

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

December 31, 2016

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## INDEPENDENT AUDITOR'S REPORT

August 16, 2017

To the Board of County Commissioners  
Hinsdale County, Colorado

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Hinsdale County, Colorado (the County) as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

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

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

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

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Hinsdale County, Colorado, as of December 31, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.



Board of County Commissioners  
August 16, 2017  
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### **Other Matters**

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3-7 and 33-35 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 County's basic financial statements. The combining and individual nonmajor fund financial statements and budget to actual schedules and the proprietary fund budget to actual schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and budget to actual schedules and the proprietary funds budget and actual schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Local Highway Finance Report has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

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

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



HINSDALE COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2016

This management's discussion and analysis of Hinsdale County financial statements provides an overview of the County's financial activities for the fiscal year ended December 31, 2016. The intent of this discussion and analysis is to look the County's financial performance as a whole; it should be read in conjunction with the basic financial statements and notes to enhance the reader's understanding of the County's overall financial performance.

**USING THE BASIC FINANCIAL STATEMENTS**

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

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

**Government-wide Statements**

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

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

HINSDALE COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2016

**Fund Financial Statements**

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

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

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

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

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

**THE COUNTY AS A WHOLE**

Statement of Net Position

The perspective of the Statement of Net Position is of the County as a whole. Following is a summary of the County's net position for the fiscal years 2015 and 2016.

	2015			2016		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Current and Other assets	4,234,785	99,678	4,243,463	3,799,408	90,993	3,890,401
Capital Assets	2,070,400	68,912	2,139,312	2,352,774	59,579	2,412,353
Total Assets	6,314,185	168,590	6,482,775	6,152,182	150,572	6,302,754
Long-Term Liabilities outstanding	35,084	0	35,084	35,084	0	35,084
Other Liabilities	447,001	3,226	450,267	375,055	6,211	381,266
Deferred Inflows: Property Taxes	1,145,693	0	1,145,693	1,141,422	0	1,141,422
Total Liabilities and Deferred Inflows	1,627,778	3,266	1,631,044	1,555,131	6,211	1,561,342
Net Position:						
Investment in Capital Assets	2,070,400	68,912	2,139,312	2,352,774	59,579	2,412,353
Restricted for TABOR	113,174	0	113,174	113,174	0	113,174
Unrestricted	2,502,833	96,412	2,599,245	2,088,143	84,782	2,172,925
Total Net Position	4,686,407	165,324	4,854,731	4,600,621	144,361	4,744,982

HINSDALE COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2016

Statement of Activities

The perspective of the Statement of Activities is of the County as a whole. The Statement of Activities reflects the cost of program services and the charges for services and sales, grants and contributions offsetting those services. The following detail reflects the total cost of services supported by program revenues, sales taxes, and general property taxes, as well as other general revenues, resulting in the overall change in net position for the fiscal years 2015 and 2016.

REVENUES:	2015			2016		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Program Revenues:						
Charges for Services	432,295	159,895	592,190	553,001	168,238	721,239
Grants & Contributions	1,368,466	0	1,368,466	1,119,538	0	1,119,538
General Revenues:						
Taxes	2,494,654	0	2,494,654	2,548,817	0	2,548,817
Interest & Other Revenue	106,724	0	106,724	15,854	0	15,854
Total Revenues	4,402,139	159,895	4,562,034	4,237,210	168,238	4,405,448
EXPENSES:						
General Government	2,156,859	0	2,156,859	1,855,518	0	1,855,518
Public Safety	466,622	0	466,622	510,749	0	510,749
Health & Welfare	422,631	0	422,631	474,437	0	474,437
Highways & Streets	1,149,390	0	1,149,390	1,203,606	0	1,203,606
Culture & Recreation	263,993	0	263,993	312,093	0	312,093
Transfer Station/Recreation	0	127,092	127,092	0	189,199	189,199
Interest Expense	0	0	0	0	0	0
Total Expenses	4,493,636	127,092	4,620,728	4,356,403	189,199	4,545,602
Increase (Decrease) in net position:	(91,497)	32,803	(58,694)	(119,193)	(20,961)	(140,154)
Net Position January 1	4,848,526	132,521	4,981,047	4,686,407	165,322	4,851,729
Prior Period Adj	(70,622)	0	(70,622)	33,407	0	33,407
Net Position January 1 restated	4,777,904	132,521	4,910,425	4,719,814	165,322	4,885,136
Net Position December 31	4,686,407	165,324	4,851,731	4,600,624	144,361	4,744,982

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

**The County's Major Funds**

The County's procedures in establishing budgetary data reflected in the financial statements are summarized in Note B of the financial statements. An amended budget was adopted by the County during the fiscal year 2016.



HINSDALE COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2016

**General Fund Budgetary Highlights**

*General Fund Resources (Inflows)*

The County's final revenues in the amount of \$2,276,751 were less than the budget expectations of \$3,068,417 by \$791,666 due to grants not being received. RWEACT #8, SHF, Courthouse Stabilization, SFH Courthouse, UTE-BIZ Planning, RGCT and EIA Grants.

*General Fund Charges to Appropriations (Outflows)*

The County's final expenditures of \$2,053,755 were less than the final appropriated balance of \$2,196,113 by \$121,820 due to a decrease in payroll and benefits in the Clerk's office, decrease in Coroner's expenses and a decrease in Courthouse renovation expenses.

**Road and Bridge Budgetary Highlights**

*Road and Bridge Fund Resources (Inflows)*

The County's final revenues in the amount of \$1,224,568 were less than the budget expectations of \$1,266,390 due to a decrease in Dust Control Reimbursement.

*Road and Bridge Charges to Appropriations (Outflows)*

The County's final expenditures of \$1,284,126 were less than the budget expectations of \$1,301,448 by \$17,322 can be attributed to a decrease in payroll due to fewer employees.

**Sheriff Fund Budgetary Highlights**

*Sheriff Fund Resources (Inflows)*

The County's final revenues in the amount of \$120,669 plus a \$375,000 GF transfer were less than the budget expectations of \$149,980 plus a \$375,000 GF transfer due to a decrease in Reimbursable Equipment/Supplies/Training revenues.

*Sheriff Fund Charges to Appropriations (Outflows)*

The County's final expenditures of \$467,212 were less than the budget expectations of \$475,110 due to a decrease in payroll.

**Public Health Budgetary Highlights**

*Public Health Fund Resources (Inflows)*

The County's final revenues in the amount of \$192,571 were less than the budget expectations of \$426,008 due to a decrease in the CTC and OBH grants and Mineral County.

*Public Health Fund Charges to Appropriations (Outflows)*

The County's final expenditures of \$281,765 were less than the budget expectations of \$420,702 due to a decrease in payroll, CFRT and CTC grant expenses.

HINSDALE COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2016

**Emergency Services Budgetary Highlights**

*Emergency Services Fund Resources (Inflows)*

The County's final revenues in the amount of \$84,549 were less than the budget expectations of \$151,000 due to a decrease in Ambulance Service Fees.

*Emergency Services Fund Charges to Appropriations (Outflows)*

The County's final expenditures of \$147,638 were slightly less than the budget expectations of \$147,700 due to a decrease in operating expenses.

**CAPITAL ASSETS**

At the end of 2016, the County had a total of \$2,352,774 invested in capital assets of governmental activities. The amount of capital assets for business-type activities totalled \$59,579 after accumulated depreciation.

**LONG-TERM DEBT**

The balance of long-term debt at the end of 2016 is \$75,657 in Compensated Balances.

**CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT**

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

**HINSDALE COUNTY**

Attn: Deanna Cooper, County Administrator  
PO Box 277  
Lake City CO 81235  
PH: 970-944-2225  
FAX: 970-644-2630  
e-mail: [administrator@hinsdalecountycolorado.us](mailto:administrator@hinsdalecountycolorado.us)

## Hinsdale County, Colorado

## Statement of Net Position

December 31, 2016

	Primary Government		Total
	Governmental Activities	Busines-Type Activities	
<b>Assets</b>			
Current Assets:			
Cash and cash equivalents	\$ 2,253,720	\$ 81,740	\$ 2,335,460
Accounts receivable	253,969	8,754	262,723
Intergovernmental receivable	9,419	-	9,419
Property taxes receivable	1,141,422	-	1,141,422
Prepaid expenses	15,209	499	15,708
Inventories	125,669	-	125,669
Total current assets	<u>3,799,408</u>	<u>90,993</u>	<u>3,890,401</u>
Noncurrent Assets			
Capital assets:			
Land	857,400	6,327	863,727
Construction in progress	189,966	-	189,966
Buildings	1,955,124	-	1,955,124
Machinery and equipment	2,570,151	261,280	2,831,431
Vehicles	785,279	-	785,279
Less accumulated depreciation	<u>(4,005,146)</u>	<u>(208,028)</u>	<u>(4,213,174)</u>
Total noncurrent assets	<u>2,352,774</u>	<u>59,579</u>	<u>2,412,353</u>
Total Assets	<u>6,152,182</u>	<u>150,572</u>	<u>6,302,754</u>
<b>Liabilities</b>			
Current Liabilities			
Accounts payable	238,693	3,516	242,209
Accrued liabilities	6,866	-	6,866
Deposits payable	-	2,695	2,695
Unearned grant revenue	88,923	-	88,923
Compensated absences	40,573	-	40,573
Total current liabilities	<u>375,055</u>	<u>6,211</u>	<u>381,266</u>
Noncurrent liabilities			
Compensated absences	<u>35,084</u>	<u>-</u>	<u>35,084</u>
Total noncurrent liabilities	<u>35,084</u>	<u>-</u>	<u>35,084</u>
Total Liabilities	<u>410,139</u>	<u>6,211</u>	<u>416,350</u>
Deferred inflows			
Property taxes	<u>1,141,422</u>	<u>-</u>	<u>1,141,422</u>
<b>Net Position</b>			
Investment in capital assets	2,352,774	59,579	2,412,353
Restricted for :			
TABOR	113,174	-	113,174
Unrestricted	2,134,673	84,782	2,219,455
Total Net Position	<u>\$ 4,600,621</u>	<u>\$ 144,361</u>	<u>\$ 4,744,982</u>

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

Hinsdale County, Colorado  
Statement of Activities  
For the year ended December 31, 2016

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants & Contributions		Governmental Activities	Business-Type Activities	TOTAL
			Operating Grants & Contributions	Capital Grants & Contributions			
<b>Primary Government:</b>							
General government	\$ 1,855,518	\$ 158,650	\$ 83,467	\$ 367,304	\$ (1,246,097)	\$ -	\$ (1,246,097)
Public safety	510,749	100,783	44,163	-	(365,803)	-	(365,803)
Health and welfare	474,437	50,673	241,011	-	(182,753)	-	(182,753)
Highways and streets	1,203,606	223,255	369,378	-	(610,973)	-	(610,973)
Culture and recreation	312,093	19,640	14,215	-	(278,238)	-	(278,238)
<b>Total Governmental Activities</b>	<b>4,356,403</b>	<b>553,001</b>	<b>752,234</b>	<b>367,304</b>	<b>(2,683,864)</b>	<b>-</b>	<b>(2,683,864)</b>
<b>Business-Type Activities</b>							
Recreation	28,188	31,610	-	-	-	3,422	3,422
Transfer station	161,011	136,628	-	-	-	(24,383)	(24,383)
<b>Total Business-Type Activities</b>	<b>189,199</b>	<b>168,238</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(20,961)</b>	<b>(20,961)</b>
<b>Total Primary Government</b>	<b>\$ 4,545,602</b>	<b>\$ 721,239</b>	<b>\$ 752,234</b>	<b>\$ 367,304</b>	<b>(2,683,864)</b>	<b>(20,961)</b>	<b>(2,704,825)</b>
<b>General Revenues:</b>							
<b>Taxes:</b>							
General property taxes					1,145,742	-	1,145,742
Specific ownership tax					80,798	-	80,798
Sales and use tax					366,388	-	366,388
Highway users tax					744,395	-	744,395
Other taxes					211,494	-	211,494
Other revenue					6,840	-	6,840
Gain on sale of assets					2,150	-	2,150
Interest on investments					6,864	-	6,864
<b>Total General Revenues</b>					<b>2,564,671</b>	<b>-</b>	<b>2,564,671</b>
Change in net position					(119,193)	(20,961)	(140,154)
Beginning net position					4,686,407	165,322	4,851,729
Prior period adjustment					33,407	-	33,407
<b>Beginning net position, restated</b>					<b>4,719,814</b>	<b>165,322</b>	<b>4,885,136</b>
<b>Net position, ending</b>					<b>\$ 4,600,621</b>	<b>\$ 144,361</b>	<b>\$ 4,744,982</b>

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

Hinsdale County, Colorado

Balance Sheet  
Governmental Funds

December 31, 2016

	General Fund	Road and Bridge Fund	Sheriff Fund	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>					
Cash and investments	\$ 1,799,820	\$ 142,504	\$ 200	\$ 311,196	\$ 2,253,720
Due (to) from pooled cash	332,288	-	-	-	332,288
Accounts receivable	135,571	100,164	18,234	-	253,969
Intergovernmental receivable	-	-	-	9,419	9,419
Property taxes receivable	1,004,609	61,695	-	75,118	1,141,422
Prepaid expenses	5,803	9,110	-	296	15,209
Due from other funds	20,329	-	-	-	20,329
Inventory	-	108,378	-	17,291	125,669
<b>Total assets</b>	<b>3,298,420</b>	<b>421,851</b>	<b>18,434</b>	<b>413,320</b>	<b>4,152,025</b>
<b>Liabilities</b>					
Accounts payable	150,890	9,042	4,625	74,136	238,693
Accrued liabilities	6,866	-	-	-	6,866
Unearned grant revenue	9,803	-	-	79,120	88,923
Due to pooled cash	-	-	230,101	102,187	332,288
Due to other funds	-	-	-	20,329	20,329
<b>Total liabilities</b>	<b>167,559</b>	<b>9,042</b>	<b>234,726</b>	<b>275,772</b>	<b>687,099</b>
<b>Deferred inflows</b>					
Property taxes	1,004,609	61,695	-	75,118	1,141,422
<b>Fund balance</b>					
<b>Non-spendable</b>					
Inventory	-	108,378	-	17,291	125,669
Prepaid expenses	5,803	9,110	-	-	14,913
<b>Restricted</b>					
TABOR emergency reserve	116,448	-	-	-	116,448
Marketing and advertising	174	-	-	-	174
Open space	-	-	-	-	-
Retirement	-	-	-	74,290	74,290
Snow grooming	-	-	-	25,941	25,941
Public health	-	-	-	-	-
Public works	-	233,626	-	-	233,626
Schools and road	-	-	-	-	-
<b>Assigned</b>					
Capital purchases	-	-	-	68,298	68,298
<b>Unassigned</b>	<b>2,003,827</b>	<b>-</b>	<b>(216,292)</b>	<b>(123,390)</b>	<b>1,664,145</b>
<b>Total fund balance</b>	<b>\$ 2,126,252</b>	<b>\$ 351,114</b>	<b>\$ (216,292)</b>	<b>\$ 62,430</b>	<b>\$ 2,323,504</b>

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

Hinsdale County, Colorado

Reconciliation of Governmental Fund Balance to  
The Statement of Net Position

December 31, 2016

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

Total fund balance - governmental funds		\$	2,323,504
Capital assets used in governmental activities are not current financial resources and therefore, are not reported in the funds			
Cost	6,357,920		
Accumulated depreciation	<u>(4,005,146)</u>		2,352,774
Long-term liabilities including leases payable and compensated absences are not due and payable in the current period and therefore are not reported in the funds.			
Compensated absences			<u>(75,657)</u>
Total government wide activities net position		\$	<u><u>4,600,621</u></u>

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

Hinsdale County, Colorado

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

For the year ended December 31, 2016

	General Fund	Road and Bridge Fund	Sheriff Fund	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>					
Taxes	\$ 1,510,247	\$ 22,845	\$ -	\$ 127,091	\$ 1,660,183
Intergovernmental revenue	537,126	923,918	77,625	478,008	2,016,677
Interest on investments	6,864	-	-	-	6,864
Charges for services	90,882	223,255	7,363	52,433	373,933
Reimbursement	-	2,400	28,430	-	30,830
Miscellaneous	131,632	2,150	7,251	7,690	148,723
<b>Total Revenues</b>	<b>2,276,751</b>	<b>1,174,568</b>	<b>120,669</b>	<b>665,222</b>	<b>4,237,210</b>
<b>Expenditures</b>					
Current expenditures					
General government	2,053,755	-	-	56,593	2,110,348
Public safety	-	-	467,612	-	467,612
Health and welfare	-	-	-	474,437	474,437
Highways and streets	-	1,105,616	-	-	1,105,616
Culture and recreation	-	-	-	312,093	312,093
Capital outlay	-	178,510	-	-	178,510
<b>Total Expenditures</b>	<b>2,053,755</b>	<b>1,284,126</b>	<b>467,612</b>	<b>843,123</b>	<b>4,648,616</b>
Excess (deficiency) of revenue over expenditures	222,996	(109,558)	(346,943)	(177,901)	(411,406)
Other financing sources (uses)					
Transfer in	47,410	50,000	349,000	59,295	505,705
Transfer out	(478,469)	-	-	(27,236)	(505,705)
<b>Total other financing sources (uses)</b>	<b>(431,059)</b>	<b>50,000</b>	<b>349,000</b>	<b>32,059</b>	<b>-</b>
Excess (deficiency) of revenues over expenditures and other sources (uses)	(208,063)	(59,558)	2,057	(145,842)	(411,406)
Fund balance at beginning of year	2,300,908	410,672	(218,349)	208,272	2,701,503
Prior period adjustment	33,407	-	-	-	33,407
Fund balance at beginning of year , restated	2,334,315	410,672	(218,349)	208,272	2,734,910
Fund balance at end of year	\$ 2,126,252	\$ 351,114	\$ (216,292)	\$ 62,430	\$ 2,323,504

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

Hinsdale County, Colorado

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

For the Year ended December 31, 2016

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

Net change in fund balances - total governmental funds \$ (411,406)

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

Capital outlays	498,318	
Depreciation expense	<u>(215,944)</u>	282,374

The repayment of the principal of long-term debt consumes the current financial resources of  
government funds, however, this transaction has no effect on net assets. Also, governmental  
funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first  
issued, whereas these amounts are deferred and amortized in the statement of activities. This amount  
is the net effect of these differences in the treatment of long-term debt and related items.

Decrease in compensated absences		<u>9,839</u>
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Change in net position of governmental activities \$ (119,193)

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



Hinsdale County, Colorado

Statement of Net Position  
Proprietary Funds

December 31, 2016

	Business-type Activities - Enterprise Funds		
	Transfer Station	Recreation	Total
	Fund	Fund	
<b>Assets</b>			
Cash and cash equivalents	\$ 53,628	\$ 28,112	\$ 81,740
Accounts receivable	8,754	-	8,754
Due from other funds	0	-	-
Prepaid expenses	462	37	499
Land	291	6,036	6,327
Machinery and equipment	210,913	50,367	261,280
Accumulated depreciation	(174,527)	(33,501)	(208,028)
<b>Total Assets</b>	<b>99,521</b>	<b>51,051</b>	<b>150,572</b>
<b>Liabilities</b>			
Accounts payable	3,459	57	3,516
Deposits payable	2,695	-	2,695
<b>Total Liabilities</b>	<b>6,154</b>	<b>57</b>	<b>6,211</b>
<b>Net Position</b>			
Unrestricted	93,367	50,994	144,361
<b>Total Net Position</b>	<b>\$ 93,367</b>	<b>\$ 50,994</b>	<b>\$ 144,361</b>

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

Hinsdale County, Colorado

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

For the Year ended December 31, 2016

	Transfer Station Fund	Recreation Fund	Total Current Year
Operating revenues			
Disposal fees	\$ 136,628	\$ -	\$ 136,628
Campground fees	-	31,610	31,610
Total operating revenues	<u>136,628</u>	<u>31,610</u>	<u>168,238</u>
Operating expenses			
Payroll expenses	29,414	78	29,492
Insurance	1,149	135	1,284
Sanitation and maintenance expenses	120,041	21,358	141,399
Supplies	1,449	2,956	4,405
Depreciation	6,924	2,409	9,333
Miscellaneous	2,034	1,252	3,286
Total operating expenses	<u>161,011</u>	<u>28,188</u>	<u>189,199</u>
Increase (decrease) in net position	(24,383)	3,422	(20,961)
Net position at beginning of year	117,750	47,572	165,322
Net position at end of year	<u>\$ 93,367</u>	<u>\$ 50,994</u>	<u>\$ 144,361</u>

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

Hinsdale County, Colorado

Statement of Cash Flows  
Proprietary Funds

For the Year ended December 31, 2016

	Transfer Station Fund	Recreation Fund	Total
Cash flows from operating activities			
Cash received from customers	\$ 133,821	\$ 31,610	\$ 165,431
Cash payments to suppliers for goods and services	(119,673)	(25,242)	(144,915)
Cash payments to employees for services	(29,414)	-	(29,414)
Net cash provided (used) by operating activities	<u>(15,266)</u>	<u>6,368</u>	<u>(8,898)</u>
Cash flows provided by investing activities			
Investment income	<u>1,539</u>	<u>-</u>	<u>1,539</u>
Net increase (decrease) in cash and cash equivalents	(13,727)	6,368	(8,898)
Cash and cash equivalents, beginning of year	67,355	21,744	89,099
Cash and cash equivalents, end of year	<u>\$ 53,628</u>	<u>\$ 28,112</u>	<u>\$ 80,201</u>
Reconciliation of operating income (loss) to net cash			
Provided (used) by operating activities:			
Income (loss) from operations	\$ (24,383)	\$ 3,422	\$ (20,961)
Adjustments to reconcile income (loss) from operations			
to net cash provided (used) by operating activities:			
Depreciation	6,924	2,409	9,333
(Increase) decrease in accounts receivable	(3,202)	-	(3,202)
Increase (decrease) in deposits payable	395	-	395
(Increase) decrease in prepaid expenses	2,507	480	2,987
Increase (decrease) in accounts payable	2,493	57	2,550
Net cash provided (used) by operating activities	<u>\$ (15,266)</u>	<u>\$ 6,368</u>	<u>\$ (8,898)</u>

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

Hinsdale County, Colorado

Statement of Fiduciary Net Position  
Fiduciary Funds

December 31, 2016

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	<u>Treasurer's Agency Fund</u>
Cash and cash equivalents	<u>\$ 262,596</u>
Due to other governments	<u>\$ 262,596</u>

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

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2016

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**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

1. Reporting Entity

*Primary Government*

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

Hinsdale County has no component units.

2. Government-Wide Financial Statements

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2016

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**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES- CONTINUED**

3. Fund Financial Statements

The accounts of the County are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows, liabilities, deferred inflows, fund equity, revenues, and expenditures, or expenses, as appropriate. Government resources are allocated to, and accounted for, in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

All governmental funds are accounted for on a flow of current financial resources basis. Balance sheets for these funds generally include only current assets, current liabilities, and appropriate deferred inflows. Reported fund balances are considered a measure of available, spendable resources. Operating statements for these funds present a summary of available, spendable resources and expenditures for the period.

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

The County reports the following major governmental funds:

- The General Fund is the general operating fund of the County. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- The Road and Bridge Fund is used to account for the maintenance and improvements of streets and highways. The sources of funds include property taxes, highway user fees, and other revenue sources.
- The Sheriff Fund is used to account for the provision of law enforcement for the County.

The Proprietary Funds are accounted for using the accrual basis of accounting as follows:

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

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

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2016

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**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES- CONTINUED**

4. Measurement Focus and Basis of Accounting

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

The modified accrual basis of accounting is used by all governmental funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). “Measurable” means the amount of the transaction can be determined. “Available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred. Exceptions to this general rule include: (1) principal and interest on general long-term debt, which is recognized when due and (2) compensated absences, which are recognized when the obligations are expected to be liquidated with expendable available resources.

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

5. Assets, Liabilities, and Net Position or Equity

**Cash**

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

**Investments**

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

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2016

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**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES- CONTINUED**

5. Assets, Liabilities, and Net Assets or Equity - Continued

**Property Taxes**

Property taxes attach as an enforceable lien on property as of January 1 each year. The taxes are payable in two installments on February 28 and June 15 or in full on April 30. The County Treasurer bills and collects all property taxes for the County. Property tax revenue is recognized by the County to the extent it results in a current receivable.

The 2016 property tax levy due January 1, 2017 has been recorded in the financial statements as receivable and corresponding deferred inflow in the financial statements.

**Allowance for doubtful accounts**

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

**Interfund receivables and payables**

Balances that originate from current lending/ borrowing arrangements between funds are referred to as "Due To/ From Other Funds."

**Inventories and Prepaid Items**

Inventory is valued at the lower of cost (first-in, first-out) or market. Inventory in the Special Revenue Funds consists of expendable supplies held for use. Reported inventories are reported as non-spendable fund balance, which indicates that they do not constitute "available spendable resources" even though they are a component of net current assets. Inventory policy on government-wide statements is consistent with fund statements. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

**Capital Assets**

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



NOTES TO THE FINANCIAL STATEMENTS

December 31, 2016

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**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES- CONTINUED**

5. Assets, Liabilities, and Net Assets or Equity- Continued

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

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

GASB Statement No. 34 requires the County to report and depreciate new infrastructure assets. Infrastructure assets include roads, bridges, underground pipe (other than related utilities), traffic signals, etc. Neither their historical cost nor related depreciation has historically been reported in the financial statements. There have been no additions to infrastructure assets since the implementation of GASB Statement No. 34.

**Long-Term Obligations**

Long-term debt and other long-term obligations are recorded as liabilities in the Government-wide Financial Statements. In the fund financial statements for governmental fund types, debt proceeds are reported as another financing source.

**Compensated Absences**

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

**Unearned Revenue**

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

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2016

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**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES- CONTINUED**

5. Assets, Liabilities, and Net Assets or Equity- Continued

**Fund Equity**

Beginning with fiscal year 2011 the Town implemented GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions." This statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. In the fund financial statements the following classifications describe the relative strength of the spending constraint.

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

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

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

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

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

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

**Use of Estimates**

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

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2016

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**NOTE B - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**Budgets and Budgetary Accounting**

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

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

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

The total expenditures for each fund cannot exceed the budgeted amount unless a supplemental appropriation is adopted. The Recreation Fund, Transfer Station Fund and Human Services Fund each had expenditures in excess of budgeted expenditures for the year ended December 31, 2016.

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

**NOTE C - CASH, DEPOSITS, AND INVESTMENTS**

1. Cash and Deposits

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

The Colorado Public Deposit Protections Act (PDPA) requires that all units of local government deposit cash in eligible public depositories determined by state regulators. Amounts on deposits in excess of federal insurance levels must be collateralized in accordance with the PDPA. PDPA allows the institution to create a single collateral pool for all public funds to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least 102% of the aggregate uninsured deposits.

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2016

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**NOTE C - CASH, DEPOSITS, AND INVESTMENTS – CONTINUED**

**Custodial Credit Risk- Deposits**

Custodial credit risk is the risk that in the event of the failure of a depository institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. At December 31, 2016, \$2,079,637 was exposed to custodial credit risk. Deposits exposed to credit risk are collateralized with securities held by the pledging financial institutions through PDPA.

2. Investments

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

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

- Obligations of the United States and certain U.S. Government agency securities
- Certain international agency securities
- General obligation and revenue bonds of U.S. local government entities
- Bankers' acceptances of certain banks
- Commercial paper
- Local government investment pools
- Repurchase agreements
- Money market funds
- Guaranteed investment contracts
- Corporate or bank debt issued by eligible corporations or banks

**Credit Risk**

The County's investment policy calls for investment diversification within the portfolio to avoid unreasonable risk inherent in over investing in specific instruments, individual financial institutions or maturities. The County's investment policy allows for the County to invest in local government investment pools. As of December 31, 2016, the local government investment pool (ColoTrust) in which the County had invested, was rated AAA by Standard & Poor's.

Hinsdale County, Colorado

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2016

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**NOTE C - CASH, DEPOSITS, AND INVESTMENTS- CONTINUED**

2. Investments- Continued

Cash in banks	\$ 2,585,431
Cash on hand	6,296
Investments (ColoTrust)	<u>6,329</u>
Total cash, deposits, and investments: (Book Balance)	2,598,056
Less: amounts related to Trust & Agency Fund	<u>(262,596)</u>
Total cash, deposits, and investments on statement of net position	<u>\$ 2,335,460</u>

**Interest Rate Risk**

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

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

**NOTE D – INTERFUND ACTIVITY**

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

Hinsdale County, Colorado

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2016

**NOTE D – INTERFUND ACTIVITY – CONTINUED**

Interfund transfers for the year ended December 31, 2016 are as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 47,410	\$ 478,469
Road and Bridge Fund	50,000	–
Sheriff’s Fund	349,000	–
Non-major funds	<u>59,295</u>	<u>27,236</u>
	<u>\$ 505,705</u>	<u>\$ 505,705</u>

**NOTE E – CAPITAL ASSETS**

Capital assets activity for the year ended December 31, 2016, was as follows:

	<u>Balance December 31, 2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance December 31, 2016</u>
<b>GOVERNMENT ACTIVITIES</b>				
Capital assets not being depreciated:				
Land	\$ 857,400	\$ –	\$ –	\$ 857,400
Construction in progress	<u>–</u>	<u>189,966</u>	<u>\$ –</u>	<u>\$ 189,966</u>
Total capital assets not being depreciated	<u>857,400</u>	<u>189,966</u>	<u>–</u>	<u>1,047,366</u>
Capital assets being depreciated:				
Buildings and Improvements	1,955,124	–	–	1,955,124
Machinery and Equipment	2,362,013	235,000	26,862	2,570,151
Vehicles	<u>711,927</u>	<u>73,352</u>	<u>–</u>	<u>785,279</u>
Total capital assets being depreciated	5,029,064	308,352	26,862	5,310,554
Less accumulated depreciation for:				
Buildings	1,271,363	26,920	–	1,298,283
Machinery and Equipment	1,973,418	122,136	26,862	2,068,692
Vehicles	<u>571,283</u>	<u>66,888</u>	<u>–</u>	<u>638,171</u>
Total accumulated depreciation	<u>3,816,064</u>	<u>215,944</u>	<u>26,862</u>	<u>4,005,146</u>
Total Capital Assets being depreciated, net	<u>1,213,000</u>	<u>92,408</u>	<u>–</u>	<u>1,305,408</u>
<b>GOVERNMENTAL ACTIVITIES</b>				
<b>CAPITAL ASSETS, NET</b>	<u>\$ 2,070,400</u>	<u>\$ 282,374</u>	<u>\$ –</u>	<u>\$ 2,352,774</u>

Hinsdale County, Colorado

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2016

**NOTE E – CAPITAL ASSETS – CONTINUED**

**BUSINESS- TYPE ACTIVITIES**

Capital assets not be depreciated

Land	\$ 6,327	\$ -	\$ -	\$ 6,327
Total capital assets not be depreciated	<u>6,327</u>	<u>-</u>	<u>-</u>	<u>6,327</u>

Capital assets being depreciated

Equipment	<u>261,280</u>	<u>-</u>	<u>-</u>	<u>261,280</u>
Total capital assets being depreciated	<u>261,280</u>	<u>-</u>	<u>-</u>	<u>261,280</u>

Less accumulated depreciation for:

Equipment	<u>198,695</u>	<u>9,333</u>	<u>-</u>	<u>208,028</u>
Capital assets being depreciated, net	<u>62,585</u>	<u>(9,333)</u>	<u>-</u>	<u>53,252</u>

**BUSINESS- TYPE ACTIVITIES**

<b>CAPITAL ASSETS, NET</b>	<u>\$ 68,912</u>	<u>\$ (9,333)</u>	<u>\$ -</u>	<u>\$ 59,579</u>
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Depreciation expense was charged to functions/ programs of the primary government as follows:

Governmental Activities:

General Government	\$ 74,817
Public Safety	43,137
Highways and Streets	<u>97,990</u>
Total depreciation expense – governmental activities	<u>\$ 215,944</u>

**NOTE F – LONG- TERM DEBT**

Long- term liability balances for the year ended December 31, 2016 were as follows:

	Balance December 31, <u>2015</u>	<u>Additions</u>	<u>Deletions</u>	Balance December 31, <u>2016</u>	Due Within <u>One Year</u>
Governmental Activities:					
Compensated Absences	\$ 85,496	\$ -	\$ 9,839	\$ 75,657	\$ 40,573
Total Governmental Activities					
Long- term Liabilities	<u>\$ 85,496</u>	<u>\$ -</u>	<u>\$ 9,839</u>	<u>\$ 75,657</u>	<u>\$ 40,573</u>

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2016

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**NOTE G – RETIREMENT**

Pension Plans

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

**Defined Contribution Pension Plan**

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

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

During the year, the County's required and actual contributions amounted to \$53,644 which was four percent (4%) of its current year covered payroll of \$1,341,100. The County's total payroll for 2016 was \$1,450,377.

**Deferred Compensation Plan**

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

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

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

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



NOTES TO THE FINANCIAL STATEMENTS

December 31, 2016

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**NOTE H – TABOR AMENDMENT RESERVE**

Colorado voters passed an amendment to the State Constitution, Article X, Section 20, which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local governments. The amendment is complex and subject to judicial interpretation. The County believes it is in compliance with the requirements of the amendment.

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

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

**NOTE I – RISK MANAGEMENT**

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

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

**Colorado Counties Casualty and Property Pool (CAPP)**

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

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2016

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**NOTE I – RISK MANAGEMENT – CONTINUED**

Colorado Workers' Compensation Pool (CWCP)

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

**NOTE J – COMMITMENTS AND CONTINGENCIES**

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

The County is a member of the Colorado Counties Casualty and Property Pool (CAPP) and the Colorado Workers' Compensation Pool (CWCP). CAPP and CWCP have a legal obligation for claims against its members to the extent that funds are available in their annually established loss funds and amounts are available from insurance providers under excess specific and aggregate insurance contracts. Losses incurred in excess of loss funds are direct liabilities of the participating members. CAPP and CWCP have indicated that the amount of any excess losses would be billed to members in proportion to their contributions in the year such excess occurs. The ultimate liability to the County resulting from claims not covered by CAPP and CWCP is not presently determinable.

**NOTE K – PRIOR PERIOD ADJUSTMENT**

There was one prior period adjustment in the current year for \$33,407 for accounts payable balances in the general fund that were not properly eliminated in previous years.

Hinsdale County, Colorado

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

For the Year ended December 31, 2016

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 1,537,701	\$ 1,537,701	\$ 1,510,247	\$ (27,454)
Intergovernmental	646,673	838,448	537,126	(301,322)
Interest on investments	4,000	4,000	6,864	2,864
Charges for services	121,500	121,500	90,882	(30,618)
Miscellaneous	49,800	566,768	131,632	(435,136)
Total revenues	<u>2,359,674</u>	<u>3,068,417</u>	<u>2,276,751</u>	<u>(791,666)</u>
Expenditures				
Current expenditures				
General government	<u>1,785,979</u>	<u>3,286,131</u>	<u>2,053,755</u>	<u>1,232,376</u>
Total expenditures	<u>1,785,979</u>	<u>3,286,131</u>	<u>2,053,755</u>	<u>1,232,376</u>
Excess (deficiency) of revenue over expenditures	573,695	(217,714)	222,996	440,710
Other financing sources (uses)				
Transfers out	-	-	(478,469)	(478,469)
Transfer in	<u>-</u>	<u>-</u>	<u>47,410</u>	<u>47,410</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(431,059)</u>	<u>(431,059)</u>
Excess (deficiency) of revenues over expenditures and other sources (uses)	573,695	(217,714)	(208,063)	9,651
Beginning fund balance	2,300,908	2,300,908	2,300,908	-
Prior period adjustment	<u>-</u>	<u>-</u>	<u>33,407</u>	<u>33,407</u>
Fund balance at beginning of year, restated	<u>2,300,908</u>	<u>2,300,908</u>	<u>2,334,315</u>	<u>33,407</u>
Fund balance at end of year	<u>\$ 2,874,603</u>	<u>\$ 2,083,194</u>	<u>\$ 2,126,252</u>	<u>\$ 9,651</u>

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

Hinsdale County, Colorado

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

For the Year ended December 31, 2016

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 21,765	\$ 23,025	\$ 22,845	\$ (180)
Intergovernmental	842,296	901,854	923,918	22,064
Charges for services	183,011	183,011	223,255	40,244
Reimbursement	24,500	24,500	2,400	(22,100)
Miscellaneous	453	40,000	2,150	(37,850)
Total revenues	<u>1,072,025</u>	<u>1,172,390</u>	<u>1,174,568</u>	<u>2,178</u>
Expenditures				
Current expenditures				
Highways and streets	1,087,796	1,086,448	1,105,616	(19,168)
Capital outlay	78,000	215,000	178,510	36,490
Total expenditures	<u>1,165,796</u>	<u>1,301,448</u>	<u>1,284,126</u>	<u>17,322</u>
Excess (deficiency) of revenue over expenditures	(93,771)	(129,058)	(109,558)	19,500
Other financing sources (uses)				
Transfer in	94,000	94,000	50,000	(44,000)
Total other financing sources (uses)	<u>94,000</u>	<u>94,000</u>	<u>50,000</u>	<u>(44,000)</u>
Excess (deficiency) of revenues over expenditures and other sources (uses)	229	(35,058)	(59,558)	(24,500)
Fund balance at beginning of year	410,672	410,672	410,672	-
Fund balance at end of year	<u>\$ 410,901</u>	<u>\$ 375,614</u>	<u>\$ 351,114</u>	<u>\$ (24,500)</u>

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

Hinsdale County, Colorado

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

For the Year ended December 31, 2016

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	422,193	113,380	77,625	(35,755)
Charges for services	2,000	(10,541)	7,363	17,904
Reimbursement	21,500	27,500	28,430	930
Miscellaneous	29,950	19,641	7,251	(12,390)
Total revenues	<u>475,643</u>	<u>149,980</u>	<u>120,669</u>	<u>(29,311)</u>
Expenditures				
Current expenditures				
Public safety	474,836	475,110	467,612	7,498
Total expenditures	<u>474,836</u>	<u>475,110</u>	<u>467,612</u>	<u>7,498</u>
Excess (deficiency) of revenue over expenditures	807	(325,130)	(346,943)	(21,813)
Other financing sources				
Transfers in	-	349,000	349,000	-
Total other financing sources	<u>-</u>	<u>349,000</u>	<u>349,000</u>	<u>-</u>
Excess (deficiency) of revenue over expenditures and other financing sources	807	23,870	2,057	(21,813)
Fund balance at beginning of year	(218,349)	(218,349)	(218,349)	-
Fund balance at end of year	<u>\$ (217,542)</u>	<u>\$ (194,479)</u>	<u>\$ (216,292)</u>	<u>\$ (21,813)</u>

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

Hinsdale County, Colorado

Combining Balance Sheet  
Non-Major Governmental Funds

December 31, 2016

	Title III Fund	Public Health Fund	Human Services Fund	Lodging Tax Fund
<b>Assets</b>				
Cash and cash equivalents	\$ 75,759	\$ 4,074	\$ -	\$ 62,241
Intergovernmental	-	9,419	-	
Property taxes receivable	-	-	18,328	-
Prepaid expenses	-	296	-	-
Inventory	-	-	-	-
Total assets	<u>75,759</u>	<u>13,789</u>	<u>18,328</u>	<u>62,241</u>
<b>Liabilities</b>				
Unearned revenue	79,120	-	-	-
Accounts payable	-	13,789	12,183	40,750
Due to other funds	-	-	-	20,329
Due to pooled cash	-	-	27,099	-
Total liabilities	<u>79,120</u>	<u>13,789</u>	<u>39,282</u>	<u>61,079</u>
<b>Deferred inflows</b>				
Property taxes	-	-	18,328	-
<b>Fund Balance</b>				
<b>Unreserved</b>				
<b>Nonspendable</b>				
Prepaid expenses	-	-	-	-
Inventory	-	-	-	-
<b>Restricted</b>				
Open space	-	-	-	-
Retirement	-	-	-	-
Snow grooming	-	-	-	-
Schools and roads	-	-	-	-
Emergency medical services	-	-	-	-
Public Health	-	-	-	-
<b>Assigned</b>				
Ambulance replacement	-	-	-	-
Unassigned	(3,361)	-	(39,282)	1,162
Total Fund Balances	<u>\$ (3,361)</u>	<u>\$ -</u>	<u>\$ (39,282)</u>	<u>\$ 1,162</u>

Hinsdale County, Colorado

Combining Balance Sheet  
Non-Major Governmental Funds

December 31, 2016

Ambulance Replacement Fund	Conservation Trust Fund	Retirement Fund	Snow Grooming Fund	EMS Fund	Total Non-Major Governmental Funds
\$ 68,298	\$ -	\$ 74,668	\$ 26,156	\$ -	\$ 311,196
-	-	-	-	-	9,419
-	-	56,790	-	-	75,118
-	-	-	-	-	296
-	-	-	-	17,291	17,291
<u>68,298</u>	<u>-</u>	<u>131,458</u>	<u>26,156</u>	<u>17,291</u>	<u>413,320</u>
-	-	-	-	-	79,120
-	-	378	215	6,821	74,136
-	-	-	-	-	20,329
-	-	-	-	75,088	102,187
<u>-</u>	<u>-</u>	<u>378</u>	<u>215</u>	<u>81,909</u>	<u>275,772</u>
-	-	56,790	-	-	75,118
-	-	-	-	-	-
-	-	-	-	17,291	17,291
-	-	-	-	-	-
-	-	74,290	-	-	74,290
-	-	-	25,941	-	25,941
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
68,298	-	-	-	-	68,298
-	-	-	-	(81,909)	(123,390)
<u>\$ 68,298</u>	<u>\$ -</u>	<u>\$ 74,290</u>	<u>\$ 25,941</u>	<u>\$ (64,618)</u>	<u>\$ 62,430</u>

Hinsdale County, Colorado

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

For the Year Ended December 31, 2016

	Title III Fund	Public Health Fund	Human Services Fund	Lodging Tax Fund
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ 67,255
Intergovernmental revenue	216,887	209,337	-	-
Charges for services	-	1,760	-	-
Miscellaneous	-	724	-	-
Total revenues	<u>216,887</u>	<u>211,821</u>	<u>-</u>	<u>67,255</u>
Expenditures				
Current expenditures				
General government	-	-	-	-
Health and welfare	-	281,765	45,304	-
Culture and recreation	221,043	-	-	40,750
Total expenditures	<u>221,043</u>	<u>281,765</u>	<u>45,304</u>	<u>40,750</u>
Excess (deficiency) of revenue over expenditures	(4,156)	(69,944)	(45,304)	26,505
Other financing sources (uses)				
Sale of assets	-	-	-	-
Transfers in	-	-	18,295	-
Transfers (out)	-	(6,907)	-	(20,329)
Total other financing sources (uses)	<u>-</u>	<u>(6,907)</u>	<u>18,295</u>	<u>(20,329)</u>
Excess (deficiency) of revenues over expenditures and other sources (uses)	(4,156)	(76,851)	(27,009)	6,176
Fund balance at beginning of year	<u>795</u>	<u>76,851</u>	<u>(12,273)</u>	<u>(5,014)</u>
Fund balance at end of year	<u>\$ (3,361)</u>	<u>\$ -</u>	<u>\$ (39,282)</u>	<u>\$ 1,162</u>



Hinsdale County, Colorado

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

For the Year Ended December 31, 2016

Ambulance Replacement Fund	Conservation Trust Fund	Retirement Fund	Snow Grooming Fund	EMS Fund	Total Non-Major Governmental Funds
\$ -	\$ -	\$ 59,836	\$ -	\$ -	\$ 127,091
-	4,448	-	18,000	29,336	478,008
-	-	-	-	50,673	52,433
-	-	2,426	-	4,540	7,690
-	4,448	62,262	18,000	84,549	665,222
-	-	56,593	-	-	56,593
-	-	-	-	147,368	474,437
-	18,946	-	31,354	-	312,093
-	18,946	56,593	31,354	147,368	843,123
-	(14,498)	5,669	(13,354)	(62,819)	(177,901)
-	-	-	-	-	-
3,000	-	-	10,000	28,000	59,295
-	-	-	-	-	(27,236)
3,000	-	-	10,000	28,000	32,059
3,000	(14,498)	5,669	(3,354)	(34,819)	(145,842)
65,298	14,498	68,621	29,295	(29,799)	208,272
\$ 68,298	\$ -	\$ 74,290	\$ 25,941	\$ (64,618)	\$ 62,430

Hinsdale County, Colorado

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

For the Year ended December 31, 2016

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental revenue	\$ 288,332	\$ 391,571	\$ 216,887	\$ (174,684)
Total revenues	<u>288,332</u>	<u>391,571</u>	<u>216,887</u>	<u>(174,684)</u>
Expenditures				
Culture and recreation	288,253	389,962	221,043	168,919
Total expenditures	<u>288,253</u>	<u>389,962</u>	<u>221,043</u>	<u>168,919</u>
Excess (deficiency) of revenue over expenditures	79	1,609	(4,156)	(343,603)
Other financing sources (uses)				
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenue over expenditures and other financing sources and (uses)	79	1,609	(4,156)	(343,603)
Fund balance at beginning of year	<u>795</u>	<u>795</u>	<u>795</u>	<u>-</u>
Fund balance at end of year	<u>\$ 874</u>	<u>\$ 2,404</u>	<u>\$ (3,361)</u>	<u>\$ (343,603)</u>

Hinsdale County, Colorado

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

For the Year ended December 31, 2016

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 200,724	\$ 200,724	\$ 209,337	\$ 8,613
Charges for services	2,007	2,007	1,760	(247)
Miscellaneous	223,277	223,277	724	(222,553)
Total revenues	<u>426,008</u>	<u>426,008</u>	<u>211,821</u>	<u>(214,187)</u>
Expenditures				
Health and welfare	<u>420,702</u>	<u>420,702</u>	<u>281,765</u>	<u>138,937</u>
Total expenditures	<u>420,702</u>	<u>420,702</u>	<u>281,765</u>	<u>138,937</u>
Excess (deficiency) of revenue over expenditures	5,306	5,306	(69,944)	(75,250)
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	(6,907)	(6,907)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(6,907)</u>	<u>(6,907)</u>
Excess (deficiency) of revenues over expenditures and other sources (uses)	5,306	5,306	(76,851)	(82,157)
Fund balance at beginning of year	<u>116,856</u>	<u>116,856</u>	<u>76,851</u>	<u>(40,005)</u>
Fund balance at end of year	<u>\$ 122,162</u>	<u>\$ 122,162</u>	<u>\$ -</u>	<u>\$ (122,162)</u>

Hinsdale County, Colorado

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

For the Year ended December 31, 2016

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
General property taxes	\$ -	\$ -	\$ -	\$ -
Delinquent taxes and interest	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures				
Health and welfare	<u>41,990</u>	<u>41,990</u>	<u>45,304</u>	<u>(3,314)</u>
Total expenditures	<u>41,990</u>	<u>41,990</u>	<u>45,304</u>	<u>(3,314)</u>
Excess (deficiency) of revenue over expenditures	(41,990)	(41,990)	(45,304)	(3,314)
Other financing Sources (Uses)				
Transfers In	<u>35,800</u>	<u>35,800</u>	<u>18,295</u>	<u>(17,505)</u>
Total other financing sources (uses)	<u>35,800</u>	<u>35,800</u>	<u>18,295</u>	<u>(17,505)</u>
Excess (deficiency) of revenues over expenditures and other sources (uses)	(6,190)	(6,190)	(27,009)	(20,819)
Fund balance at beginning of year	<u>(12,273)</u>	<u>(12,273)</u>	<u>(12,273)</u>	<u>-</u>
Fund balance at end of year	<u>\$ (18,463)</u>	<u>\$ (18,463)</u>	<u>\$ (39,282)</u>	<u>\$ (20,819)</u>

Hinsdale County, Colorado

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

For the Year ended December 31, 2016

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Lodging tax	\$ 58,000	\$ 58,000	\$ 67,255	\$ 9,255
Total revenues	<u>58,000</u>	<u>58,000</u>	<u>67,255</u>	<u>9,255</u>
Expenditures				
Culture and recreation	57,500	57,500	40,750	16,750
Total expenditures	<u>57,500</u>	<u>57,500</u>	<u>40,750</u>	<u>16,750</u>
Excess (deficiency) of revenue over expenditures	500	500	26,505	26,005
Other financing sources (uses)				
Transfers out	-	(17,750)	(20,329)	(2,579)
Total other financing sources (uses)	<u>-</u>	<u>(17,750)</u>	<u>(20,329)</u>	<u>(2,579)</u>
Excess (deficiency) of revenues over expenditures and other sources (uses)	500	(17,250)	6,176	23,426
Fund balance at beginning of year	<u>(5,014)</u>	<u>(5,014)</u>	<u>(5,014)</u>	<u>-</u>
Fund balance at end of year	<u>\$ (4,514)</u>	<u>\$ (4,514)</u>	<u>\$ 1,162</u>	<u>\$ 26,005</u>

Hinsdale County, Colorado

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

For the Year ended December 31, 2016

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Interest Income	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
Expenditures	-	-	-	-
Excess (deficiency) of revenue over expenditures	-	-	-	-
Other financing sources (uses)				
Transfers in (out)	3,000	3,000	3,000	-
Total other financing sources (uses)	3,000	3,000	3,000	-
Excess (deficiency) of revenues over expenditures and other sources (uses)	3,000	3,000	3,000	-
Fund balance at beginning of year	65,298	65,298	65,298	-
Fund balance at end of year	\$ 68,298	\$ 68,298	\$ 68,298	\$ -

Hinsdale County, Colorado

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

For the Year ended December 31, 2016

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental revenue	\$ 4,500	\$ 17,000	\$ 4,448	\$ (12,552)
Total Revenues	<u>4,500</u>	<u>17,000</u>	<u>4,448</u>	<u>(12,552)</u>
Expenditures	<u>4,100</u>	<u>27,200</u>	<u>18,946</u>	<u>8,254</u>
Excess (deficiency) of revenue over expenditures	400	(10,200)	(14,498)	(4,298)
Fund balance at beginning of year	<u>14,498</u>	<u>14,498</u>	<u>14,498</u>	<u>-</u>
Fund balance at end of year	<u>\$ 14,898</u>	<u>\$ 4,298</u>	<u>\$ -</u>	<u>\$ (4,298)</u>

Hinsdale County, Colorado

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

For the Year ended December 31, 2016

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes				
General property taxes	\$ 57,003	\$ 57,003	\$ 55,592	\$ (1,411)
Specific ownership taxes	2,819	2,819	4,020	1,201
Delinquent taxes and interest	200	200	224	24
Miscellaneous	3,000	3,000	2,426	(574)
Total revenues	<u>63,022</u>	<u>63,022</u>	<u>62,262</u>	<u>(760)</u>
Expenditures	<u>61,296</u>	<u>61,296</u>	<u>56,593</u>	<u>4,703</u>
Excess (deficiency) of revenue over expenditures	1,726	1,726	5,669	3,943
Fund balance at beginning of year	<u>68,621</u>	<u>68,621</u>	<u>68,621</u>	<u>-</u>
Fund balance at end of year	<u>\$ 70,347</u>	<u>\$ 70,347</u>	<u>\$ 74,290</u>	<u>\$ 3,943</u>



Hinsdale County, Colorado

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

For the Year ended December 31, 2016

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Trail maintenance fees	\$ 40,072	\$ 50,072	\$ 18,000	\$ (32,072)
Miscellaneous sources	-	-	-	-
Total revenues	<u>40,072</u>	<u>50,072</u>	<u>18,000</u>	<u>(32,072)</u>
Expenditures	<u>45,043</u>	<u>58,163</u>	<u>31,354</u>	<u>26,809</u>
Excess (deficiency) of revenue over expenditures	(4,971)	(8,091)	(13,354)	(5,263)
Other Financing Sources (Uses)				
Transfer from other funds	<u>5,000</u>	<u>10,000</u>	<u>10,000</u>	<u>-</u>
Net position at end of year, budget basis				
Reconciliation to GAAP basis:	29	1,909	(3,354)	(5,263)
Other financing sources				
Transfers in	<u>-</u>	<u>-</u>	<u>10,000</u>	<u>10,000</u>
Excess (deficiency) of revenues over expenditures and other sources (uses)	29	1,909	(3,354)	4,737
Fund balance at beginning of year	<u>29,295</u>	<u>29,295</u>	<u>29,295</u>	<u>-</u>
Fund balance at end of year	<u>\$ 29,324</u>	<u>\$ 31,204</u>	<u>\$ 25,941</u>	<u>\$ (5,263)</u>

Hinsdale County, Colorado

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

For the Year ended December 31, 2016

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Grant revenue	\$ 26,100	\$ 27,900	\$ 21,836	\$ (6,064)
Intergovernmental subsidy	15,000	7,500	7,500	-
Donations	1,000	3,000	3,941	941
Charges for services , net	92,000	83,500	50,673	(32,827)
Miscellaneous sources	6,500	29,100	599	(28,501)
Total revenues	<u>140,600</u>	<u>151,000</u>	<u>84,549</u>	<u>(66,451)</u>
Expenditures	<u>153,153</u>	<u>147,700</u>	<u>147,368</u>	<u>332</u>
Excess (deficiency) of revenue over expenditures	(12,553)	3,300	(62,819)	(66,119)
Other financing sources				
Transfers in	<u>20,000</u>	<u>28,000</u>	<u>28,000</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures and other sources	7,447	31,300	(34,819)	(66,119)
Fund balance at beginning of year	<u>30,533</u>	<u>30,533</u>	<u>(29,799)</u>	<u>(60,332)</u>
Fund balance at end of year	<u>\$ 37,980</u>	<u>\$ 61,833</u>	<u>\$ (64,618)</u>	<u>\$ (126,451)</u>

Hinsdale County, Colorado

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

For the Year ended December 31, 2016

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Operating revenues:				
Disposal fees	\$ 135,400	\$ 136,190	\$ 136,628	\$ 438
Total revenue	<u>135,400</u>	<u>136,190</u>	<u>136,628</u>	<u>438</u>
Operating expenses:				
Operating expenses	<u>125,635</u>	<u>125,635</u>	<u>154,087</u>	<u>(28,452)</u>
Total expenses	<u>125,635</u>	<u>125,635</u>	<u>154,087</u>	<u>(28,452)</u>
Change in net position	9,765	10,555	(17,459)	(28,014)
Net position at beginning of year	<u>117,750</u>	<u>117,750</u>	<u>117,750</u>	<u>-</u>
Net position at end of year, budget basis	<u>\$ 127,515</u>	<u>\$ 128,305</u>	100,291	<u>\$ (28,014)</u>
Reconciliation to GAAP basis:				
Depreciation expense			<u>(6,924)</u>	
Net position at end of year, GAAP basis			<u>\$ 93,367</u>	

Hinsdale County, Colorado

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

For the Year ended December 31, 2016

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Operating revenues:				
Recreation fees	\$ 25,000	\$ 25,000	\$ 31,610	\$ 6,610
Total revenues	<u>25,000</u>	<u>25,000</u>	<u>31,610</u>	<u>6,610</u>
Operating expenses	<u>21,305</u>	<u>21,305</u>	<u>25,779</u>	<u>(4,474)</u>
Total expenses	<u>21,305</u>	<u>21,305</u>	<u>25,779</u>	<u>(4,474)</u>
Change in net position	3,695	3,695	5,831	11,084
Net position at beginning of year	<u>47,572</u>	<u>47,572</u>	<u>47,572</u>	<u>-</u>
Net position at end of year, budget basis	<u>\$ 51,267</u>	<u>\$ 51,267</u>	53,403	<u>\$ 2,136</u>
Reconciliation to GAAP basis:				
Depreciation expense			<u>(2,409)</u>	
Net position at end of year, GAAP basis			<u>\$ 50,994</u>	

The public report burden for this information collection is estimated to average 380 hours annually.

<b>LOCAL HIGHWAY FINANCE REPORT</b>	City or County: <b>HINSDALE COUNTY</b> YEAR ENDING : <b>DEC 2016</b>
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This Information From The Records Of (example - City of _ or County of ) <b>COUNTY OF HINSDALE</b>	Prepared By: <b>LYNN McDUITT</b> Phone: <b>970-944-2225</b>
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**I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE**

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

**II. RECEIPTS FOR ROAD AND STREET PURPOSES**

**III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES**

ITEM	AMOUNT	ITEM	AMOUNT
<b>A. Receipts from local sources:</b>		<b>A. Local highway disbursements:</b>	
1. Local highway-user taxes		1. Capital outlay (from page 2)	0
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	604,151
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	123,550
2. General fund appropriations	50,000	b. Snow and ice removal	91,356
3. Other local imposts (from page 2)	22,759	c. Other	6,419
4. Miscellaneous local receipts (from page 2)	227,891	d. Total (a. through c.)	221,325
5. Transfers from toll facilities		4. General administration & miscellaneous	471,048
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	
a. Bonds - Original Issues		6. Total (1 through 5)	1,296,524
b. Bonds - Refunding Issues		<b>B. Debt service on local obligations:</b>	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	
7. Total (1 through 6)	300,650	b. Redemption	
<b>B. Private Contributions</b>		c. Total (a. + b.)	0
<b>C. Receipts from State government (from page 2)</b>	749,110	2. Notes:	
<b>D. Receipts from Federal Government (from page 2)</b>	172,854	a. Interest	
<b>E. Total receipts (A.+ B + C + D)</b>	1,222,614	b. Redemption	
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	0
		<b>C. Payments to State for highways</b>	
		<b>D. Payments to toll facilities</b>	
		<b>E. Total disbursements (A.6 + B.3 + C + D)</b>	1,296,524

**IV. LOCAL HIGHWAY DEBT STATUS**

(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
<b>A. Bonds (Total)</b>				0
1. Bonds (Refunding Portion)				
<b>B. Notes (Total)</b>				0

**V. LOCAL ROAD AND STREET FUND BALANCE**

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	316,212	1,222,614	1,296,524		242,302

Notes and Comments:

**LOCAL HIGHWAY FINANCE REPORT**

STATE:  
Colorado  
YEAR ENDING (mm/yy):  
DEC 2016

**II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL**

ITEM	AMOUNT	ITEM	AMOUNT
<b>A.3. Other local imposts:</b>		<b>A.4. Miscellaneous local receipts:</b>	
a. Property Taxes and Assessments	21,224	a. Interest on investments	86
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes		c. Parking Garage Fees	
2. Infrastructure & Impact Fees		d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	67,523
4. Licenses		f. Charges for Services	157,882
5. Specific Ownership &/or Other	1,535	g. Other Misc. Receipts	2,400
6. Total (1. through 5.)	1,535	h. Other	
c. Total (a. + b.)	22,759	i. Total (a. through h.)	227,891
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
<b>C. Receipts from State Government</b>		<b>D. Receipts from Federal Government</b>	
1. Highway-user taxes	742,442	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	172,854
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations		d. Federal Transit Admin	
d. Other (Specify) - DOLA Grant		e. U.S. Corps of Engineers	
e. Other (Specify) MSVA	6,668	f. Other Federal	
f. Total (a. through e.)	6,668	g. Total (a. through f.)	172,854
4. Total (1. + 2. + 3.f)	749,110	3. Total (1. + 2.g)	
			(Carry forward to page 1)

**III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL**

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
<b>A.1. Capital outlay:</b>			
a. Right-Of-Way Costs			0
b. Engineering Costs			0
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements			0
(3). System Preservation			0
(4). System Enhancement & Operation			0
(5). Total Construction (1) + (2) + (3) + (4)	0	0	0
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	0	0
			(Carry forward to page 1)

Notes and Comments: