

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

December 31, 2015

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**INDEPENDENT AUDITOR'S REPORT**

September 30, 2016

To the Board of County Commissioners  
Hinsdale County, Colorado

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Hinsdale County, Colorado (the County) as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

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

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

**Auditor's Responsibility**

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

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

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

**Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Hinsdale County, Colorado, as of December 31, 2015, 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.

**Other Matters***Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3-8 and 33-35 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial

Board of County Commissioners  
September 30, 2016  
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reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining and individual nonmajor fund financial statements and budget to actual schedules and the proprietary fund budget to actual schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and budget to actual schedules and the proprietary funds budget and actual schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

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

Grand Junction, Colorado



HINSDALE COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2015

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, 2015. 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, 2015

### 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.

	2014			2015		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Current and Other assets	4,348,641	55,912	4,404,553	4,243,785	99,678	4,243,463
Capital Assets	1,995,354	80,194	2,075,548	2,070,400	68,912	2,139,312
Total Assets	6,343,995	136,106	6,480,976	6,314,185	168,590	6,482,775
Long-Term Liabilities outstanding	35,084	0	35,084	35,084	0	35,084
Other Liabilities	355,333	3,585	358,918	447,001	3,226	450,267
Deferred Inflows: Property Taxes	1,105,052	0	1,105,052	1,145,693	0	1,145,693
Total Liabilities	1,495,469	3,585	1,499,054	1,627,778	3,266	1,631,044
Net Position:						
Net investment in Capital Assets	1,995,354	80,194	2,075,548	2,070,400	68,912	2,139,312
Restricted for TABOR	113,174	0	113,174	113,174	0	113,174
Unrestricted	2,739,998	52,327	2,792,325	2,502,833	96,412	2,599,245
Total Net Position	4,848,526	132,521	4,981,047	4,686,407	165,324	4,851,731

HINSDALE COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2015

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 2014 and 2015.

	2014			2015		
REVENUES:	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Program Revenues:						
Charges for Services	525,303	140,110	665,413	432,295	159,895	592,190
Grants & Contributions	1,305,762	0	1,305,762	1,368,466	0	1,368,466
General Revenues:						
Taxes	2,422,310	0	2,422,310	2,494,654	0	2,494,654
Interest & Other Revenue	39,248	0	39,248	106,724	0	106,724
Total Revenues	4,292,632	140,110	4,432,733	4,402,139	159,895	4,562,034
EXPENSES:						
General Government	1,823,153	0	1,823,153	2,156,859	0	2,156,859
Public Safety	471,816	0	471,816	466,622	0	469,018
Health & Welfare	422,631	0	422,631	456,772	0	456,772
Highways & Streets	1,177,576	0	1,177,576	1,149,390	0	1,149,390
Culture & Recreation	208,466	0	208,466	263,993	0	263,993
Transfer Station/Recreation	0	121,164	121,164	0	127,092	127,092
Interest Expense	0	0	0	0	0	0
Total Expenses	4,103,642	121,164	4,224,806	4,493,636	127,092	4,620,728
Increase (Decrease) in net position:	188,981	18,946	207,927	(91,497)	32,803	(58,694)
Net Position January 1	4,600,145	113,575	4,713,720	4,848,526	132,521	4,981,047
Prior Period Adj	59,400	0	59,400	(70,622)	0	(70,622)
Net Position January 1 restated	4,659,545	113,575	4,773,120	4,777,904	132,521	4,910,425
Net Position December 31	4,848,526	132,521	4,981,047	4,686,407	165,324	4,851,731

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 an increase in net position for governmental activities in 2014 and a decrease in 2015 due to, in part, to an increase in general government expenses. Most of this can be contributed to grant expenses.



HINSDALE COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2015

The County operated at an increase in net position for business-type activities in 2015 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 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 2015.

The County had an increase of approximately 5% in fund balances in the total major and non-major governmental funds and proprietary funds during 2015. The total fund balances for these funds decreased by \$192,182 from \$3,059,009 to \$2,866,827. This was due mainly to excess of Revenues over expenses in the General Fund.

**General Fund Budgetary Highlights**

*General Fund Resources (Inflows)*

The County's final revenues in the amount of \$2,574,784 were less than budget expectations of \$3,129,487 by \$554,703 due in most part to anticipated revenues from the RWEACT and courthouse grants being budgeted and not expended for reimbursement.

*General Fund Charges to Appropriations (Outflows)*

The County's final expenditures of 2,013,690 were less than the final appropriated balance of \$2,789,432 by \$775,742 mostly due to the budgeted RWEACT and courthouse expenditures that did not occur.

**Road & Bridge Fund Budgetary Highlights**

*Road & Bridge Fund Resources (Inflows)*

The County's final revenues in the amount of \$1,098,887 were less than budget expectations of \$1,363,065 by \$264,178 due mostly to a decrease in work performed by the Town of Lake City and sale of materials. There was also an expected dust control grant that was not received.

*Road & Bridge Fund Charges to Appropriations (Outflows)*

The County's final expenditures of \$1,231,784 were less than budget expectation of \$1,380,714 by \$148,930 and can be attributed to a decrease in payroll due to fewer employees. There was also a major decrease in gas expenditures due to a decrease in gas prices.

HINSDALE COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2015

**Sheriff Fund Budgetary Highlights**

*Sheriff Fund Resources (Inflows)*

The County's final revenues in the amount of \$115,474 were less than the budget expectations of \$584,063 by \$440,589 primarily due to a budgeted transfer that was not made .

*Sheriff Fund Charges to Appropriations (Outflows)*

The County's final expenditures of \$537,840 were less than the budget expectations of \$584,063 by \$46,223 due to a combination of all operating expenses.

**Public Health Budgetary Highlights**

*Public Health Fund Resources (Inflows)*

The County's final revenues in the amount of \$221,242 were less than the budget expectations of \$267,086 by \$45,844 due mainly to a decrease in expected summer youth fund and tobacco prevention grants.

*Public Health Fund Charges to Appropriations (Outflows)*

The County's final expenditures of \$258,432 were less than the budget expectations of \$267,060 by \$6,544 due to the above grants not being funded or expensed.

**Emergency Services Budgetary Highlights**

*Emergency Services Fund Resources (Inflows)*

The County's final revenues in the amount of \$99,092 were less than the budget expectations of \$161,066 by \$61,974 due to a decrease in expected amounts for the LEMS and State EMS Provider Grants.

*Emergency Services Fund Charges to Appropriations (Outflows)*

The County's final expenditures of \$159,524 were less than the budget expectations of \$160,622 by \$1,198 and can be considered within budgetary limits.

**CAPITAL ASSETS**

At the end of 2015, the County had a total \$2,070,400 invested in capital assets of governmental activities. The amount of capital assets for business-type activities totalled \$68,912 after accumulated depreciation. See Note E Capital Assets.

**LONG-TERM DEBT**

The balance of Long-Term Debt at the end of 2015 is \$85,496 in Compensated balances. \$35,084 is due within one year.

HINSDALE COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2015

**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: [administrator@hinsdalecountycolorado.us](mailto:administrator@hinsdalecountycolorado.us)

## Hinsdale County, Colorado

## Statement of Net Position

December 31, 2015

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets			
Current Assets:			
Cash and cash equivalents	\$ 2,550,282	\$ 89,099	\$ 2,639,381
Accounts receivable	243,287	5,554	248,841
Intergovernmental receivable	46,879	-	46,879
Interfund receivable (payable)	(1,539)	1,539	-
Property taxes receivable	1,145,693	-	1,145,693
Prepaid expenses	123,459	3,486	126,945
Inventories	135,724	-	135,724
Total current assets	4,243,785	99,678	4,343,463
Noncurrent Assets			
Capital assets:			
Land	857,400	6,327	863,727
Buildings	1,955,124	-	1,955,124
Machinery and equipment	2,362,013	261,280	2,623,293
Vehicles	711,927	-	711,927
Less accumulated depreciation	(3,816,064)	(198,695)	(4,014,759)
Total noncurrent assets	2,070,400	68,912	2,139,312
Total Assets	6,314,185	168,590	6,482,775
Liabilities			
Current Liabilities			
Accounts payable	293,800	966	294,766
Deposits payable	-	2,300	2,300
Unearned grant revenue	102,789	-	102,789
Compensated absences	50,412	-	50,412
Total current liabilities	447,001	3,266	450,267
Noncurrent liabilities			
Compensated absences	35,084	-	35,084
Total noncurrent liabilities	35,084	-	35,084
Total Liabilities	482,085	3,266	485,351
Deferred inflows			
Property taxes	1,145,693	-	1,145,693
Net Position			
Investment in capital assets	2,070,400	68,912	2,139,312
Restricted for :			
TABOR	113,174	-	113,174
Unrestricted	2,502,833	96,412	2,599,245
Total Net Position	\$ 4,686,407	\$ 165,324	\$ 4,851,731

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

Hinsdale County, Colorado  
Statement of Activities  
For the year ended December 31, 2015

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Primary Government		
					Governmental Activities	Business-Type Activities	TOTAL
Primary Government:							
Governmental Activities:							
General government	\$ 2,156,859	\$ 174,936	\$ 156,429	\$ 560,811	\$ (1,264,683)	\$ -	\$ (1,264,683)
Public safety	466,622	97,218	45,807	2,100	(321,497)	-	(321,497)
Health and welfare	456,772	45,014	261,571	-	(150,187)	-	(150,187)
Highways and streets	1,149,390	87,522	329,137	-	(732,731)	-	(732,731)
Culture and recreation	263,993	27,605	12,611	-	(223,777)	-	(223,777)
Total Governmental Activities	4,493,636	432,295	805,555	562,911	(2,692,875)	-	(2,692,875)
Business-Type Activities							
Recreation	24,367	26,131	-	-	-	1,764	1,764
Transfer station	102,725	133,764	-	-	-	31,039	31,039
Total Business-Type Activities	127,092	159,895	-	-	-	32,803	32,803
Total Primary Government	\$ 4,620,728	\$ 592,190	\$ 805,555	\$ 562,911	(2,692,875)	32,803	(2,660,072)
General Revenues:							
Taxes:							
General property taxes					1,095,205	-	1,095,205
Specific ownership tax					75,937	-	75,937
Sales and use tax					382,688	-	382,688
Highway users tax					737,439	-	737,439
Other taxes					203,385	-	203,385
Other revenue					56,203	-	56,203
Gain on sale of assets					45,080	-	45,080
Interest on investments					5,441	-	5,441
Total General Revenues					2,601,378	-	2,601,378
Change in net position					(91,497)	32,803	(58,694)
Beginning net position					4,848,526	132,521	4,981,047
Prior period adjustment					(70,622)	-	(70,622)
Beginning net position, restated					4,777,904	132,521	4,910,425
Net position, ending					\$ 4,686,407	\$ 165,324	\$ 4,851,731

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

## Hinsdale County, Colorado

Balance Sheet  
Governmental Funds

December 31, 2015

	General Fund	Road and Bridge Fund	Sheriff Fund	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>					
Cash and investments	\$ 1,952,372	\$ 213,141	\$ -	\$ 384,769	\$ 2,550,282
Due (to) from pooled cash	282,250	-	-	-	282,250
Accounts receivable	164,996	60,767	17,524	-	243,287
Intergovernmental receivable	-	-	-	46,879	46,879
Property taxes receivable	1,066,925	21,765	-	57,003	1,145,693
Prepaid expenses	49,879	53,139	11,432	9,009	123,459
Due from other funds	-	-	-	-	-
Inventory	-	118,433	-	17,291	135,724
<b>Total assets</b>	<b>3,516,422</b>	<b>467,245</b>	<b>28,956</b>	<b>514,951</b>	<b>4,527,574</b>
<b>Liabilities</b>					
Accounts payable	148,589	33,269	5,008	106,934	293,800
Accrued liabilities	-	-	-	-	-
Unearned grant revenue	-	-	-	102,789	102,789
Due to pooled cash	-	-	242,297	39,953	282,250
Due to other funds	-	1,539	-	-	1,539
<b>Total liabilities</b>	<b>148,589</b>	<b>34,808</b>	<b>247,305</b>	<b>249,676</b>	<b>680,378</b>
<b>Deferred inflows</b>					
Property taxes	1,066,925	21,765	-	57,003	1,145,693
<b>Fund balance</b>					
<b>Non-spendable</b>					
Inventory	-	118,433	-	17,291	135,724
Prepaid expenses	49,879	53,139	11,432	9,009	123,459
<b>Restricted</b>					
TABOR emergency reserve	116,448	-	-	-	116,448
Marketing and advertising	174	-	-	-	174
Open space	-	-	-	14,498	14,498
Retirement	-	-	-	68,621	68,621
Snow grooming	-	-	-	25,711	25,711
Public health	-	-	-	75,986	75,986
Public works	-	239,100	-	-	239,100
Schools and road	-	-	-	795	795
<b>Assigned</b>					
Capital purchases	-	-	-	65,298	65,298
<b>Unassigned</b>	<b>2,134,407</b>	<b>-</b>	<b>(229,781)</b>	<b>(68,937)</b>	<b>1,835,689</b>
<b>Total fund balance</b>	<b>\$ 2,300,908</b>	<b>\$ 410,672</b>	<b>\$ (218,349)</b>	<b>\$ 208,272</b>	<b>\$ 2,701,503</b>

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

Hinsdale County, Colorado

Reconciliation of Governmental Fund Balance to  
The Statement of Net Position

December 31, 2015

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

Total fund balance - governmental funds	\$	2,701,503
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Capital assets used in governmental activities are not current financial resources and  
therefore, are not reported in the funds

Cost	5,886,464	
Accumulated depreciation	<u>(3,816,064)</u>	2,070,400

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>(85,496)</u>
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Total government wide activities net position	\$	<u><u>4,686,407</u></u>
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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, 2015

	General Fund	Road and Bridge Fund	Sheriff Fund	Other Governmental Funds	Total Governmental Funds
Revenues					
Taxes	\$ 1,472,648	\$ 22,399	\$ 440	\$ 115,204	\$ 1,610,691
Intergovernmental revenue	793,412	949,672	79,080	441,820	2,263,984
Interest on investments	5,441	-	-	-	5,441
Charges for services	116,672	87,522	7,904	50,730	262,828
Reimbursement	-	1,904	20,202	-	22,106
Miscellaneous	139,643	27,040	7,848	16,708	191,239
Total Revenues	<u>2,527,816</u>	<u>1,088,537</u>	<u>115,474</u>	<u>624,462</u>	<u>4,356,289</u>
Expenditures					
Current expenditures					
General government	2,013,690	-	-	52,423	2,066,113
Public safety	-	-	432,587	-	432,587
Health and welfare	-	-	-	456,772	456,772
Highways and streets	-	1,084,513	-	-	1,084,513
Culture and recreation	-	-	-	263,993	263,993
Capital outlay	-	147,271	105,253	-	252,524
Total Expenditures	<u>2,013,690</u>	<u>1,231,784</u>	<u>537,840</u>	<u>773,188</u>	<u>4,556,502</u>
Excess (deficiency) of revenue over expenditures	<u>514,126</u>	<u>(143,247)</u>	<u>(422,366)</u>	<u>(148,726)</u>	<u>(200,213)</u>
Other financing sources (uses)					
Proceeds from sale of assets	-	10,350	28,000	7,500	45,850
Transfer in	46,794	-	-	8,000	54,794
Transfer out	(8,000)	-	-	(46,794)	(54,794)
Total other financing sources (uses)	<u>38,794</u>	<u>10,350</u>	<u>28,000</u>	<u>(31,294)</u>	<u>45,850</u>
Excess (deficiency) of revenues over expenditures and other sources (uses)	<u>552,920</u>	<u>(132,897)</u>	<u>(394,366)</u>	<u>(180,020)</u>	<u>(154,363)</u>
Fund balance at beginning of year	1,747,988	583,313	176,017	419,170	2,926,488
Prior period adjustment	-	(39,744)	-	(30,878)	(70,622)
Fund balance at beginning of year , restated	<u>1,747,988</u>	<u>543,569</u>	<u>176,017</u>	<u>388,292</u>	<u>2,855,866</u>
Fund balance at end of year	<u>\$ 2,300,908</u>	<u>\$ 410,672</u>	<u>\$ (218,349)</u>	<u>\$ 208,272</u>	<u>\$ 2,701,503</u>

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, 2015

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

Net change in fund balances - total governmental funds	\$ (154,363)
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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	213,517	
Depreciation expense	<u>(138,471)</u>	75,046

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>(12,180)</u>
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Change in net position of governmental activities	<u><u>\$ (91,497)</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, 2015

	Business-type Activities - Enterprise Funds		
	Transfer Station	Recreation	Total
	Fund	Fund	
Assets			
Cash and cash equivalents	\$ 67,355	\$ 21,744	\$ 89,099
Accounts receivable	5,554	-	5,554
Due from other funds	1,539	-	1,539
Prepaid expenses	2,969	517	3,486
Land	291	6,036	6,327
Machinery and equipment	210,913	50,367	261,280
Accumulated depreciation	(167,603)	(31,092)	(198,695)
Total Assets	<u>121,018</u>	<u>47,572</u>	<u>168,590</u>
Liabilities			
Accounts payable	966	-	966
Deposits payable	2,300	-	2,300
Total Liabilities	<u>3,266</u>	<u>-</u>	<u>3,266</u>
Net Position			
Unrestricted	<u>117,752</u>	<u>47,572</u>	<u>165,324</u>
Total Net Position	<u>\$ 117,752</u>	<u>\$ 47,572</u>	<u>\$ 165,324</u>

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, 2015

	Transfer Station Fund	Recreation Fund	Total Current Year
Operating revenues			
Disposal fees	\$ 133,764	\$ -	\$ 133,764
Campground fees	-	26,131	26,131
Total operating revenues	<u>133,764</u>	<u>26,131</u>	<u>159,895</u>
Operating expenses			
Payroll expenses	26,043	77	26,120
Insurance	1,009	119	1,128
Sanitation and maintenance expenses	62,475	19,997	82,472
Supplies	1,746	1,705	3,451
Depreciation	8,873	2,409	11,282
Miscellaneous	2,579	60	2,639
Total operating expenses	<u>102,725</u>	<u>24,367</u>	<u>127,092</u>
Increase (decrease) in net position	31,039	1,764	32,803
Net position at beginning of year	86,713	45,808	132,521
Net position at end of year	<u>\$ 117,752</u>	<u>\$ 47,572</u>	<u>\$ 165,324</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, 2015

	Transfer Station Fund	Recreation Fund	Total
Cash flows from operating activities			
Cash received from customers	\$ 131,482	\$ 26,131	\$ 157,613
Cash payments to suppliers for goods and services	(68,205)	(21,961)	(90,166)
Cash payments to employees for services	(24,329)	-	(24,329)
Net cash provided (used) by operating activities	38,948	4,170	43,118
Cash flows (used) in investing activities			
Interfund cash receivable	(1,539)	-	(1,539)
Net increase (decrease) in cash and cash equivalents	37,409	4,170	43,118
Cash and cash equivalents, beginning of year	29,946	17,574	47,521
Cash and cash equivalents, end of year	<u>\$ 67,355</u>	<u>\$ 21,744</u>	<u>\$ 90,639</u>
Reconciliation of operating income (loss) to net cash			
Provided (used) by operating activities:			
Income (loss) from operations	\$ 31,039	\$ 1,764	\$ 32,803
Adjustments to reconcile income (loss) from operations			
to net cash provided (used) by operating activities:			
Depreciation	8,873	2,409	11,282
(Increase) decrease in accounts receivable	(997)	-	(997)
Increase (decrease) in deposits payable	(1,285)	-	(1,285)
(Increase) decrease in prepaid expenses	352	(3)	349
Increase (decrease) in accounts payable	966	-	966
Net cash provided (used) by operating activities	<u>\$ 38,948</u>	<u>\$ 4,170</u>	<u>\$ 43,118</u>

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

Hinsdale County, Colorado

Statement of Fiduciary Net Position  
Fiduciary Funds

December 31, 2015

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	<u>Treasurer's Agency Fund</u>
Cash and cash equivalents	<u>\$ 182,098</u>
Due to other governments	<u>\$ 182,098</u>

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

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2015

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

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

1. Reporting Entity

*Primary Government*

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

Hinsdale County has no component units.

2. Government-Wide Financial Statements

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2015

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

**3. Fund Financial Statements**

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

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

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

The County reports the following major governmental funds:

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2015

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

**4. Measurement Focus and Basis of Accounting**

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

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

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

**5. Assets, Liabilities, and Net Position or Equity**

**Cash**

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

**Investments**

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



NOTES TO THE FINANCIAL STATEMENTS

December 31, 2015

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

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

Property Taxes

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

The 2015 property tax levy due January 1, 2016 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, 2015

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**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES- CONTINUED****5. Assets, Liabilities, and Net Assets or Equity- Continued**

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

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

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

**Long-Term Obligations**

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

**Compensated Absences**

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

**Unearned Revenue**

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

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2015

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

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

Fund Equity

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

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

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

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

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

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

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

Use of Estimates

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

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2015

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

Budgets and Budgetary Accounting

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

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

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

The total expenditures for each fund cannot exceed the budgeted amount unless a supplemental appropriation is adopted. In 2015 the Human Services Fund exceeded budgeted expenditures by \$3,116, the Lodging Tax Fund by \$67,722 and the Recreation Fund by \$1,574. This may be a violation of State budget law.

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, 2015

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

Custodial Credit Risk- Deposits

Custodial credit risk is the risk that in the event of the failure of a depository institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. At December 31, 2015, \$2,246,543 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, 2015, 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, 2015

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**NOTE C - CASH, DEPOSITS, AND INVESTMENTS- CONTINUED****2. Investments- Continued**

Cash in banks	\$ 2,814,077
Cash on hand	1,114
Investments (ColoTrust)	<u>6,288</u>
Total cash, deposits, and investments: (Book Balance)	2,821,479
Less: amounts related to Trust & Agency Fund	<u>(182,098)</u>
Total cash, deposits, and investments on statement of net position	<u>\$ 2,639,381</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, 2015

**NOTE D – INTERFUND ACTIVITY – CONTINUED**

Interfund transfers for the year ended December 31, 2015 are as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 46,794	\$ 8,000
Public Health Fund	–	2,815
Ambulance Fund	3,000	–
Human Services Fund	5,000	–
Lodging Tax Fund	–	43,979
	<u>\$ 54,794</u>	<u>\$ 54,794</u>

**NOTE E – CAPITAL ASSETS**

Capital assets activity for the year ended December 31, 2015, was as follows:

	<u>Balance December 31, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance December 31, 2015</u>
<b>GOVERNMENT ACTIVITIES</b>				
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	2,362,164	125,549	125,700	2,362,013
Vehicles	692,175	87,968	68,216	711,927
Total capital assets being depreciated	<u>5,009,463</u>	<u>213,517</u>	<u>193,916</u>	<u>5,029,064</u>
Less accumulated depreciation for:				
Buildings	1,244,444	26,919	–	1,271,363
Machinery and Equipment	2,016,109	83,009	125,700	1,973,418
Vehicles	610,956	28,543	68,216	571,283
Total accumulated depreciation	<u>3,871,509</u>	<u>138,471</u>	<u>193,916</u>	<u>3,816,064</u>
Total Capital Assets being depreciated, net	<u>1,137,954</u>	<u>75,046</u>	<u>–</u>	<u>1,213,000</u>
<b>GOVERNMENTAL ACTIVITIES</b>				
CAPITAL ASSETS, NET	<u>\$ 1,995,354</u>	<u>\$ 75,046</u>	<u>\$ –</u>	<u>\$ 2,070,400</u>

Hinsdale County, Colorado

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2015

**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>187,413</u>	<u>11,282</u>	<u>–</u>	<u>198,695</u>
Capital assets being depreciated, net	<u>73,867</u>	<u>(11,282)</u>	<u>–</u>	<u>62,585</u>

**BUSINESS- TYPE ACTIVITIES**

CAPITAL ASSETS, NET	<u>\$ 80,194</u>	<u>\$ (11,282)</u>	<u>\$ –</u>	<u>\$ 68,912</u>
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Depreciation expense was charged to functions/ programs of the primary government as follows:

Governmental Activities:

General Government	\$ 33,227
Public Safety	31,768
Highways and Streets	<u>73,931</u>
Total depreciation expense – governmental activities	<u>\$ 138,926</u>

**NOTE F – LONG- TERM DEBT**

Long- term liability balances for the year ended December 31, 2015 were as follows:

	Balance December 31, 2014	Additions	Deletions	Balance December 31, 2015	Due Within One Year
Governmental Activities:					
Compensated Absences	\$ 73,316	\$ 12,180	\$ –	\$ 85,496	\$ 40,474
Total Governmental Activities					
Long- term Liabilities	<u>\$ 73,316</u>	<u>\$ 12,180</u>	<u>\$ –</u>	<u>\$ 85,496</u>	<u>\$ 40,474</u>



NOTES TO THE FINANCIAL STATEMENTS

December 31, 2015

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**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 \$50,851 which was four percent (4%) of its current year covered payroll of \$1,271,268. The County's total payroll for 2015 was \$1,610,873.

**Deferred Compensation Plan**

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2015

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**NOTE H – TABOR AMENDMENT RESERVE**

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

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

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

**NOTE I – RISK MANAGEMENT**

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2015

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**NOTE I – RISK MANAGEMENT – CONTINUED**

Colorado Workers' Compensation Pool (CWCP)

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

**NOTE J – COMMITMENTS AND CONTINGENCIES**

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

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

**NOTE K – PRIOR PERIOD ADJUSTMENT**

The County has posted a prior period adjustment in the Road & Bridge fund to adjust for inventory that was overstated by \$39,744 and in the Human Services fund for expenses related to 2014 in the amount of \$30,878. These adjustments both decrease fund balance in the respective funds by the amounts noted and decrease beginning fund balance in the government wide statement of activities by \$70,622.

Hinsdale County, Colorado

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

For the Year ended December 31, 2015

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 1,479,974	\$ 1,479,974	\$ 1,472,648	\$ (7,326)
Intergovernmental	787,517	787,517	793,412	5,895
Interest on investments	3,800	3,800	5,441	1,641
Charges for services	171,475	171,475	116,672	(54,803)
Miscellaneous	576,186	514,857	139,643	(375,214)
Total revenues	<u>3,018,952</u>	<u>2,957,623</u>	<u>2,527,816</u>	<u>(429,807)</u>
Expenditures				
Current expenditures				
General government	2,833,318	2,789,432	2,013,690	775,742
Total expenditures	<u>2,833,318</u>	<u>2,789,432</u>	<u>2,013,690</u>	<u>775,742</u>
Excess (deficiency) of revenue over expenditures	185,634	168,191	514,126	345,935
Other financing sources (uses)				
Transfers in	171,864	171,864	46,794	(125,070)
Transfer out	-	-	(8,000)	(8,000)
Total other financing sources (uses)	<u>171,864</u>	<u>171,864</u>	<u>38,794</u>	<u>(133,070)</u>
Excess (deficiency) of revenues over expenditures and other sources (uses)	357,498	340,055	552,920	212,865
Beginning fund balance	<u>1,747,988</u>	<u>1,747,988</u>	<u>1,747,988</u>	<u>-</u>
Fund balance at end of year	<u>\$ 2,105,486</u>	<u>\$ 2,088,043</u>	<u>\$ 2,300,908</u>	<u>\$ 212,865</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, 2015

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 21,247	\$ 22,637	\$ 22,399	\$ (238)
Intergovernmental	928,507	928,507	949,672	21,165
Charges for services	145,000	145,000	87,522	(57,478)
Reimbursement	3,000	3,000	1,904	(1,096)
Miscellaneous	103,703	130,921	27,040	(103,881)
Total revenues	<u>1,201,457</u>	<u>1,230,065</u>	<u>1,088,537</u>	<u>(141,528)</u>
Expenditures				
Current expenditures				
Highways and streets	1,159,069	1,229,714	1,084,513	145,201
Capital outlay	171,500	151,000	147,271	3,729
Total expenditures	<u>1,330,569</u>	<u>1,380,714</u>	<u>1,231,784</u>	<u>148,930</u>
Excess (deficiency) of revenue over expenditures	(129,112)	(150,649)	(143,247)	7,402
Other financing sources (uses)				
Proceeds from sale of assets	-	-	10,350	10,350
Transfer in	133,000	133,000	-	(133,000)
Total other financing sources (uses)	<u>133,000</u>	<u>133,000</u>	<u>10,350</u>	<u>(122,650)</u>
Excess (deficiency) of revenues over expenditures and other sources (uses)	3,888	(17,649)	(132,897)	(115,248)
Fund balance at beginning of year	583,313	583,313	583,313	-
Prior period adjustment	-	-	(39,744)	39,744
Beginning fund balance, restated	<u>583,313</u>	<u>583,313</u>	<u>543,569</u>	<u>39,744</u>
Fund balance at end of year	<u>\$ 587,201</u>	<u>\$ 565,664</u>	<u>\$ 410,672</u>	<u>\$ (75,504)</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, 2015

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ -	\$ 440	\$ 440	\$ -
Intergovernmental	72,103	120,668	79,080	(41,588)
Charges for services	2,025	67,000	7,904	(59,096)
Reimbursement	21,000	20,224	20,202	(22)
Miscellaneous	34,950	35,731	7,848	(27,883)
Total revenues	<u>130,078</u>	<u>244,063</u>	<u>115,474</u>	<u>(128,589)</u>
Expenditures				
Current expenditures				
Public safety	465,084	478,810	432,587	46,223
Capital outlay	-	105,253	105,253	-
Total expenditures	<u>465,084</u>	<u>584,063</u>	<u>537,840</u>	<u>46,223</u>
Excess (deficiency) of revenue over expenditures	(335,006)	(340,000)	(422,366)	(82,366)
Other financing sources				
Proceeds from sale of assets	-	-	28,000	28,000
Transfers in	340,000	340,000	-	(340,000)
Total other financing sources	<u>340,000</u>	<u>340,000</u>	<u>28,000</u>	<u>(312,000)</u>
Excess (deficiency) of revenue over expenditures and other financing sources	4,994	-	(394,366)	(394,366)
Fund balance at beginning of year	<u>176,017</u>	<u>176,017</u>	<u>176,017</u>	<u>-</u>
Fund balance at end of year	<u>\$ 181,011</u>	<u>\$ 176,017</u>	<u>\$ (218,349)</u>	<u>\$ (394,366)</u>

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

## Hinsdale County, Colorado

Combining Balance Sheet  
Non-Major Governmental Funds

December 31, 2015

	Title III Fund	Public Health Fund	Human Services Fund	Lodging Tax Fund
Assets				
Cash and cash equivalents	103,584	\$ 46,166	\$ 35,411	\$ 32,074
Intergovernmental	-	33,754	-	-
Property taxes receivable	-	-	-	-
Prepaid expenses	-	865	-	-
Inventory	-	-	-	-
Total assets	<u>103,584</u>	<u>80,785</u>	<u>35,411</u>	<u>32,074</u>
Liabilities				
Unearned revenue	102,789	-	-	-
Accounts payable	-	3,934	47,684	37,088
Due to pooled cash	-	-	-	-
Total liabilities	<u>102,789</u>	<u>3,934</u>	<u>47,684</u>	<u>37,088</u>
Deferred inflows				
Property taxes	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance				
Unreserved				
Nonspendable				
Prepaid expenses	-	865	-	-
Inventory	-	-	-	-
Restricted				
Open space	-	-	-	-
Retirement	-	-	-	-
Snow grooming	-	-	-	-
Schools and roads	795	-	-	-
Emergency medical services	-	-	-	-
Public Health	-	75,986	-	-
Assigned				
Ambulance replacement	-	-	-	-
Unassigned	-	-	(12,273)	(5,014)
Total Fund Balances	<u>\$ 795</u>	<u>\$ 76,851</u>	<u>\$ (12,273)</u>	<u>\$ (5,014)</u>

Hinsdale County, Colorado

Combining Balance Sheet  
Non-Major Governmental Funds

December 31, 2015

Ambulance Replacement Fund	Conservation Trust Fund	Retirement Fund	Snow Grooming Fund	EMS Fund	Total Non-Major Governmental Funds
\$ 65,298	\$ 14,498	\$ 68,621	\$ 19,117	\$ -	\$ 384,769
-	-	-	6,600	6,525	46,879
-	-	57,003	-	-	57,003
-	-	-	3,584	4,560	9,009
-	-	-	-	17,291	17,291
<u>65,298</u>	<u>14,498</u>	<u>125,624</u>	<u>29,301</u>	<u>28,376</u>	<u>514,951</u>
-	-	-	-	-	102,789
-	-	-	6	18,222	106,934
-	-	-	-	39,953	39,953
-	-	-	6	58,175	249,676
-	-	57,003	-	-	57,003
-	-	-	3,584	4,560	9,009
-	-	-	-	17,291	17,291
-	14,498	-	-	-	14,498
-	-	68,621	-	-	68,621
-	-	-	25,711	-	25,711
-	-	-	-	-	795
-	-	-	-	-	-
-	-	-	-	-	75,986
65,298	-	-	-	-	65,298
-	-	-	-	(51,650)	(68,937)
<u>\$ 65,298</u>	<u>\$ 14,498</u>	<u>\$ 68,621</u>	<u>\$ 29,295</u>	<u>\$ (29,799)</u>	<u>\$ 208,272</u>



Hinsdale County, Colorado

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

For the Year Ended December 31, 2015

	Title III Fund	Public Health Fund	Human Services Fund	Lodging Tax Fund
Revenues				
Taxes	\$ -	\$ 21	\$ 20	\$ 56,546
Intergovernmental revenue	161,686	214,286	-	-
Charges for services	-	6,334	-	-
Miscellaneous	-	601	-	-
Total revenues	<u>161,686</u>	<u>221,242</u>	<u>20</u>	<u>56,546</u>
Expenditures				
Current expenditures				
General government	-	-	-	-
Health and welfare	-	258,432	38,916	-
Culture and recreation	161,686	-	-	78,069
Total expenditures	<u>161,686</u>	<u>258,432</u>	<u>38,916</u>	<u>78,069</u>
Excess (deficiency) of revenue over expenditures	-	(37,190)	(38,896)	(21,523)
Other financing sources (uses)				
Sale of assets	-	-	-	-
Transfers in	-	-	-	-
Transfers (out)	-	(2,815)	-	(43,979)
Total other financing sources (uses)	<u>-</u>	<u>(2,815)</u>	<u>-</u>	<u>(43,979)</u>
Excess (deficiency) of revenues over expenditures and other sources (uses)	-	(40,005)	(38,896)	(65,502)
Fund balance at beginning of year	795	116,856	57,501	60,488
Prior period adjustment	-	-	(30,878)	-
Fund balance at beginning of year, restated	<u>795</u>	<u>116,856</u>	<u>26,623</u>	<u>60,488</u>
Fund balance at end of year	<u>\$ 795</u>	<u>\$ 76,851</u>	<u>\$ (12,273)</u>	<u>\$ (5,014)</u>

Hinsdale County, Colorado

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

For the Year Ended December 31, 2015

Ambulance Replacement Fund	Conservation Trust Fund	Retirement Fund	Snow Grooming Fund	EMS Fund	Total Non-Major Governmental Funds
\$ -	\$ -	\$ 58,601	\$ -	\$ 16	\$ 115,204
-	4,005	-	20,743	41,100	441,820
-	-	-	-	44,396	50,730
-	-	2,527	-	13,580	16,708
-	4,005	61,128	20,743	99,092	624,462
-	-	52,423	-	-	52,423
-	-	-	-	159,424	456,772
-	-	-	24,238	-	263,993
-	-	52,423	24,238	159,424	773,188
-	4,005	8,705	(3,495)	(60,332)	(148,726)
-	-	-	7,500	-	7,500
3,000	-	-	5,000	-	8,000
-	-	-	-	-	(46,794)
3,000	-	-	12,500	-	(31,294)
3,000	4,005	8,705	9,005	(60,332)	(180,020)
62,298	10,493	59,916	20,290	30,533	419,170
-	-	-	-	-	(30,878)
62,298	10,493	59,916	20,290	30,533	388,292
\$ 65,298	\$ 14,498	\$ 68,621	\$ 29,295	\$ (29,799)	\$ 208,272

Hinsdale County, Colorado

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

For the Year ended December 31, 2015

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental revenue	\$ 340,112	\$ 287,733	\$ 161,686	\$ (126,047)
Total revenues	<u>340,112</u>	<u>287,733</u>	<u>161,686</u>	<u>(126,047)</u>
Expenditures				
Culture and recreation	<u>338,460</u>	<u>162,827</u>	<u>161,686</u>	<u>1,141</u>
Total expenditures	<u>338,460</u>	<u>162,827</u>	<u>161,686</u>	<u>1,141</u>
Excess (deficiency) of revenue over expenditures	1,652	124,906	-	(127,188)
Other financing sources (uses)				
Transfers out	<u>-</u>	<u>(124,907)</u>	<u>-</u>	<u>124,907</u>
Total other financing sources (uses)	<u>-</u>	<u>(124,907)</u>	<u>-</u>	<u>124,907</u>
Excess (deficiency) of revenue over expenditures and other financing sources and (uses)	1,652	(1)	-	(2,281)
Fund balance at beginning of year	<u>795</u>	<u>795</u>	<u>795</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ 2,447</u></u>	<u><u>\$ 794</u></u>	<u><u>\$ 795</u></u>	<u><u>\$ (2,281)</u></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, 2015

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ -	\$ -	\$ 21	\$ 21
Intergovernmental	173,343	173,343	214,286	40,943
Charges for services	24,342	30,882	6,334	(24,548)
Miscellaneous	7,540	1,000	601	(399)
Total revenues	<u>205,225</u>	<u>205,225</u>	<u>221,242</u>	<u>16,017</u>
Expenditures				
Health and welfare	<u>259,560</u>	<u>267,060</u>	<u>258,432</u>	<u>8,628</u>
Total expenditures	<u>259,560</u>	<u>267,060</u>	<u>258,432</u>	<u>8,628</u>
Excess (deficiency) of revenue over expenditures	(54,335)	(61,835)	(37,190)	24,645
Other financing sources (uses)				
Transfers in	55,208	61,861	-	(61,861)
Transfers out	<u>-</u>	<u>-</u>	<u>(2,815)</u>	<u>(2,815)</u>
Total other financing sources (uses)	<u>55,208</u>	<u>61,861</u>	<u>(2,815)</u>	<u>(64,676)</u>
Excess (deficiency) of revenues over expenditures and other sources (uses)	873	26	(40,005)	(40,031)
Fund balance at beginning of year	<u>116,856</u>	<u>116,856</u>	<u>116,856</u>	<u>-</u>
Fund balance at end of year	<u>\$ 117,729</u>	<u>\$ 116,882</u>	<u>\$ 76,851</u>	<u>\$ (40,031)</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, 2015

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
General property taxes	\$ -	\$ 12	\$ 13	\$ 1
Delinquent taxes and interest	-	7	7	-
Total revenues	-	19	20	1
Expenditures				
Health and welfare	35,800	35,800	38,916	(3,116)
Total expenditures	35,800	35,800	38,916	(3,116)
Excess (deficiency) of revenue over expenditures	(35,800)	(35,781)	(38,896)	(3,115)
Other financing Sources (Uses)				
Transfers In	35,820	35,820	-	(35,820)
Total other financing sources (uses)	35,820	35,820	-	(35,820)
Excess (deficiency) of revenues over expenditures and other sources (uses)	20	39	(38,896)	(38,935)
Fund balance at beginning of year	57,501	57,501	57,501	-
Prior period adjustment	-	-	(30,878)	(30,878)
Fund balance at beginning of year	57,501	57,501	26,623	(30,878)
Fund balance at end of year	\$ 57,521	\$ 57,540	\$ (12,273)	\$ (69,813)

Hinsdale County, Colorado

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

For the Year ended December 31, 2015

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Lodging tax	\$ 57,623	\$ 57,623	\$ 56,546	\$ (1,077)
Total revenues	<u>57,623</u>	<u>57,623</u>	<u>56,546</u>	<u>(1,077)</u>
Expenditures				
Culture and recreation	54,500	54,500	78,069	(23,569)
Total expenditures	<u>54,500</u>	<u>54,500</u>	<u>78,069</u>	<u>(23,569)</u>
Excess (deficiency) of revenue over expenditures	3,123	3,123	(21,523)	(24,646)
Other financing sources (uses)				
Transfers out	-	-	(43,979)	(43,979)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(43,979)</u>	<u>(43,979)</u>
Excess (deficiency) of revenues over expenditures and other sources (uses)	3,123	3,123	(65,502)	(68,625)
Fund balance at beginning of year	<u>60,488</u>	<u>60,488</u>	<u>60,488</u>	<u>-</u>
Fund balance at end of year	<u>\$ 63,611</u>	<u>\$ 63,611</u>	<u>\$ (5,014)</u>	<u>\$ (24,646)</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, 2015

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Interest Income	\$ 50	\$ 50	\$ -	\$ (50)
Total revenues	50	50	-	(50)
Expenditures	-	-	-	-
Excess (deficiency) of revenue over expenditures	50	50	-	(50)
Other financing sources (uses)				
Transfers in (out)	3,000	3,000	3,000	-
Total other financing sources (uses)	3,000	3,000	3,000	-
Excess (deficiency) of revenues over expenditures and other sources (uses)	3,050	3,050	3,000	(50)
Fund balance at beginning of year	62,298	62,298	62,298	-
Fund balance at end of year	<u>\$ 65,348</u>	<u>\$ 65,348</u>	<u>\$ 65,298</u>	<u>\$ (50)</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, 2015

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental revenue	\$ 4,500	\$ 4,500	\$ 4,005	\$ (495)
Total Revenues	<u>4,500</u>	<u>4,500</u>	<u>4,005</u>	<u>(495)</u>
Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenue over expenditures	4,500	4,500	4,005	(495)
Fund balance at beginning of year	<u>10,493</u>	<u>10,493</u>	<u>10,493</u>	<u>-</u>
Fund balance at end of year	<u>\$ 14,993</u>	<u>\$ 14,993</u>	<u>\$ 14,498</u>	<u>\$ (495)</u>



Hinsdale County, Colorado

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

For the Year ended December 31, 2015

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes				
General property taxes	\$ 55,648	\$ 55,648	\$ 54,479	\$ (1,169)
Specific ownership taxes	2,819	3,300	3,800	500
Delinquent taxes and interest	200	300	322	22
Miscellaneous	3,500	3,500	2,527	(973)
Total revenues	<u>62,167</u>	<u>62,167</u>	<u>61,128</u>	<u>(1,620)</u>
Expenditures	<u>58,421</u>	<u>58,421</u>	<u>52,423</u>	<u>5,998</u>
Excess (deficiency) of revenue over expenditures	3,746	3,746	8,705	4,959
Fund balance at beginning of year	<u>59,916</u>	<u>59,916</u>	<u>59,916</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ 63,662</u></u>	<u><u>\$ 63,662</u></u>	<u><u>\$ 68,621</u></u>	<u><u>\$ 4,959</u></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, 2015

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Trail maintenance fees	\$ 25,000	\$ 25,000	\$ 20,743	\$ (4,257)
Miscellaneous sources	8,200	8,200	7,500	(700)
Total revenues	<u>33,200</u>	<u>33,200</u>	<u>28,243</u>	<u>(4,957)</u>
Expenditures	<u>33,188</u>	<u>33,188</u>	<u>24,238</u>	<u>8,950</u>
Excess (deficiency) of revenue over expenditures	12	12	4,005	3,993
Other financing sources				
Transfers in	<u>-</u>	<u>-</u>	<u>5,000</u>	<u>5,000</u>
Excess (deficiency) of revenues over expenditures and other sources (uses)	12	12	9,005	13,993
Fund balance at beginning of year	<u>20,290</u>	<u>20,290</u>	<u>20,290</u>	<u>-</u>
Fund balance at end of year	<u>\$ 20,302</u>	<u>\$ 20,302</u>	<u>\$ 29,295</u>	<u>\$ 8,993</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, 2015

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property taxes	\$ -	\$ -	\$ 12	\$ 12
Interest & penalties on taxes	-	-	4	4
Grant revenue	40,319	44,786	26,100	(18,686)
Intergovernmental subsidy	15,000	15,000	15,000	-
Donations	5,200	13,100	13,200	100
Charges for services , net	50,000	50,000	44,396	(5,604)
Miscellaneous sources	4,567	2,380	380	(2,000)
Total revenues	<u>115,086</u>	<u>125,266</u>	<u>99,092</u>	<u>(26,174)</u>
Expenditures	<u>150,875</u>	<u>160,622</u>	<u>159,424</u>	<u>1,198</u>
Excess (deficiency) of revenue over expenditures	(35,789)	(35,356)	(60,332)	(24,976)
Other financing sources				
Transfers in	<u>35,800</u>	<u>35,800</u>	<u>-</u>	<u>(35,800)</u>
Excess (deficiency) of revenues over expenditures and other sources	11	444	(60,332)	(60,776)
Fund balance at beginning of year	<u>30,533</u>	<u>30,533</u>	<u>30,533</u>	<u>-</u>
Fund balance at end of year	<u>\$ 30,544</u>	<u>\$ 30,977</u>	<u>\$ (29,799)</u>	<u>\$ (60,776)</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, 2015

	Budgeted Amounts			Variance With Final Budget Positive (Negative)
	Original	Final	Actual	
Operating revenues:				
Disposal fees	\$ 133,400	\$ 133,400	\$ 133,764	\$ 364
Total revenue	<u>133,400</u>	<u>133,400</u>	<u>133,764</u>	<u>364</u>
Operating expenses:				
Operating expenses	<u>125,071</u>	<u>125,071</u>	<u>93,852</u>	<u>31,219</u>
Total expenses	<u>125,071</u>	<u>125,071</u>	<u>93,852</u>	<u>31,219</u>
Change in net position	8,329	8,329	39,912	31,583
Net position at beginning of year	<u>86,713</u>	<u>86,713</u>	<u>86,713</u>	<u>-</u>
Net position at end of year, budget basis	<u>\$ 95,042</u>	<u>\$ 95,042</u>	126,625	<u>\$ 31,583</u>
Reconciliation to GAAP basis:				
Depreciation expense			<u>(8,873)</u>	
Net position at end of year, GAAP basis			<u>\$ 117,752</u>	

Hinsdale County, Colorado

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

For the Year ended December 31, 2015

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Operating revenues:				
Recreation fees	\$ 23,320	\$ 23,320	\$ 26,131	\$ 2,811
Total revenues	<u>23,320</u>	<u>23,320</u>	<u>26,131</u>	<u>2,811</u>
Operating expenses	<u>20,384</u>	<u>20,384</u>	<u>21,958</u>	<u>(1,574)</u>
Total expenses	<u>20,384</u>	<u>20,384</u>	<u>21,958</u>	<u>(1,574)</u>
Change in net position	2,936	2,936	4,173	4,385
Net position at beginning of year	<u>45,808</u>	<u>45,808</u>	<u>45,808</u>	<u>-</u>
Net position at end of year, budget basis	<u>\$ 48,744</u>	<u>\$ 48,744</u>	49,981	<u>\$ 1,237</u>
Reconciliation to GAAP basis:				
Depreciation expense			<u>(2,409)</u>	
Net position at end of year, GAAP basis			<u>\$ 47,572</u>	

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

<b>LOCAL HIGHWAY FINANCE REPORT</b>		City or County: <b>HINSDALE COUNTY</b>
		YEAR ENDING : December 2015
		Prepared By: Luke delaParra 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**

ITEM	AMOUNT	ITEM	AMOUNT
<b>A. Receipts from local sources:</b>		<b>A. Local highway disbursements:</b>	
1. Local highway-user taxes		1. Capital outlay (from page 2)	0
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	579,605
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	91,697
2. General fund appropriations	100,000	b. Snow and ice removal	56,462
3. Other local imposts (from page 2)	22,278	c. Other	59,661
4. Miscellaneous local receipts (from page 2)	127,239	d. Total (a. through c.)	207,820
5. Transfers from toll facilities	0	4. General administration & miscellaneous	416,762
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	
a. Bonds - Original Issues	0	6. Total (1 through 5)	1,204,187
b. Bonds - Refunding Issues	0	<b>B. Debt service on local obligations:</b>	
c. Notes	0	1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	0
7. Total (1 through 6)	249,517	b. Redemption	0
<b>B. Private Contributions</b>	0	c. Total (a. + b.)	0
<b>C. Receipts from State government</b>		2. Notes:	
(from page 2)	699,727	a. Interest	0
<b>D. Receipts from Federal Government</b>		b. Redemption	0
(from page 2)	205,068	c. Total (a. + b.)	0
<b>E. Total receipts (A.7 + B + C + D)</b>	1,154,312	3. Total (1.c + 2.c)	0
		<b>C. Payments to State for highways</b>	0
		<b>D. Payments to toll facilities</b>	0
		<b>E. Total disbursements (A.6 + B.3 + C + D)</b>	1,204,187

**IV. LOCAL HIGHWAY DEBT STATUS**

(Show all entries at par)

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

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

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	366,087	1,154,312	1,204,187		316,212

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT		STATE:	
		Colorado	
		YEAR ENDING (12/15): December 2015	
<b>II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL</b>			
<b>ITEM</b>	<b>AMOUNT</b>	<b>ITEM</b>	<b>AMOUNT</b>
<b>A.3. Other local imposts:</b>		<b>A.4. Miscellaneous local receipts:</b>	
a. Property Taxes and Assessments	20,825	a. Interest on investments	123
b. Other local imposts:		b. Traffic Fines & Penalties	0
1. Sales Taxes	0	c. Parking Garage Fees	0
2. Infrastructure & Impact Fees	0	d. Parking Meter Fees	0
3. Liens	0	e. Sale of Surplus Property	53,849
4. Licenses	0	f. Charges for Services	71,063
5. Specific Ownership &/or Other	1,453	g. Other Misc. Receipts	2,204
6. Total (1. through 5.)	1,453	h. Other	0
c. Total (a. + b.)	22,278	i. Total (a. through h.)	127,239
	(Carry forward to page 1)		(Carry forward to page 1)
<b>ITEM</b>	<b>AMOUNT</b>	<b>ITEM</b>	<b>AMOUNT</b>
<b>C. Receipts from State Government</b>		<b>D. Receipts from Federal Government</b>	
1. Highway-user taxes	692,863	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	174,068
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	0	d. Federal Transit Admin	
d. Other (Specify) - MSVA TAX	6,864	e. U.S. Corps of Engineers	
e. Other (Specify) Reimbursements	0	f. Other Federal	31,000
f. Total (a. through e.)	6,864	g. Total (a. through f.)	205,068
4. Total (1. + 2. + 3.f)	699,727	3. Total (1. + 2.g)	
			(Carry forward to page 1)
<b>III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL</b>			
	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
<b>A.1. Capital outlay:</b>			
a. Right-Of-Way Costs			0
b. Engineering Costs			0
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements			0
(3). System Preservation			0
(4). System Enhancement & Operation			0
(5). Total Construction (1) + (2) + (3) + (4)	0	0	0
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	0	0
			(Carry forward to page 1)
<b>Notes and Comments:</b>			