6,957
Total department expenses	<u>2,926,579</u>	<u>2,926,579</u>	<u>3,417,572</u>	<u>(490,993)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	446,021	446,021
Transfers out	(121,482)	(121,482)	(126,482)	(5,000)
Total other financing sources and uses	<u>(121,482)</u>	<u>(121,482)</u>	<u>319,539</u>	<u>441,021</u>
Net change to fund balance	3,198	3,198	(449,533)	(452,731)
Fund balance, January 1	906,410	906,410	1,514,450	608,040
Fund balance, December 31	<u>\$ 909,608</u>	<u>\$ 909,608</u>	<u>\$ 1,064,917</u>	<u>\$ 155,309</u>

See accompanying notes to the basic financial statements

SAN JUAN COUNTY, COLORADO
ROAD AND BRIDGE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year Ended December 31, 2018

	Budgeted		Actual	Variance
	Original	Final		
REVENUES				
Property taxes	\$ 12,123	\$ 12,123	\$ 11,697	\$ (426)
Intergovernmental:				
Federal shared revenues	81,000	81,000	81,000	-
State shared revenues	418,413	418,413	444,966	26,553
Total intergovernmental revenues	<u>499,413</u>	<u>499,413</u>	<u>525,966</u>	<u>26,553</u>
Miscellaneous:				
Refund of expenditures	3,500	3,500	1,459	(2,041)
Other miscellaneous revenues	7,700	7,700	4,280	(3,420)
Total miscellaneous revenues	<u>11,200</u>	<u>11,200</u>	<u>5,739</u>	<u>(5,461)</u>
Total revenues	<u>522,736</u>	<u>522,736</u>	<u>543,402</u>	<u>20,666</u>
EXPENDITURES				
Public works	428,626	428,626	386,054	42,572
Capital outlay	30,000	30,000	29,112	888
Debt service	58,000	58,000	54,512	3,488
Treasurer's fees	4,000	4,000	5,480	(1,480)
Total expenditures	<u>520,626</u>	<u>520,626</u>	<u>475,158</u>	<u>45,468</u>
Excess (deficiency) of revenues over expenditures	2,110	2,110	68,244	66,134
OTHER FINANCING SOURCES (USES)				
Transfers in/(out)	-	-	5,000	5,000
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>5,000</u>	<u>5,000</u>
Net change to fund balance	2,110	2,110	73,244	71,134
Fund balance, January 1	355,517	355,517	596,362	240,845
Fund balance, December 31	<u>\$ 357,627</u>	<u>\$ 357,627</u>	<u>\$ 669,606</u>	<u>\$ 311,979</u>

See accompanying notes to the basic financial statements

SAN JUAN COUNTY, COLORADO
SOCIAL SERVICES FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year Ended December 31, 2018

	Budgeted		Actual	Variance
	Original	Final		
REVENUES				
Taxes	\$ 16,000	\$ 16,000	\$ 14,217	\$ (1,783)
Intergovernmental	215,349	215,349	110,061	(105,288)
Total revenues	<u>231,349</u>	<u>231,349</u>	<u>124,278</u>	<u>(107,071)</u>
EXPENDITURES				
Health and welfare	231,135	231,135	120,023	111,112
Total expenditures	<u>231,135</u>	<u>231,135</u>	<u>120,023</u>	<u>111,112</u>
Excess (deficiency) of revenues over expenditures	214	214	4,255	4,041
Fund balance, January 1	87,090	87,090	79,404	7,686
Fund balance, December 31	<u>\$ 87,304</u>	<u>\$ 87,304</u>	<u>\$ 83,659</u>	<u>\$ (3,645)</u>

See accompanying notes to the basic financial statements

SAN JUAN COUNTY, COLORADO
EMERGENCY SERVICES SALES TAX FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year Ended December 31, 2018

	Budgeted		Actual	Variance
	Original	Final		
REVENUES				
Taxes	\$505,000	\$505,000	\$498,876	\$ (6,124)
Total revenues	<u>505,000</u>	<u>505,000</u>	<u>498,876</u>	<u>(6,124)</u>
EXPENDITURES				
Health and welfare	71,178	71,178	-	71,178
Total expenditures	<u>71,178</u>	<u>71,178</u>	<u>-</u>	<u>71,178</u>
OTHER FINANCING SOURCES (USES)				
Transfer in	121,482	121,482	121,482	-
Transfer out	(496,482)	(496,482)	(446,021)	50,461
Total other financing sources (uses) over expenditures	58,822	58,822	174,337	44,337
Fund balance, January 1	<u>207,916</u>	<u>207,916</u>	<u>224,188</u>	<u>16,272</u>
Fund balance, December 31	<u>\$266,738</u>	<u>\$266,738</u>	<u>\$398,525</u>	<u>\$ 131,787</u>

**SAN JUAN COUNTY, COLORADO
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS
December 31, 2018**

	<u>Conservation Trust</u>	<u>Contingent</u>	<u>Tourism</u>	<u>Noxious Weeds</u>	<u>Total Nonmajor Governmental Funds</u>
ASSETS					
Cash and cash equivalents	\$ 8,246	\$ 84,555	\$ 188,951	\$ 1,988	\$ 283,740
Restricted cash	-	-	6,929	-	6,929
Total assets	<u>\$ 8,246</u>	<u>\$ 84,555</u>	<u>\$ 195,880</u>	<u>\$ 1,988</u>	<u>\$ 290,669</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred Inflows of Resources					
Deferred revenue	-	-	-	-	-
Fund balances					
Reserved for:					
Emergencies	-	30,000	-	-	30,000
Unreserved:	8,246	54,555	195,880	1,988	260,669
Total fund balances	<u>8,246</u>	<u>84,555</u>	<u>195,880</u>	<u>1,988</u>	<u>290,669</u>
Total liabilities and fund balances	<u>\$ 8,246</u>	<u>\$ 84,555</u>	<u>\$ 195,880</u>	<u>\$ 1,988</u>	<u>\$ 290,669</u>

SAN JUAN COUNTY, COLORADO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS
Year Ended December 31, 2018

	Conservation Trust	Contingent	Tourism	Noxious Weeds	Total Nonmajor Governmental Funds
REVENUES					
Intergovernmental	\$ 638	\$ -	\$ 94,684	\$ -	\$ 95,322
Interest earnings	146	-	14	-	160
Total revenues	784	-	94,698	-	95,482
EXPENDITURES					
Current:					
General government	23	-	-	-	23
Tourism	-	-	78,787	-	78,787
Total expenditures	23	-	78,787	-	78,810
Net change to fund balance	761	-	15,911	-	16,672
Fund balance, January 1	7,485	84,555	179,969	1,988	273,997
Fund balance, December 31	\$ 8,246	\$ 84,555	\$ 195,880	\$ 1,988	\$ 290,669

**SAN JUAN COUNTY, COLORADO
 CONSERVATION TRUST FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 Year Ended December 31, 2018**

	Budgeted		Actual	Variance
	Original	Final		
REVENUES				
Intergovernmental	\$ 700	\$ 700	\$ 638	\$ (62)
Interest Income	-	-	146	146
Total revenues	<u>700</u>	<u>700</u>	<u>784</u>	<u>84</u>
EXPENDITURES				
General Government	<u>6,000</u>	<u>6,000</u>	<u>23</u>	<u>5,977</u>
Total expenditures	<u>6,000</u>	<u>6,000</u>	<u>23</u>	<u>5,977</u>
Net change to fund balance	(5,300)	(5,300)	761	6,061
Fund balance, January 1	<u>7,489</u>	<u>7,489</u>	<u>7,485</u>	<u>(4)</u>
Fund balance, December 31	<u>\$ 2,189</u>	<u>\$ 2,189</u>	<u>\$ 8,246</u>	<u>\$ 6,057</u>

SAN JUAN COUNTY, COLORADO
CONTINGENT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year Ended December 31, 2018

	<u>Budgeted</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
EXPENDITURES	10,000	10,000	-	10,000
Net change to fund balance	(10,000)	(10,000)	-	10,000
Fund balance, January 1	84,554	84,554	84,555	1
Fund balance, December 31	<u>\$ 74,554</u>	<u>\$ 74,554</u>	<u>\$ 84,555</u>	<u>\$ 10,001</u>

SAN JUAN COUNTY, COLORADO
TOURISM FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year Ended December 31, 2018

	Budgeted		Actual	Variance
	Original	Final		
REVENUES				
Intergovernmental	\$ 85,000	\$ 85,000	\$ 94,684	\$ 9,684
Interest income	-	-	14	14
Total revenues	<u>85,000</u>	<u>85,000</u>	<u>94,698</u>	<u>9,698</u>
EXPENDITURES				
Tourism	<u>80,000</u>	<u>80,000</u>	<u>78,787</u>	<u>1,213</u>
Total expenditures	<u>80,000</u>	<u>80,000</u>	<u>78,787</u>	<u>1,213</u>
Net change to fund balance	5,000	5,000	15,911	20,911
Fund balance, January 1	<u>144,334</u>	<u>144,334</u>	<u>179,969</u>	<u>35,635</u>
Fund balance, December 31	<u><u>\$ 149,334</u></u>	<u><u>\$ 149,334</u></u>	<u><u>\$ 195,880</u></u>	<u><u>\$ 56,546</u></u>

SAN JUAN COUNTY, COLORADO
NOXIOUS WEEDS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year Ended December 31, 2018

	<u>Budgeted</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
General Government	1,000	1,000	-	1,000
Total expenditures	<u>1,000</u>	<u>1,000</u>	<u>-</u>	<u>1,000</u>
Net change to fund balance	(1,000)	(1,000)	-	1,000
Fund balance, January 1	1,988	1,988	1,988	-
Fund balance, December 31	<u>\$ 988</u>	<u>\$ 988</u>	<u>\$ 1,988</u>	<u>\$ 1,000</u>

ANNUAL HIGHWAY FINANCE REPORT - CY18

Email address:

sanjuancounty@frontier.net

City/County:

San Juan 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:

\$ 77,055.58

3. Other local imposts: *from A.3. Total' below)*

\$ 12,690.54

4. Miscellaneous local receipts: *from A.4. Total' below)*

\$ 3,403.00

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:

\$ 93,149.12

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

\$ 11,696.56

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:

\$ 993.98

Total: (a + b) carried to 'Other local imposts' above)

\$ 12,690.54

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:

\$ 0.00

f. Charges for Services:

\$ 0.00

g. Other Misc. Receipts:

\$ 3,403.00

h. Other:

\$ 0.00

Total: (a through h) carried to 'Misc local receipts' above)

\$ 3,403.00

C. Receipts from State Government

Please no commas or dollar signs for the input

1. Highway User Taxes:

\$ 405,468.26

3. Other State funds:

c. Motor Vehicle Registrations:

\$ 0.00

d. Other (Specify):

Comments: undefined

\$ 0.00

e. Other (Specify):

Comments: undefined

\$ 0.00

Total: (1+3c,d,e)

\$ 405,468.26

D. Receipts from Federal Government

Please no commas or dollar signs for the input

2. Other Federal Agencies

a. Forest Service:

\$ 40,762.63

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:

\$

Total: (2a-f)

\$ 81,000.00

III - DISBURSEMENTS FOR ROAD AND STREET PURPOSES

Please no commas or dollar signs for the input

A. Local highway disbursements

1. Capital outlay: (from A.1.d, 'Total Capital Outlay' below)

\$ 0.00

2. Maintenance:

\$ 0.00

3. Road and street services

a. Traffic control operations:

\$ 241,064.37

b. Snow and ice removal:

\$ 263,900.49

c. Other:

\$ 0.00

4. General administration & miscellaneous

\$ 88,870.30

5. Highway law enforcement and safety

\$ 80,903.85

Total: (A.1-5)

\$ 674,739.01

Please no commas or dollar signs for the input

B. Debt service on local obligations

1. Bonds

- a. Interest
- b. Redemption
- 2. Notes
 - a. Interest
 - b. Redemption

\$ 0.00

\$ 0.00

\$ 0.00

\$ 0.00

SubTotal: (1+2) \$ 0.00

Please no commas or dollar signs for the input

- C. Payments to State for Highways:
- D. Payments to Toll Facilities:

\$ 0.00

\$ 0.00

Total Disbursements: (A+B+C+D) \$ 674,739.01

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: (Lines A.1.a. + 1.b. + 1.c.5)

\$ 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):	\$ 8,213.28	\$ 0.00	\$ 0.00	\$ 8,213.28

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
\$ 499,475.00	\$ 620,380.01	\$ 674,739.01	\$ 445,116.00	\$ 0.00

Notes & Comments:

undefined

Please enter your name: William A. Tookey

Please provide a telephone number where you may be reached: 970-387-5766