



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

December 31, 2014

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INDEPENDENT AUDITOR'S REPORT



October 5, 2015

To the Board of County Commissioners
Hinsdale County, Colorado

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, major fund, and the aggregate remaining fund information of Hinsdale County, Colorado, as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Hinsdale County, Colorado, as of December 31, 2014, 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.



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Emphasis of Matter

As discussed in Note K to the financial statements, the previously issued financial statements have been restated for the correction of a material misstatement in the fund and government-wide financial statements for the year ended December 31, 2014. The material misstatement was corrected in the current year through a prior period adjustment to beginning fund balance in the Sheriff and Road and Bridge funds and beginning net position in the government-wide statements.

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 4–9 and 34–36 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 Hinsdale County, Colorado's basic financial statements. The combining, and individual nonmajor fund financial statements and the proprietary fund budget and actual schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

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

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.

Board of County Commissioners
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Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 5, 2015, on our consideration of Hinsdale County, Colorado's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Hinsdale County, Colorado's internal control over financial reporting and compliance.

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



HINSDALE COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2014

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, 2014. 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, 2014

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 2013 and 2014.

	2013			2014		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Current and Other assets	3,914,753	24,022	3,938,775	4,348,641	55,912	4,404,553
Capital Assets	2,122,509	91,478	2,213,987	1,995,354	80,194	2,075,548
Total Assets	6,037,262	115,500	6,152,762	6,343,995	136,106	6,480,101
Long-Term Liabilities outstanding	30,542	0	30,542	35,084	0	35,084
Other Liabilities	362,690	1,925	364,615	355,333	3,585	358,918
Deferred Inflows: Property Taxes	1,043,885	0	1,043,885	1,105,052	0	1,105,052
Total Liabilities	1,437,117	1,925	1,439,042	1,495,469	3,585	1,499,054
Net Position:						
Net investment in Capital Assets	2,122,509	91,478	2,213,987	1,995,354	80,194	2,075,548
Restricted for TABOR	113,174	0	113,174	113,174	0	113,174
Unrestricted	2,364,462	22,097	2,386,559	2,739,998	52,327	2,792,325
Total Net Position	4,600,145	113,575	4,713,720	4,848,526	132,521	4,981,047

HINSDALE COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2014

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

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 2013 and 2014.

REVENUES:	2013			2014		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Program Revenues:						
Charges for Services	452,233	135,075	587,308	525,303	140,110	665,413
Grants & Contributions	1,450,793	0	1,450,793	1,305,762	0	1,305,762
General Revenues:						
Taxes	2,331,954	0	2,331,954	2,422,310	0	2,422,310
Interest & Other Revenue	24,763	0	24,763	39,248	0	39,248
Total Revenues	4,259,743	135,075	4,394,818	4,292,632	140,110	4,432,733
EXPENSES:						
General Government	2,179,872	0	2,179,872	1,823,153	0	1,823,153
Public Safety	452,123	0	452,123	471,816	0	471,816
Health & Welfare	366,324	0	366,324	422,631	0	422,631
Highways & Streets	1,187,018	0	1,187,018	1,177,576	0	1,177,576
Culture & Recreation	81,810	0	81,810	208,466	0	208,466
Transfer Station/Recreation	0	143,641	143,641	0	121,164	121,164
Interest Expense	3,216	0	3,216	0	0	0
Total Expenses	4,270,363	143,641	4,414,004	4,103,642	121,164	4,224,806
Increase (Decrease) in net position:	(10,620)	(8,566)	(19,186)	188,981	18,946	207,927
Net Position January 1	4,549,177	122,141	4,671,318	4,600,145	113,575	4,713,720
Prior Period Adj	61,588	0	61,588	59,400	0	59,400
Net Position January 1 restated	4,610,765	122,141	4,732,906	4,659,545	113,575	4,773,120
Net Position December 31	4,600,145	113,575	4,713,720	4,848,526	132,521	4,981,047

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

The County operated at increases in net position for governmental activities in 2013 and 2014 due to, in part, a prior period adjustment. Without the prior period adjustment the total change in Net Position still increased. Road and Bridge is raising rates charged for work for other governments in 2015.

HINSDALE COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2014

The County operated at an increase in net position for business-type activities in 2014 due to in part to a increased revenues in the Transfer Station fund. The Recreation fund also increased in net position due to increased activity.

The Transfer Station is raising rates again in 2015 to allow for a change in the calculation of fees at the Landfill in Gunnison.

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 2014.

The County generated a 5% increase in fund balances in the total major and non-major governmental funds and proprietary funds during 2014. The total fund balances for these funds increased by \$384,062 over the budgeted expectation. This was due mainly to excess of Revenues over expenses in the General Fund. It is to be noted that when we budget, the Fund Balance amounts do not include inventory and Assets as part of the Fund Balance.

General Fund Budgetary Highlights

General Fund Resources (Inflows)

The County's final revenues in the amount of \$2,399,129 were less than budget expectations of \$2,854,857 by \$455,728 due in most part to anticipated revenues from the RWEACT grant being budgeted and not expended for reimbursement. Severance Tax of \$58,426 was not budgeted as we do not know if we will get this from year to year.

General Fund Charges to Appropriations (Outflows)

The County's final expenditures of \$1,709,807 were less than the final appropriated balance of \$2,296,848 by \$587,042 mostly due to the budgeted RWEACT expenditures that did not occur.

Road & Bridge Fund Budgetary Highlights

Road & Bridge Fund Resources (Inflows)

The County's final revenues in the amount of \$1,103,244 were more than budget expectations of \$1,079,961 by \$23,283 due mostly to an increase of \$20,091 HUTF funds received over the budgeted amount.

Road & Bridge Fund Charges to Appropriations (Outflows)

The County's final expenditures of \$1,110,183 were less than budget expectation of \$1,176,787 by \$66,604 and can be attributed to a light winter which decreased the expenditures for snow removal of \$24,296 and work for other governments of \$15,529. There is also a prior period entry of \$31,267.

HINSDALE COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2014

Sheriff Fund Budgetary Highlights

Sheriff Fund Resources (Inflows)

The County's final revenues in the amount of \$125,598 were less than the budget expectations of \$155,097 by \$29,499 due to Federal JAG grant that could be expended up to \$50,000. Only \$12,462 was requested for reimbursement in 2014.

Sheriff Fund Charges to Appropriations (Outflows)

The County's final expenditures of \$456,642 were less than the budget expectations of \$516,592 by \$59,950 due to again the federal grants not being expended and a combination of all operating expenses.

Public Health Budgetary Highlights

Public Health Fund Resources (Inflows)

The County's final revenues in the amount of \$164,288 were more than the budget expectations of \$162,233 by \$2,055 and can be considered to be within budgeted amounts.

Public Health Fund Charges to Appropriations (Outflows)

The County's final expenditures of \$212,170 were less than the budget expectations of \$225,141 by \$12,971 due to the Administrative functions underspent by \$7,171 and the Grants being underspent by \$5,914 for a total of \$13,085.

Emergency Services Budgetary Highlights

Emergency Services Fund Resources (Inflows)

The County's final revenues in the amount of \$165,443 were more than the budget expectations of \$134,276 by \$31,377 due to a bad debt and contractual allowance adjustment.

Emergency Services Fund Charges to Appropriations (Outflows)

The County's final expenditures of \$169,163 were less than the budget expectations of \$170,746 by \$1,583 and can be considered within budgetary limits.

CAPITAL ASSETS

At the end of 2014, the County had a total \$1,995,354 invested in capital assets of governmental activities. The amount of capital assets for business-type activities totalled \$80,194 after accumulated depreciation. See Note E Capital Assets.

LONG-TERM DEBT

The balance of Long-Term Debt at the end of 2014 is \$73,316 in Compensated balances. \$38,232 is due within one year.

HINSDALE COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2014

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: Paula Davis, County Administrator
PO Box 277
Lake City CO 81235
PH: 970-944-2225
FAX: 970-644-2630
e-mail: hadministrator@centurytel.net

Hinsdale County, Colorado

Statement of Net Position

December 31, 2014

	Primary Government		Total
	Governmental Activities	Busines-Type Activities	
Assets			
Current Assets:			
Cash and cash equivalents	\$ 2,534,795	\$ 47,519	\$ 2,582,314
Accounts receivable	387,810	-	387,810
Intergovernmental receivable	19,546	-	19,546
Property taxes receivable	1,105,052	4,558	1,109,610
Prepaid expenses	124,551	3,835	128,386
Inventories	176,887	-	176,887
Total current assets	4,348,641	55,912	4,404,553
Noncurrent Assets			
Capital assets:			
Land	857,400	6,327	863,727
Buildings	1,955,124	-	1,955,124
Machinery and equipment	2,362,164	261,280	2,623,444
Vehicles	692,175	-	692,175
Less accumulated depreciation	(3,871,509)	(187,413)	(4,058,922)
Total noncurrent assets	1,995,354	80,194	2,075,548
Total Assets	6,343,995	136,106	6,480,101
Liabilities			
Current Liabilities			
Accounts payable	191,096	-	191,096
Accrued liabilities	293	-	293
Deposits payable	-	3,585	3,585
Unearned grant revenue	125,712	-	125,712
Compensated absences	38,232	-	38,232
Total current liabilities	355,333	3,585	358,918
Noncurrent liabilities			
Compensated absences	35,084	-	35,084
Total noncurrent liabilities	35,084	-	35,084
Total Liabilities	390,417	3,585	394,002
Deferred inflows			
Property taxes	1,105,052	-	1,105,052
Net Position			
Net investment in capital assets	1,995,354	80,194	2,075,548
Restricted for :			
TABOR	113,174	-	113,174
Unrestricted	2,739,998	52,327	2,792,325
Total Net Position	\$ 4,848,526	\$ 132,521	\$ 4,981,047

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

Hinsdale County, Colorado
 Statement of Activities
 For the year ended December 31, 2014

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Governmental Activities	Business-Type Activities	TOTAL
Primary Government:							
Governmental Activities:							
General government	\$ 1,823,153	\$ 159,526	\$ 121,076	\$ 532,719	\$ (1,009,832)	\$ -	\$ (1,009,832)
Public safety	471,816	92,454	53,173	-	(326,189)	-	(326,189)
Health and welfare	422,631	81,329	232,269	-	(109,033)	-	(109,033)
Highways and streets	1,177,576	152,744	354,503	-	(670,329)	-	(670,329)
Culture and recreation	208,466	39,250	12,022	-	(157,194)	-	(157,194)
Total Governmental Activities	4,103,642	525,303	773,043	532,719	(2,272,577)	-	(2,272,577)
Business-Type Activities							
Recreation	17,917	25,450	-	-	-	7,533	7,533
Transfer station	103,247	114,660	-	-	-	11,413	11,413
Total Business-Type Activities	121,164	140,110	-	-	-	18,946	18,946
Total Primary Government	\$ 4,224,806	\$ 665,413	\$ 773,043	\$ 532,719	(2,272,577)	18,946	(2,253,631)
General Revenues:							
Taxes:							
					1,064,925	-	1,064,925
					79,641	-	79,641
					353,394	-	353,394
					711,799	-	711,799
					212,551	-	212,551
					27,779	-	27,779
					11,469	-	11,469
Total General Revenues					2,461,558	-	2,461,558
Change in net position					188,981	18,946	207,927
Beginning net position					4,600,145	113,575	4,713,720
Prior period adjustment					59,400	-	59,400
Beginning net position, restated					4,659,545	113,575	4,773,120
Net position, ending					\$ 4,848,526	\$ 132,521	\$ 4,981,047

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

Hinsdale County, Colorado

Balance Sheet
Governmental Funds

December 31, 2014

	General Fund	Road and Bridge Fund	Sheriff Fund	Other Governmental Funds	Total Governmental Funds
Assets					
Cash and investments	\$ 1,583,375	\$ 308,886	\$ 156,307	\$ 486,227	\$ 2,534,795
Accounts receivable	249,961	65,755	43,172	28,922	387,810
Intergovernmental receivable	-	-	-	19,546	19,546
Property taxes receivable	1,028,231	21,227	-	55,594	1,105,052
Prepaid expenses	46,717	56,224	12,590	9,020	124,551
Inventory	-	160,862	-	16,025	176,887
Total assets	2,908,284	612,954	212,069	615,334	4,348,641
Liabilities					
Accounts payable	132,065	8,121	36,052	14,858	191,096
Accrued liabilities	-	293	-	-	293
Unearned grant revenue	-	-	-	125,712	125,712
Total liabilities	132,065	8,414	36,052	140,570	317,101
Deferred inflows					
Property taxes	1,028,231	21,227	-	55,594	1,105,052
Fund balance					
Non-spendable					
Inventory	-	160,862	-	16,025	176,887
Prepaid expenses	46,717	56,224	12,590	9,020	124,551
Restricted					
TABOR emergency reserve	113,174	-	-	-	113,174
Human services	-	-	-	57,501	57,501
Marketing and advertising	174	-	-	60,488	60,662
Open space	-	-	-	10,493	10,493
Retirement	-	-	-	59,916	59,916
Snow grooming	-	-	-	16,900	16,900
Emergency medical services	-	-	-	10,437	10,437
Public health	-	-	-	115,297	115,297
Public safety	-	-	163,427	-	163,427
Public works	-	366,227	-	-	366,227
Schools and road	-	-	-	795	795
Assigned					
Capital purchases	-	-	-	62,298	62,298
Unassigned					
	1,587,923	-	-	-	1,587,923
Total fund balance	\$ 1,747,988	\$ 583,313	\$ 176,017	\$ 419,170	\$ 2,926,488

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, 2014

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

Total fund balance - governmental funds		\$	2,926,488
Capital assets used in governmental activities are not current financial resources and therefore, are not reported in the funds			
Cost	5,866,863		
Accumulated depreciation	<u>(3,871,509)</u>		1,995,354
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>(73,316)</u>
Total government wide activities net position		\$	<u><u>4,848,526</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, 2014

	General Fund	Road and Bridge Fund	Sheriff Fund	Other Governmental Funds	Total Governmental Funds
Revenues					
Taxes	\$ 1,407,243	\$ 21,399	\$ 1,269	\$ 117,498	\$ 1,547,409
Intergovernmental revenue	756,761	872,924	91,655	397,600	2,118,940
Interest on investments	10,944	-	-	-	10,944
Charges for services	83,429	159,162	1,618	106,329	350,538
Reimbursement	-	49,267	18,687	-	67,954
Miscellaneous	140,752	492	12,369	43,226	196,839
Total Revenues	2,399,129	1,103,244	125,598	664,653	4,292,624
Expenditures					
Current expenditures					
General government	1,709,806	-	-	52,369	1,762,175
Public safety	-	-	434,187	-	434,187
Health and welfare	-	-	-	421,381	421,381
Highways and streets	-	1,095,558	-	-	1,095,558
Culture and recreation	-	-	-	208,464	208,464
Capital outlay	-	14,625	22,455	-	37,080
Total Expenditures	1,709,806	1,110,183	456,642	682,214	3,958,845
Excess (deficiency) of revenue over expenditures	689,323	(6,939)	(331,044)	(17,561)	333,779
Other financing sources (uses)					
Transfer in	17,750	-	300,000	110,780	428,530
Transfer out	(410,780)	-	-	(17,750)	(428,530)
Total other financing sources (uses)	(393,030)	-	300,000	93,030	-
Excess (deficiency) of revenues over expenditures and other sources (uses)	296,293	(6,939)	(31,044)	75,469	333,779
Fund balance at beginning of year	1,451,695	558,985	198,359	343,701	2,552,740
Prior period adjustment	-	31,267	8,703	-	39,970
Fund balance at beginning of year, restated	1,451,695	590,252	207,062	343,701	2,592,710
Fund balance at end of year	\$ 1,747,988	\$ 583,313	\$ 176,018	\$ 419,170	\$ 2,926,489

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, 2014

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

Net change in fund balances - total governmental funds \$ 333,779

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	39,261	
Depreciation expense	<u>(185,849)</u>	(146,588)

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>1,790</u>
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Change in net position of governmental activities	<u><u>\$ 188,981</u></u>
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The accompanying footnotes are an integral part of these financial statements.

Hinsdale County, Colorado

Statement of Net Position
Proprietary Funds

December 31, 2014

	Business-type Activities - Enterprise Funds		
	Transfer Station Fund	Recreation Fund	Total
Assets			
Cash and cash equivalents	\$ 29,945	\$ 17,574	\$ 47,519
Accounts receivable	4,558	-	4,558
Prepaid expenses	3,321	514	3,835
Land	291	6,036	6,327
Machinery and equipment	210,913	50,367	261,280
Accumulated depreciation	(158,730)	(28,683)	(187,413)
Total Assets	90,298	45,808	136,106
Liabilities			
Deposits payable	3,585	-	3,585
Total Liabilities	3,585	-	3,585
Net Position			
Unrestricted	86,713	45,808	132,521
Total Net Position	\$ 86,713	\$ 45,808	\$ 132,521

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, 2014

	Transfer Station Fund	Recreation Fund	Total Current Year
Operating revenues			
Disposal fees	\$ 114,660	\$ -	\$ 114,660
Campground fees	-	25,450	25,450
Total operating revenues	<u>114,660</u>	<u>25,450</u>	<u>140,110</u>
Operating expenses			
Payroll expenses	26,294	73	26,367
Insurance	1,032	121	1,153
Sanitation and maintenance expenses	61,605	13,884	75,489
Supplies	2,897	1,400	4,297
Depreciation	8,875	2,409	11,284
Miscellaneous	2,544	30	2,574
Total operating expenses	<u>103,247</u>	<u>17,917</u>	<u>121,164</u>
Increase (decrease) in net position	11,413	7,533	18,946
Net position at beginning of year	75,300	38,275	113,575
Net position at end of year	<u>\$ 86,713</u>	<u>\$ 45,808</u>	<u>\$ 132,521</u>

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

Hinsdale County, Colorado

Statement of Cash Flow
Proprietary Funds

For the Year ended December 31, 2013

	Transfer Station Fund	Recreation Fund	Total
Cash flows from operating activities			
Cash received from customers	\$ 113,426	\$ 25,450	\$ 138,876
Cash payments to suppliers for goods and services	(70,344)	(15,784)	(86,128)
Cash payments to employees for services	(24,331)	-	(24,331)
Net cash provided (used) by operating activities	<u>18,751</u>	<u>9,666</u>	<u>28,417</u>
Net increase (decrease) in cash and cash equivalents	18,751	9,666	28,417
Cash and cash equivalents, beginning of year	11,194	7,908	19,102
Cash and cash equivalents, end of year	<u>\$ 29,945</u>	<u>\$ 17,574</u>	<u>\$ 47,519</u>
Reconciliation of operating income (loss) to net cash Provided (used) by operating activities:			
Income (loss) from operations	\$ 11,413	\$ 7,533	\$ 18,946
Adjustments to reconcile income (loss) from operations to net cash provided (used) by operating activities:			
Depreciation	8,875	2,409	11,284
(Increase) decrease in accounts receivable	(3,019)	-	(3,019)
Increase (decrease) in deposits payable	1,785	-	1,785
(Increase) decrease in prepaid expenses	(303)	(151)	(454)
Increase (decrease) in accounts payable	-	(125)	(125)
Net cash provided (used) by operating activities	<u>\$ 18,751</u>	<u>\$ 9,666</u>	<u>\$ 28,417</u>

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

Hinsdale County, Colorado

Statement of Fiduciary Net Position
Fiduciary Funds

December 31, 2014

	<u>Treasurer's Agency Fund</u>
Cash and cash equivalents	<u>\$ 190,265</u>
Due to other governments	<u>\$ 190,265</u>

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2014

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, 2014

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, 2014

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, 2014

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 2014 property tax levy due January 1, 2015 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, 2014

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, 2014

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, 2014

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.

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, 2014

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, 2014, \$2,217,821 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, 2014, the local government investment pool (ColoTrust) in which the County had invested, was rated AAA by Standard & Poor's.

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2014

NOTE C - CASH, DEPOSITS, AND INVESTMENTS- CONTINUED2. Investments- Continued

Cash in banks	\$ 2,764,677
Cash on hand	1,625
Investments (ColoTrust)	<u>6,277</u>
Total cash, deposits, and investments: (Book Balance)	2,772,579
Less: amounts related to Trust & Agency Fund	<u>(190,265)</u>
Total cash, deposits, and investments on statement of net position	<u><u>\$ 2,582,314</u></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, 2014

NOTE D – INTERFUND ACTIVITY – CONTINUED

Interfund transfers for the year ended December 31, 2014 are as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 17,750	\$ 410,780
Sheriff Fund	300,000	-
Public Health Fund	50,000	-
Ambulance Fund	3,000	-
Human Services Fund	37,655	-
EMS Fund	20,000	-
Lodging Tax Fund	125	17,750
	<u>\$ 428,530</u>	<u>\$ 428,530</u>

NOTE E – CAPITAL ASSETS

Capital assets activity for the year ended December 31, 2014, was a follows:

	Restated Balance December 31, 2013	Additions	Deletions	Balance December 31, 2014
GOVERNMENT ACTIVITIES				
Capital assets not being depreciated:				
Land	\$ 857,400	\$ -	\$ -	\$ 857,400
Total capital assets not being depreciated	<u>857,400</u>	<u>-</u>	<u>-</u>	<u>857,400</u>
Capital assets being depreciated:				
Buildings and Improvements	1,955,124	-	-	1,955,124
Machinery and Equipment	2,322,900	39,264	-	2,362,164
Vehicles	692,175	-	-	692,175
Total capital assets being depreciated	<u>4,970,199</u>	<u>39,264</u>	<u>-</u>	<u>5,009,463</u>
Less accumulated depreciation for:				
Buildings	1,202,613	51,642	-	1,254,255
Machinery and Equipment	1,923,594	82,704	-	2,006,298
Vehicles	559,453	51,503	-	610,956
Total accumulated depreciation	<u>3,685,660</u>	<u>185,849</u>	<u>-</u>	<u>3,871,509</u>
Total Capital Assets being depreciated, net	<u>1,284,539</u>	<u>(146,585)</u>	<u>-</u>	<u>1,137,954</u>
GOVERNMENTAL ACTIVITIES				
CAPITAL ASSETS, NET	<u>\$ 2,141,939</u>	<u>\$ (146,585)</u>	<u>\$ -</u>	<u>\$ 1,995,354</u>

Hinsdale County, Colorado

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2014

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>176,129</u>	<u>11,284</u>	<u>–</u>	<u>187,413</u>
Capital assets being depreciated, net	<u>85,151</u>	<u>(11,284)</u>	<u>–</u>	<u>73,867</u>

BUSINESS- TYPE ACTIVITIES

CAPITAL ASSETS, NET	<u>\$ 91,478</u>	<u>\$ (11,284)</u>	<u>\$ –</u>	<u>\$ 80,194</u>
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Depreciation expense was charged to functions/ programs of the primary government as follows:

Governmental Activities:

General Government	\$ 62,868
Public Safety	37,629
Health and Welfare	1,250
Highways and Streets	<u>84,102</u>
Total depreciation expense – governmental activities	<u>\$ 185,849</u>

NOTE F – LONG- TERM DEBT

Long- term liability balances for the year ended December 31, 2014 were as follows:

	Balance December 31, 2013	Additions	Deletions	Balance December 31, 2014	Due Within One Year
Governmental Activities:					
Compensated Absences	\$ 75,106	\$ –	\$ 1,790	\$ 73,316	\$ 38,232
Total Governmental Activities					
Long- term Liabilities	<u>\$ 75,106</u>	<u>\$ –</u>	<u>\$ 1,790</u>	<u>\$ 73,316</u>	<u>\$ 38,232</u>

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2014

NOTE G – RETIREMENT

Pension Plans

The County is a member of the Colorado County Officials and Employees Retirement Association (COERA) which offers a defined contribution pension plan 401(a), and a Section 457 deferred compensation plan. COERA 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 \$50,202 which was four percent (4%) of its current year covered payroll of \$1,255,947. The County's total payroll for 2014 was \$1,515,204.

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.

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2014

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

NOTE H – TABOR AMENDMENT RESERVE

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

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

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

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, 2014

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

The County has posted a prior period adjustment in the Sheriff's fund to adjust for expenses that were recognized twice in the amount of \$8,703 and in the Road and Bridge fund to properly recognize HUTF revenue in the amount of \$31,267. These adjustments both increase fund balance in the respective funds by the amounts noted and increase beginning fund balance in the government wide statement of activities by \$39,970.

There was also a prior period adjustment to the government wide beginning net position for \$19,430 for a piece of equipment that should have been capitalized in 2013.

Hinsdale County, Colorado

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

For the Year ended December 31, 2014

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 1,679,084	\$ 1,808,293	\$ 1,407,243	\$ (401,050)
Intergovernmental	744,064	865,950	756,761	(109,189)
Licenses and permits	32,675	32,675	-	(32,675)
Interest on investments	4,150	4,150	10,944	6,794
Charges for services	118,537	118,537	83,429	(35,108)
Miscellaneous	28,252	25,252	140,752	115,500
Total revenues	<u>2,606,762</u>	<u>2,854,857</u>	<u>2,399,129</u>	<u>(455,728)</u>
Expenditures				
Current expenditures				
General government	<u>2,397,779</u>	<u>2,296,848</u>	<u>1,709,807</u>	<u>587,042</u>
Total expenditures	<u>2,397,779</u>	<u>2,296,848</u>	<u>1,709,807</u>	<u>587,042</u>
Excess (deficiency) of revenue over expenditures	208,983	558,009	689,323	131,314
Other financing sources (uses)				
Transfer in	37,750	37,750	-	(37,750)
Transfer out	<u>(20,412)</u>	<u>(474,083)</u>	<u>(410,780)</u>	<u>63,303</u>
Total other financing sources (uses)	<u>17,338</u>	<u>(436,333)</u>	<u>(410,780)</u>	<u>25,553</u>
Excess (deficiency) of revenues over expenditures and other sources (uses)	226,321	121,676	278,543	156,867
Beginning fund balance	<u>1,451,695</u>	<u>1,451,695</u>	<u>1,451,695</u>	<u>-</u>
Fund balance at end of year	<u>\$ 1,678,016</u>	<u>\$ 1,573,371</u>	<u>\$ 1,730,238</u>	<u>\$ 156,867</u>

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

Hinsdale County, Colorado

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

For the Year ended December 31, 2014

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 21,231	\$ 21,231	\$ 21,399	\$ 168
Intergovernmental	1,015,910	851,707	872,924	21,217
Charges for services	159,500	159,500	159,162	(338)
Reimbursement	47,523	47,523	49,267	1,744
Miscellaneous	-	-	492	492
Total revenues	<u>1,244,164</u>	<u>1,079,961</u>	<u>1,103,244</u>	<u>23,283</u>
Expenditures				
Current expenditures				
Highways and streets	1,161,032	1,156,479	1,095,558	60,921
Capital outlay	65,000	20,308	14,625	5,683
Total expenditures	<u>1,226,032</u>	<u>1,176,787</u>	<u>1,110,183</u>	<u>66,604</u>
Excess (deficiency) of revenue over expenditures	18,132	(96,826)	(6,939)	89,887
Other financing sources (uses)				
Transfer in	49,261	-	-	-
Total other financing sources (uses)	<u>49,261</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures and other sources (uses)	67,393	(96,826)	(6,939)	89,887
Fund balance at beginning of year	558,985	558,985	558,985	-
Prior period adjustment	31,267	31,267	31,267	-
Fund balance at beginning of year, restated	<u>590,252</u>	<u>590,252</u>	<u>590,252</u>	<u>-</u>
Fund balance at end of year	<u>\$ 657,645</u>	<u>\$ 493,426</u>	<u>\$ 583,313</u>	<u>\$ 89,887</u>

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

Hinsdale County, Colorado

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

For the Year ended December 31, 2014

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ -	\$ 917	\$ 1,269	\$ 352
Intergovernmental	69,098	119,598	91,655	(27,943)
Charges for services	2,500	3,732	1,618	(2,114)
Reimbursement	22,120	21,000	18,687	(2,313)
Miscellaneous	4,000	9,850	12,369	2,519
Total revenues	<u>97,718</u>	<u>155,097</u>	<u>125,598</u>	<u>(29,499)</u>
Expenditures				
Current expenditures				
Public safety	447,597	466,592	434,187	32,405
Capital outlay	-	50,000	22,455	27,545
Total expenditures	<u>447,597</u>	<u>516,592</u>	<u>456,642</u>	<u>59,950</u>
Excess (deficiency) of revenue over expenditures	(349,879)	(361,495)	(331,044)	30,451
Other financing sources				
Transfers in	315,296	315,296	300,000	(15,296)
Total other financing sources	<u>315,296</u>	<u>315,296</u>	<u>300,000</u>	<u>(15,296)</u>
Excess (deficiency) of revenue over expenditures and other financing sources	(34,583)	(46,199)	(31,044)	15,155
Fund balance at beginning of year	198,359	198,359	198,359	-
Prior period adjustment	8,703	8,703	8,703	-
Fund balance at beginning of year, restated	<u>207,061</u>	<u>207,061</u>	<u>207,061</u>	<u>-</u>
Fund balance at end of year	<u>\$ 172,478</u>	<u>\$ 160,862</u>	<u>\$ 176,017</u>	<u>\$ 15,155</u>

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

Hinsdale County, Colorado

Combining Balance Sheet
Non-Major Governmental Funds

December 31, 2014

	Title III Fund	Public Health Fund	Human Services Fund	Lodging Tax Fund
Assets				
Cash and cash equivalents	\$ 126,507	\$ 87,484	\$ 66,270	\$ 60,488
Accounts receivable	-	28,922	-	-
Intergovernmental	-	-	-	-
Property taxes receivable	-	-	-	-
Prepaid expenses	-	1,559	-	-
Inventory	-	-	-	-
Total assets	<u>126,507</u>	<u>117,965</u>	<u>66,270</u>	<u>60,488</u>
Liabilities				
Unearned revenue	125,712	-	-	-
Accounts payable	-	1,109	8,769	-
Total liabilities	<u>125,712</u>	<u>1,109</u>	<u>8,769</u>	<u>-</u>
Deferred inflows				
Property taxes	-	-	-	-
Fund Balance				
Nonspendable				
Prepaid expenses	-	1,559	-	-
Inventory	-	-	-	-
Restricted				
Human services	-	-	57,501	-
Marketing and advertising	-	-	-	60,488
Open space	-	-	-	-
Retirement	-	-	-	-
Snow grooming	-	-	-	-
Schools and roads	795	-	-	-
Emergency medical services	-	-	-	-
Public Health	-	115,297	-	-
Assigned				
Ambulance replacement	-	-	-	-
Total Fund Balances	<u>\$ 795</u>	<u>\$ 116,856</u>	<u>\$ 57,501</u>	<u>\$ 60,488</u>

Hinsdale County, Colorado

Combining Balance Sheet
Non-Major Governmental Funds

December 31, 2014

Ambulance Replacement Fund	Conservation Trust Fund	Retirement Fund	Snow Grooming Fund	EMS Fund	Total Non-Major Governmental Funds
\$ 62,298	\$ 10,493	\$ 59,916	\$ 6,109	\$ 6,662	\$ 486,227
-	-	-	-	-	28,922
-	-	-	10,800	8,746	19,546
-	-	55,594	-	-	55,594
-	-	-	3,390	4,071	9,020
-	-	-	-	16,025	16,025
<u>62,298</u>	<u>10,493</u>	<u>115,510</u>	<u>20,299</u>	<u>35,504</u>	<u>615,334</u>
-	-	-	-	-	125,712
-	-	-	9	4,971	14,858
-	-	-	9	4,971	140,570
-	-	55,594	-	-	55,594
-	-	-	3,390	4,071	9,020
-	-	-	-	16,025	16,025
-	-	-	-	-	57,501
-	-	-	-	-	60,488
-	10,493	-	-	-	10,493
-	-	59,916	-	-	59,916
-	-	-	16,900	-	16,900
-	-	-	-	-	795
-	-	-	-	10,437	10,437
-	-	-	-	-	115,297
<u>62,298</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>62,298</u>
<u>\$ 62,298</u>	<u>\$ 10,493</u>	<u>\$ 59,916</u>	<u>\$ 20,290</u>	<u>\$ 30,533</u>	<u>\$ 419,170</u>

Hinsdale County, Colorado

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

For the Year Ended December 31, 2014

	Title III Fund	Public Health Fund	Human Services Fund	Lodging Tax Fund
Revenues				
Taxes	\$ -	\$ 68	\$ 45	\$ 66,627
Intergovernmental revenue	169,017	131,727	-	-
Charges for services	-	26,430	-	-
Miscellaneous	448	6,063	-	-
Total revenues	<u>169,465</u>	<u>164,288</u>	<u>45</u>	<u>66,627</u>
Expenditures				
Current expenditures				
General government	-	-	-	-
Health and welfare	-	212,170	8,671	-
Culture and recreation	168,760	-	-	-
Total expenditures	<u>168,760</u>	<u>212,170</u>	<u>8,671</u>	<u>-</u>
Excess (deficiency) of revenue over expenditures	705	(47,882)	(8,626)	66,627
Other financing sources (uses)				
Transfers in	-	50,000	37,655	125
Transfers (out)	-	-	-	(17,750)
Total other financing sources (uses)	<u>-</u>	<u>50,000</u>	<u>37,655</u>	<u>(17,625)</u>
Excess (deficiency) of revenues over expenditures and other sources (uses)	705	2,118	29,029	49,002
Fund balance at beginning of year	<u>90</u>	<u>114,738</u>	<u>28,472</u>	<u>11,486</u>
Fund balance at end of year	<u>\$ 795</u>	<u>\$ 116,856</u>	<u>\$ 57,501</u>	<u>\$ 60,488</u>

Hinsdale County, Colorado

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

For the Year Ended December 31, 2014

Ambulance Replacement Fund	Conservation Trust Fund	Retirement Fund	Snow Grooming Fund	EMS Fund	Total Non-Major Governmental Funds
\$ -	\$ -	\$ 50,713	\$ -	\$ 45	\$ 117,498
-	3,945	-	20,950	71,961	397,600
-	-	-	-	79,899	106,329
1,621	-	1,265	20,291	13,538	43,226
<u>1,621</u>	<u>3,945</u>	<u>51,978</u>	<u>41,241</u>	<u>165,443</u>	<u>664,653</u>
-	-	52,369	-	-	52,369
-	-	-	-	200,540	421,381
-	-	-	39,704	-	208,464
<u>-</u>	<u>-</u>	<u>52,369</u>	<u>39,704</u>	<u>200,540</u>	<u>682,214</u>
1,621	3,945	(391)	1,537	(35,097)	(17,561)
3,000	-	-	-	20,000	110,780
-	-	-	-	-	(17,750)
<u>3,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,000</u>	<u>93,030</u>
4,621	3,945	(391)	1,537	(15,097)	75,469
<u>57,677</u>	<u>6,548</u>	<u>60,307</u>	<u>18,753</u>	<u>45,630</u>	<u>343,701</u>
<u>\$ 62,298</u>	<u>\$ 10,493</u>	<u>\$ 59,916</u>	<u>\$ 20,290</u>	<u>\$ 30,533</u>	<u>\$ 419,170</u>

Hinsdale County, Colorado

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

For the Year ended December 31, 2014

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental revenue	\$ 320,112	\$ 320,112	169,017	\$ (151,095)
Interest on investments	-	-	448	448
Total revenues	<u>320,112</u>	<u>320,112</u>	<u>169,465</u>	<u>(150,647)</u>
Expenditures				
Culture and recreation	18,059	169,285	168,760	525
Total expenditures	<u>18,059</u>	<u>169,285</u>	<u>168,760</u>	<u>525</u>
Excess (deficiency) of revenue over expenditures	302,053	150,827	705	(151,172)
Other financing sources (uses)				
Transfers out	(23,874)	(151,226)	-	151,226
Total other financing sources (uses)	<u>(23,874)</u>	<u>(151,226)</u>	<u>-</u>	<u>151,226</u>
Excess (deficiency) of revenue over expenditures and other financing sources and (uses)	278,179	(399)	705	54
Fund balance at beginning of year	<u>90</u>	<u>90</u>	<u>90</u>	<u>-</u>
Fund balance at end of year	<u>\$ 278,269</u>	<u>\$ (309)</u>	<u>\$ 795</u>	<u>\$ 54</u>

Hinsdale County, Colorado

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

For the Year ended December 31, 2014

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ -	\$ 54	\$ 68	\$ 14
Intergovernmental	125,908	125,908	131,727	5,819
Charges for services	22,186	28,726	26,430	(2,296)
Miscellaneous	7,545	7,545	6,063	(1,482)
Total revenues	<u>155,639</u>	<u>162,233</u>	<u>164,288</u>	<u>2,055</u>
Expenditures				
Health and welfare	<u>207,236</u>	<u>225,141</u>	<u>212,170</u>	<u>12,971</u>
Total expenditures	<u>207,236</u>	<u>225,141</u>	<u>212,170</u>	<u>12,971</u>
Excess (deficiency) of revenue over expenditures	(51,597)	(62,908)	(47,882)	15,026
Other financing sources (uses)				
Transfer in	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	-
Total other financing sources (uses)	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	-
Excess (deficiency) of revenues over expenditures and other sources (uses)	(1,597)	(12,908)	2,118	15,026
Fund balance at beginning of year	<u>114,738</u>	<u>114,738</u>	<u>114,738</u>	-
Fund balance at end of year	<u>\$ 113,141</u>	<u>\$ 101,830</u>	<u>\$ 116,856</u>	<u>\$ 15,026</u>

Hinsdale County, Colorado

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

For the Year ended December 31, 2014

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
General property taxes	\$ -	\$ 15	\$ 29	\$ 14
Delinquent taxes and interest	-	5	16	11
Total revenues	-	20	45	25
Expenditures				
Health and welfare	35,800	35,800	8,671	27,129
Total expenditures	35,800	35,800	8,671	27,129
Excess (deficiency) of revenue over expenditures	(35,800)	(35,780)	(8,626)	27,154
Other financing Sources (Uses)				
Transfers In	37,655	37,655	37,655	-
Total other financing sources (uses)	37,655	37,655	37,655	-
Excess (deficiency) of revenues over expenditures and other sources (uses)	1,855	1,875	29,029	27,154
Fund balance at beginning of year	28,472	28,472	28,472	-
Fund balance at end of year	\$ 30,327	\$ 30,347	\$ 57,501	\$ 27,154

Hinsdale County, Colorado

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

For the Year ended December 31, 2014

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Lodging tax	\$ 55,000	\$ 55,000	\$ 66,627	\$ 11,627
Total revenues	<u>55,000</u>	<u>55,000</u>	<u>66,627</u>	<u>11,627</u>
Expenditures				
Culture and recreation	54,500	54,500	-	54,500
Total expenditures	<u>54,500</u>	<u>54,500</u>	<u>-</u>	<u>54,500</u>
Excess (deficiency) of revenue over expenditures	500	500	66,627	66,127
Other financing sources (uses)				
Transfer out	-	-	(17,625)	(17,625)
Excess (deficiency) of revenues over expenditures and other sources (uses)	500	500	49,002	48,502
Fund balance at beginning of year	<u>11,486</u>	<u>11,486</u>	<u>11,486</u>	<u>-</u>
Fund balance at end of year	<u>\$ 11,986</u>	<u>\$ 11,986</u>	<u>\$ 60,488</u>	<u>\$ 66,127</u>

Hinsdale County, Colorado

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

For the Year ended December 31, 2014

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Interest Income	\$ 150	\$ 50	\$ 1,621	\$ 1,571
Total revenues	<u>150</u>	<u>50</u>	<u>1,621</u>	<u>1,571</u>
Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenue over expenditures	150	50	1,621	1,571
Other financing sources (uses)				
Transfers in (out)	<u>3,000</u>	<u>3,000</u>	<u>3,000</u>	<u>-</u>
Total other financing sources (uses)	<u>3,000</u>	<u>3,000</u>	<u>3,000</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures and other sources (uses)	3,150	3,050	4,621	1,571
Fund balance at beginning of year	<u>57,677</u>	<u>57,677</u>	<u>57,677</u>	<u>-</u>
Fund balance at end of year	<u>\$ 60,827</u>	<u>\$ 60,727</u>	<u>\$ 62,298</u>	<u>\$ 1,571</u>

Hinsdale County, Colorado

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

For the Year ended December 31, 2014

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental revenue	\$ 4,500	\$ 4,500	\$ 3,945	\$ (555)
Total Revenues	<u>4,500</u>	<u>4,500</u>	<u>3,945</u>	<u>(555)</u>
Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenue over expenditures	4,500	4,500	3,945	(555)
Fund balance at beginning of year	<u>6,548</u>	<u>6,548</u>	<u>6,548</u>	<u>-</u>
Fund balance at end of year	<u>\$ 11,048</u>	<u>\$ 11,048</u>	<u>\$ 10,493</u>	<u>\$ (555)</u>

Hinsdale County, Colorado

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

For the Year ended December 31, 2014

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes				
General property taxes	\$ 46,980	\$ 46,980	\$ 46,867	\$ (113)
Specific ownership taxes	2,819	3,000	3,544	544
Delinquent taxes and interest	470	300	302	2
Miscellaneous	5,861	1,466	1,265	(201)
Total revenues	<u>56,130</u>	<u>51,746</u>	<u>51,978</u>	<u>232</u>
Expenditures	<u>55,837</u>	<u>52,845</u>	<u>52,369</u>	<u>476</u>
Excess (deficiency) of revenue over expenditures	293	(1,099)	(391)	708
Fund balance at beginning of year	<u>60,307</u>	<u>60,307</u>	<u>60,307</u>	<u>-</u>
Fund balance at end of year	<u>\$ 60,600</u>	<u>\$ 59,208</u>	<u>\$ 59,916</u>	<u>\$ 708</u>

Hinsdale County, Colorado

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

For the Year ended December 31, 2014

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Trail maintenance fees	\$ 24,000	\$ 25,172	\$ 20,950	\$ (4,222)
Interest income	50	3	3	-
Miscellaneous sources	5,000	7,500	20,288	12,788
Total revenues	<u>29,050</u>	<u>32,675</u>	<u>41,241</u>	<u>8,566</u>
Expenditures	<u>31,873</u>	<u>39,647</u>	<u>39,704</u>	<u>(57)</u>
Excess (deficiency) of revenue over expenditures	(2,823)	(6,972)	1,537	8,509
Fund balance at beginning of year	<u>18,753</u>	<u>18,753</u>	<u>18,753</u>	<u>-</u>
Fund balance at end of year	<u>\$ 21,930</u>	<u>\$ 18,781</u>	<u>\$ 20,290</u>	<u>\$ 1,509</u>

Hinsdale County, Colorado

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

For the Year ended December 31, 2014

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property taxes	\$ -	\$ 30	\$ 38	\$ 8
Specific ownership taxes	-	2	-	(2)
Interest & penalties on taxes	-	3	7	4
Grant revenue	38,800	63,551	56,961	(6,590)
Intergovernmental subsidy	15,000	15,000	15,000	-
Donations	3,000	3,500	13,388	9,888
Charges for services , net	60,000	50,000	79,899	29,899
Miscellaneous sources	-	2,190	150	(2,040)
Total revenues	<u>116,800</u>	<u>134,276</u>	<u>165,443</u>	<u>31,167</u>
Expenditures	<u>144,726</u>	<u>170,746</u>	<u>169,163</u>	<u>1,583</u>
Excess (deficiency) of revenue over expenditures	(27,926)	(36,470)	(3,720)	32,750
Other financing sources (uses)				
Transfers in	<u>30,000</u>	<u>36,500</u>	<u>20,000</u>	<u>(16,500)</u>
Net position at end of year, GAAP basis	<u>30,000</u>	<u>36,500</u>	<u>20,000</u>	<u>(16,500)</u>
Excess (deficiency) of revenues over expenditures and other sources (uses)	2,074	30	16,280	16,250
Fund balance at beginning of year	<u>45,630</u>	<u>45,630</u>	<u>45,630</u>	<u>-</u>
Fund balance at end of year	<u>\$ 47,704</u>	<u>\$ 45,660</u>	61,910	<u>\$ 16,250</u>
Reconciliation to GAAP basis:				
Bad debts expense and contractual allowance			<u>(31,377)</u>	
Net position at end of year, GAAP basis			<u>\$ 30,533</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, 2014

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Operating revenues:				
Disposal fees	\$ 120,100	\$ 114,125	\$ 114,660	\$ 535
Total revenue	<u>120,100</u>	<u>114,125</u>	<u>114,660</u>	<u>535</u>
Operating expenses:				
Operating expenses	106,300	99,730	94,372	5,358
Total expenses	<u>106,300</u>	<u>99,730</u>	<u>94,372</u>	<u>5,358</u>
Change in net position	13,800	14,395	20,288	5,893
Net position at beginning of year	<u>75,300</u>	<u>75,300</u>	<u>75,300</u>	<u>-</u>
Net position at end of year, budget basis	<u>\$ 89,100</u>	<u>\$ 89,695</u>	95,588	<u>\$ 5,893</u>
Reconciliation to GAAP basis:				
Depreciation expense			<u>(8,875)</u>	
Net position at end of year, GAAP basis			<u>\$ 86,713</u>	

Hinsdale County, Colorado

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

For the Year ended December 31, 2014

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Operating revenues:				
Recreation fees	\$ 24,820	\$ 25,945	\$ 25,450	\$ 630
Total revenues	<u>24,820</u>	<u>25,945</u>	<u>25,450</u>	<u>630</u>
Operating expenses	<u>24,765</u>	<u>17,097</u>	<u>15,508</u>	<u>1,589</u>
Total expenses	<u>24,765</u>	<u>17,097</u>	<u>15,508</u>	<u>1,589</u>
Change in net position	55	8,848	9,942	(959)
Net position at beginning of year	<u>38,275</u>	<u>38,275</u>	<u>38,275</u>	<u>-</u>
Net position at end of year, budget basis	<u>\$ 38,330</u>	<u>\$ 47,123</u>	48,217	<u>\$ 1,094</u>
Reconciliation to GAAP basis:				
Depreciation expense			<u>(2,409)</u>	
Net position at end of year, GAAP basis			<u>\$ 45,808</u>	

Hinsdale County, Colorado

Schedule of Expenditures of Federal Awards

For the year ended December 31, 2014

Department of Agriculture		
Passed through Colorado Department of Local Affairs		
Schools and Roads - Grants to States	10.665	
Title I		302,451
Title II		5,107
Title III		17,791
Total School and Roads - Grants to States		<u>325,349</u>
Total Department of Agriculture		325,349
Department of Health and Human Services		
Passed through the Colorado Department of Human Services		
Child Care and Development Block Grant	93.575	1,894
Child Care Mandatory and Matching Funds of the		
Child Care and Development Fund	93.596	30,939
Medical Assistance Program	93.778	107
Temporary Assistance for Needy Families	93.558	1,647
Adoption Assistance	93.659	313
Child Support Enforcement	93.563	11
Foster Care_ Title IV-E	93.658	7,124
Low-Income Home Energy Assistance	93.568	6,841
Social Services Block Grant	93.667	1,994
Stephanie Tubbs Jones Child Welfare Services Program	93.645	24
Total passed through the Colorado Department of		<u>50,894</u>
Human Services		
Passed through the Colorado Department of Public Health		
and Environment		
Hospital Preparedness Program and Public Health		
Emergency Preparedness Aligned Cooperative		
Agreements	93.074	<u>14,382</u>
Department of the Interior Bureau of Land Management		
Payments in Lieu of Taxes	15.226	<u>140,616</u>
Department of Justice		
Edward Byrne Memorial Justice Assistance Grant Program	16.738	<u>12,462</u>
Department of Homeland Security		
Emergency Management Performance Grants	97.042	<u>17,700</u>
Total federal award expenditures		<u>\$ 561,404</u>

The accompanying notes are an integral part of this schedule.

Hinsdale County, Colorado

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended December 31, 2014

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The Schedule of Expenditures of Federal Awards includes the federal grant activity of Hinsdale County, Colorado and is presented on the modified accrual basis. Expenditures are recognized when they become a demand on current available financial resources. The information in this schedule is presented in accordance with OMB Circular A-133, Audits of States, Local Governments, and Non-profit Organizations. Therefore, some amounts in this schedule may differ from the amounts presented in, or used in the preparation of the basic financial statements.

NOTE B – REPORTING ENTITY

The financial reporting entity consists of Hinsdale County, Colorado (the County) as the primary government.

NOTE C – PASS-THROUGH AWARDS

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

NOTE D – CLUSTERS

The following programs are reported as clusters:

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Amount</u>
CCDF Cluster		
Childcare and Development Block Grant	93.575	\$ 1,894
Childcare Mandatory and Matching Funds of the Childcare Development Fund	93.596	<u>30,939</u>
Total CCDF Cluster		<u><u>\$ 32,833</u></u>

Hinsdale County, Colorado

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended December 31, 2014

NOTE E – CONTRACT WITH OTHER GOVERNMENT

Hinsdale County contracts with Gunnison County to provide services under the programs provided by the Department of Human Services grants listed below.

Child Care and Development Block Grant	93.575	\$ 1,894
Child Care Mandatory and Matching Funds of the Child Care And Development Fund	93.596	30,939
Medical Assistance Program	93.778	107
Temporary Assistance for Needy Families	93.558	1,647
Adoption Assistance	93.659	313
Child Support Enforcement	93.563	11
Foster Care _Tile IV-E	93.658	7,124
Low-Income Home Energy Assistance	93.568	6,841
Social Services Block Grant	93.667	1,994
Stephanie Tubbs Jones Child Welfare Services Program	93.645	<u>24</u>
Total programs administered by Gunnison County		<u>\$ 50,894</u>

These balances are not reported in the financial statements for Hinsdale County since the funds are passed through to Gunnison County.



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

October 5, 2015

To the Board of County Commissioners
Hinsdale County, Colorado

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Hinsdale County, Colorado, as of and for the year ended December, 31 2014, and the related notes to the financial statements, which collectively comprise Hinsdale County, Colorado's basic financial statements and have issued our report thereon dated October 5, 2015.

Internal Control over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs to be material weaknesses. The findings are listed as 2014-001 and 2014-002.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Hinsdale County, Colorado's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the

Board of County Commissioners
October 5, 2015
Page 2



determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Hinsdale County, Colorado’s Response to Findings

Hinsdale County, Colorado’s response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Hinsdale County, Colorado’s response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

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



INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

October 5, 2015

To the Board of County Commissioners
Hinsdale County, Colorado

Report on Compliance for Each Major Federal Program

We have audited Hinsdale County, Colorado’s compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Hinsdale County, Colorado’s major federal programs for the year ended December 31, 2014. Hinsdale County, Colorado’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

Management’s Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor’s Responsibility

Our responsibility is to express an opinion on compliance for each of Hinsdale County, Colorado’s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Hinsdale County, Colorado’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, Hinsdale County, Colorado’s, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2014.

Report on Internal Control over Compliance

Management of Hinsdale County, Colorado’s, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Hinsdale County, Colorado’s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in

Board of County Commissioners
October 5, 2015
Page 2



accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Hinsdale County, Colorado's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

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

Hinsdale County, Colorado

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year ended December 31, 2014

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:

Unqualified Opinion

Internal control over financial reporting:

Material weakness(es) identified?

✓ yes no

Significant deficiency(ies) identified

not considered to be material weaknesses?

 yes ✓ none reported

Noncompliance material to financial statements noted?

 yes ✓ no

Federal Awards

Internal Control over major programs:

Material weakness(es) identified?

 yes ✓ no

Significant deficiency(ies) identified

not considered to be material weaknesses?

 yes ✓ none reported

Type of auditor's report issued on compliance for major programs:

Unqualified Opinion

Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510(a)?

 yes ✓ no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
10.665	Schools and Roads – Grants to States

Dollar threshold used to distinguish between Type A and Type B programs:

\$300,000

Auditee qualified as low-risk auditee?

 yes ✓ no

Hinsdale County, Colorado

SCHEDULE OF FINDINGS AND QUESTIONED COSTS – CONTINUED

Year ended December 31, 2014

SECTION II – FINDINGS UNDER GENERALLY ACCEPTED GOVERNMENT AUDITING STANDARDS

2014-001

Material weakness in internal control over financial reporting

Criteria

Proper internal controls as defined by the *COSO Integrated Framework* dictate that there should be adequate segregation of duties between those who have authority to approve transactions, those who have custody of assets and those who account for the operations of the entity.

Condition

The small staff at Hinsdale County hinders the achievement of adequate segregation of duties. As a result there were multiple adjustments to the general ledger at the end of the year to properly state the financial statements. During the audit CSD selected one month during the year and traced checks and deposits from the bank statements to the general ledger. There was information on the statement that we were unable to trace to the general ledger detail and there was nobody working at the time in the County who could trace this information. This is a result of having one individual with the responsibility for receiving and depositing funds, recording those deposits and reconciling bank statements to the general ledger.

Audit work also revealed that the Treasurer has access to check stock, has the ability to sign checks on the County's operating account and also reconciles the bank statements. Furthermore at the time of fieldwork there is no monitoring or oversight of the Treasurer's accounting activities.

Cause

There is a lack of segregation of duties in the County's Finance department and Treasurer's office related to authority, custody and accounting of operations.

Effect

The lack of segregation of duties increases the risk that the financial statements are misstated due to errors or fraud.

Recommendation

We recommend that a regular review process is established by the County finance department to review and approve all journal entry activity and reconciliations performed in the finance department and that the Treasurer's office also institute procedures to allow for review of reconciliations and journal entries that are posted. There should also be sufficient cross-training to allow for another individual to step in and take over the duties of each position in finance and the Treasurer's office to maintain continuity of the financial recording and reporting process if necessary.

Hinsdale County, Colorado

SCHEDULE OF FINDINGS AND QUESTIONED COSTS – CONTINUED

Year ended December 31, 2014

2014-001 – Continued

County Response

A Deputy Treasurer was hired in 2014 to provide for segregation of duties. As of the end of September, the Deputy Treasurer was appointed by the Board of County Commissioners due to the death of the County Treasurer. The process for deposit entry has been changed to allow for tracking from the General Ledger directly to deposits on the bank statement. Since the end of 2014, deposits can be tracked directly to the bank statements.

A new Deputy Treasurer was hired in August of 2015. He is being cross trained on payroll in the Administrative Office, and all Treasurer duties. The administrative assistant has been cross-trained on accounts payable since being hired in April of 2015.

2014-002

Material weakness in internal control over financial reporting

Criteria

The County should have someone on staff or provide the training so that a member of the County's finance staff has the knowledge and tools necessary to prepare financial statements in accordance with generally accepted accounting principles.

Condition

The County currently does not have the ability to prepare financial statements in accordance with generally accepted accounting principles.

Cause

The County does not currently have finance staff with the training to compile a set of financial statements in accordance with Generally Accepted Accounting Principals as applied to local governments.

Effect

This increases the risk that the financial statements could be materially misstated and such misstatements could go undetected.

Recommendation

The County should acquire the knowledge to be able to prepare financial statements in accordance with generally accepted accounting principles or contract with a professional who can provide this service.

County Response

The accounts receivable module was added to our fundware in February of 2015. The administrative assistant and accounting position both know how to use this program.

Hinsdale County, Colorado

SCHEDULE OF FINDINGS AND QUESTIONED COSTS – CONTINUED

Year ended December 31, 2014

SECTION III – FINDINGS AND QUESTIONED COSTS UNDER OMB CIRCULAR A-133

No findings or questioned costs under OMB Circular -133 in the current year.

Hinsdale County, Colorado

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Year ended December 31, 2014

2013-01

Material Weakness

Condition

The small staff at Hinsdale County did not allow for a proper segregation of duties and there was lack of a review and monitoring process over the financial accounting and reporting function. Additionally, there was no review and approval of journal entries posted to the general ledger.

Status of finding

Not corrected.

Comments

The finding has been reported in the current year as 2014-001. The County did implement some internal controls related to printing out and reviewing journal entries but there were still significant numbers of journal entries that were reviewed that resulted in audit adjustments for the year ended December 31, 2014.

2013-02

Material Weakness

Condition

The County currently does not have the ability to prepare financial statements in accordance with generally accepted accounting principles.

Status of finding

Not corrected.

Comment

This finding has been reported again as 2014-002.

2013-003

Significant deficiency in internal control over inventory

Condition

The County performed the inventory for Road and Bridge after the end of the year and costs used to value inventory appeared inconsistent and were missing information.

Status of finding

Resolved

Comment

The County performed inventory counts soon after the end of the year ended December 31, 2014.

LOCAL HIGHWAY FINANCE REPORT

City or County:
HINSDALE COUNTY
YEAR ENDING :
December 2014
Prepared By:
Lynn Olson, Accounting
Phone:
970-944-2225

This Information From The Records Of (example - City of _ or County of COUNTY OF HINSDALE

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES		III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES	
ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway disbursements:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	0
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	639,281
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	89,340
2. General fund appropriations	0	b. Snow and ice removal	69,788
3. Other local imposts (from page 2)	21,274	c. Other	40,340
4. Miscellaneous local receipts (from page 2)	160,200	d. Total (a. through c.)	199,468
5. Transfers from toll facilities	0	4. General administration & miscellaneous	276,152
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	0
a. Bonds - Original Issues	0	6. Total (1 through 5)	1,114,900
b. Bonds - Refunding Issues	0	B. Debt service on local obligations:	
c. Notes	0	1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	0
7. Total (1 through 6)	181,474	b. Redemption	0
B. Private Contributions	0	c. Total (a. + b.)	0
C. Receipts from State government (from page 2)	716,492	2. Notes:	
D. Receipts from Federal Government (from page 2)	205,278	a. Interest	0
E. Total receipts (A.7 + B + C + D)	1,103,243	b. Redemption	0
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	0
		C. Payments to State for highways	0
		D. Payments to toll facilities	0
		E. Total disbursements (A.6 + B.3 + C + D)	1,114,900

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

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

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	388,974	1,103,243	1,114,900		377,316

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT

STATE:
Colorado
YEAR ENDING (mm/yy):
December 2014

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT
A.3. Other local imposts:	
a. Property Taxes and Assessments	19,778
b. Other local imposts:	
1. Sales Taxes	0
2. Infrastructure & Impact Fees	0
3. Liens	0
4. Licenses	0
5. Specific Ownership &/or Other	1,496
6. Total (1. through 5.)	1,496
c. Total (a. + b.)	21,274
(Carry forward to page 1)	

ITEM	AMOUNT
A.4. Miscellaneous local receipts:	
a. Interest on investments	125
b. Traffic Fines & Penalties	0
c. Parking Garage Fees	0
d. Parking Meter Fees	0
e. Sale of Surplus Property	800
f. Charges for Services	156,362
g. Other Misc. Receipts	2,913.00
h. Other	0
i. Total (a. through h.)	160,200
(Carry forward to page 1)	

ITEM	AMOUNT
C. Receipts from State Government	
1. Highway-user taxes	711,799
2. State general funds	
3. Other State funds:	
a. State bond proceeds	
b. Project Match	
c. Motor Vehicle Registrations	0
d. Other (Specify) - MSVA TAX	4,693
e. Other (Specify)	
f. Total (a. through e.)	4,693
4. Total (1. + 2. + 3.f)	716,492

ITEM	AMOUNT
D. Receipts from Federal Government	
1. FHWA (from Item I.D.5.)	
2. Other Federal agencies:	
a. Forest Service	156,332
b. FEMA	
c. HUD	
d. Federal Transit Admin	
e. U.S. Corps of Engineers	
f. Other Federal	48,945
g. Total (a. through f.)	205,278
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)
A.1. Capital outlay:			
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: