



SMART

**SAN MIGUEL AUTHORITY for
REGIONAL TRANSPORTATION**

FINANCIAL STATEMENTS AND REPORT OF
INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

December 31, 2018

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INDEPENDENT AUDITOR'S REPORT

May 29, 2019

To the Board of Directors
San Miguel Authority for Regional Transportation
Telluride, CO 81435

We have audited the accompanying financial statements of the governmental activities, and each major fund, of San Miguel Authority for Regional Transportation (SMART) as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise SMART'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.



To the Board of Directors
San Miguel Authority for Regional Transportation
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Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of San Miguel Authority for Regional Transportation, as of December 31, 2018, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3-5 and 17-18 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.

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

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

Management's Discussion and Analysis
San Miguel Authority for Regional Transportation
May 29th, 2019

As Management of the San Miguel Authority for Regional Transportation (the “Authority”), we offer readers of the Authority’s financial report this narrative summary for the fiscal year ended December 31, 2018.

Financial Highlights

- When looking at a short term view, the General Fund had an ending Fund balance of \$1,847,478 compared to \$1,233,681 anticipated in the 2018 budget. This \$613,797 improvement was attributable to significant underspending in capital and contracts.
- When looking at a long term view, the Authority saw an increase in Net Position of \$920,487. This was primarily due to acquisition of capital assets, unanticipated revenues from sales and property taxes, and higher than expected real estate transfer assessment revenues.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Authority’s basic financial statements. The Authority’s basic financial statements are comprised of three components: 1) government wide financial statements, 2) fund financial statements; and 3) notes to the financial statements. These components are discussed below.

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

The statement of net position information on all assets, deferred outflows, liabilities, and deferred inflows with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether financial position is improving or deteriorating.

The statement of activities presents information showing how the 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 cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods.

The *Fund Financial Statements* are designed to provide readers with an overview of the Authority’s finances, from a short-term perspective. A fund is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of expendable resources, as well as on balances of expendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government’s near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements.

The 2018 Authority financial statements reports on one individual fund described as the Governmental Fund.

This General Governmental Fund accounts for the Administration and Transit Program activities of the Authority. The general Governmental fund provides administrative support services (the Administrative and public commuter transit services).

The Authority's financial statements can be found on pages 6-9 of this report.

The *Notes to the Financial Statements* provide a background of the entity, certain required statutes, and accounting policies utilized by the Authority. They also provide additional information that will aid in the interpretation of the financial statements.

The Notes to the Financial Statements can be found on page 10 of this report.

Required supplementary Information concerning the Authority is also presented in addition to the basic financial statements and notes. This information can be found at page 17 of this report.

Financial Analysis of the Authority

The positive change in net position over 2017 the Authority indicates that it continues to operate conservatively and in a fiscally responsible manner.

Details regarding the Authority's assets and liabilities can be found in the balance sheet and footnotes of this report.

The Authority receives revenues from various sources to fund the Administration, Transit and Trails Programs.

- Regional transit services are primarily funded through Sales and Property Tax and revenues.
- Grant revenues are provided at the Federal or State level and fund capital and operating expenditures; the Authority received \$0 in operating grants in 2018;

Details regarding the Authority's revenue sources can be found on page 9.

Details regarding the Authority's expenditures can be found on page 17.

Major Capital Asset events

The Authority purchased used buses in 2018 to support its operations. The impact of these capital acquisitions is highlighted in the STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – GOVERNMENTAL FUND on page 9 of this report and in footnote I.

Major Debt events

The Authority experienced no major debt events in 2018.

Long term Financial Plan

The Authority's long-term goal is to be financially sustainable by maintaining operating and capital reserves in accordance with Management's policies and to maintain a long-range financial forecast to communicate and plan for future opportunities and issues.

The Authority uses fund accounting to ensure and demonstrate compliance with accounting and related legal requirements.

Request for Information

This financial report is designed to provide a general overview of the Authority's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to: San Miguel Authority for Regional Transportation, Attention: Executive Director, PO Box 3140, Telluride Colorado, 81435.

San Miguel Authority for Regional Transportation

STATEMENT OF NET POSITION

December 31, 2018

	<u>Governmental Activities</u>
ASSETS	
Cash and investments	\$ 1,788,739
Receivables	
Property tax	590,937
Sales tax	115,761
Accounts receivable	32,948
Prepaid fuel	500
Total current assets	<u>2,528,885</u>
 Note receivable	 40,000
 Capital assets, net of accumulated depreciation	 <u>135,474</u>
Total non-current assets	<u>175,474</u>
Total assets	<u>2,704,359</u>
 LIABILITIES	
Accounts payable	90,470
Compensated absences	7,354
Total liabilities	<u>97,824</u>
 DEFERRED INFLOWS	
Property taxes	<u>590,937</u>
Total deferred inflows	<u>590,937</u>
 NET POSITION	
Restricted for emergency reserves - TABOR	50,535
Unrestricted	1,965,063
Total net position	<u><u>\$ 2,015,598</u></u>

The accompanying notes are an integral part of this statement.

San Miguel Authority for Regional Transportation

STATEMENT OF ACTIVITIES

Year ended December 31, 2018

Function/Programs	Expenses	Program Revenues			Governmental Activities, Net
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
General government	\$ 293,504	\$ -	\$ -	\$ -	\$ (293,504)
Transportation	557,966	46,210	-	87,443	(424,313)
Total governmental activities	<u>\$ 851,470</u>	<u>\$ 46,210</u>	<u>\$ -</u>	<u>\$ 87,443</u>	<u>(717,817)</u>
			General revenues:		
				Property taxes	593,834
				Sales taxes	692,882
				Real estate transfer taxes	351,513
				Unrestricted investment earnings	75
				Total general revenues	<u>1,638,304</u>
				Change in net position	920,487
				Net position at beginning of year	<u>1,095,111</u>
				Net position at end of year	<u>\$ 2,015,598</u>

The accompanying notes are an integral part of this statement.

San Miguel Authority for Regional Transportation

BALANCE SHEET - GOVERNMENTAL FUND

December 31, 2018

ASSETS		
Cash and investments		\$ 1,788,739
Receivables		
Property tax		590,937
Sales tax		115,761
Accounts receivable		32,948
Notes		40,000
Prepaid fuel		500
	Total assets	<u>2,568,885</u>
LIABILITIES		
Accounts payable		90,470
	Total liabilities	<u>90,470</u>
DEFERRED INFLOWS		
Property taxes		590,937
Long-term receivables		40,000
	Total deferred inflows	<u>630,937</u>
FUND BALANCES		
Restricted for emergencies - TABOR		50,535
Assigned for capital purchases		770,000
Unassigned		1,026,943
	Total fund balance	<u>\$ 1,847,478</u>
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Total fund balance - governmental funds		\$ 1,847,478
In the funds, purchases of capital assets are recognized as capital outlay expenditures, but in the government-wide statements they are recognized as assets and depreciated over time.		135,474
In the funds, receivables are deferred until earned but in the government wide statements they are recognized as receivable.		40,000
Accrued compensated absences payable are not due and payable in the current year and, therefore, are not reported in the fund		<u>(7,354)</u>
Net position of governmental activities		<u>\$ 2,015,598</u>

The accompanying notes are an integral part of this statement.

San Miguel Authority for Regional Transportation

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - GOVERNMENTAL FUND

Year ended December 31, 2018

Revenues	
Property tax	\$ 593,834
Sales tax	692,882
Real estate transfer tax	351,513
Fees for service	46,210
Interest income	75
Total revenue	<u>1,684,514</u>
Expenditures	
Administrative and personnel	328,919
Transportation	555,429
Capital	50,568
Total expenditures	<u>934,916</u>
Change in fund balance	749,598
Fund balance, beginning	<u>1,097,880</u>
Fund balance, ending	<u><u>\$ 1,847,478</u></u>
Amounts reported for governmental activities in the Statement of Activities are different because:	
Net change in fund balance - governmental fund	\$ 749,598
Capital assets are recognized as capital outlay expenditures in the funds but are capitalized and depreciated over their useful lives in the government-wide funds. This is how much capital outlay exceeded depreciation expense in the current year. (\$50,568 - \$2,537)	48,031
Contributions of capital assets aren't recognized in the funds but are recognized as capital assets and contribution revenue in the government-wide statements.	87,443
Down payment assistance is recognized as receivable in the government wide statements but as expense in the funds.	40,000
Compensated absences are recognized as an expenditure in the fund when they are determined to be payable from current financial resources. This is the amounts by which compensated absences changed in the current year.	<u>(4,585)</u>
Change in Net Position of Governmental Activities	<u><u>\$ 920,487</u></u>

The accompanying notes are an integral part of this statement.

San Miguel Authority for Regional Transportation

NOTES TO FINANCIAL STATEMENTS

December 31, 2018

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Organization

San Miguel Authority for Regional Transportation (SMART) was established in November 2016 through an intergovernmental agreement between the Town of Mountain Village, Colorado, the Town of Telluride, Colorado, and San Miguel County, Colorado. SMART was created to provide bus service, shuttles, trails, roads, and related transit infrastructure. SMART's services are supported by dedicated sales tax collections by governments within the service area, a voter approved property tax mill levy, real estate transfer tax, grants, and contributions from the governments included in the intergovernmental agreement. SMART is governed by a Board of Directors comprised of six directors and three alternates appointed from each of its local government members.

The accompanying statements have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The financial statements include all activities and functions that comprise SMART. Component units are legally separate entities for which the governmental entity is financially accountable. Financial accountability is defined as the ability to appoint a voting majority of the organization's governing body and either (1) the government's ability to impose its will over the organization or (2) the potential that the organization will provide a financial benefit to, or impose a financial burden on, the governmental entity. Using these criteria, SMART has no component units.

2. Financial Statements

Measurement focus

SMART's financial statements include both government-wide (reporting the Authority as a whole) and fund financial statements (reporting SMART's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental (normally supported by taxes and intergovernmental revenues) or business (relying to a significant extent on fees and charges for support) type activities.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

NOTES TO FINANCIAL STATEMENTS

December 31, 2018

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when they become available and measurable. Available means collectible within the current period or soon enough thereafter to pay current liabilities. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current period. Intergovernmental revenues received as reimbursements for specific purposes or projects, are recognized based upon the expenditures recorded. Expenditures are recorded when the liability is incurred.

Government-wide 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 activities of SMART.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to those 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 or other items not properly included among program revenues are reported instead as general revenues.

Fund financial statements

The financial statements are reported in individual funds in the fund financial statements. Each fund is a separate set of self-balancing accounts that comprises its assets, liabilities, deferred inflows and outflows, fund balance, revenues, and expenditures. At December 31, 2018, SMART only has a general fund that accounts for all of the activities of the government.

3. Capital assets

Property and equipment are reported as governmental activities in the government-wide financial statements. Capitalized assets are defined by SMART as assets that have a useful life of one or more years, and for which the initial value equals or exceeds \$5,000. All purchased assets are valued at cost. Donated assets are valued at their estimated fair market value on the date received. The cost of normal maintenance and repairs that does not add to the value of an asset or materially extend asset life is not capitalized. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

<u>Asset Class</u>	<u>Useful life</u>
Vehicles	5-12 years

NOTES TO FINANCIAL STATEMENTS

December 31, 2018

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

4. Receivables

Receivables are reported net of any allowance for doubtful accounts. No allowance for uncollectible accounts has been established, as SMART considers all accounts to be collectible at December 31, 2018.

5. Accrued liabilities for compensated absences

SMART allows employees to accumulate earned but unused vacation and sick pay benefits. A liability for accrued, unused vacation or sick leave is recorded in the government-wide statement of activities. In the governmental fund statements, vacation or sick leave is reported as an expenditure and liability to the fund when used.

6. Deferred inflows of resources

Deferred inflows of resources represent an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. Unavailable revenue from property taxes are reported in the government balance sheet and statement of net position as a deferred inflow of resources. Property taxes levied in one year and collected the next, are deferred and recognized as an inflow of resources in the period that the property taxes become available.

7. Estimates

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

8. Net position

Net position represents the difference between assets and liabilities. The net position category of net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition or construction of improvements on those assets. Net position is reported as restricted when there are limitations imposed on their use either through enabling legislation adopted by SMART or through external restrictions imposed by creditors, grantors, laws or regulations of other governments.

NOTES TO FINANCIAL STATEMENTS

December 31, 2018

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

9. Fund Balance

Governmental fund balances are classified as follows:

- *Non-spendable fund balance* - The portion of fund balance that cannot be spent because it is either not in spendable form (such as prepaid expense) or is legally or contractually required to be maintained intact.
- *Restricted fund balance* - The portion of fund balance constrained to being used for a specific purpose by external parties (such as grantors or bondholders), constitutional provisions or enabling legislation.
- *Committed fund balance* - The portion of fund balance constrained for specific purposes according to limitations imposed by SMART's highest level of decision making authority, the Board, prior to the end of the current fiscal year. The constraint may be removed or changed only through formal action of the Board.
- *Assigned fund balance* - The portion of fund balance set aside for planned or intended purposes. The intended use may be expressed by the Board or other individuals authorized to assign funds to be used for a specific purpose.
- *Unassigned fund balance* - The residual portion of fund balance that does not meet any of the above criteria. SMART will only report a positive unassigned fund balance in the General Fund.

Unrestricted fund balance will be used in the following order: committed, assigned, and unassigned.

10. Property Taxes

Property taxes are certified by the Board and collected by San Miguel County. Property taxes are remitted to SMART by the 10th day of the month following collection. Property taxes receivable represents 2018 taxes that will be collected in 2019.

Property taxes attach as an enforceable lien on property as of January 1 of the year in which they are payable. Taxes are payable either in full on or before April 30 or one half on or before February 28 and the remaining half on or before June 15.

San Miguel Authority for Regional Transportation

NOTES TO FINANCIAL STATEMENTS

December 31, 2018

NOTE B – BUDGETARY INFORMATION

SMART conforms to the following procedures in compliance with Colorado Revised Statutes in establishing the budgetary data reflected in the financial statements:

In the fall of each year, the SMART Board of Directors prepares a proposed operating budget for the fiscal year commencing the following January 1. The operating budget for the funds includes proposed expenses and the means of financing them.

A public hearing is held at a Board of Directors meeting to obtain taxpayer input. Prior to December 15, the budget is legally enacted through passage of a budget resolution. The Board of Directors can modify the budget by line item within the total appropriation without notification. The appropriation can only be modified upon completion of notification and publication requirements.

NOTE C – CASH AND INVESTMENTS

Deposits

The Colorado Public Deposit Protection Act (“PDPA”) requires that all units of local government deposit cash in eligible public depositories with eligibility determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA, which 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 102% of the uninsured deposits. Deposits at December 31, 2018, consisted of the following:

Deposits	\$ 1,038,640
Money market funds	<u>750,099</u>
Cash and investments per statement of net position	<u>\$ 1,788,739</u>

Custodial credit risk

This is the risk that in the event of a bank failure, SMART’s deposits may not be returned to it. At December 31, 2018, the bank balance of SMART’s deposits was \$1,789,073. Of this balance, \$250,000 was insured by FDIC and the remaining \$1,539,073 was covered by PDPA.

Investments

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local government entities may invest:

- Obligations of the United States and certain U.S. government agency securities
- Certain international agency securities

San Miguel Authority for Regional Transportation

NOTES TO FINANCIAL STATEMENTS

December 31, 2018

NOTE C – CASH AND INVESTMENTS - CONTINUED

- 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
- Guaranteed investment contracts

NOTE D – NOTES RECEIVABLE

The Authority has a long-term note receivable for \$40,000 dated February 1, 2018 with the executive director of SMART to assist in purchasing a home. The proceeds of the note were used to finance a portion of the down payment, closing costs and prepaid items directly related to the purchase. This is an interest free note which is not due and payable unless there is a default as described in the note, or the property is sold or transferred. If there is not a sale or transfer within 10 years of the note, the full amount of the principal and a share of the appreciation of the home will be due and payable to SMART. The share of appreciation is based on the amount of the assistance as a percentage of the original sales price of the home.

NOTE E – LONG-TERM LIABILITES

Changes in long-term liabilities for the year ended December 31, 2018, were as follows:

	December 31, 2017	Increases	Decreases	December 31, 2018
Compensated absences	\$ 2,769	\$ 4,585	\$ -	\$ 7,354

NOTE F – INTERGOVERNMENTAL AGREEMENT

SMART was formed by an intergovernmental agreement, dated November 9, 2016 after a ballot measure was approved by the voters in Town of Mountain Village, Town of Telluride, and San Miguel County. SMART was created pursuant to Colorado Revised Statutes, [Title 43, Article 4, Part 6] known as the Colorado Rural Transportation Authority Law. The voters approved a .25% sales tax and an additional .75 mills on all taxable property located within the territory of SMART. The new taxes commenced on January 1, 2017. The intergovernmental agreement also allows for contributions from each of its members to support operating and capital expenses of SMART.

San Miguel Authority for Regional Transportation

NOTES TO FINANCIAL STATEMENTS

December 31, 2018

NOTE G – RISK MANAGEMENT

SMART is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

SMART is a member of the Colorado Intergovernmental Risk Sharing Agency (“CIRSA”), CIRSA provides liability, worker’s compensation, and property insurance. The insurance is provided through joint self-insurance, insurance and reinsurance, or any combination of thereof. CIRSA’s rate setting policies are established by the Board of Directors in consultation with independent actuaries. SMART is subject to a supplemental assessment in the event of deficiencies and may receive credit on future contributions in the event of surplus.

NOTE H – TAX, SPENDING AND DEBT LIMITATIONS

In November 1992, Colorado voters passed an amendment to the State Constitution, Article X, Section 20, commonly known as the Taxpayer’s Bill of Rights (TABOR). TABOR contains revenue, spending, tax, and debt limitations that apply to the State of Colorado and its local governments. In November 2016, the voters of San Miguel County, Town of Mountain Village, and Town of Telluride approved a ballot measure to allow SMART to retain all revenues in excess of TABOR revenue limits.

TABOR requires local governments to establish an emergency reserve to be used for declared emergencies. These reserves are required to be 3% of fiscal year spending. As required by TABOR, SMART has restricted \$50,535 of its fund balance.

TABOR is complex and subject to interpretation, however, SMART believes it is in compliance with the financial provisions of TABOR.

NOTE I – CAPITAL ASSETS

At December 31, 2018, capital asset transactions and balances include the following:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Depreciable assets:				
Vehicles	\$ —	138,011	—	138,011
Total capital assets, being depreciated	—	138,011	—	138,011
Less accumulated depreciation for:				
Vehicles	—	(2,537)	—	(2,537)
Total capital assets, net	<u>\$ —</u>	<u>\$ 135,474</u>	<u>\$ —</u>	<u>\$ 135,474</u>

San Miguel Authority for Regional Transportation

SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND

Year ended December 31, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget Favorable (Unfavorable)
Revenues				
Tax revenues				
Property tax	\$ 575,000	\$ 575,000	\$ 593,834	\$ 18,834
Real estate transfer tax	180,000	180,000	351,513	171,513
Sales tax	499,200	499,200	692,882	193,682
Fees for service	33,500	33,500	46,210	12,710
Interest income	-	-	75	75
Total revenues	<u>1,287,700</u>	<u>1,287,700</u>	<u>1,684,514</u>	<u>396,814</u>
Expenditures				
Personnel expenses				
Salaries and wages	120,000	120,000	121,138	(1,138)
Retirement, benefits, and tax	35,000	35,000	21,155	13,845
Part time administration	30,000	30,000	-	30,000
Contract labor	-	-	14,977	(14,977)
Down payment assistance	-	-	40,000	(40,000)
Operating expenses				
Rent	9,000	9,000	8,868	132
Other	5,000	5,000	18,356	(13,356)
Professional services				
PR/Marketing	25,000	80,000	62,540	17,460
Attorney	18,000	18,000	12,734	5,266
Accounting	8,000	8,000	11,920	(3,920)
Consulting	40,000	40,000	249	39,751
Treasurer's fees	-	-	16,982	(16,982)
Transit & Transportation Services				
Down Valley/Norwood	249,973	249,909	215,423	34,486
Lawson Hill	195,814	195,814	204,300	(8,486)
Mountain Village shuttles	120,000	120,000	96,578	23,422
Offseason	60,813	60,813	21,840	38,973
San Miguel County shuttle	9,500	9,500	4,144	5,356
Southern route	12,000	12,000	3,133	8,867
Medical shuttle	10,000	10,000	10,000	-
Maintenance & insurance	12,000	12,000	-	12,000
Vehicle licences and fees	-	-	11	(11)
Lawson Hill intercept parking lot				
Maintenance	10,000	10,000	-	10,000
Signage	8,000	8,000	-	8,000
Capital expenditures	160,000	160,000	50,568	109,432
Total expenditures	<u>1,138,100</u>	<u>1,193,036</u>	<u>934,916</u>	<u>258,120</u>
Change in fund balance	149,600	94,664	749,598	654,934
Fund balance - beginning	1,084,081	1,084,081	1,097,880	13,799
Fund balance - ending	<u>\$ 1,233,681</u>	<u>\$ 1,178,745</u>	<u>\$ 1,847,478</u>	<u>\$ 668,733</u>

San Miguel Authority for Regional Transportation

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

December 31, 2018

RSI NOTE A – BUDGETARY INFORMATION

The budget for the general fund is adopted on the modified accrual basis of accounting. The operating budget includes proposed expenditures and the means of financing them. The Board of Directors must approve increases to a fund's budget.

RSI NOTE B – EXPENDITURES/EXPENSES IN EXCESS OF APPROPRIATION

State Statute requires that expenditures and transfers for a fund cannot exceed the appropriations for that fund. Appropriations for a fund may be increased provided unanticipated resources offset them. In 2018 SMART approved a supplemental appropriation that increased budgeted expenditures in the amount of \$55,000.

The legal level of appropriation is within the fund. In 2018, the District did not have any budget violations