

DOLORES COUNTY, COLORADO

Accountants' Reports
and
Basic Financial Statements

December 31, 2017

DOLORES COUNTY, COLORADO

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DOLORES COUNTY, COLORADO

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INDEPENDENT AUDITORS' REPORT

To the Board of County Commissioners
Dolores County, Colorado
Dove Creek, Colorado 81324

We have audited the accompanying 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 Dolores County, Colorado as of and for the year ended December 31, 2017, 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.

Auditors' 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 of 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 auditors' 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 auditors consider 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 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, and each major fund of Dolores County, Colorado, as of December 31, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity 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 through 13 and pages 39 through 44 be presented to supplement the basic financial statements. Such information, although not a required 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 Dolores County, Colorado's basic financial statements. The accompanying other supplementary information and Local Highway Finance Report are presented for purposes of additional analysis and are not a required part of the financial statements.

The other supplementary information and Local Highway Finance Report are the responsibility of management and were derived from and relates 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 other supplementary information and Local Highway Finance Report are fairly stated, in all material respects, in relation to the basic financial statements as a whole.



Majors and Haley, P.C.
July 19, 2018

DOLORES COUNTY, COLORADO

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) For the Year Ended December 31, 2017

FINANCIAL HIGHLIGHTS

Key financial highlights for the County in 2017 are as follows:

- In total, net position increased by \$3,175,183. Net position of governmental activities increased by \$3,078,267, which represents a 16 percent increase from 2016. Net position of business type activities increased \$96,916 or 11.7 percent from 2016.
- General revenues accounted for \$5,147,240 in revenue or 49.8 percent of all revenues. Program specific revenues in the form of charges for services, grants and contributions accounted for \$5,190,393 million or 50.2 percent of total revenues of \$10,337,633.
- Governmental activities total assets increased by \$2,965,672. Total liabilities increased by \$138,857. Deferred inflows of resources decreased by \$251,452.
- The County incurred \$7,078,141 million in expenses related to governmental activities. \$5,136,881 of these expenses were offset by program specific charges for services, grants and contributions. General revenues (primarily property taxes and mineral leasing funds) of \$4,977,606 were adequate to cover the balance of the costs of these programs.
- Among the major funds, the General Fund had \$4,246,552 in revenues, including transfers and \$7,997,454 in expenditures including transfers. It's fund balance decreased by \$3,750,902 from \$10,906,867 to \$7,155,965. The decrease was due to the construction of a new senior center and a new county road shop.
- Net position of the Enterprise Fund increased from \$830,935 to \$927,851.

DOLORES COUNTY, COLORADO

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

For the Year Ended December 31, 2017

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of four parts: management's discussion and analysis, the basic financial statements, required supplementary information, and other supplementary information. The basic financial statements include two kinds of statements that present different views of the County.

- The first two statements are County-wide financial statements that provide both short-term and long-term information about the County's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the County, reporting the County's operations in more detail than the County-wide statements.
- The governmental funds statements tell how basic services such as general government were financed in the short-term as well as what remains for future spending.
- Proprietary funds statements offer short-term and long-term financial information about the activities the County operates like businesses, such as weed control services.
- Fiduciary funds statements provide information about the financial relationships in which the County acts solely as a trustee or agent for the benefit of others.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplemental information that further explains and supports the financial statements with a comparison of the County's budget for the year.

County-wide Statements

The County-wide statements report information about the County as a whole using accounting methods similar to those used by private companies. The statement of net position includes all of the County's assets, deferred outflows of

DOLORES COUNTY, COLORADO

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) For the Year Ended December 31, 2017

resources, liabilities and deferred inflows of resources. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two County-wide statements report the County's net position and how it has changed. Net position (the difference between the County's assets, deferred inflows of resources, and liabilities and deferred outflows of resources) is one way to measure the County's financial position.

- Over time, increases or decreases in the County's net position are an indicator of whether its financial position is improving or deteriorating.
- To assess the County's overall health, you need to consider additional non-financial factors such as changes in the County's property tax base and the condition of county facilities.

In the County-wide financial statements, the County's activities are divided into two categories:

- **Governmental activities-** Most of the County's basic services are included here, such as general government, public works, public safety, public health and culture and recreation. These activities are financed mainly through property taxes and operating grants.
- **Business-type activities-** The County charges fees to help cover the costs of certain services it provides. The County's weed control operation is included here.

Fund Financial Statements

The fund financial statements provide more detailed information about the County's funds, focusing on its most significant or "major" funds, not the County as a whole. Funds are accounting devices the County uses to keep track of specific sources of funding and spending on particular programs. Some funds are required to be established by state law. However, the County establishes many other funds to help it manage and control its finances to achieve certain results.

The County uses three types of funds:

DOLORES COUNTY, COLORADO

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) For the Year Ended December 31, 2017

- **Governmental funds-** Most of the County's basic services are included in 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. These funds are reported using the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the County's general operations and the services it provides. Governmental fund information helps one determine whether there are more or fewer financial resources that can be spent in the near future to finance the County's programs. Because this information does not encompass the additional long-term focus of the County-wide statements, additional information at the bottom of the governmental funds statements explains the relationship (or difference) between them.
- **Proprietary funds-** Services for which the County charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the County-wide financial statements. The County's enterprise funds (one type of proprietary fund) are the same as its business-type activities but provide more detail and additional information such as cash flow analysis.
- **Fiduciary funds-** The County is the agent, or fiduciary, for assets that belong to others, such as the Agency Fund. The County is responsible for ensuring that the assets reported in this fund are used only for their intended purposes and by those to whom the assets belong. The County excludes these activities from the County-wide financial statements because it cannot use these assets to finance its operations.

FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE

Total assets increased by \$3,048,977. Total liabilities increased by \$137,290. Deferred inflows of resources decreased by \$263,496.

The County's combined net position was larger on December 31, 2017 than it was at December 31, 2016, increasing by 15.9 percent to \$23,137,049. Most of the increase came from its governmental activities, the net position of which increased \$3,078,267 to \$22,209,198. The net position of the County's business type activities increased \$96,916 to \$927,851.

DOLORES COUNTY, COLORADO

MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)
For the Year Ended December 31, 2017

Table 1 provides a summary of the County's net position for 2017 compared to 2016:

Table 1
Condensed Statement of Net Position
(In millions)

	Governmental Activities		Business-type Activities		Total County	
	2017	2016	2017	2016	2017	2016
Assets						
Current assets	\$ 16.603	\$ 19.612	\$ 1.021	\$ 0.925	\$ 17.624	\$ 20.537
Capital assets	9.448	3.473	0.057	0.070	9.505	3.543
Total assets	<u>26.051</u>	<u>23.085</u>	<u>1.078</u>	<u>0.995</u>	<u>27.129</u>	<u>24.080</u>
Liabilities						
Current liabilities	0.529	0.336	-	0.002	0.529	0.338
Noncurrent liabilities	0.080	0.133			0.080	0.133
Deferred inflows of resources	3.233	3.485	0.150	0.162	3.383	3.647
Net Position						
Net investment capital assets	9.308	3.288	0.057	0.070	9.365	3.358
Nonspendable-Inventories	0.317	0.275			0.317	0.275
Restricted	5.578	3.434			5.578	3.434
Unrestricted	7.006	12.134	0.871	0.761	7.877	12.895
Total net position	<u>\$ 22.209</u>	<u>\$ 19.131</u>	<u>\$ 0.928</u>	<u>\$ 0.831</u>	<u>\$ 23.137</u>	<u>\$ 19.962</u>

DOLORES COUNTY, COLORADO

MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)
For the Year Ended December 31, 2017

Table 2 shows the changes in net position for fiscal year 2017 compared to 2016.

Table 2
Changes in Net Position
(In millions)

	Governmental Activities		Business-type Activities		Total County	
	2017	2016	2017	2016	2017	2016
Revenues						
Program revenues						
Charges for services	\$ 0.543	\$ 0.491	\$ 0.054	\$ 0.049	\$ 0.597	\$ 0.540
Operating grants	2.851	2.753			2.851	2.753
Capital grants	1.743	0.011			1.743	0.011
General revenues						
Property taxes	3.946	4.277	0.163	0.178	4.109	4.455
Mineral leasing	0.470	0.665			0.470	0.665
Other	0.561	0.473	0.006	0.017	0.567	0.490
Total revenues	10.114	8.670	0.223	0.244	10.337	8.914
Expenses						
General government	1.977	1.955			1.977	1.955
Public safety	0.954	0.978			0.954	0.978
Public works	2.497	2.302	0.126	0.098	2.623	2.400
Public health and welfare	1.421	1.262			1.421	1.262
Culture and recreation	0.206	0.159			0.206	0.159
Depreciation-unallocated	0.023	0.021			0.023	0.021
Total expenses	7.078	6.677	0.126	0.098	7.204	6.775
Increase in supply inventory	0.042	0.003			0.042	0.003
Increase (decrease) in net position	\$ 3.078	\$ 1.996	\$ 0.097	\$ 0.146	\$ 3.175	\$ 2.142

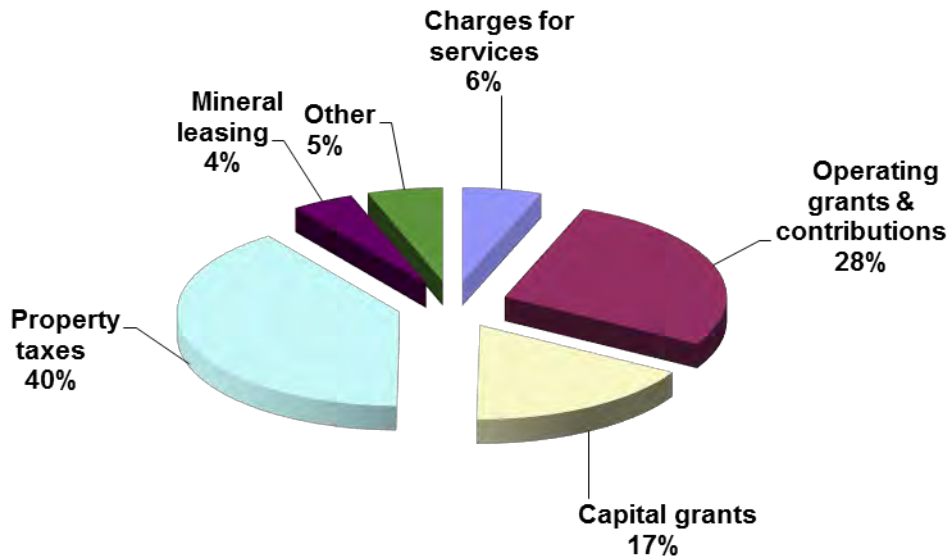
DOLORES COUNTY, COLORADO

**MANAGEMENT’S DISCUSSION AND ANALYSIS
(UNAUDITED)
For the Year Ended December 31, 2017**

Operating grants and property taxes accounted for most of the County’s total revenue, with each contributing 28 percent and 40 percent respectively (See Table 3). Another 17 percent came from capital grants and the remainder from charges for services, mineral leasing and other sources.

The County’s expenses are predominately related to public works, (36.4 percent), general government (27.4 percent) and public health and welfare (19.7 percent) (See Table 4).

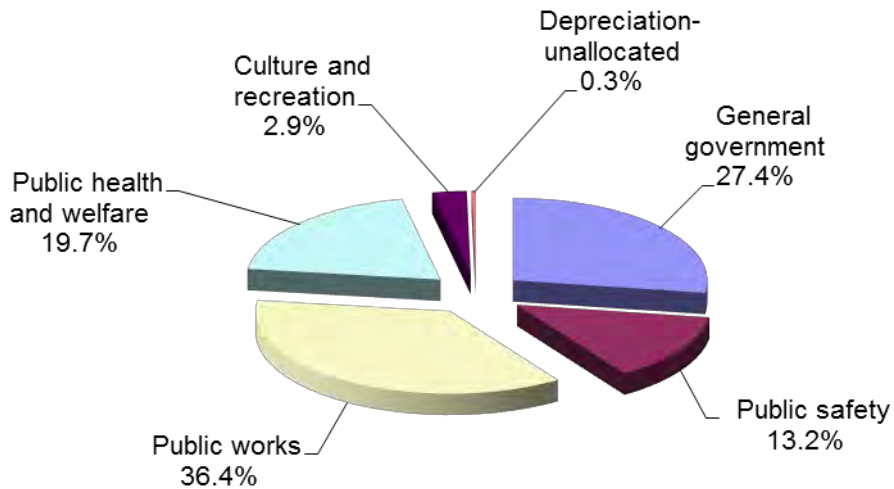
Table 3
Sources of Revenue for Fiscal Year 2017



DOLORES COUNTY, COLORADO

**MANAGEMENT’S DISCUSSION AND ANALYSIS
(UNAUDITED)
For the Year Ended December 31, 2017**

**Table 4
Expenses for Fiscal Year 2017**



Governmental Activities

The primary sources of operating revenue for the County come from operating grants, capital grants and general property taxes. The County receives approximately 85 percent of this funding from these sources while the remaining amounts come from charges for services and other general revenues.

The statement of activities shows the cost of program services and the charges for services and grants offsetting those service costs. Table 5 shows, for governmental activities, the total cost of services and net cost of services. That is, it identifies the cost of these services supported by general revenues including general property taxes.

DOLORES COUNTY, COLORADO

MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)
For the Year Ended December 31, 2017

Table 5
Government Activities
(In millions)

	Total Cost of Services		Net Cost of Services	
	2017	2016	2017	2016
General government	\$ 1.977	\$ 1.955	\$ 1.705	\$ 1.722
Public safety	0.954	0.978	0.796	0.864
Public works	2.497	2.302	(1.007)	0.447
Public health and welfare	1.421	1.262	0.268	0.269
Culture and recreation	0.206	0.159	0.156	0.099
Depreciation-unallocated	0.023	0.021	0.023	0.021
Total	\$ 7.078	\$ 6.677	\$ 1.941	\$ 3.422

- The cost of all governmental activities during the year was \$7.078 million.
- Some of the cost was financed by the users of the County's programs (\$.543 million)
- Federal and state government subsidized certain programs with grants and contributions (\$4.594 million).
- However, \$4.978 million was financed by state and county taxpayers. This portion of governmental activities was financed with \$3.946 million in property taxes, \$.470 million in mineral leasing and \$.562 in other general revenues.

Business-type Activities

Business-type activities are made up of the Mandatory Pest Control District. This program had revenues of \$223,146 and expenses of \$126,230 million. Business-type activities received \$169,565 million in property and specific ownership taxes.

DOLORES COUNTY, COLORADO

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

For the Year Ended December 31, 2017

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

Information about the County's major funds starts on page 16. These funds are accounted for using the modified accrual basis of accounting. All governmental funds have total revenues of \$10.114 million and expenditures of \$13.099 million.

General Fund Budgetary Highlights

The County's budget is prepared according to Colorado law and is based on accounting for certain transactions on a basis of cash receipts and disbursements. The most significant budgeted fund is the General Fund.

Over the course of the year, the County made no revisions to the annual operating budget.

- Actual revenues were \$712,519 more than budget, primarily because the County budgeted conservatively regarding revenues.
- Actual expenditures were \$300,682 less than budget primarily for the same reason as the excess in budgeted revenues.

CAPITAL ASSET ADMINISTRATION

By the end of 2017, the County has invested \$13.817 million in land, buildings, and equipment (including vehicles), of this total, \$13.589 million was from governmental activities.

Table 6 shows capital assets for 2017 compared to 2016:

DOLORES COUNTY, COLORADO

MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)
For the Year Ended December 31, 2017

Table 6
Capital Assets at December 31
(In millions)

	Governmental Activities		Business-Type Activities		Total County	
	2017	2016	2017	2016	2017	2016
Land	\$ 0.197	\$ 0.184			\$ 0.197	\$ 0.184
Construction in Progress		0.969			\$ 0.969	0.969
Buildings	8.699	1.606			8.699	1.606
Equipment	4.693	4.404	\$ 0.228	\$ 0.227	4.921	4.631
Total	\$ 13.589	\$ 7.163	\$ 0.228	\$ 0.227	\$ 13.817	\$ 7.390

Additional information on the County's capital assets can be found in the Notes to the Financial Statements on page 32 of this report.

FACTORS BEARING ON THE COUNTY'S FUTURE

At the time these financial statements were prepared and audited, the County is not aware of any existing circumstances that could significantly affect its financial health in the future.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide the County's citizens, taxpayers, and creditors with a general overview of the County's finances and to demonstrate the County's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Dolores County Administration Office, P.O. Box 608 Dove Creek, Colorado 81324.

DOLORES COUNTY, COLORADO
Statement of Net Position

December 31, 2017

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	
Assets				
Cash-unrestricted	\$ 12,949,182	\$ 832,876	\$ 13,782,058	\$ 281,550
Property taxes receivable	3,233,117	150,156	3,383,273	135,463
Other receivables	67,801		67,801	
Due from state	32,640		32,640	
Due from other governments	3,311		3,311	
Inventory	316,788	38,520	355,308	
Investment in water tap	2,350		2,350	
Capital assets	13,589,401	227,962	13,817,363	
Accumulated depreciation	(4,143,840)	(171,308)	(4,315,148)	
Total capital assets, net of depreciation	9,445,561	56,654	9,502,215	
Total Assets	26,050,750	1,078,206	27,128,956	417,013
Liabilities				
Accounts payable	400,132	199	400,331	
Payments in arrears	67,801		67,801	
Due from other governments	3,317		3,317	
Long term liabilities				
Due in less than one year	57,194		57,194	
Due in more than one year	79,991		79,991	
Total Liabilities	608,435	199	608,634	-
Deferred Inflows of Resources				
Unearned property tax revenue	3,233,117	150,156	3,383,273	135,463
Net Position				
Invested in capital assets, net of related debt	9,308,376	56,654	9,365,030	
Nonspendable				
Inventories	316,788		316,788	
Restricted				
Cancer treatments	37,035		37,035	
TABOR	150,000		150,000	8,000
Public health and welfare	1,432,370		1,432,370	
Public works	2,812,597		2,812,597	
Parks and recreation	59,389		59,389	
Contingencies	1,086,678		1,086,678	
Unrestricted	7,005,965	871,197	7,877,162	273,550
Total Net Position	\$ 22,209,198	\$ 927,851	\$ 23,137,049	\$ 281,550

The accompanying notes are an integral part of this statement.

DOLORES COUNTY, COLORADO
Statement of Activities

For the Year Ended December 31, 2017

	Program Revenues				Net (Expenses) Revenue And Changes in Net Position			Component Unit
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business- type Activities	Total	
Governmental Activities								
General government	\$ 1,977,185	\$ 232,044	\$ 40,484		\$ (1,704,657)		\$ (1,704,657)	
Public safety	954,415	97,236	61,683		(795,496)		(795,496)	
Public works	2,496,446	101,609	1,717,998	\$ 1,683,407	1,006,568		1,006,568	
Public health and welfare	1,421,192	91,263	1,001,675	60,000	(268,254)		(268,254)	
Culture and recreation	205,576	20,464	29,018		(156,094)		(156,094)	
Depreciation-unallocated	23,327				(23,327)		(23,327)	
Total Governmental Activities	<u>7,078,141</u>	<u>542,616</u>	<u>2,850,858</u>	<u>1,743,407</u>	<u>(1,941,260)</u>		<u>(1,941,260)</u>	
Business-Type Activities								
Mandatory Pest Control District	126,230	53,512				\$ (72,718)	(72,718)	
Total Business-Type Activities	<u>126,230</u>	<u>53,512</u>	<u>-</u>			<u>(72,718)</u>	<u>(72,718)</u>	
Total Primary Government	<u>\$ 7,204,371</u>	<u>\$ 596,128</u>	<u>\$ 2,850,858</u>	<u>\$ 1,743,407</u>	<u>(1,941,260)</u>	<u>(72,718)</u>	<u>(2,013,978)</u>	
Component Unit								
Library	\$ 115,267		\$ 4,000					\$ (111,267)
Total Component Units	<u>\$ 115,267</u>	<u>\$ -</u>	<u>\$ 4,000</u>	<u>\$ -</u>				<u>(111,267)</u>
General Revenues								
Property tax for general purposes					3,595,294	163,202	3,758,496	146,027
Property tax for Quality of Life					350,466		350,466	
Specific Ownership tax for general purposes					140,713	6,363	147,076	5,716
Specific Ownership tax for Quality of Life					13,719		13,719	
Severance Tax					21,638		21,638	
Delinquent tax and interest					19,847	69	19,916	793
Intergovernmental								
Motor Vehicle License Fees					5,566		5,566	
Mineral Leasing					470,105		470,105	
Payment in Lieu of Taxes					154,268		154,268	
Forest Service							-	
Impact Assistance					4,954		4,954	
Earnings on investments					110,179		110,179	617
Reimbursements					57,461		57,461	
Asset sales					3,751		3,751	
Miscellaneous					29,645		29,645	1,185
Total General Revenues					<u>4,977,606</u>	<u>169,634</u>	<u>5,147,240</u>	<u>154,338</u>
Changes in Net Position					3,036,346	96,916	3,133,262	43,071
Net Position Beginning of the Year					19,130,931	830,935	19,961,866	238,479
Increase (decrease) in inventories					41,921		41,921	
Net Position End of the Year					<u>\$ 22,209,198</u>	<u>\$ 927,851</u>	<u>\$ 23,137,049</u>	<u>\$ 281,550</u>

The accompanying notes are an integral part of this statement.

DOLORES COUNTY, COLORADO

Balance Sheet
Governmental Funds

December 31, 2017

	General Fund	Road and Bridge Fund	Social Services Fund	Other Governmental Funds	Total Governmental Funds
Assets					
Cash-unrestricted	\$ 7,152,079	\$ 3,012,346	\$ 1,103,704	\$ 1,681,053	\$ 12,949,182
Property taxes receivable	2,278,096	541,856	250,608	162,557	3,233,117
Due from other funds	178,942		1,154		180,096
Other receivables			67,801		67,801
Due from state			32,640		32,640
Due from other governments			879	2,432	3,311
Inventory		316,788			316,788
Investment in water tap	2,350				2,350
Total Assets	\$ 9,611,467	\$ 3,870,990	\$ 1,456,786	\$ 1,846,042	\$ 16,785,285
Liabilities					
Accounts payable	\$ 176,252	\$ 199,749		\$ 24,131	\$ 400,132
Due to other funds	1,154			178,942	180,096
Due to other governments			\$ 3,317		3,317
Payments in arrears			67,801		67,801
Total Liabilities	177,406	199,749	71,118	203,073	651,346
Deferred Inflows of Resources					
Unearned property tax revenue	2,278,096	541,856	250,608	162,557	3,233,117
Fund Balances					
Nonspendable					
Inventories		316,788			316,788
Restricted					
Cancer treatments				37,035	37,035
TABOR	150,000				150,000
Public health and welfare			1,135,060	297,310	1,432,370
Public works		2,812,597			2,812,597
Parks and recreation				59,389	59,389
Contingencies				1,086,678	1,086,678
Unrestricted					
Assigned for future year's expenditures	6,322,063				6,322,063
Unassigned	683,902				683,902
Total Fund Balances	7,155,965	3,129,385	1,135,060	1,480,412	12,900,822
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 9,611,467	\$ 3,870,990	\$ 1,456,786	\$ 1,846,042	\$ 16,785,285

Reconciliation of the Governmental Funds Balance Sheet with the Statement of Net Position

Total Fund Balance Governmental Funds \$ 12,900,822

Amounts reported for governmental activities in the Statement of Net Assets are different because

Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.

Capital assets	\$ 13,589,401	
Accumulated depreciation	<u>(4,143,840)</u>	9,445,561

Long term liabilities are not due and payable in the current period and therefore, they are not reported in the governmental funds balance sheet.

Due within one year	(57,194)	
Due in more than one year	<u>(79,991)</u>	(137,185)

Total Net Position Governmental Activities \$ 22,209,198

DOLORES COUNTY, COLORADO
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds

For the Year Ended December 31, 2017

	General Fund	Road and Bridge Fund	Social Services Fund	Other Governmental Funds	Total Governmental Funds
Revenues					
Taxes	\$ 2,972,290	\$ 609,496	\$ 282,192	\$ 274,369	\$ 4,138,347
Intergovernmental revenues	730,423	3,406,971	666,204	405,763	5,209,361
Charges for services	157,977	48,590		90,879	297,446
Interest	108,937	653		3,917	113,507
Fee accounts	208,049				208,049
Other	61,564	84,924		1,289	147,777
Total Revenues	4,239,240	4,150,634	948,396	776,217	10,114,487
Expenditures					
General government	2,014,109			4,401	2,018,510
Public safety	891,848				891,848
Public works		5,679,855			5,679,855
Public health and welfare	2,767,361		721,769	805,119	4,294,249
Culture and recreation	214,386				214,386
Total Expenditures	5,887,704	5,679,855	721,769	809,520	13,098,848
Excess revenues over (under) expenditures	(1,648,464)	(1,529,221)	226,627	(33,303)	(2,984,361)
Other Financing Sources (Uses)					
Transfers in	7,312	2,000,000	1,000	109,750	2,118,062
Transfers out	(2,109,750)			(8,312)	(2,118,062)
Total Other Financing Sources (Uses)	(2,102,438)	2,000,000	1,000	101,438	-
Net Change in Fund Balances	(3,750,902)	470,779	227,627	68,135	(2,984,361)
Fund Balances beginning of the year	10,906,867	2,616,685	907,433	1,412,277	15,843,262
Net increase (decrease) in inventory		41,921			41,921
Fund Balances end of the year	\$ 7,155,965	\$ 3,129,385	\$ 1,135,060	\$ 1,480,412	\$ 12,900,822

The accompanying notes are an integral part of this statement.

DOLORES COUNTY, COLORADO

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of
Governmental Funds to the Statement of Activities

For the Year Ended December 31, 2017

Net Change in Fund Balances Governmental Funds \$ (2,984,361)

Amounts reported for governmental activities in the Statement of Activities are different because

Governmental funds report capital outlay as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period.

Capital asset purchases capitalized	\$ 6,425,925	
Depreciation expense	<u>(453,052)</u>	
		5,972,873

Repayment of debt principal is an expenditure in the governmental funds but the repayment reduces long term debt in the Statement of Net Position

Principal payments of capital leases		47,027
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Some increases in debt are not reported in the governmental funds but are reflected in the Statement of Activities

Decrease in accrued compensated absences		807
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Change in Net Position of Governmental Activities \$ 3,036,346

The accompanying notes are an integral part of this statement.

DOLORES COUNTY, COLORADO

Statement of Net Position
Proprietary Fund
Enterprise Fund

December 31, 2017

	<u>Business-type Activities</u> <u>Mandatory Pest Control District</u>	
Assets		
Current Assets		
Cash	\$	832,876
Property tax receivable		150,156
Inventory		38,520
Total Current Assets		<u>1,021,552</u>
Noncurrent Assets		
Capital assets	\$	227,962
Accumulated depreciation		(171,308)
Total Noncurrent Assets		<u>56,654</u>
Total Assets		<u><u>1,078,206</u></u>
Liabilities		
Current Liabilities		
Accounts payable		199
Total Current Liabilities		<u>199</u>
Deferred inflows of resources		
Deferred property tax revenue		<u>150,156</u>
Net Position		
Net investment in capital assets	56,654	
Unrestricted	871,197	
Total Net Position		<u><u>\$ 927,851</u></u>

The accompanying notes are an integral part of this statement.

DOLORES COUNTY, COLORADO

Statement of Revenues, Expenses, and Changes in Net Position
 Proprietary Fund
 Enterprise Fund
For the Year Ended December 31, 2017

	<u>Business-type Activities</u> <u>Mandatory Pest Control District</u>	
Operating Revenues		
Weed control revenue	\$	53,512
Total Operating Revenues		<u>53,512</u>
Operating Expenses		
Weed control operations		
Chemicals	\$	31,726
Salaries and benefits		61,680
Supplies		1,453
Professional fees		1,000
Telephone		828
Travel		2,262
Office		1,037
Dues and meetings		400
Repairs and maintenance		1,197
Treasurer's fees		8,637
Miscellaneous		1,533
Depreciation		14,477
Total Operating Expenses		<u>(126,230)</u>
Operating income (loss)		<u>(72,718)</u>
Non-Operating Revenue		
Property tax	163,202	
Specific ownership tax	6,363	
Interest	69	
Total Non-Operating Revenue		<u>169,634</u>
Change in net position		<u>96,916</u>
Net position beginning of the year		830,935
Net position end of the year	\$	<u><u>927,851</u></u>

The accompanying notes are an integral part of this statement.

DOLORES COUNTY, COLORADO

Statement of Cash Flows
Proprietary Fund
Enterprise Fund

For the Year Ended December 31, 2017

		<u>Business-type Activities Mandatory Pest Control District</u>
Cash Flows from Operating Activities		
Cash received from customers	\$	53,512
Cash payments to employees for services		(61,680)
Cash payments to suppliers for goods and services		(50,939)
		(59,107)
Net Cash Flows provided (used) by Operating Activities		
Cash Flows from Capital and Related Financing Activities		
Purchase of equipment	\$	(1,439)
		(1,439)
Net Cash Flows provided (used) by Capital and Related Financing Activities		
Cash Flows from Noncapital Financing Activities		
Property tax	163,202	
Specific ownership tax	6,363	
Interest on taxes	69	
		169,634
Net Cash Flows provided (used) by Noncapital Financing Activities		
		109,088
Net increase (decrease) in cash and cash equivalents		
Cash and cash equivalents beginning of the year		723,788
Cash and cash equivalents end of the year		\$ 832,876
Reconciliation of operating income (loss) to Net Cash provided (used) by Operating Activities		
Operating income (loss)	\$	(72,718)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities		
Depreciation	\$	14,477
(Increase) or decrease in Inventory		701
Increase or (decrease) in Accounts payable		(1,567)
Total adjustments		13,611
Net Cash Flows provided (used) by Operating Activities		\$ (59,107)

The accompanying notes are an integral part of this statement.

DOLORES COUNTY, COLORADO

Statement of Fiduciary Net Position

As of December 31, 2017

	<u>Agency Fund</u>
Assets	
Cash	\$ 1,943,855
Total Assets	<u>1,943,855</u>
Liabilities	
Due to agency recipient	1,943,855
Total Liabilities	<u>1,943,855</u>
Net Position	<u>\$ -</u>

The accompanying notes are an integral part of this statement.

DOLORES COUNTY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2017

Summary of Significant Accounting Policies - Dolores County, Colorado's (the County) financial statements are prepared in accordance with U.S. generally accepted accounting principals (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements of Interpretations).

The following significant accounting policies were applied to the preparation of the accompanying financial statements.

Reporting Entity – Dolores County, Colorado is a statutory (non-home-rule) county and serves as an administrative unit of the State of Colorado.

The County's financial reporting entity comprises the following:

Primary Government:	Dolores County, Colorado
Blended Component Unit:	Dove Creek Mandatory Pest Control District
Discretely Presented Component Unit:	Dolores County Library District

In determining the financial reporting entity, the County complies with the provisions of GASB Statement No. 14, "The Financial Reporting Entity," and includes all component units of which the County appointed a voting majority of the unit's board; the County is either able to impose its will on the unit or a financial benefit or burden relationship exists.

Blended Component Unit- The Dove Creek Mandatory Pest Control District serves a portion of Dolores County and is governed by a Board of Trustees appointed by the County Commissioners. The Commissioners approve all expenditures of the District. The District is included as an enterprise fund of the County.

Discretely Presented Component Unit- The Dolores County Library District operates the County Library. The commissioners appoint the governing board of the District and approve its' budget.

Fund Accounting – 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 of resources, liabilities, deferred inflows of resource, fund equity, revenues and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and in the means by which spending activities are controlled. The various funds are grouped into three categories: governmental, proprietary and fiduciary. Each category, in turn, is divided into separate "fund types".

DOLORES COUNTY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2017

Governmental Funds – are used to account for all or most of a government’s general activities, including the collection and disbursement of earmarked funds (special revenue funds). The following are the County’s major governmental funds.

General Fund – is the general operating fund of the County. It is used to account for all financial resources except those required to be accounted for in another fund. Major revenue sources include local property taxes, specific ownership taxes and state and federal grants.

Special Revenue Funds-

Road and Bridge Fund – accounts for the costs related to county road and bridge construction and maintenance. By state law, a portion of this fund’s property tax revenues are allocated to cities and towns for use in their road and street activities. This fund is required by state law.

Social Services Fund- accounts for federal and state public welfare programs administered by the County. This fund is also required by state law.

Non-major Funds- The other governmental funds of the County are Special Revenue Funds. These funds account for revenues derived from earmarked revenue sources. Special revenue funds consist of the Senior Services Fund, Conservation Trust Fund, Ormiston Fund, Contingency Fund and the Public Health Fund.

Proprietary Funds–

Enterprise Fund – focuses on the determination of the changes in net position, financial position and cash flows and are classified as either enterprise or internal service. The County’s major enterprise fund is:

Dove Creek Mandatory Pest Control District- is used to account for the financial transactions related to the weed control operations of the County.

Fiduciary Funds – reporting focuses on net position and changes in net position. The fiduciary fund category is split into trust funds and agency funds. Trust funds are used to account for assets held by the County under a trust agreement for individuals, private organizations, or other governments and are therefore, not available to support the County’s own programs. The County does not have any trust funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results or operations. The County has one agency fund.

DOLORES COUNTY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2017

Basis of Presentation-

County-wide Financial Statements- The statement of net position and the statement of activities display information about the County as a whole. These statements include the financial activities of the primary government except for fiduciary funds. The statements distinguish between those activities of the County that are governmental and those that are considered business-type activities.

The county-wide statements are prepared using the economic resources measurement focus and the accrual basis of accounting. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements therefore include reconciliation with a brief explanation to better identify the relationship between the county-wide financial statements and the statements for governmental funds.

The county-wide statement of activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the County and for each function or program of the County's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues, which are not classified as program revenues, are presented as general revenues of the County, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the County.

Fund Financial Statements- Fund financial statements report detailed information about the County. The focus of governmental and enterprise fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column. Fiduciary funds are reported by fund type.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources measurement focus. The financial statements for governmental funds are a balance sheet, which generally includes only current assets and current liabilities, and a statement of revenues, expenditures and changes in fund balances, which reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources.

DOLORES COUNTY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2017

All proprietary fund types are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets, deferred outflows of resources and all liabilities and deferred outflows of resources associated with the operations of these funds are included on the statement of net position. The statement of revenues, expenses and changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in net total position. The statement of cash flows provides information about how the County finances and meets the cash flow needs of its proprietary activities.

Fiduciary funds are reported using the economic resources measurement focus.

Basis of Accounting – determines when transactions are recorded in the financial records and reported on the financial statements. County-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Proprietary and fiduciary funds also use the accrual basis of accounting.

Revenues- Exchange and Non-exchange Transactions- Revenues resulting from exchange transactions, in which each party gives and receives essentially equal value are recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenues are recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the County, available means expected to be received within sixty days of fiscal year-end.

Non-exchange transactions, in which the County receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenues from property taxes are recognized in the fiscal year for which the taxes are levied. Revenues from grants, entitlements and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when used is first permitted, matching requirements, in which the County must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the County on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year-end: property taxes collected within 60 days after year-end, interest, and certain grants.

Unearned Revenue- arises when potential revenue does not meet both the “measurable” and “available” criteria for recognition in the current period. In subsequent periods, when both revenue recognition criteria are met, or when the County has a legal claim to the resources, the liability for unearned revenue is removed and revenue is recognized.

DOLORES COUNTY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2017

Expenses/Expenditures- On the accrual basis of accounting, expenses are recognized at the time they are incurred. The fair value of donated commodities used during the year is reported in the statement of revenues, expenses and changes in fund net position as an expense with a like amount reported as donated commodities revenue.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

Budgets and Budgetary Accounting – The County is required by Colorado Statutes to adopt annual budgets for all funds. Each budget is prepared on the same basis (U.S. GAAP basis) as that used for accounting purposes, except for the Enterprise Fund, which is prepared essentially on the modified accrual basis of accounting. This basis of accounting is at variance with U.S. GAAP.

The following procedures are followed in establishing the budgetary data reflected in the financial statements:

Prior to October 20, the Budget Officer submits to the County Commissioners a proposed operating budget for the fiscal year commencing the following January 1.

The operating budget includes proposed expenditures and the means of financing them.

Public hearings are conducted to obtain comments.

Prior to December 31, the budget is legally adopted through passage of adoption and appropriations resolutions.

Formal budgetary integration is employed as a management control device during the year.

Department directors are authorized to transfer budget amounts within the department. However, the County Commissioners must approve any revisions that alter the total expenditures of any department.

Appropriations are adopted by resolution for each fund in total and lapse at the end of each year. Over-expenditures are not deemed to exist unless the fund as a total has expenditures in excess of appropriations.

Cash and Cash Equivalents – for the purpose of the Statement of Cash Flows of the Enterprise Fund is considered to be all of the highly liquid investments with a maturity of six months or less.

DOLORES COUNTY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2017

Short-term Inter-fund Receivables/Payables- During the course of operations, certain transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as internal balances on the County-wide statement of net position and, classified as due from other funds or due to other funds on the balance sheet.

Inventories – in the governmental funds consist of expendable supplies held for consumption, the cost of which is recorded as an expenditure at the time of purchase. Restrictions of fund balance have been established for the inventory balances.

Capital Assets – General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the county-wide statement of net position but are not reported in the fund financial statements. Capital assets utilized by the proprietary funds are reported both in the business-type activities column of the county-wide statements of net position and in the respective fund financial statements.

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated general fixed assets are valued at their estimated fair value on the date donated. The County maintains a capitalization threshold of five thousand dollars. As per GASB 34 the County has elected to report infrastructure assets on a prospective basis. Therefore, infrastructure acquired before January 1, 2004 is not included in the financial statements.

All reported capital assets are depreciated. Depreciation is computed using the straight-line method over the following useful lives:

Description	Governmental Activities <u>Estimated Lives</u>	Business-Type Activities <u>Estimated Lives</u>
Buildings and Improvements	20-50 Years	20 Years
Furniture and Equipment	5-15 Years	5-10 Years
Vehicles	8 Years	10 Years

Property Tax Revenue Recognition – The County bills and collects its own property taxes as well as property taxes of all other taxing authorities within the County. The property taxes are levied and certified in December of the year prior to the year the taxes are collected. Property taxes become an enforceable lien on January 1 of each year. Secured property taxes are due in two equal installments on February 28 and June 15, and are delinquent after February 28 and June 15 respectively. The entire balance can be paid by April 30 without penalty.

DOLORES COUNTY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2017

Property taxes levied are recorded as unearned revenues in the year levied, as they are not due until the following year. An allowance for un-collectible taxes is not provided as the un-collectible amounts were determined to be negligible based upon an analysis of historical trends.

Compensated absences- Compensated absences arise from policies concerning vacation and sick leave. In the event of termination, an employee is reimbursed for accumulated vacation days. The County requires employees to take vacations currently and only allows them to carry over one year's vacation into the next year. Employees are not reimbursed for accumulated sick leave. Payments for sick leave are charged as expenditures when paid. Accumulated vacation benefits are shown as long term debt obligations since these amounts are not expected to be paid from currently available resources.

Accrued Liabilities and General Long-Term Obligations- All payables, accrued liabilities and long-term obligations are reported in the county-wide financial statements, and all payables, accrued liabilities and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements.

In general, payables and accrued liabilities that will be paid from governmental funds are reported on the governmental fund financial statements regardless of whether they will be liquidated with current resources. However, claims and judgments, the non-current portion of capital leases, compensated absences, and special termination benefits that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they will be paid with current, expendable, available financial resources. In general, payment made within sixty days after year-end are considered to have been made with current available financial resources. Bonds and other long-term obligations that will be paid from governmental funds are not recognized as a liability in the fund financial statements.

Governmental Fund Balances- In the governmental fund financial statements, fund balances are classified as follows:

Non-spendable- Amounts that cannot be spent either because they are in a non-spendable form or because they are legally or contractually required to be maintained intact. This includes inventory maintained in the Road and Bridge Fund.

Restricted- Amounts that can be used only for specific purposes because of state or federal laws, or externally imposed conditions by grantors or creditors. This includes the County's TABOR reserve.

Committed- Amounts that can be used only for specific purposes determined by a formal action by the Board of County Commissioners.

DOLORES COUNTY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2017

Assigned- Amounts that are designated by the Board of County Commissioners for a particular purpose but are not spendable until appropriated. This includes assignments for subsequent year's expenditures.

Unassigned- All amounts not included in the other spendable classifications.

Use of Restricted Resources-When an expense is incurred that can be paid using either restricted or unrestricted resources (net position), the County's policy is to first apply the expense toward restricted resources and then toward unrestricted resources. In governmental funds, the County's policy is to first apply the expenditure toward restricted fund balance and then to other less restrictive classifications-committed and then assigned fund balances before using unassigned fund balance.

Fund Balance Restrictions- The County restricts those portions of fund equity which are legally segregated for a specific future use or which do not represent available expendable resources and therefore are not available for appropriation or expenditure. Unrestricted fund balance indicates that portion of fund equity, which is available for appropriation in future periods. Assigned fund balances have been established for future year's expenditures.

Net Position- Net position represents the difference between assets, deferred outflows of resources, and liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are liabilities imposed on their use either through the enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Operating Revenues and Expenses- Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the County, these revenues are charges related to weed control. Operating expenses are necessary costs incurred to provide the goods or services that are the primary activities of the fund. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Inter-fund Transactions- Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. All other inter-fund transactions, except quasi-external transactions and reimbursements, are reported as transfers.

Estimates – The preparation of financial statements in conformity with generally accepted accounting principles requires the use of management's estimates.

DOLORES COUNTY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2017

Cash and Investments – The County Treasurer maintains a cash pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the financial statements as "Cash".

Deposits- The Colorado Public Deposit Protection Act (PDPA) governs the County's cash deposits. The statutes specify eligible depositories for public cash deposits, which must be Colorado institutions and must maintain federal insurance on deposits held. Each eligible depository with deposits in excess of the insured levels must pledge a collateral pool of defined eligible assets, to be maintained by another institution or held in trust for all of its local government depositors as a group, with a market value of at least 102% of the uninsured deposits. The State Regulatory Commission for banks and savings and loan associations are required by statute to monitor the naming of eligible depositories and the reporting of uninsured deposits and assets maintained in the collateral pools.

Colorado statutes define eligible investments for local governments. These include bonds and other interest-bearing obligations of or guaranteed by the United States government or its agencies, bonds which are direct obligations of the State of Colorado or any of its political subdivisions, repurchase agreements, commercial paper, guaranteed investment contracts and local government investment pools.

At December 31, 2017 the County had investments in one local government investment pool, the Colorado Liquid Asset Trust (COLOTRUST). COLOTRUST is an investment vehicle established for local government entities in Colorado to pool surplus funds for investment purposes. COLOTRUST is routinely monitored by the Colorado Division of Securities with regard to its operations and investments, which are also subject to provisions of C.R.S. Title 24, Article 75, and Section 6. The fair value of the investments in COLOTRUST is the same as the value of the pool shares. None of these types of investments are categorized because they are not evidenced by securities that exist in physical or book form. COLOTRUST is rated AAA by Standard and Poors.

At December 31, 2017 the carrying amount of the County's cash and investments was \$15,725,913. The County's bank balances were \$6,309,969 and COLOTRUST balances were \$9,610,583. The County's bank balances at December 31, 2017 and during the year then ended were entirely covered by FDIC insurance or pledged collateral held by the County's agent banks in the name of governmental accounts of which the County is a part.

Retirement Plan – The County is a member of the Colorado County Officials and Employees Retirement Association. All members of the Association are participants in a defined contribution retirement plan which was adopted and is administered to provide income after retirement in addition to benefits provided by Federal Social Security. All County employees are required to participate after one year of continuous service. Contributions made by the employee are a minimum of four percent and a maximum of six percent of gross

DOLORES COUNTY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2017

salary, at the employees' discretion. Employees may make additional voluntary contributions not to exceed ten percent of compensation.

The County maintains no control over the plan, other than being a member of the Association. Employees are fully vested upon participation in the plan. The County has no unfunded liability under the plan. The total 2017 County payroll was \$2,634,973. The covered payroll for retirement plan purposes was \$2,182,314. The 2017 employer and employee contributions to the plan were \$103,420 and \$149,730 respectively. There were no County securities or other transactions included in the plan's assets.

Capital Assets – Capital asset activity for the fiscal year ended December 31, 2017 follows:

	Capital Assets Jan 1, 2017	Additions	Deletions/ Transfers	Capital Assets Dec 31, 2017
Governmental Activities				
Capital assets, not being depreciated:				
Land	\$ 183,982	\$ 13,439		\$ 197,421
Construction in progress	969,468		\$ (969,468)	-
Total capital assets not being depreciated	<u>1,153,450</u>	<u>13,439</u>	<u>(969,468)</u>	<u>197,421</u>
Capital assets, being depreciated:				
Buildings	1,605,903	7,092,818		8,698,721
Equipment	4,404,123	289,136		4,693,259
Total capital assets being depreciated	<u>6,010,026</u>	<u>7,381,954</u>	<u>-</u>	<u>13,391,980</u>
Less accumulated depreciation for:				
Buildings	(499,717)	(179,735)		(679,452)
Equipment	(3,191,071)	(273,317)		(3,464,388)
Total accumulated depreciation	<u>(3,690,788)</u>	<u>(453,052)</u>	<u>-</u>	<u>(4,143,840)</u>
Total capital assets, being depreciated, net	2,319,238	6,928,902	-	9,248,140
Governmental Activities Capital Assets, net	<u>\$ 3,472,688</u>	<u>\$ 6,942,341</u>	<u>\$ (969,468)</u>	<u>\$ 9,445,561</u>
Business Type Activities				
Equipment and facilities	\$ 226,523	\$ 1,439		\$ 227,962
Less accumulated depreciation	(156,831)	(14,477)		(171,308)
Business Type Activities Capital Assets net	<u>\$ 69,692</u>	<u>\$ (13,038)</u>	<u>\$ -</u>	<u>\$ 56,654</u>

DOLORES COUNTY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2017

Depreciation expense is charged to the various governmental programs as follows:

General government	\$	28,637
Public safety		62,567
Public works		231,601
Public health and welfare		99,497
Culture and recreation		7,423
Unallocated		23,327
Total depreciation government activities	\$	<u>453,052</u>

Schedule of Social Services Costs Due To/From State of Colorado –

	<u>Due (To) From</u>
Colorado works	\$ 3,890
Child care	808
Child welfare	13,908
Administration	11,487
Child enforcement	11
Home care allowance	(84)
Child welf discretionary	34
County cost allocation	120
Adult protective services	1,615
Aid to needy and disabled	(49)
Old age pension	534
Federal and state incentives	366
Net Amount Due From State	<u>\$ 32,640</u>

All Electronic Benefit transfers paid by the State of Colorado for Dolores County are included in the financial statements.

DOLORES COUNTY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2017

Operating Leases – In 2012, the County leased two blades from John Deere with semi-annual payments of \$24,642.

In 2016, the County leased four blades with semi-annual payments of \$56,548

In 2017, the County leased three blades with semi-annual payments of \$50,641

The future minimum payments for these leases are as follows:

<u>Year</u>	<u>Payments</u>
2018	\$ 107,189
	\$ 107,189

Long-Term Debt-

Capital Leases Payable-

In 2012, the County entered into a lease agreement for a John Deere Loader. The lease is payable in 14 semi-annual installments of \$17,640 beginning in 2013. The lease is serviced by the Road and Bridge Fund and the equipment serves as collateral.

In 2014, the County entered into a lease agreement for a John Deere Backhoe. The lease is payable in 60 monthly installments of \$1,308 beginning in 2014. The lease is serviced by the Road and Bridge Fund and the equipment serves as collateral.

Changes in General Long-Term Debt- A summary of changes in general long-term debt follows:

	Balance January 1, 2017	Additions	Deletions	Balance December 31, 2017
Accrued compensation	\$ 28,851		\$ 807	\$ 28,044
Lease obligations	156,168		47,027	109,141
Total	\$ 185,019	\$ -	\$ 47,834	\$ 137,185

DOLORES COUNTY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2017

Annual requirements to amortize the lease purchase are as follows:

Year Ending December 31,	Lease Purchase	Lease Purchase
2018	\$ 35,280	\$ 15,697
2019	35,280	9,969
2020	17,640	
Total	88,200	25,666
Less Interest	(2,814)	(1,911)
Outstanding principal	\$ 85,386	\$ 23,755

Interfund Operating Transfers- consist of the following:

	Transfer In	Transfer out
General Fund	\$ 7,312	\$ 2,109,750
Special Revenue Funds		
Conservation Trust Fund		7,312
Road and Bridge Fund	2,000,000	
Public Health Fund	109,750	
Ormiston Fund		1,000
Social Services Fund	1,000	
	\$ 2,118,062	\$ 2,118,062

Fund Balance Restrictions and Assignments – Nonspendable indicates amounts that cannot be spent, either because they are in nonspendable form or because they are legally or contractually required to be maintained intact. Restricted indicates that a portion of the fund balance can only be spent for specific purposes because of state or federal laws, or externally imposed conditions by grantors or creditors. Assigned indicates amounts that are designated for a specific purpose by the Board of County Commissioners but are not spendable until appropriated. The County uses the following restrictions and assignments:

DOLORES COUNTY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2017

Nonspendable

Inventory- indicates that the portion of fund balance represented by inventories is not available for appropriation and expenditure at the balance sheet date. Nonspendable fund balance related to inventory consists of \$316,788 in the Road and Bridge Fund.

Restricted

TABOR- indicates that a portion of the fund balance has been segregated for expenditures for declared emergencies only. Fund balance restricted for TABOR consists of \$150,000 in the General Fund.

Cancer treatments- indicates that the fund balance within the Ormiston Fund is restricted for the payment of cancer treatment costs of qualified county residents.

Public Health and Welfare- indicates that the fund balances within the Social Services Fund and Public Health Funds are restricted for the purpose of public health and welfare.

Public Works- indicates that the fund balance within the Road and Bridge Fund is restricted for construction and maintenance of County roads and bridges.

Parks and Recreation- indicates that the fund balance within the Conservation Trust Fund is restricted for certain parks and recreation expenditures as defined by Greater Outdoors Colorado.

Contingencies- indicates that the fund balance within the Contingency Fund are restricted for certain unforeseen expenditures as determined by state law.

Assigned for future year's expenditures- indicates anticipated fund balance available for appropriation in the next budget year. Fund balance assigned for future year's expenditures consists \$6,322,063 in the General Fund.

Public Trustee – The County Treasurer holds the office of the County Public Trustee. Public Trustees are named as trustees for Deeds of Trust and perform all the functions and exercise all the powers conferred upon them by the Deeds of Trust. These functions include releasing Deeds of Trust when indebtedness is paid in full, making sales whenever default occurs, issuing Certificates of Purchase and Certificates of Redemption of Trustee's Deeds. Fees for such services are used to cover related expenses and pay the Trustee an annual salary.

DOLORES COUNTY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2017

The accounts of the County Public Trustee consist of the following as of and for the year ended December 31, 2017

Cash at January 1, 2017	\$ 45
Revenues	
Interest and fees	4,155
Expenditures	(4,200)
Cash at December 31, 2017	<u><u>\$ -</u></u>

Commitments and Contingent Liabilities – There appear to be no commitments or contingencies that would pose a threat of significant liability to the County.

Tax Spending, Revenue and Debt Limitations- Colorado voters passed an amendment to the State Constitution, Article X, Section 20 (TABOR), which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local governments.

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of fiscal year spending. Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

TABOR requires that revenue received in excess of the “revenue limit” be refunded unless the voters approve the retention of such revenue.

On November 7, 2000 the people of the County voted to authorize the spending of all monies in existing funds and to collect, retain, and expend the full revenues, including state grants and taxes, generated during 2001 and for each subsequent year, regardless of any limitation contained in Article X, Section 20, of the Colorado Constitution. The amendment is complex and subject to judicial interpretation. The County believes it is in compliance with all other requirements of the amendment. However, the County has made certain interpretations of the amendment’s language in order to determine compliance.

Risk Management – County Workers Compensation Pool – The County is exposed to various risks of loss related to injuries of employees while on the job. The County joined the County 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 intergovernmental formation agreement of CWCP provides that the pool will be financially self-sustaining through member contributions and additional assessments, if necessary, and the

DOLORES COUNTY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2017

pool will purchase excess insurance through commercial companies for members' claims in excess of a specified self-insured retention, which is determined each policy year.

Colorado Counties Casualty and Property Pool – The County is exposed to various risks of loss related to property and casualty losses. The County joined 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 intergovernmental formation agreement 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, which is determined each policy year.

Colorado Immunity Act – Under Colorado statutes, the County has immunity from liability in excess of \$150,000 per individual and \$600,000 per occurrence.

Highway Report – The supplemental Highway Finance Report on the form provided by the Colorado Department of Highways is included in the audited financial statements. The following is a reconciliation between the highway report and the audited financial statements:

	<u>Highway Report</u>	<u>Difference</u>	<u>Financial Statements</u>
Receipts	\$6,150,634		\$6,150,634
Expenditures	\$5,637,934	(A) \$ 41,921	\$5,679,855

Difference in current year:

(A) Expenditures

Increase in inventory

\$ 41,921

Compliance with Laws and Regulations-The County may be in violation of State Statute. Expenditures exceeded appropriations in the Contingency Fund.

DOLORES COUNTY, COLORADO
Required Supplementary Information

December 31, 2017

Required supplementary information includes financial information and disclosures that are required by the GASB but are not considered a part of the basic financial statements.

Such information includes:

Budgetary Comparison Schedules

General Fund

Road and Bridge Fund

Social Services Fund

DOLORES COUNTY, COLORADO

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

For the Year Ended December 31, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes				
General property taxes	\$ 2,455,273	\$ 2,455,273	\$ 2,487,395	\$ 32,122
Property taxes-Quality of Life	350,698	350,698	352,557	1,859
Specific ownership taxes	75,000	75,000	96,981	21,981
Specific ownership taxes-Quality of Life	10,000	10,000	13,719	3,719
Severance taxes	40,000	40,000	21,638	(18,362)
Total taxes	2,930,971	2,930,971	2,972,290	41,319
Intergovernmental revenues				
Payment in lieu of taxes	150,000	150,000	154,268	4,268
Mineral leasing	-	-	470,105	470,105
Forest service	30,000	30,000	-	(30,000)
Impact assistance	5,000	5,000	3,883	(1,117)
Grants				
Senior center	-	-	-	-
Other grants	33,500	33,500	102,167	68,667
Total intergovernmental revenues	218,500	218,500	730,423	511,923
Charges for services				
General government	26,100	26,100	26,720	620
Public safety	91,500	91,500	91,734	234
Culture and recreation	37,350	37,350	39,523	2,173
Total charges for services	154,950	154,950	157,977	3,027

(continued)

DOLORES COUNTY, COLORADO

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

For the Year Ended December 31, 2017

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
Interest	\$ 17,500	\$ 17,500	\$ 108,937	\$ 91,437
Miscellaneous revenues				
Reimbursements	19,800	19,800	41,687	21,887
Other	20,000	20,000	19,877	(123)
Total miscellaneous revenues	39,800	39,800	61,564	21,764
Fee accounts				
Sheriff fees	2,000	2,000	2,726	726
Clerk fees	50,000	50,000	48,101	(1,899)
Treasurers fees	113,000	113,000	157,222	44,222
Total fee accounts	165,000	165,000	208,049	43,049
Total revenues	3,526,721	3,526,721	4,239,240	712,519
Expenditures				
General government				
Board of county commissioners	427,005	427,005	411,635	15,370
Other administration	374,206	374,206	330,238	43,968
Clerk	198,262	198,262	187,743	10,519
Treasurer	172,970	172,970	164,990	7,980
Assessor	248,352	248,352	262,222	(13,870)
Attorney	89,672	89,672	80,596	9,076
Grounds and buildings	209,437	209,437	151,815	57,622
Transfer station	38,136	38,136	27,468	10,668
Elections	43,530	43,530	26,687	16,843
Veteran's office	26,990	26,990	22,186	4,804
Payments-Quality of Life	350,398	350,398	348,529	1,869
Total general government	2,178,958	2,178,958	2,014,109	164,849

(continued)

DOLORES COUNTY, COLORADO

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

For the Year Ended December 31, 2017

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
Expenditures (continued)				
Public safety				
Sheriff administration	\$ 674,037	\$ 674,037	\$ 585,986	\$ 88,051
Coroner	44,890	44,890	41,789	3,101
Prisoner maintenance	50,000	50,000	69,495	(19,495)
District attorney	70,000	70,000	60,411	9,589
Emergency medical services	12,000	12,000		12,000
Emergency management	86,771	86,771	72,018	14,753
GIS addressing	83,342	83,342	62,149	21,193
Total public safety	<u>1,021,040</u>	<u>1,021,040</u>	<u>891,848</u>	<u>129,192</u>
Public health and welfare				
Senior center construction	<u>2,600,000</u>	<u>2,600,000</u>	<u>2,767,361</u>	<u>(167,361)</u>
Culture and recreation				
Extension office	115,002	115,002	99,880	15,122
DCTV	69,925	69,925	70,994	(1,069)
Fairgrounds	36,100	36,100	43,512	(7,412)
Total culture and recreation	<u>221,027</u>	<u>221,027</u>	<u>214,386</u>	<u>6,641</u>
Total expenditures	<u>6,021,025</u>	<u>6,021,025</u>	<u>5,887,704</u>	<u>300,682</u>
Excess (deficit) of revenues over (under) expenditures	<u>(2,494,304)</u>	<u>(2,494,304)</u>	<u>(1,648,464)</u>	<u>1,013,201</u>
Other financing sources (uses)				
Operating transfers in	18,500	18,500	7,312	(11,188)
Operating transfers out	(2,109,000)	(2,109,000)	(2,109,750)	(750)
Total other financing sources (uses)	<u>(2,090,500)</u>	<u>(2,090,500)</u>	<u>(2,102,438)</u>	<u>(11,938)</u>
Excess (deficit) of revenues and other financing sources over (under) expenditures and other financing uses	<u>(4,584,804)</u>	<u>(4,584,804)</u>	<u>(3,750,902)</u>	<u>1,001,263</u>
Fund balance, beginning	7,205,043	7,205,043	10,906,867	3,701,824
Fund balance, ending	<u>\$ 2,620,239</u>	<u>\$ 2,620,239</u>	<u>\$ 7,155,965</u>	<u>\$ 4,535,726</u>

DOLORES COUNTY, COLORADO

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

For the Year Ended December 31, 2017

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
Revenues				
Taxes				
General property taxes	\$ 583,998	\$ 583,998	\$ 586,628	\$ 2,630
Specific ownership taxes	20,000	20,000	22,868	2,868
Total taxes	603,998	603,998	609,496	5,498
Intergovernmental revenues				
Federal shared revenues				
Forest Service	165,000	165,000	15,674	(149,326)
State shared revenues				
Highway user's tax	1,575,000	1,575,000	1,702,324	127,324
Additional motor vehicle registration fee	22,000	22,000	5,566	(16,434)
Grants	2,000,000	2,000,000	1,683,407	(316,593)
Total intergovernmental revenues	3,762,000	3,762,000	3,406,971	(355,029)
Miscellaneous revenues				
Permits	15,000	15,000	2,145	(12,855)
Interest	700	700	653	(47)
Reimbursements	57,000	57,000	64,783	7,783
Charges for services	63,398	63,398	48,590	(14,808)
Proceeds from sale of assets	35,000	35,000	3,751	(31,249)
Other	25,750	25,750	14,245	(11,505)
Total miscellaneous revenues	196,848	196,848	134,167	(62,681)
Total revenues	4,562,846	4,562,846	4,150,634	(412,212)
Expenditures				
Current operating				
Public Works				
Administration	219,000	219,000	179,361	39,639
Maintenance and construction	2,187,175	2,187,175	1,737,506	449,669
Traffic	35,000	35,000	11,104	23,896
Payments to cities	35,000	35,000	18,619	16,381
Capital outlay	4,045,000	4,045,000	3,367,983	677,017
Payments on operating leases	277,000	277,000	314,305	(37,305)
Debt Service				
Principal	50,000	50,000	47,027	2,973
Interest	3,000	3,000	3,950	(950)
Total public works	6,851,175	6,851,175	5,679,855	1,171,320
Total expenditures	6,851,175	6,851,175	5,679,855	1,171,320
Excess (deficit) of other financing sources over (under) expenditures	(2,288,329)	(2,288,329)	(1,529,221)	759,108
Other financing sources (uses)				
Operating transfers in	2,000,000	2,000,000	2,000,000	-
Excess (deficit) of revenues and other financing sources over (under) expenditures and other financing uses	(288,329)	(288,329)	470,779	759,108
Fund balance, beginning	3,122,392	3,122,392	2,616,685	(505,707)
Increase in inventory		-	41,921	41,921
Fund balance, ending	\$ 2,834,063	\$ 2,834,063	\$ 3,129,385	\$ 295,322

DOLORES COUNTY, COLORADO

Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Social Service Fund
For the Year Ended December 31, 2017

	Budget		Actual	Variance
	Original	Final		Favorable (Unfavorable)
Revenues				
Taxes				
General property taxes	\$ 270,099	\$ 270,099	\$ 271,617	\$ 1,518
Specific ownership taxes	10,000	10,000	10,575	575
Total taxes	<u>280,099</u>	<u>280,099</u>	<u>282,192</u>	<u>2,093</u>
Intergovernmental revenues				
Programs Settled by CFMS				
Colorado Works	66,180	66,180	68,459	2,279
Child Care	24,268	24,268	6,622	(17,646)
Child Welfare	236,612	236,612	92,976	(143,636)
County Administration	105,329	105,329	104,069	(1,260)
Core Services	26,349	26,349	(1,437)	(27,786)
Child Support Enforcement	7,091	7,091	1,206	(5,885)
LEAP	78,431	78,431	52,051	(26,380)
Adult Protective Services	17,913	17,913	4,278	(13,635)
Aid to Needy Disabled	4,599	4,599	391	(4,208)
Home Care Allowance	3,090	3,090	9,649	6,559
Old Age Pension	31,022	31,022	25,595	(5,427)
Food Assistance	231,811	231,811	222,162	(9,649)
Child Welfare Discretionary Grants	30,321	30,321	34,711	4,390
Other	500	500	6,783	6,283
Total programs settled by CFMS	<u>863,516</u>	<u>863,516</u>	<u>627,515</u>	<u>(236,001)</u>
Other				
Medicaid Transport	6,000	6,000	37,613	31,613
Other	6,100	6,100	1,076	(5,024)
Total Other	<u>12,100</u>	<u>12,100</u>	<u>38,689</u>	<u>26,589</u>
Total intergovernmental revenues	<u>875,616</u>	<u>875,616</u>	<u>666,204</u>	<u>(209,412)</u>
Total revenues	<u>1,155,715</u>	<u>1,155,715</u>	<u>948,396</u>	<u>(207,319)</u>
Expenditures				
Public health and welfare				
Programs Settled by CFMS				
Colorado Works	66,180	66,180	75,850	(9,670)
Child Care	24,268	24,268	9,806	14,462
Child Welfare	236,612	236,612	111,501	125,111
County Administration	174,931	174,931	125,101	49,830
Core Services	26,349	26,349	377	25,972
Child Support Enforcement	7,091	7,091	1,012	6,079
LEAP	78,431	78,431	52,051	26,380
Adult Protective Services	17,913	17,913	5,347	12,566
Aid to Needy Disabled	4,599	4,599	489	4,110
Home Care Allowance	3,090	3,090	10,157	(7,067)
Old Age Pension	31,022	31,022	25,595	5,427
Food Assistance	231,811	231,811	222,162	9,649
Child Welfare Discretionary Grants	30,321	30,321	38,567	(8,246)
Other	500	500	500	500
Total programs settled by CFMS	<u>933,118</u>	<u>933,118</u>	<u>678,015</u>	<u>255,103</u>
Other				
Medicaid Transport	6,000	6,000	37,613	(31,613)
Other	10,000	10,000	6,141	3,859
Total other	<u>16,000</u>	<u>16,000</u>	<u>43,754</u>	<u>(27,754)</u>
Total expenditures	<u>949,118</u>	<u>949,118</u>	<u>721,769</u>	<u>227,349</u>
Excess (deficit) of revenues over (under) expenditures	<u>206,597</u>	<u>206,597</u>	<u>226,627</u>	<u>20,030</u>
Other financing sources (uses)				
Transfers in	6,000	6,000	1,000	(5,000)
Total other financing sources (uses)	<u>6,000</u>	<u>6,000</u>	<u>1,000</u>	<u>(5,000)</u>
Excess (deficit) of revenues and other financing sources over (under) expenditures and other financing uses	<u>212,597</u>	<u>212,597</u>	<u>227,627</u>	<u>15,030</u>
Fund balance, beginning	<u>893,560</u>	<u>893,560</u>	<u>907,433</u>	<u>13,873</u>
Fund balance, ending	<u>\$ 1,106,157</u>	<u>\$ 1,106,157</u>	<u>\$ 1,135,060</u>	<u>\$ 28,903</u>

DOLORES COUNTY, COLORADO

Other Supplementary Information

December 31, 2017

Other supplementary information includes financial statements and schedules not required by the GASB, or a part of the basic financial statements, but are presented for purposes of additional analysis.

These statements and schedules include:

Combining Statements- Non-major governmental funds
Budgetary Comparison Schedule-Senior Services Fund
Budgetary Comparison Schedule-Conservation Trust Fund
Budgetary Comparison Schedule-Ormiston Fund
Budgetary Comparison Schedule-Contigency Fund
Budgetary Comparison Schedule-Public Health Fund
Budgetary Comparison Schedule-Enterprise fund

DOLORRES COUNTY, COLORADO

Non-major Governmental Funds

December 31, 2017

Special Revenue Funds

Special revenue funds are used to account for taxes and other designated revenues of the County which are used for a specified purpose as required by law or administrative action.

Senior Services Fund

This fund accounts for the activities related to the Cahone Senior Center. It was formed in 2006. Previously, these activities had been accounted for in the General Fund.

Conservation Trust Fund

This fund accounts for the County's share of lottery proceeds from the state to pay for local conservation efforts.

Clara Ormiston Fund

This fund accounts for money received from the Clara Ormiston Trust to help residents of the county with health care costs for the treatment of cancer.

Contingent Fund

This fund is required by state law. This fund accounts for expenditures not reasonably foreseen at the time the budget is adopted.

Public Health Fund

This fund was formed in 2009 and accounts for the public health department activities of the County.

DOLORES COUNTY
Combining Balance Sheet
Non Major Governmental Funds

December 31, 2017

Special Revenue Funds

	Senior Services Fund	Conservation Trust Fund	Clara Ormiston Fund	Contingency Fund	Public Health Fund	Total
Assets						
Cash	\$ 433,093	\$ 59,389	\$ 37,035	\$ 1,086,678	\$ 64,858	\$ 1,681,053
Property tax receivable	162,557					162,557
Due from other governments					2,432	2,432
Total Assets	\$ 595,650	\$ 59,389	\$ 37,035	\$ 1,086,678	\$ 67,290	\$ 1,846,042
Liabilities						
Accounts payable	\$ 22,889				\$ 1,242	\$ 24,131
Due to other funds	178,942					178,942
Total Liabilities	201,831	-	-	-	1,242	203,073
Deferred Inflows of Resources						
Deferred property tax revenue	162,557					162,557
Fund Balances						
Restricted						
Cancer treatments			\$ 37,035			37,035
Senior services	231,262					231,262
Parks and recreation		\$ 59,389				59,389
Contingencies				\$ 1,086,678		1,086,678
Public health					66,048	66,048
Total Fund Balances	231,262	59,389	37,035	1,086,678	66,048	1,480,412
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 595,650	\$ 59,389	\$ 37,035	\$ 1,086,678	\$ 67,290	\$ 1,846,042

DOLORES COUNTY
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Non Major Governmental Funds

For the Year Ended December 31, 2017

	Special Revenue Funds					Total
	Senior Services Fund	Conservation Trust Fund	Clara Ormiston Fund	Contingency Fund	Public Health Fund	
Revenues						
Taxes	\$ 182,847			\$ 91,522		\$ 274,369
Intergovernmental	300,103	\$ 9,959		111	\$ 95,590	405,763
Charges for services						
Public health	75,366				15,513	90,879
Earnings on investments	196		\$ 3,721			3,917
Miscellaneous	772				517	1,289
Total Revenues	<u>559,284</u>	<u>9,959</u>	<u>3,721</u>	<u>91,633</u>	<u>111,620</u>	<u>776,217</u>
Expenditures						
General government				4,401		4,401
Health and welfare	611,779				193,340	805,119
Total expenditures	<u>611,779</u>	<u>-</u>	<u>-</u>	<u>4,401</u>	<u>193,340</u>	<u>809,520</u>
Excess revenues over (under) expenditures	<u>(52,495)</u>	<u>9,959</u>	<u>3,721</u>	<u>87,232</u>	<u>(81,720)</u>	<u>(33,303)</u>
Other financing sources (uses)						
Operating transfers in					109,750	109,750
Operating transfers out		(7,312)	(1,000)			(8,312)
Total other financing sources (uses)	<u>-</u>	<u>(7,312)</u>	<u>(1,000)</u>	<u>-</u>	<u>109,750</u>	<u>101,438</u>
Excess (deficit) of revenues and other financing sources over (under) expenditures and other financing uses	<u>(52,495)</u>	<u>2,647</u>	<u>2,721</u>	<u>87,232</u>	<u>28,030</u>	<u>68,135</u>
Fund Balances beginning of the year	283,757	56,742	34,314	999,446	38,018	1,412,277
Fund Balances end of the year	<u>\$ 231,262</u>	<u>\$ 59,389</u>	<u>\$ 37,035</u>	<u>\$ 1,086,678</u>	<u>\$ 66,048</u>	<u>\$ 1,480,412</u>

DOLORES COUNTY, COLORADO

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

For the Year Ended December 31, 2017

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
Revenues				
Taxes				
General property taxes	\$ 175,274	\$ 175,274	\$ 175,988	\$ 714
Specific ownership taxes	7,000	7,000	6,859	(141)
Total taxes	<u>182,274</u>	<u>182,274</u>	<u>182,847</u>	<u>573</u>
Intergovernmental revenues				
Impact assistance			222	222
Grants				
OAA grant	126,500	126,500	124,911	(1,589)
CDOT grant	98,000	98,000	35,680	(62,320)
Other grants and donations	190,626	190,626	139,290	(51,336)
Total intergovernmental revenues	<u>415,126</u>	<u>415,126</u>	<u>300,103</u>	<u>(115,023)</u>
Charges for services				
Public health	79,500	79,500	75,366	(4,134)
Total charges for services	<u>79,500</u>	<u>79,500</u>	<u>75,366</u>	<u>(4,134)</u>
Interest	<u>250</u>	<u>250</u>	<u>196</u>	<u>(54)</u>
Miscellaneous revenues				
Reimbursements	2,000	2,000	772	(1,228)
Other	100	100		(100)
Total miscellaneous revenues	<u>2,100</u>	<u>2,100</u>	<u>772</u>	<u>(1,328)</u>
Total revenues	<u>679,250</u>	<u>679,250</u>	<u>559,284</u>	<u>(119,966)</u>
Expenditures				
Health and welfare	765,250	765,250	611,779	153,471
Total expenditures	<u>765,250</u>	<u>765,250</u>	<u>611,779</u>	<u>153,471</u>
Excess (deficit) of revenues over (under) expenditures	<u>(86,000)</u>	<u>(86,000)</u>	<u>(52,495)</u>	<u>33,505</u>
Fund balance, beginning	233,365	233,365	283,757	50,392
Fund balance, ending	<u>\$ 147,365</u>	<u>\$ 147,365</u>	<u>\$ 231,262</u>	<u>\$ 83,897</u>

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

For the Year Ended December 31, 2017

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
Revenues				
Intergovernmental				
Lottery funds	\$ 9,000	\$ 9,000	\$ 9,959	\$ 959
Total Revenues	<u>9,000</u>	<u>9,000</u>	<u>9,959</u>	<u>959</u>
Other financing sources (uses)				
Operating transfers out	(7,500)	(7,500)	(7,312)	188
Total other financing sources (uses)	<u>(7,500)</u>	<u>(7,500)</u>	<u>(7,312)</u>	<u>188</u>
Excess (deficit) of revenues and other financing sources over (under) expenditures and other financing uses	<u>1,500</u>	<u>1,500</u>	<u>2,647</u>	<u>1,147</u>
Fund Balances beginning of the year	52,966	52,966	56,742	3,776
Fund Balances end of the year	<u>\$ 54,466</u>	<u>\$ 54,466</u>	<u>\$ 59,389</u>	<u>\$ 4,923</u>

DOLORES COUNTY
Schedule of Revenues, Expenditures, and Changes in
Fund Balances-Budget and Actual
Clara Ormiston Fund

For the Year Ended December 31, 2017

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
Revenues				
Earnings on investments	\$ 1,500	\$ 1,500	\$ 3,721	\$ 2,221
Total Revenues	<u>1,500</u>	<u>1,500</u>	<u>3,721</u>	<u>2,221</u>
Other financing sources (uses)				
Operating transfers out	(5,000)	(5,000)	(1,000)	4,000
Total other financing sources (uses)	<u>(5,000)</u>	<u>(5,000)</u>	<u>(1,000)</u>	<u>4,000</u>
Excess (deficit) of revenues and other financing sources over (under) expenditures and other financing uses	<u>(3,500)</u>	<u>(3,500)</u>	<u>2,721</u>	<u>6,221</u>
Fund Balances beginning of the year	37,153	37,153	34,314	(2,839)
Fund Balances end of the year	<u>\$ 33,653</u>	<u>\$ 33,653</u>	<u>\$ 37,035</u>	<u>\$ 3,382</u>

DOLORES COUNTY
Schedule of Revenues, Expenditures, and Changes
in Fund Balances-Budget and Actual
Contingency Fund

For the Year Ended December 31, 2017

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
Revenues				
Taxes				
General property taxes	\$ 87,972	\$ 87,972	\$ 87,616	\$ (356)
Specific ownership taxes	500	500	3,430	2,930
Delinquent tax and interest	100	100	476	376
Total taxes	<u>88,572</u>	<u>88,572</u>	<u>91,522</u>	<u>2,950</u>
Intergovernmental revenues				
Impact assistance	50	50	111	61
Total intergovernmental revenues	<u>50</u>	<u>50</u>	<u>111</u>	<u>61</u>
Total Revenues	<u>88,622</u>	<u>88,622</u>	<u>91,633</u>	<u>3,011</u>
Expenditures				
General government	4,000	4,000	4,401	(401)
Total expenditures	<u>4,000</u>	<u>4,000</u>	<u>4,401</u>	<u>(401)</u>
Excess revenues over (under) expenditures	<u>84,622</u>	<u>84,622</u>	<u>87,232</u>	<u>2,610</u>
Fund Balances beginning of the year	905,435	905,435	999,446	94,011
Fund Balances end of the year	<u>\$ 990,057</u>	<u>\$ 990,057</u>	<u>\$ 1,086,678</u>	<u>\$ 96,621</u>

DOLORES COUNTY
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Public Health Fund

For the Year Ended December 31, 2017

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
Revenues				
Intergovernmental				
Grants				
WIC	\$ 28,705	\$ 28,705	\$ 33,627	\$ 4,922
EPR grants	14,000	14,000	21,846	7,846
Other grants	55,000	55,000	40,117	(14,883)
Total intergovernmental revenues	<u>97,705</u>	<u>97,705</u>	<u>95,590</u>	<u>(2,115)</u>
Charges for services				
Public health	17,385	17,385	15,513	(1,872)
Total charges for services	<u>17,385</u>	<u>17,385</u>	<u>15,513</u>	<u>(1,872)</u>
Miscellaneous	<u>500</u>	<u>500</u>	<u>517</u>	<u>17</u>
Total revenues	<u>115,590</u>	<u>115,590</u>	<u>111,620</u>	<u>(3,970)</u>
Expenditures				
Health and welfare	225,193	225,193	193,340	31,853
Total expenditures	<u>225,193</u>	<u>225,193</u>	<u>193,340</u>	<u>31,853</u>
Excess (deficit) of revenues over (under) expenditures	<u>(109,603)</u>	<u>(109,603)</u>	<u>(81,720)</u>	<u>27,883</u>
Other financing sources (uses)				
Operating transfers in	109,750	109,750	109,750	-
Total other financing sources (uses)	<u>109,750</u>	<u>109,750</u>	<u>109,750</u>	<u>-</u>
Excess (deficit) of revenues and other financing sources over (under) expenditures and other financing uses	<u>147</u>	<u>147</u>	<u>28,030</u>	<u>27,883</u>
Fund Balances beginning of the year	8,633	8,633	38,018	29,385
Fund Balances end of the year	<u>\$ 8,780</u>	<u>\$ 8,780</u>	<u>\$ 66,048</u>	<u>\$ 57,268</u>

DOLORES COUNTY, COLORADO

Statement of Revenues, Expenditures, and Changes in Net Position - Budget and Actual

Proprietary Fund

Dove Creek Mandatory Pest Control District

For the Year Ended December 31, 2017

	Budgeted Amounts		(Non GAAP Basis)	Variance
	Original	Final	Actual Amounts	Favorable (Unfavorable)
Operating Revenues				
Weed control revenue	\$ 63,500	\$ 63,500	\$ 53,512	\$ (9,988)
Total local sources	63,500	63,500	53,512	(9,988)
Operating Expenses				
Chemicals	30,000	30,000	31,726	(1,726)
Salaries and benefits	69,092	69,092	61,680	7,412
Supplies	400	400	1,453	(1,053)
Professional fees	3,000	3,000	1,000	2,000
Telephone	300	300	828	(528)
Travel	3,000	3,000	2,262	738
Office	300	300	1,037	(737)
Dues and meetings	2,500	2,500	400	2,100
Repairs	8,000	8,000	1,197	6,803
Treasurer's fees	7,000	7,000	8,637	(1,637)
Grant expenses	8,000	8,000		8,000
Miscellaneous	4,400	4,400	1,533	2,867
Capital outlay	90,000	90,000	1,439	88,561
Total Operating Expenses	225,992	225,992	113,192	112,800
Operating income (loss)	(162,492)	(162,492)	(59,680)	102,812
Non-Operating Revenue				
Property tax	162,200	162,200	163,202	1,002
Specific ownership tax	6,000	6,000	6,363	363
Interest		-	69	69
Total Non-Operating Revenue	168,200	168,200	169,634	1,434
Change in net assets non GAAP basis	5,708	5,708	109,954	104,246
Add capital outlay			1,439	1,439
Less depreciation expense			(14,477)	(14,477)
Change in net position	5,708	5,708	96,916	91,208
Net position beginning of the year	685,297	685,297	830,935	145,638
Net position end of the year	\$ 691,005	\$ 691,005	\$ 927,851	\$ 236,846

INFORMATION REQUIRED BY OVERSIGHT AUTHORITIES

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

LOCAL HIGHWAY FINANCE REPORT

City or County:
County
YEAR ENDING :
December 31, 2017

This Information From The Records Of (example - City of _ or County of _) Dolores County, Colorado Prepared By: Majors and Haley P.C.
Phone: 970-565-9521

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
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:	5,184,018
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	11,104
2. General fund appropriations	2,000,000	b. Snow and ice removal	305,372
3. Other local imposts (from page 2)	610,148	c. Other	
4. Miscellaneous local receipts (from page 2)	133,515	d. Total (a. through c.)	316,476
5. Transfers from toll facilities		4. General administration & miscellaneous	137,440
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	
a. Bonds - Original Issues		6. Total (1 through 5)	5,637,934
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	
7. Total (1 through 6)	2,743,663	b. Redemption	
B. Private Contributions		c. Total (a. + b.)	0
C. Receipts from State government (from page 2)	3,391,297	2. Notes:	
D. Receipts from Federal Government (from page 2)	15,674	a. Interest	
E. Total receipts (A.7 + B + C + D)	6,150,634	b. Redemption	
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	0
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total disbursements (A.6 + B.3 + C + D)	5,637,934

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
	2,616,685	6,150,634	5,637,934	3,129,385	0

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT		STATE: Colorado	
		YEAR ENDING (mm/yy): December 31, 2017	
II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL			
ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments	587,280	a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes		c. Parking Garage Fees	
2. Infrastructure & Impact Fees		d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	3,751
4. Licenses		f. Charges for Services	50,735
5. Specific Ownership &/or Other	22,868	g. Other Misc. Receipts	
6. Total (1. through 5.)	22,868	h. Other	79,029
c. Total (a. + b.)	610,148	i. Total (a. through h.)	133,515
	(Carry forward to page 1)		(Carry forward to page 1)
III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL			
ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	1,702,324	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	15,674
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	5,566	d. Federal Transit Admin	
d. Other (Specify) - DOLA Grant	1,683,407	e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	
f. Total (a. through e.)	1,688,973	g. Total (a. through f.)	15,674
4. Total (1. + 2. + 3.f)	3,391,297	3. Total (1. + 2.g)	
			(Carry forward to page 1)
		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
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)		0	0
			(Carry forward to page 1)
Notes and Comments:			