
San Miguel County
Financial Statements and
Independent Auditor's Report
as of
December 31, 2015

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INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
San Miguel County

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the San Miguel County, Colorado, as of December 31, 2015, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, information about infrastructure assets reported using the modified approach and budgetary comparison information on pages 3 through 15 and 37 through 42 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the San Miguel County, Colorado's basic financial statements. The combining and individual nonmajor fund financial statements, and Local Highway Finance Report are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 19, 2016, on our consideration of the San Miguel County, Colorado's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the San Miguel County, Colorado's internal control over financial reporting and compliance.

Blair and Associates, P.C.

Cedaredge, Colorado
June 19, 2016

San Miguel County Management's Discussion and Analysis



As management of San Miguel County, we offer to readers of the San Miguel County's financial statements, this narrative overview and analysis of the financial activities of the County for the fiscal year ended December 31, 2015. We encourage readers to consider the information that we have furnished in the basic financial statements to better understand the financial position of San Miguel County.

Financial Highlights

- San Miguel County's assets, \$ 113.4 million, exceeded liabilities and deferred inflows of resources, \$ 12.9 million, by \$100.4 million at the end of 2015. Of this amount, \$ 20 million may be used to meet the County's ongoing obligations to citizens. The remaining \$ 80.4 million are invested in capital assets and \$ 2.4 million is restricted for other purposes.
- Governmental funds reported combined ending fund balances of \$23.3 million, an increase of \$ 733,741.
- The County's fund balance for the General Fund was \$ 12.5 million, an increase of \$ 822,484.
- Total long-term liabilities decreased by \$ 197,398 during 2015 with no new debt issued.
- General property, sales and other taxes totaled \$ 10.9 million, or 81% of general revenues.
- It is the goal of the county to maintain an operating reserve in the general fund equal to approximately six months of operating expenditures. At December 31, 2015, the General Fund has over six months of operating reserves.

Overview of the Financial Statements

This discussion and analysis is intended to serve as introduction San Miguel County's basic financial statements, which are comprised of: 1. Government-wide financial statements. 2. Fund financial statements. 3. Notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements

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

The *statement of net position* presents information on all of the County's assets, deferred outflow of resources, liabilities and deferred inflow of resources with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

San Miguel County Management's Discussion and Analysis

The *statement of activities* presents information showing how the County's net position changed over the past year. All changes in net position is reported as soon as an "event" causing a change occurs, regardless of when related cash flows actually take place. As a result, revenues and expenses are reported in this statement for some items that will only result in cash flows in future financial periods; for example, grants not yet reimbursed or vacation leave which has been earned but not yet used.

Both of the government-wide financial statements distinguish activities of San Miguel County that are primarily supported by taxes and state/federal monies (intergovernmental activities) from activities that are intended to be funded primarily from user fees and charges (business-type activities). The governmental activities of the County include general government, public safety, public health and welfare, open space and recreation, road and bridge, and agriculture/natural resources.

The government-wide financial statements include not only San Miguel County government itself (known as the primary government), but also legally separate entities, the San Miguel County Housing Authority, and the San Miguel County Solid Waste Disposal District, which have significant operational and financial relationships with the County.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not included in the government-wide financial statements because the resources of these funds are not available to support the County's operations. San Miguel County has one fiduciary fund the Treasurer's Agency Fund. This fund is used to account for cash held by the County Treasurer for distribution to other governments.

Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been set aside for specific activities or purposes. San Miguel County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the County's funds can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, governmental fund financial statements focus on near-term flows of spendable resources, as well as on balances of spendable resources available at the end of the year. This information is helpful in evaluating the County's near-term financing requirements.

San Miguel County Management's Discussion and Analysis

Because the focus of the governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements, as readers may better understand the impact of the County's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison.

San Miguel County maintains thirteen governmental funds. Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balance for the General Fund, the Road and Bridge Fund, and the Open Space Fund all of which are considered to be major funds. Information from the other ten governmental funds, Public Welfare Fund, Sales Tax Fund, Transit Fund, Contingent Fund, Retirement Fund, Conservation Trust Fund, Lodging Tax Tourism, Public Health Fund, Energy Fund and Dependent Districts are combined into a single, aggregated presentation.

The County's financial statements include the accounts of all county operations including general operations (general fund), and special revenue funds, including road and bridge, social services, capital expenditures, contingent, retirement, conservation trust and lodging tax tourism funds. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

- **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 as special revenue funds.
- **Road & Bridge Fund** receives local property tax revenues of \$ 1,384,327, state highway users tax of \$ 1,765,228, plus revenues from other sources designated for construction, improvements, maintenance and administration of county roads and bridges.
- **Open Space Fund** accounts for the property tax revenue, user fees, and grant funds that are collected and used for the acquisition of land and the building and maintenance of recreational facilities.
- **Public Welfare Fund** receives federal and state funds plus local mill levy revenues \$ 116,267 designated for public welfare programs.
- **Sales Tax Capital Fund** revenues are deposited to this fund and used for county capital expenditures. The fund accounts for one half of the revenues from the county's 1% sales tax. The remaining one half of the sales tax revenue goes to the general fund for general operations, with the first \$15,000 monthly (\$195,000/13 months) of the General Fund portion to be used for Jail operations.
- **Contingent Fund** is a reserve fund to be used for contingencies or emergencies that could not have been reasonably foreseen at the time of adoption of the budget. Included in this fund are the mandatory emergency reserves of 3% of annual Fiscal Year Spending (FYS) as required by Article X, Section 20, part 5, of the Colorado Constitution. In the case of a contingency, the Board of Commissioners is authorized to spend in excess of the appropriations.
- **Transit Fund** is used for public transportation. Funding sources include transportation impact fees and interest earnings.
- **Retirement Fund** is used for county employees which participate in a defined contribution retirement savings plan, a 5% payroll deduction matched by the county, with a 5-year vesting provision. Funded by property tax. The plan is administered by the Colorado County Officials and Employees Retirement Association.
- **Conservation Trust Fund** receives funds distributed to the county from the Colorado lottery (GOCO), which are designated for the acquisition, development and maintenance of new conservation sites or for capital improvements or maintenance for recreational purposes on any public site.

San Miguel County Management's Discussion and Analysis

- **Public Health** accounts for all revenues and expenditures related to the administration of public health services and programs. The fund was set up pursuant to Senate Bill – 08-194.
- **Lodging Tax Tourism Fund**-Approved by voters in 1993, a 2% lodging tax was imposed for advertising and marketing tourism throughout San Miguel County. Currently, by contract, funds collected in the Telluride Region are 'passed through' to for promotion services, funds collected in the Norwood Region are 'passed through' to the Norwood Chamber for promotion services.
- **Energy Fund**-This fund was created in 2011 per Resolution 2011-50 for the sole purpose of funding capital expenses associated with the purchase, installation, and/or construction of renewable energy and/or energy conservation facilities or projects located within San Miguel County.

OTHER DISTRICTS/SPENDING AUTHORITIES-The San Miguel County Board of County Commissioners is also the governing board for various spending authorities and special districts. Depending on the statutory authority of generating revenues, these are operated similar to Governmental Funds or operated as enterprise funds. The BOCC is responsible for budgetary control over these funds, districts and authorities.

➤ **San Miguel County Housing Authority**

Created on or about December 11, 1980 and activated in 1991 to facilitate employee housing projects in the Telluride region via bond issues, writing and receiving grants, and administering the County's deed restriction program. Budgets are prepared as an administrative tool, but are not required by State Statute. The governing body of the San Miguel County Housing Authority is the San Miguel County Board of County Commissioners. Most functions of the Authority are contracted to the San Miguel Regional Housing Authority.

➤ **San Miguel County Solid Waste Disposal District**

An entity created in 1991 pursuant to the provisions of 30-20-201 C.R.S. to assist in providing current and long term disposal of solid waste, trash and garbage within San Miguel County. The daily operations are assigned to the County Department of Environmental Health with the Board of County Commissioners acting as the governing board.

BUDGET POLICIES

The Board of Commissioners follows certain procedures in establishing the budgetary data reflected in the financial documents:

- (1) In accordance with statutory requirements, prior to October 15, the finance manager submits to the board (County Administrator) a proposed operating budget for the calendar year commencing the following January 1. The operating budget includes proposed expenditures and means of financing them for the upcoming year, along with estimates for the current year and the actual data from the three preceding years.

San Miguel County
Management's Discussion and Analysis

Detailed line item budgets received from each department and spending agency are included and reviewed for administrative control. The level of control of individual budgets exists with the elected official or department head.

- (2) Work sessions are held with department heads and public hearings are held to obtain public comment. All work sessions as well as public hearings are properly noticed and public comment is accepted.
- (3) Prior to December 31, the budgets are adopted pursuant to state statute by the approval of a resolution and approved in accordance with generally accepted accounting principles (GAAP).
- (4) Financial reports are reviewed with the County Administrator throughout the budget year comparing actual revenues and expenditures with the approved budgets. Any significant discrepancies from budgeted receipts or spending are discussed and resolved.
- (5) Appropriations lapse at the end of each fiscal year (statutory provision). If certain programs or projects have been approved for a budget year and not completed during that budget year, consideration is given to carrying unused funds forward to the next budget year for project completion.
- (6) All monies received by the County, its agencies, departments and programs, must be deposited with the County Treasurer and included in the annual budget and appropriations in order to be spent. The Board of Commissioners may authorize supplemental appropriations to the budgets during the budget year.

Budgetary Comparisons

San Miguel County adopts an annual appropriated budget for all of its funds. Budget to actual comparisons for each fund are provided in this report.

Notes to the Financial Statements

These notes provide additional information that is necessary in gaining a full understanding of the data provided in the government-wide and fund financial statements.

Other information

The combining statements referred to earlier in connection with non-major governmental, enterprise and internal service funds are presented immediately following the notes to the financial statements.

San Miguel County
Management's Discussion and Analysis

COUNTY-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government's financial position. As of December 31, 2015, assets exceeded liabilities by \$ 100.4 million.

The following table provides a summary of the County's governmental type net position for 2015 and 2014.

Assets	Governmental Activities	
	2015	2014
Current and other assets	\$ 33,333,828	\$ 31,883,661
Capital assets, net	80,055,798	78,935,913
Total assets	113,389,626	110,819,574
Liabilities		
Current and other liabilities	1,921,193	1,690,209
Long-term liabilities	2,875,306	3,046,435
Total liabilities	4,796,499	4,736,644
Deferred Inflows of resources		
Deferred revenue other	37,794	358,570
Deferred property tax revenue	8,105,639	7,299,421
Total Deferred Inflows of resources	8,143,433	7,657,991
Net Position		
Investment in capital assets	77,934,777	76,617,494
Restricted	2,449,708	2,539,793
Unrestricted	20,065,209	19,267,652
Total net position	\$ 100,449,694	\$ 98,424,939

San Miguel County
Management's Discussion and Analysis

Changes in Net Position

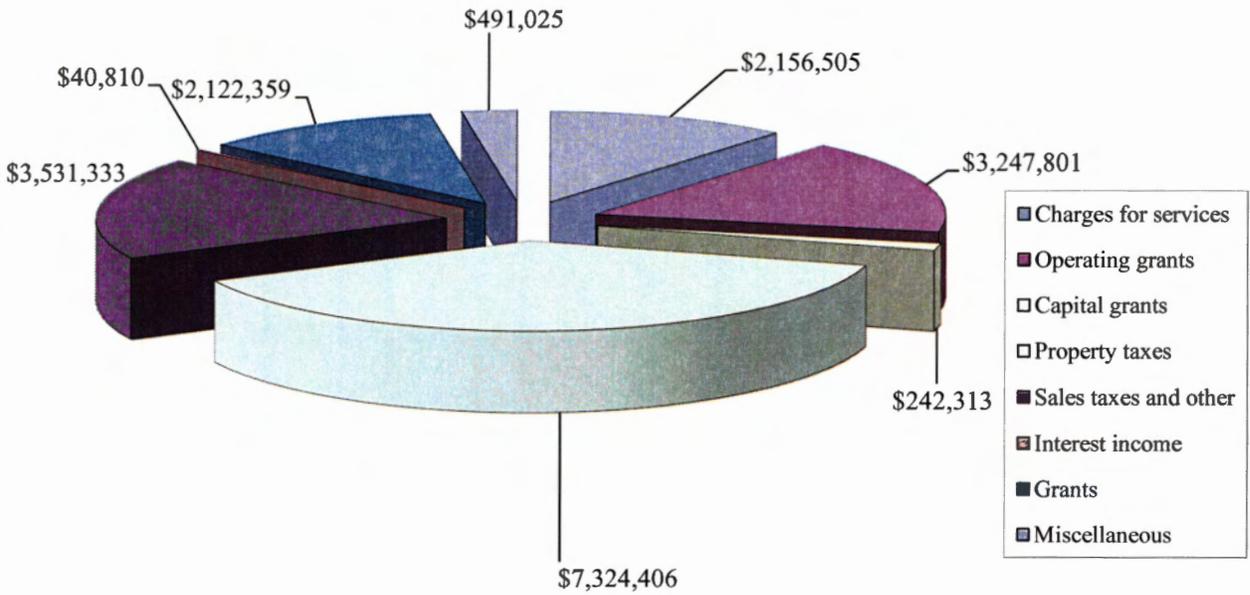
Governmental type activities increased the County's net position by \$2,024,755 in 2015.

The following table indicates the changes in net assets for governmental and business-type activities for 2015 and 2014.

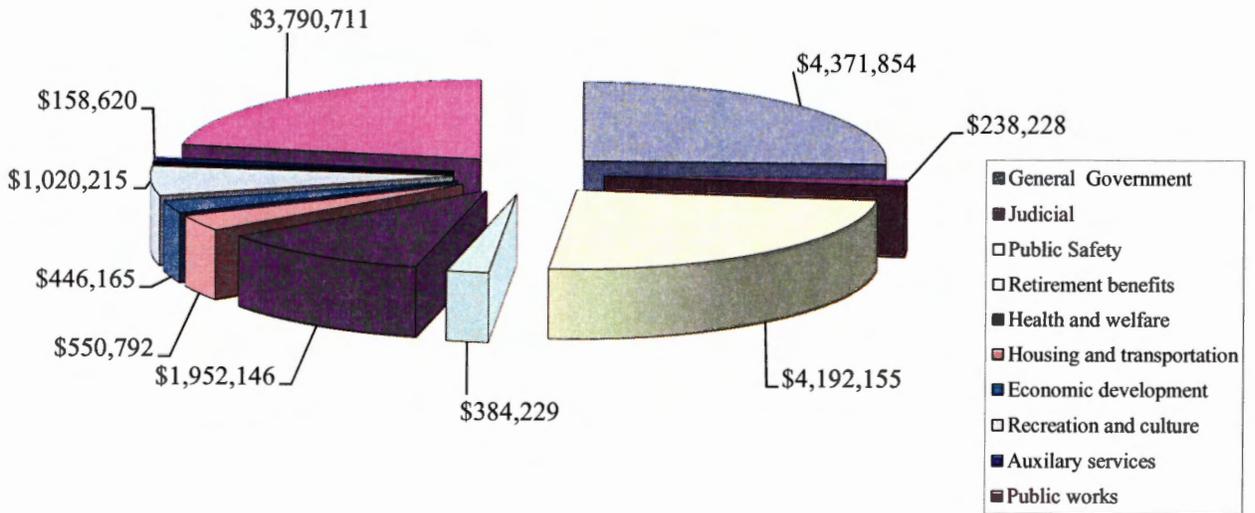
	Governmental Activities	
	2015	2014
Revenues		
Program revenues		
Charges for services	\$ 2,156,505	\$ 1,578,506
Operating grants	3,247,801	3,216,886
Capital grants	242,313	-
General Revenues		
Property taxes	7,324,406	7,453,929
Sales taxes and other	3,531,333	3,159,390
Interest income	40,810	24,222
Federal and state grants	2,122,359	2,080,301
Miscellaneous	491,025	573,417
Loss on sale of assets	(26,682)	(4,173)
Total	19,129,870	18,082,478
Expenses		
General government	4,371,854	3,928,358
Judicial	238,228	133,348
Public safety	4,192,155	4,441,396
Retirement benefits	384,229	390,360
Health and welfare	1,952,146	1,876,662
Housing and transportation	550,792	378,015
Economic development	446,165	395,109
Recreation and culture	1,020,215	798,410
Auxiliary services	158,620	259,809
Public works	3,790,711	3,390,178
Total expenses	17,105,115	15,991,645
Increase in net positon	2,024,755	2,090,833
Beginning	98,424,939	96,329,952
Prior Period Adjustment	-	4,154
Ending	\$ 100,449,694	\$ 98,424,939

San Miguel County Management's Discussion and Analysis

Revenues by Source-Governmental Activities



Expenses by Department-Governmental Activities



San Miguel County
Management's Discussion and Analysis

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

As mentioned earlier, San Miguel County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds

The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the year.

As of the end of 2015, the combined ending fund balances of San Miguel County's governmental funds were \$ 23,269,202. Approximately 54% of this consists of unreserved fund balance which is available as working capital and for current spending in accordance with the purposes of the specific funds.

The County has three major governmental funds. These are the General Fund and the Road and Bridge Fund, and Open Space Fund.

	Balance 1/1/2015	Additions	Deletions	Balance 12/31/2015
Capital assets not being depreciated				
Land	\$ 7,041,200	\$ 689,147	\$ -	\$ 7,730,347
Construction in progress	210,466	516,064	(151,139)	575,391
Infrastructure	59,056,591	-	-	59,056,591
Total capital assets not being depreciated	<u>66,308,257</u>	<u>1,205,211</u>	<u>(151,139)</u>	<u>67,362,329</u>
Capital assets being depreciated				
Buildings and improvements	15,786,161	139,074	(116,018)	15,809,217
Equipment and furniture	7,587,032	767,498	-	8,354,530
Total capital assets being depreciated	<u>23,373,193</u>	<u>906,572</u>	<u>(116,018)</u>	<u>24,163,747</u>
Less accumulated depreciation				
Buildings and improvements	5,145,375	355,629	-	5,501,004
Equipment and furniture	5,600,162	458,338	(89,226)	5,969,274
Total accumulated depreciation	<u>10,745,537</u>	<u>813,967</u>	<u>(89,226)</u>	<u>11,470,278</u>
Total capital assets being depreciated, net	<u>12,627,656</u>	<u>92,605</u>	<u>89,226</u>	<u>12,693,469</u>
Governmental activities capital assets	<u>\$ 78,935,913</u>	<u>\$ 1,297,816</u>	<u>\$ (177,931)</u>	<u>\$ 80,055,798</u>

San Miguel County
Management's Discussion and Analysis

Economic Factors & Future Budget

- As of December 31, 2015 San Miguel County's general fund continues to be in a very strong financial position with an estimated ending fund balance for 2015 of \$12,567,800. This represents approximately 16 months of operating reserve. Although this reserve seems high, it has been established to offset any projected future revenue shortages of property tax revenues, federal funding levels, and state funding levels in the next five years. Revenues in the General Fund for 2015 exceed the expenditures by approximately \$904,707. Continual fiscal monitoring is needed by all management staff in order to control expenditures, collect revenues, and monitor operating budgets. This approach has helped maintain a healthy fund balance each year.
- Assessed valuation for budget year 2016 has increased by \$79,369,460. This represents an increase of property tax revenue in the amount of \$803,218 for all funds. San Miguel County's mill levy totals 10.120 for budget year 2015. San Miguel County citizens have approved the removal of the constitutional limitations of TABOR (Taxpayers Bill of Rights).
- Sales tax revenues increased in 2015 by 9.79% over the 2014 revenues. Revenue trends are showing that the sales tax collections overall have seen small increases during fiscal year 2015. Sales tax related to cannabis sales have increased the overall collections in 2015 by \$40,589.
- Lodging tax revenues for 2015 were up 17.37% compared to 2014. The 2016 projected revenue is very conservative to 2015 actuals; however, whatever is received is distributed. These revenues are passed thru to Marketing Telluride and the Norwood Chamber of Commerce to help promote tourism and recreation in the County.
- The prediction of construction activity continues to be difficult to predict. Building permit fees collected by San Miguel County are calculated from a formula devised by the International Code Council. The fees are relative to the cost of the project and the fees are intended to cover the expense of providing code review & inspection services for the project. San Miguel County Building Department also collects a Use Tax with the building permit fees. The Use Tax amount is derived from the anticipated cost of materials being used in the project. The Use Tax is calculated as a 1% tax on 40% of the project cost (the 40% is estimated to be the cost of materials). In order to feel confident about a construction price the Building Department does require a line-item budget and/or a contract for the project to be submitted with the building permit application.
- The 2016 budget includes funding for 113.06 FTE's. This is down 4.57% from the 2011 staffing levels.

San Miguel County
Management's Discussion and Analysis

- Investment interest in 2015 continued at relatively low levels but increased somewhat in 2015. For bank investments, annual interest rates continued at 2014 levels and varied from .000998 to 0.2 percent. Alpine Bank, utilized for operations, paid no interest on public deposits, however charged no fees. Public Investment Pools yielded between 0.10 to 0.37 percent and ended the year at over three times the rate earned in 2014. Despite small increases seen in 2015, 2016 interest rates are anticipated to remain at similar levels until the Federal Reserve increases interest rates on treasury notes again.
- PILT (Federal Payment in Lieu of Tax) funding in the amount of \$962,724 was received for fiscal year 2015 and \$1,027,765 was received for fiscal year 2016. Given the uncertainty of the future of the PILT program, staff continues to be very conservative in the future projections of this revenue.
- Public transportation continues to be a very important alternative for the many commuters traveling from Montrose, Ridgway, Norwood, and west Montrose County to the Telluride area. In 2015 San Miguel County spent \$250,008 for transit services (Galloping Goose) to Norwood and \$15,150 for the van pool to Ridgway. The Ridgway van pool expenditures included non-routine maintenance and insurance for the two vans. San Miguel County owns the vans and there was no debt service associated with these vans since 2012. Revenues to fund this function currently come primarily from real estate transfer taxes. San Miguel County has received FTA Operational Grants the past two years in the amounts of \$78,750 and \$110,000 respectively. This grant is used to help fund the costs associated with the Norwood transit, Down Valley transit, and ½ of the Lawson Hill transit routes. In addition, San Miguel County was awarded a grant from the State of Colorado in the amount of \$60,800 to replace the two commuter vans that were being used for the Ridgway/Montrose routes. This grant required a 25% local match. The vehicles were purchased in 2015.
- Accomplishments at the Down Valley (DVP) and Placerville Parks included installation of a Quest Hunt and new compost bins at DVP, and new BBQ pits for Placerville Park. Staff assisted with replacing the chimney at the Placerville Schoolhouse and fabricated new storm windows. Both parks have transitioned from a construction mode to an operations mode. Maintenance of infrastructure and grounds is the primary goal at both parks.
- Open Space projects in 2015 included purchasing fee simple two parcels totaling 267 acres. The 160-acre OA Greager Scout property, just north of Miramonte Reservoir, is surrounded by public lands and is adjacent to the largest population of Gunnison Sage-grouse in the San Miguel Basin. The 107-acre Angell Lode property is in Placerville. This property contains a popular hiking route and buffers Placerville Town site Trust lands. Both properties required extensive cleanup. At OA Greager, the scout camp infrastructure was removed. On the Angell Lode property historic mining sites were reclaimed, thanks to the state Division of Reclamation and Mining Safety.

San Miguel County
Management's Discussion and Analysis

- Trail work within the county continued in 2015 with the following projects being worked on: Marshall Creek -The Southwest Conservation Trail Crew built a short steep section of trail connecting the Bridal Veil Road to the Marshall Creek Road across Idarado Mining Co. property. The easement for the trail is one of several easements Idarado donated to San Miguel County related to the Via Ferrata. This trail will provide access to and exit from the VF, but may also provide a future hiking trail into Tomboy Basin. Galloping Goose Connector -Contractors finished the final grading and revegetation on the Galloping Goose Connector, a short trail connecting the Society Turn Underpass to Keystone Gorge and the Galloping Goose Trail. Southern Rail Road Right of Way- OSR staff extended the Galloping Goose trail in Ilium Valley from the Vance Creek Trail section to the Coal Chutes. More trail improvements and historic interpretation are slated for this historically significant area in 2016. Wasatch Trail Litigation -The Colorado Court of Appeals ruled in favor of the County's claim that the Wasatch and East Fork Trails are open to the public. Gold Hill Development Company, at this writing, has petitioned the Court for a rehearing. Total spent to date on this litigation by the county, is approximately \$180,000.
- Historic preservation projects consisted of OSR staff with help from the Fire District installing a new flagpole in the Courthouse clock tower. OSR staffer Dave Bush with assistance from Frank Scott replaced a rotten foundation sill on the Rio Grande Southern Railroad (RGSRR) Water Tank at Trout Lake. In addition, Bush and Scott removed the last RGS RR Bridge over the San Miguel River due to its dangerous condition. Idarado Mining Co. and the county have been working for the past two years to find a way to keep the Pandora Mill from being demolished.
- Fairground activities and events included the fair/carnival/rodeo, summer baseball program, gymkhana series, Roping Club buckle series, dressage clinics, a working equitation clinic, beginning jump classes, skating rink, adult/youth softball tournament, Telluride Baseball Festival, 1st Annual Pioneer Day Car Show & RC Crawler Event, and the Fire Department's Star Spangled Saturday. Accomplishments at the fairgrounds this year included painting the Red Iron in the Event Center, planning for electrical upgrades and ballfields improvements, and revisions to the Policies & Procedures.
- Despite the unusual and challenging weather, the Vegetation Management Program was able to treat all county roads at least once and fulfill the program's contractual agreements.

San Miguel County
Management's Discussion and Analysis

Other program accomplishments include:

- ✓ Election of the weed manager, Ron Mabry, to the Board of Directors of the Colorado Weed Management Association.
- ✓ Assisted Dr. George Beck in conducting 2 Weeds 101 workshops and a CDOT workshop.
- ✓ Conducted several weed ID workshops - including a Mountain Village webcast, a Dolores River native plant and noxious weeds workshop, and the weeds segment in the CSU Master Gardener program.
- ✓ Hosted 1 and participated in 2 of 4 NPDES workshops around the state.
- ✓ Worked to expand weed control programs with USFS, CDOT, State Parks and Wildlife, and BLM.
- ✓ Participated in the eradication of tamarisk along Disappointment Creek, and conducted a second successful tamarisk project with the Southwest Conservation Corps.
- ✓ Worked with the Palisade Insectary to establish bio controls for Russian knapweed and Canada thistle.

The dedicated staff of San Miguel County will continue to look for ways to improve processes, and will work to maintain quality service levels for the citizens and taxpayers of San Miguel County. Staff continues to be committed to making wise spending decisions every day in order to make the most of every taxpayer dollar. This attitude is a key factor in successful budgeting and financial management.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of San Miguel County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to San Miguel County Finance Department, PO Box 486, Norwood, CO 81423; 970-327-4885; finance@sanmiguelcountyco.gov.

SAN MIGUEL COUNTY, COLORADO
STATEMENT OF NET POSITION
December 31, 2015

	Primary Government	
	Governmental Activities	
	2015	2014
Assets		
Cash and cash equivalents	\$ 23,658,549	\$ 23,209,526
Property taxes receivable	8,105,639	7,299,421
Land for resale	-	227,089
Accounts receivable	1,424,563	944,782
Due from other governmental units	31,078	44,741
Inventories	113,999	158,102
Capital assets		
Nondepreciable	67,362,329	66,308,257
Depreciable, net of accumulated depreciation	12,693,469	12,627,656
Total assets	<u>113,389,626</u>	<u>110,819,574</u>
Liabilities		
Accounts payable	1,090,259	794,204
Accrued vacation and sick leave	754,285	804,154
Accrued payroll	50,649	40,851
Deposit-bond payable	26,000	51,000
Long-term liabilities		
Due more than one year:		
Leases payable	2,121,021	2,318,419
Accrued vacation and sick leave	754,285	728,016
Total liabilities	<u>4,796,499</u>	<u>4,736,644</u>
Deferred Inflows of Resources		
Deferred revenue other	37,794	358,570
Deferred property tax revenue	8,105,639	7,299,421
Total deferred inflows of resources	<u>8,143,433</u>	<u>7,657,991</u>
Net position		
Invested in capital assets	77,934,777	76,617,494
Restricted for:		
Vegetation control	-	61,026
Seizure funds	1,385	1,385
Health Insurance	64,369	64,369
Emergencies	627,831	627,831
Transportation	267,813	276,911
Housing	1,332,571	1,316,274
Solid waste	155,739	191,997
Unrestricted:	20,065,209	19,267,652
Total Net position	<u>\$100,449,694</u>	<u>\$ 98,424,939</u>

See accompanying notes to the basic financial statements

SAN MIGUEL COUNTY, COLORADO
STATEMENT OF ACTIVITIES
Year Ended December 31, 2015

Functions/Programs	Expenses	Program Revenues		
		Charges for Services & Fees	Operating and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 4,371,854	\$ 1,393,359	\$ -	\$ -
Judicial	238,228	-	-	-
Public safety	4,192,155	61,512	-	-
Retirement Benefits	384,229	-	-	-
Health and welfare	1,952,146	90,337	1,121,713	-
Housing and transportation	550,792	220,299	164,624	-
Economic development	446,165	-	-	-
Recreation and culture	1,020,215	336,252	33,257	-
Auxiliary services	158,620	-	-	-
Public works	3,790,711	54,746	1,928,207	242,313
Total governmental activities	17,105,115	2,156,505	3,247,801	242,313

General Revenues

Taxes:

 Property taxes

 Sales taxes and other

Unrestricted investment earnings

Federal and state grants

Other general revenues

Loss on disposal of assets

Total General Revenues

Changes in Net Position

Net Position-January 1

Prior Period Adjustment

Net Position-December 31

See accompanying notes to the basic financial statements

Net (Expense) Revenue and Changes in Net Position
Primary Government

<u>2015</u>	<u>2014</u>
\$ (2,978,495)	\$ (2,745,460)
(238,228)	(133,348)
(4,130,643)	(4,379,884)
(384,229)	(390,360)
(740,096)	(594,704)
(165,869)	(185,754)
(446,165)	(395,109)
(650,706)	(602,057)
(158,620)	(259,809)
(1,565,445)	(1,509,768)
<u>(11,458,496)</u>	<u>(11,196,253)</u>
7,324,406	7,453,929
3,531,333	3,159,390
40,810	24,222
2,122,359	2,080,301
491,025	573,417
(26,682)	(4,173)
<u>13,483,251</u>	<u>13,287,086</u>
2,024,755	2,090,833
98,424,939	96,329,952
-	4,154
<u>\$ 100,449,694</u>	<u>\$ 98,424,939</u>

See accompanying notes to the basic financial statements

SAN MIGUEL COUNTY, COLORADO
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2015

	<u>General Fund</u>	<u>Road and Bridge</u>	<u>Open Space</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets					
Cash and cash equivalents	\$ 13,094,186	\$ 3,627,287	\$ 2,246,852	\$ 4,690,224	\$ 23,658,549
Property taxes receivable	4,944,050	1,521,247	1,200,984	439,358	8,105,639
Accounts receivable	486,678	412,742	512	524,631	1,424,563
Due from other governmental units	-	-	-	41,078	41,078
Inventories	-	113,999	-	-	113,999
Total assets	<u>\$ 18,524,914</u>	<u>\$ 5,675,275</u>	<u>\$ 3,448,348</u>	<u>\$ 5,695,291</u>	<u>\$ 33,343,828</u>
Liabilities and fund balance					
Liabilities					
Accounts payable	\$ 458,725	\$ 361,915	\$ 39,240	\$ 230,379	\$ 1,090,259
Accrued payroll	5,913	42,918	-	1,818	50,649
Accrued vacation and sick leave	532,165	146,721	21,579	53,820	754,285
Due to other funds	-	-	10,000	-	10,000
Deposit-bond payable	-	26,000	-	-	26,000
Total liabilities	<u>996,803</u>	<u>577,554</u>	<u>70,819</u>	<u>286,017</u>	<u>1,931,193</u>
Deferred Inflows of Resources					
Unearned revenue	37,458	-	-	336	37,794
Deferred property tax revenue	4,944,050	1,521,247	1,200,984	439,358	8,105,639
Total deferred inflows of resources	<u>4,981,508</u>	<u>1,521,247</u>	<u>1,200,984</u>	<u>439,694</u>	<u>8,143,433</u>
Fund balances					
Restricted					
Emergencies for labor	-	-	-	627,831	627,831
Park and recreation	-	-	-	47,072	47,072
Public health and welfare	-	-	-	50,928	50,928
Committed					
Transportation	-	-	-	267,813	267,813
Housing	-	-	-	1,332,571	1,332,571
Tourism	-	-	-	8,164	8,164
Solid waste	-	-	-	155,739	155,739
Employee benefits	-	-	-	62,613	62,613
Capital purchases	-	700,000	-	2,239,195	2,939,195
Open space	-	-	2,176,545	-	2,176,545
Highway and streets	-	2,876,474	-	-	2,876,474
Energy	-	-	-	34,615	34,615
Air quality	-	-	-	65,411	65,411
Vegetation management	-	-	-	77,628	77,628
Assigned					
Seizure funds	1,385	-	-	-	1,385
Health insurance	64,369	-	-	-	64,369
Unassigned	12,480,849	-	-	-	12,480,849
Total fund balances	<u>12,546,603</u>	<u>3,576,474</u>	<u>2,176,545</u>	<u>4,969,580</u>	<u>23,269,202</u>
Total liabilities and fund balances	<u>\$ 18,524,914</u>	<u>\$ 5,675,275</u>	<u>\$ 3,448,348</u>	<u>\$ 5,695,291</u>	<u>\$ 33,343,828</u>

See accompanying notes to the basic financial statements

SAN MIGUEL COUNTY, COLORADO
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
December 31, 2015

Total governmental fund balances	\$ 23,269,202
Amounts reported for governmental activities in the statement of activities are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	80,055,798
Long-term liabilities, including bonds payable and compensated absences, are not due and payable in the current period and therefore are not reported in the funds.	
Leases Payable	(2,121,021)
Compensated absences	(754,285)
Net position of governmental activities	<u><u>\$ 100,449,694</u></u>

See accompanying notes to the basic financial statements

SAN MIGUEL COUNTY, COLORADO
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended December 31, 2015

	<u>General Fund</u>	<u>Road and Bridge</u>	<u>Open Space</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues					
Taxes	\$ 6,227,373	\$ 1,425,212	\$ 1,125,169	\$ 2,055,421	\$ 10,833,175
Intergovernmental	1,802,044	2,325,783	7,756	1,499,454	5,635,037
Licenses and permits	287,574	2,300	-	39,652	329,526
Charges for services	1,167,297	33,962	-	289,379	1,490,638
Miscellaneous	310,670	1,336	336,252	219,918	868,176
Total revenues	<u>9,794,958</u>	<u>3,788,593</u>	<u>1,469,177</u>	<u>4,103,824</u>	<u>19,156,552</u>
Expenditures					
Current:					
General government	4,222,934	-	-	-	4,222,934
Judicial	238,228	-	-	-	238,228
Public safety	3,860,666	-	-	99,041	3,959,707
Retirement benefits	-	-	-	384,229	384,229
Health and welfare	-	-	-	1,836,707	1,836,707
Housing and transportation	-	-	-	550,792	550,792
Economic development	-	-	-	446,165	446,165
Energy programs	-	-	-	40,570	40,570
Vegetation management	-	-	-	111,690	111,690
Recreation and culture	-	-	1,639,439	-	1,639,439
Auxiliary services	158,620	-	-	-	158,620
Public Works	-	4,073,378	-	-	4,073,378
Debt Service	-	-	-	244,200	244,200
Capital outlay	-	-	-	472,159	472,159
Total expenditures	<u>8,480,448</u>	<u>4,073,378</u>	<u>1,639,439</u>	<u>4,185,553</u>	<u>18,378,818</u>
Excess (deficiency) of revenues over expenditures	<u>1,314,510</u>	<u>(284,785)</u>	<u>(170,262)</u>	<u>(81,729)</u>	<u>777,734</u>
Other financing sources (uses)					
Transfers in (out)	(431,000)	193,429	-	237,571	-
Sale of assets	-	110	-	-	110
Total other financing sources (uses)	<u>(431,000)</u>	<u>193,539</u>	<u>-</u>	<u>237,571</u>	<u>110</u>
Net change to fund balance	883,510	(91,246)	(170,262)	155,842	777,844
Fund balance, January 1	11,724,119	3,711,823	2,346,807	4,752,712	22,535,461
Residual Transfer	(61,026)	-	-	61,026	-
Increase an inventory	-	(44,103)	-	-	(44,103)
Fund balance, December 31	<u>\$ 12,546,603</u>	<u>\$ 3,576,474</u>	<u>\$ 2,176,545</u>	<u>\$ 4,969,580</u>	<u>\$ 23,269,202</u>

See accompanying notes to the basic financial statements

SAN MIGUEL COUNTY, COLORADO
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
Year Ended December 31, 2015

Net change in fund balances - total governmental funds \$ 777,844

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

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

Fixed assets current additions	\$ 1,960,644	
Depreciation expense	<u>(813,967)</u>	
Excess of capital outlay over depreciation		1,146,677

The net effect of various transactions involving capital assets(i.e.,sales, trade ins, and contributions) is to decrease net assets.	(26,792)
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Some expenses not reported in the Statement of Activities that do require the use of current financial resources and therefore are reported as expenditures in governmental funds.

Principal payments on debt service		197,398
Compensated absences		(26,269)
Inventory Increase		(44,103)

Change in net position of governmental funds	<u><u>\$ 2,024,755</u></u>
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SAN MIGUEL COUNTY, COLORADO
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
December 31, 2015

Treasurer's Agency Fund

Cash and investments	<u>\$ 497,499</u>
Due to other governments	<u>\$ 497,499</u>

Note 1 – Summary of Significant Accounting Policies

The accounting and reporting policies of San Miguel County, Colorado conform to generally accepted accounting principles (GAAP) as applicable to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following summary of significant accounting policies is presented to assist the reader in evaluating the County's financial statements.

Financial Reporting Entity

San Miguel County is located in western Colorado with a population of approximately 7,800. The principal towns are Telluride, Mountain Village and Norwood. San Miguel County is a political subdivision of the State of Colorado, governed by an elected three-member Board of County Commissioners. The County has six other elected officials; the Assessor, the Clerk and Recorder, the Coroner, the Sheriff, the Surveyor and the Treasurer. San Miguel County is included in the Seventh Judicial District. An elected District Attorney for the District serves Montrose, Delta, Gunnison, Hinsdale, San Miguel and Ouray Counties. The County provides several additional services through other governmental organizations, which are excluded or included in this report, as detailed below.

Related Entities

Public Trustee

The Public Trustee is a state statutorily mandated position, whose financial transactions are independent of the County. However, all expenditures and associated funding transactions relating to the operations of the County Office of the Public Trustee are included in the General Fund.

Jointly Funded Organization

The County, in conjunction with other counties, shares in the financial support of the District Attorney of the Seventh Judicial District of the State of Colorado. In 2015, the County contributed \$143,946 for the operation of the District Attorney.

The County, in conjunction with other Towns within San Miguel County, share in the financial support of the San Miguel Regional Housing Authority. The County contributed \$80,388 for the operation of the Housing Authority. The County records the R-1 Housing Deed Restricted Fund, along with other County housing funds in the Dependent District on pages 45 and 46.

Other

The County Commissioners are also responsible for appointing members of the board of the San Miguel Disposal District and approving their budget. Therefore, their financial statements are included in the County's financial reports.

Note 1 – Summary of Significant Accounting Policies (continued)

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues and other nonexchange transactions are reported separately from *business-type activities*, which rely to a significant extent on fees and user charges for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues.

Direct expenses are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported as *general revenues*.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. The County considers revenues to be available if they are collectible within 90 days except for property taxes which are considered available if they are collectible within sixty days after year-end. Property taxes, sales taxes, licenses, and interest associated with the current year are considered to be susceptible to accrual and so have been recognized as revenues of the current year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded when payment is due. Compensated absences, claims and judgements are expected to be liquidated with expendable available resources and are reported as expenditures and a fund liability of the governmental fund that will pay for it.

When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted assets first, then unrestricted resources as they are needed.

Note 1 – Summary of Significant Accounting Policies (continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation
(continued)

The fund financial statements provide information about the County's funds, including its fiduciary funds. Separate statements for each category-*governmental and fiduciary*-are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

Deferred Outflows / Inflows of Resources

In addition to liabilities, the statement of net position will sometimes report a separate section of deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and will not be recognize as an inflow of resources (revenue) until that time. Property taxes revenue that are related to a future period have been recorded as deferred inflows. Grants and entitlements received before eligibility requirements are met (e.g., cash advances) are recorded as deferred inflows. These amounts are deferred and will be recognized as an inflow of resources in the period that the amounts become available.

The government reports the following major governmental funds:

The *General Fund* is the County's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *Road and Bridge Fund* records costs related to County road and bridge construction and maintenance. By State law, Colorado counties are required to maintain a road and bridge fund. A portion of road and bridge taxes is allocated to cities and towns for use in their road and street activities.

The *Open Space Fund* accounts for the administration and operations of the Parks and Recreation Fund and also the purchase of land for open space.

The government reports the following non-major governmental funds:

The *Public Welfare Fund* accounts for the administration and operations of the County's public health and welfare system.

Sales Tax Fund accounts for revenues derived from sales tax. One half of the sales tax revenue collected annually is designated for capital expenditures or debt service.

Transit Fund accounts for the collection of transportation impact fees and other sources designated for mass transit and other transportation services.

Retirement Fund accounts for revenues from property taxes designated for a county employee retirement program.

Note 1 – Summary of Significant Accounting Policies (continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation
(continued)

Conservation Trust Fund reflects the receipt of the County's share of Colorado Lottery funds and money from other sources to be used for recreation purposes within the County.

Contingent Fund reflects the accumulation and disbursement of funds set aside to be used as needed for unforeseen contingencies.

Lodging Tax Fund accounts for revenues derived from lodging tax to be used for economic development.

Public Health Fund accounts for all revenues and expenditures related to the administration of public health services and programs. The fund was set up pursuant to Senate Bill – 08-194.

Energy Fund was created in 2011 per Resolution 2011-50 for the sole purpose of funding capital expenses associated with the purchase, installation, and/or construction of renewable energy and/or energy conservation facilities or projects located within San Miguel County.

Dependent District Funds - special revenue funds used to account for the revenue from property taxes and other revenues designated for specific purposes. The San Miguel County Housing Authority's general fund has been blended as a dependent district.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are certain charges between the County's enterprise funds and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments.

Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues included all taxes.

Assets, Liabilities, and Net Assets or Equity

Receivable and Payable Balances

Significant components of receivables and payables are disaggregated in the financial statements. All receivables are expected to be collected within one year. All material payables are expected to be paid within one year with the exception of the amounts for the accrual for compensated absences and capital leases.

San Miguel County, Colorado
Notes to Financial Statements
December 31, 2015

Note 1 – Summary of Significant Accounting Policies (continued)

Assets, Liabilities, and Net Assets or Equity (continued)

Property Taxes

Property taxes are levied in December and attached as an enforceable lien on property as of January 1 of the following year. Taxes are payable either in two installments due on February 28 and June 15 or in full on April 30. The County, through the San Miguel County Treasurer, bills and collects its own property taxes as well as property taxes of all other taxing authorities within the County.

Taxes levied in 2015 for collection in 2016 are recorded in governmental funds as taxes receivable and deferred inflows of resources as of December 31, 2015 since the amount is measurable but not available until 2016. An allowance for uncollectible taxes is not provided as the uncollectible amounts were determined to be negligible based upon an analysis of historical trends.

Interfund Transactions

Transactions between funds that would be treated as revenues, expenditures, or expenses if they involved organizations external to the County are accounted for as revenues, expenditures, or expenses in the funds involved. Transactions which constitute reimbursements of a fund for expenditures or expenses initially made from that fund which are properly applicable to another fund are recorded as expenditures or expenses in the reimbursing fund and as reductions of the expenditure or expense in the fund that is reimbursed. At year end, outstanding balances between funds are reported as “due to/from other funds.” Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.” These amounts are eliminated in the Total Column on the “statement of net assets” column. Any residual balances outstanding between “discrete presented component units” and the “primary government” are reported on a separate line.

Inventories

Inventories are valued at cost which is determined using the first-in, first-out method. Inventories in most Governmental funds are recorded as expenditures when purchased. Inventories in the Road and Bridge Fund are recorded as expenditures when consumed rather than when purchased.

Capital Assets

Capital assets, which include property, plant equipment, and infrastructure assets (e.g., roads, bridges and similar items), are reported in the applicable governmental activities columns in the government-wide financial statements. Capital assets are defined by the County as assets with an initial, individual cost of more than \$5,000 and a useful life of more than one year. All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are recorded at fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

San Miguel County, Colorado
Notes to Financial Statements
December 31, 2015

Note 1 – Summary of Significant Accounting Policies (continued)

Assets, Liabilities, and Net Assets or Equity (continued)

Capital Assets

Depreciation on capital assets, with the exception of infrastructure, is provided on the straight-line basis over the following estimated useful lives:

Buildings and improvements	20 to 40 Years
Equipment and Furniture	5 to 10 Years

Future Compensated Absences

A maximum of 24 to 48 days vacation per year may be accumulated by each employee. Employees will be paid for up to the maximum accumulation of unused vacation days upon separation from County service after six months continuous service.

Full-time employees can earn one (1) day of sick leave per payroll reporting period. For part-time employees, sick leave is earned at a rate of one day per payroll reporting period that is proportionate to 1/5 or their weekly hours. After two (2) years of continuous service, upon separation from employment (either voluntary or involuntary), the terminating employee will be paid at the current regular rate of pay for 50% of their unused accrued sick leave. After fifteen (15) years will be paid at 75% of their current regular rate of pay for up to 120 days of unused accrued sick leave. After twenty (20) years terminating employee will be paid at 100% of their current regular rate of pay for up to 120 days of unused accrued sick leave. Starting after March 1, 2013, the continuous service was changed from two to ten years the terminating employee will be paid at the current regular rate of pay for 50% of their unused accrued sick leave.

Long-term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements. Long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. At December 31, 2015 the only long term debt that San Miguel County had was from the accrual of compensated absences and capital leases.

Fund Equity

In the fund financial statements, governmental funds report the following classifications of fund balance:

Nonspendable - includes amounts that are not in spendable form (such as inventory) or are required to be maintained intact.

San Miguel County, Colorado
Notes to Financial Statements
December 31, 2015

Note 1 – Summary of Significant Accounting Policies (continued)

Assets, Liabilities, and Net Assets or Equity (continued)

Fund Equity

Restricted – includes amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions or by enabling legislation.

Committed – includes amounts constrained to specific purposes by the County itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the County Commissioners take the same highest level action to remove or change the constraint.

Assigned – includes amounts the County intends to use for a specific purpose; intent can be expressed by the County Commissioners or by an official or body to which the County Commissioners delegates the authority.

Unassigned – includes amounts that have not been assigned to other funds or restricted, committed or assigned to a specific purpose within the General Fund. The General Fund is the only fund that would report a positive amount in unassigned fund balance. Negative fund balance in other governmental funds are reported as unassigned once other purposes of that fund were reduced. For the General Fund, a negative fund balance would be eliminated by reducing unassigned fund balance first.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the County considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the County considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless County Commissioners' have provided otherwise in its commitment or assignment actions.

Net position is reported as restricted when there are constraints placed on their use either by law through constitutional provisions or enabling legislation or through restrictions externally imposed by creditors, grantors, laws, or regulations of other governments.

The reserve for emergencies as required by Section 20 to Article X of the Colorado Constitution, also known as the Taxpayer's Bill of Rights (TABOR) is classified as restricted net assets on the entity-wide statements.

As provided for in the amendment the voters of San Miguel County approved in November 1994, for the 1995 budget year and subsequent budget years, that the San Miguel County mill levy may remain at the 1994 level of 10.120 mills; and, authorized the County to increase its revenues and expenditure limitations beyond those authorized by Article X, Section 20 as amended, for 1995 and each subsequent year thereafter, in the amount of \$750,000 per year.

The Amendment is complex and subject to judicial interpretation. The County believes it is in compliance with the requirements of the amendment.

Note 1 – Summary of Significant Accounting Policies (continued)

Assets, Liabilities, and Net Assets or Equity (continued)

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Contraband Proceeds

The Colorado Contraband Forfeiture Act requires the proceeds from the seizure of contraband be audited although they are not subject to the appropriations process. During 2015, the County had no proceeds from the seizures of contraband.

Note 2 – Stewardship, Compliance, and Accountability

A. Budgetary Information

Annual budgets are adopted for all funds, except agency funds, of the County. The Finance Office submits a proposed operating budget for the following calendar year to the County Commissioners prior to October 15 of each year. The budget is prepared using the modified accrual basis of accounting. The operating budget includes proposed expenditures/expenses and the anticipated revenues. As required by statute, public hearings are conducted to obtain citizen's comments. Prior to the levy of property tax, the budget is legally adopted through the passage of a budget adoption and appropriation resolution.

B. Budgeted Level of Expenditures

The budgetary control is maintained at the department level for the general fund and at specific fund level for all other funds. Although the budget shows various classifications by object and by function, the department directors are authorized to transfer budgeted amounts within each of the object classifications. All annual appropriations lapse at year end. During 2014, two supplemental appropriations were adopted by the County Commissioners.

For the budget to actual reporting required by state statutes the proprietary funds present the adjustments necessary to reconcile ending net income (loss) on the budgetary basis to the GAAP basis net change in fund equity.

All budget amounts presented in the accompanying supplementary information reflect the original budget and the final amended budget. No budget is shown or required for the San Miguel Regional Housing Authority. The County could be in violation of Colorado Budget Law because the San Miguel Disposal District and Lodging Tax Tourism Funds actual expenditures exceed budgetary amounts.

San Miguel County, Colorado
Notes to Financial Statements
December 31, 2015

Note 3 – Deposits and Investments

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories; eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to the aggregate uninsured deposits. Collateral in the pool is considered to be equal to depository insurance pursuant to definitions listed in GASB Statement No. 40. At December 31, 2015, the bank balance of the County's deposits was \$ 8,050,244 of which \$ 875,458 was covered by federal depository insurance and \$ 7,174,786 was collateralized under PDPA.

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local government entities may invest. Authorized investments include obligations of the United States and certain U.S. government agency securities; certain international agency securities; general obligation and revenue bonds of U.S. local government entities; bankers' acceptances of certain banks; commercial paper; local government investment pools; written repurchase agreements collateralized by certain authorized securities; certain money market funds; and guaranteed investment contracts. The County's investment policy follows Colorado statutes.

The County had invested \$ 7,726,316 in the Colorado Government Liquid Asset Trust (COLOTRUST), \$1,009,234 in the CSIP and \$4,520,258 in CSAFE, which are investment vehicles established for local government entities in Colorado to pool surplus funds. They operate similarly to a money market fund and each share is equal in value to \$1.00. Investments in these pools consist of U.S. Treasury bills, notes and note strips and repurchase agreements collateralized by U.S. Treasury securities. A designated custodial bank provides safekeeping and depository services for these investment pools in connection with the direct investment and withdrawal functions. Substantially all securities owned by these investment pools are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned these pools. These pools are not required to and are not registered with the SEC, but are rated AAA by Standard and Poor's, Fitch's and Moody's rating services.

The County's investments carried at fair market value as of December 31, 2015 are:

	<u>Fair Value</u>	<u>Credit Risk</u>
Sweep Account-Government Bonds	\$ 1,822,275	AAAm
Federal Home Loan Mortgage	542,389	Aaa
Federal Home Loan Bank	454,199	Aaa
Money Market-SIGMA	7,934	Not Rated
ColoTrust (Governmental Pool)	7,726,316	AAA
CSIP	1,009,234	AAA
Csafe	<u>4,520,258</u>	AAA
	<u>\$16,082,605</u>	

Summary of Combined Cash and Investments Held By Primary Government and Dependent Districts:

<u>Description</u>	<u>Cost</u>
Demand deposits and cash	\$ 765,356
Certificates of deposits and savings	7,285,476
Investments	16,082,605
Cash and receivables	<u>22,611</u>
	<u>\$ 24,156,048</u>

San Miguel County, Colorado
Notes to Financial Statements
December 31, 2015

Note 4 – Capital Assets

Capital asset activity for the year ended December 31, 2015, was as follows:
Governmental Activities:

	Balances 1/1/2015	Additions	Deletions	Balances 12/31/2015
Capital assets not being depreciated				
Land	\$ 7,041,200	\$ 689,147	\$ -	\$ 7,730,347
Construction in progress	210,466	516,064	(151,139)	575,391
Infrastructure	59,056,591	-	-	59,056,591
Total capital assets not being depreciated	<u>66,308,257</u>	<u>1,205,211</u>	<u>(151,139)</u>	<u>67,362,329</u>
 Capital assets being depreciated				
Buildings and improvements	15,786,161	139,074	(116,018)	15,809,217
Equipment and furniture	7,587,032	767,498	-	8,354,530
Total capital assets being depreciated	<u>23,373,193</u>	<u>906,572</u>	<u>(116,018)</u>	<u>24,163,747</u>
 Less accumulated depreciation				
Buildings and improvements	5,145,375	355,629	-	5,501,004
Equipment and furniture	5,600,162	458,338	(89,226)	5,969,274
Total accumulated depreciation	<u>10,745,537</u>	<u>813,967</u>	<u>(89,226)</u>	<u>11,470,278</u>
Total capital assets being depreciated, net	<u>12,627,656</u>	<u>92,605</u>	<u>89,226</u>	<u>12,693,469</u>
 Governmental activities capital assets	<u>\$ 78,935,913</u>	<u>\$ 1,297,816</u>	<u>\$ (177,931)</u>	<u>\$ 80,055,798</u>

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:	
General government	\$ 171,540
Public safety	206,179
Public works	335,162
Recreation and culture	97,337
Health and welfare	<u>3,749</u>
Total depreciation expense-governmental activities	<u>\$ 813,967</u>

San Miguel County, Colorado
Notes to Financial Statements
December 31, 2015

Note 5 – Long-Term Liabilities

Long-term obligations

The County has adopted the policy of acquiring certain fixed assets through the use of lease purchase agreements. For the lease purchase backed by the full faith and credit of the County, debt service is accounted for in the fund that accounts for the function associated with the asset.

General capitalized lease obligations payable are comprised of the following:

Zion Bank, land purchase agreement, annual payments starting at
\$ 244,175.40 through December 2025 at 2.074% \$ 2,121,021

Year	Principal	Interest	Payment
2016	\$ 200,210	\$ 43,990	\$ 244,200
2017	204,362	39,838	244,200
2018	208,601	35,599	244,200
2019	212,927	31,273	244,200
2020	217,343	26,857	244,200
2021-2025	1,077,578	64,769	1,142,347
Total	\$ 2,121,021	\$ 242,326	\$ 2,363,347

The repayment of the capital lease is subject to annual appropriations by the County Commissioners. Leased land under Capital Leases in Capital Assets at December 31, 2015 included the following: Land \$3,962,423.

A summary of long-term debt is as follows:

	Payable January 2015	Additions	Deletions	Payable December 2015
General capitalized lease obligation	\$ 2,318,419	\$ -	\$ 197,398	\$ 2,121,021
Compensated absences payable	728,016	26,269	-	754,285
	<u>\$ 3,046,435</u>	<u>\$ 26,269</u>	<u>\$ 197,398</u>	<u>\$ 2,875,306</u>

San Miguel County, Colorado
Notes to Financial Statements
December 31, 2015

Note 6 – Retirement Plan

San Miguel County is a member employer of the Colorado County Officials and Employees Retirement Association (CCOERA). This association was formed by Colorado State Statute to provide retirement benefits to employees of Colorado local governments. CCOERA administers two different retirement plans a 401(a) Defined Contribution Plan and a 457 Deferred Compensation Plan.

San Miguel County provides pension benefits for all of its full-time employees through a defined contribution plan with the Colorado County Officials and Employees Retirement Association Retirement Plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are eligible to participate upon hire. Elected officials are eligible to participate immediately. Participation is mandatory for all eligible employees and for all elected officials. Both the County and the employee contribute 5% of the employee's monthly base salary to the plan.

The County's contribution for each employee (and interest allocated to the employee's account) is 100% vested after five years. Any non-vested County contributions forfeited by an employee who leaves the County's employment are remitted to the County. The County also participates in a voluntary deferred compensation contribution for those employed more than five years.

The County's total payroll was \$ 6,755,236 in 2015. The total payroll covered by the pension plan was \$ 6,682,307 in 2015. The total contribution paid was \$ 659,948 in 2015 (10% of covered payroll), \$ 329,974 by the employees and \$ 329,974 by the County.

The County has no liability for losses under the plan.

Complete financial statements for the retirement plans may be obtained from the CCOERA, 4949 S. Syracuse St., Suite 400, Denver, Colorado, 80237.

Note 7 – Post Employment Benefits

The County provides no post employment benefits to employees who retire from the County other than those mandated by the State and Federal governments.

The "Consolidated Omnibus Budget Reconciliation Act of 1985" (COBRA), that is mandated by the Federal Government, requires that employers allow eligible employees the opportunity to purchase medical and dental insurance for various periods of time after their employment is discontinued. San Miguel County complies with the Federal Statutes.

San Miguel County, Colorado
Notes to Financial Statements
December 31, 2015

Note 8 – Noncash Program Activity

Schedule of EBT Authorizations, Warrant Expenditures, and Total Expenditures
For the Year Ended December 31, 2015

	County EBT Authorizations	State and Federal Share of Authorizations	Expenditures by County Warrant	Authorizations Plus Expenses by County Warrant	Total County Expenditures
TANF	\$ 31,310	\$ (51,975)	\$ 31,847	\$ 63,157	\$ 11,182
Child care	44,590	(46,582)	7,853	52,443	5,861
Child care quality grant	-	-	178	178	178
Child welfare	50,231	(225,679)	228,897	279,128	53,449
FS Job Search	-	-	7,162	7,162	7,162
Administration	-	(126,338)	91,993	91,993	(34,345)
Core services	-	(18,172)	18,818	18,818	646
IV-D Administration	-	(8,331)	9,640	9,640	1,309
Aid to needy disabled	(6,576)	5,261	-	(6,576)	(1,315)
Old age pension	38,901	(43,577)	4,676	43,577	-
LEAP	49,011	(52,448)	3,437	52,448	-
Medicaid transportation	-	(18,421)	16,805	16,805	(1,616)
General assistance	-	-	1,343	1,343	1,343
Miscellaneous	60,068	(146,463)	74,664	150,391	3,928
Subtotal	267,535	(732,725)	497,313	780,507	47,782
Food assistance	505,255	(505,255)	-	505,255	-
Grand total	<u>\$ 772,790</u>	<u>\$ (1,237,980)</u>	<u>\$ 497,313</u>	<u>\$ 1,285,762</u>	<u>\$ 47,782</u>

- A. Welfare payments authorized by the San Miguel County Department of Human Services. These County authorizations are paid by the Colorado Department of Human Services by QUEST debit cards or by electronic funds transfer (EFT).
- B. County share of EBT authorizations - these amounts are settled monthly by a reduction of State cash advances to the County.
- C. Expenditures made by County warrants or other County payment methods
- D. This represents the total cost of the welfare programs that are administered by San Miguel County.
- E. This total matches the expenditures on the Social Services Department Fund Statement of Revenues, Expenditures, and Changes in Fund Balance.

San Miguel County, Colorado
Notes to Financial Statements
December 31, 2015

Note 9 – Budget Amendment

During 2015 the County amended its budget twice. The following is a schedule of the changes to the original budget:

Fund	Original Budget	Revisions	Final Budget
General	\$ 9,391,629	\$ -	\$ 9,391,629
Road and Bridge	4,997,345	-	4,997,345
Open Space	1,853,295	-	1,853,295
Public Welfare	1,466,668	-	1,466,668
Transit	346,760	-	346,760
Sales tax capital	1,507,121	-	1,507,121
Retirement	404,000	-	404,000
Conservation Trust	15,000	-	15,000
Lodging Tax Tourism	400,425	50,000	450,425
Vegetation Management	151,237	-	-
Public Health	537,895	29,255	567,150
Energy	61,900	-	61,900
SMC Solid Waste Disposal District	110,631	-	110,631
Totals	<u>\$ 21,243,906</u>	<u>\$ 79,255</u>	<u>\$ 21,171,924</u>

Note 10 - Transfers

The following schedule briefly summarizes the County's transfer activity:

Fund	Transfers In	Transfers Out
General	\$ -	\$ 411,000
Retirement	50,000	-
Public Health	321,000	-
Conservation Trust	-	-
Sales Tax Capital	-	213,429
Open Space and Park	-	20,000
Vegetation Management	80,000	-
Road and Bridge	213,429	20,000
Totals	<u>\$ 664,429</u>	<u>\$ 664,429</u>

Transfers to and from the various funds were to cover the costs of operations, capital and retirement benefits.

SAN MIGUEL COUNTY, COLORADO
INFORMATION ABOUT INFRASTRUCTURE ASSETS REPORTED USING
THE MODIFIED APPROACH
For the year ended December 31, 2015

As allowed by GASB Statement No.34, Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments, the county has adopted an alternative method for reporting costs associated with certain infrastructure assets. Under this alternative method, referred to as the "modified approach," infrastructure assets are not depreciated, and maintenance and preservation costs are expensed. The County capitalizes costs related to new construction, major replacements, and improvements that increase the capacity and /or efficiency of infrastructure assets reported under the modified approach.

In order to utilize the modified approach, the County is required to:

- Maintain an asset management system that includes an up-to-date inventory of eligible infrastructure assets,
- Perform and document replicable condition assessments once every three years of the eligible infrastructure assets and summarize the results using a measurement scale.
- Estimate each year the annual amount to maintain and preserve the eligible infrastructure assets at the condition level established and disclosed by the County.
- Document that the infrastructure assets are being preserved approximately at, or above the condition level established by the County.

ROADS

San Miguel County applies the modified approach to all roads, owned and/ or maintained by the County. The goal of the County in conjunction with adopting the modified approach is to develop and provide a cost effective maintenance program that preserves the County's investment in its road network and enhances public transportation and safety.

Condition Assessments

Roads are categorized as native, gravel and oil surface. Formal condition assessments are not done on natural and rock surface roads. These roads are maintained on an as-needed basis, for example, when a road is washed out. Formal condition assessments are performed on all gravel and oil surface roads at least once every three years in accordance with GASB 34. Each year a formal assessment is performed on a portion of the County's roads on a rotating basis. The results of formal condition assessments performed in 2014 and 2015 are disclosed. The process and purpose of these condition assessments are described briefly below.

Gravel Surface Roads: The condition assessments of gravel roads are based on gravel thickness and surface smoothness. Roads are rated as excellent, good and poor. A poor rating indicates gravel thickness of less than 1" or excessive surface deterioration. Roads rated in poor condition require maintenance.

SAN MIGUEL COUNTY, COLORADO
INFORMATION ABOUT INFRASTRUCTURE ASSETS REPORTED USING
THE MODIFIED APPROACH
For the year ended December 31, 2015

Paved Roads: The condition assessments of paved roads are based on the following criteria: potholes, cracking, rutting, shoulder condition, surface smoothness and base condition. Roads are rated as excellent, good, fair and poor. For GASB 34 reporting purposes, the County's official desired condition is 70%. The County's goal is to maintain its infrastructure at a category condition level of fair or better.

Condition Rating of the County's Road System

Percentage of Lane-Miles in Fair to Excellent Conditions in 2015:

	<u>Percentage</u>
Paved	75%
Gravel	75%
Overall System	78%

Percentage of Lane-Miles in Poor Conditions in 2015:

	<u>Percentage</u>
Paved	1%
Gravel	3%
Overall System	2%

Comparison of Needed-to-Actual Maintenance/Preservation in 2015: The County did not budget separately for maintenance/preservation costs for roads and bridges in 2015, therefore they are shown combined below. Amounts will be budgeted separately in the future.

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Estimated	\$3,946,816	\$4,950,499	\$4,515,962	\$4,590,215	\$4,997,345
Actual	\$2,511,005	\$3,578,717	\$3,398,770	\$3,402,792	\$4,073,378

SAN MIGUEL COUNTY, COLORADO
INFORMATION ABOUT INFRASTRUCTURE ASSETS REPORTED USING
THE MODIFIED APPROACH
For the year ended December 31, 2015

BRIDGES

The structural sufficiency of the County's bridges is determined using the state of Colorado's Structure Inspection and Inventory Program. The bridge sufficiency rating is based on the assessment of the ability of individual components to function structurally. The rating system uses a numerical scale from 50 (needs replacement) to 100 (new). It is the County's policy to keep the number and square footage of deck area of bridges with a condition rating of fair equal to or greater than 70 percent. Bridges are inspected by the state of Colorado Department of Transportation every two years. GASB 34 requires inspection every three years. The most recent inspection was in 2014. There were no new bridge structures added to the system during 2015.

Disclosures for a Network of Bridges 2015

Number of Bridges

	CDOT Structural Sufficiency Rating	<u>Number</u>	<u>%</u>
Excellent	91-100	17	68%
Good	71-90	6	24%
Fair	51-70	0	0%
Poor	50 and below	<u>2</u>	<u>8%</u>
Total		<u>25</u>	<u>100.0%</u>

SAN MIGUEL COUNTY, COLORADO
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year Ended December 31, 2015

	Budgeted		Actual	Variance
	Original	Final		
Revenues				
Property taxes	\$ 4,445,037	\$ 4,445,037	\$ 4,431,376	\$ (13,661)
Sales and miscellaneous taxes	1,541,832	1,541,832	1,795,997	254,165
Fees and charges	949,514	949,514	1,167,297	217,783
Licenses and permits	83,100	83,100	287,574	204,474
Intergovernmental	1,476,959	1,476,959	1,802,044	325,085
Interest earnings	23,232	23,232	40,525	17,293
Miscellaneous	189,230	189,230	270,145	80,915
Total revenues	<u>8,708,904</u>	<u>8,708,904</u>	<u>9,794,958</u>	<u>1,086,054</u>
Expenditures				
Current				
General government	4,432,013	4,432,013	4,222,934	209,079
Judicial	248,237	248,237	238,228	10,009
Public Safety	4,117,422	4,117,422	3,860,666	256,756
Auxiliary services	162,957	162,957	158,620	4,337
Total expenditures	<u>8,960,629</u>	<u>8,960,629</u>	<u>8,480,448</u>	<u>480,181</u>
Revenues over (under) expenditures	(251,725)	(251,725)	1,314,510	1,566,235
Other Financing Sources				
Transfer in (Out)	(431,000)	(431,000)	(431,000)	-
Total other financing sources	<u>(431,000)</u>	<u>(431,000)</u>	<u>(431,000)</u>	<u>-</u>
Revenues and other sources over expenditures	(682,725)	(682,725)	883,510	1,566,235
Fund balance, January 1	11,281,311	11,281,311	11,724,119	442,808
Residual Transfers	-	-	(61,026)	(61,026)
Fund balance, December 31	<u>\$ 10,598,586</u>	<u>\$ 10,598,586</u>	<u>\$ 12,546,603</u>	<u>\$ 1,948,017</u>

SAN MIGUEL COUNTY, COLORADO
ROAD AND BRIDGE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year Ended December 31, 2015

	Budgeted		Actual	Variance
	Original	Final		
Revenues				
Taxes				
General property tax	\$ 1,368,204	\$ 1,368,204	\$ 1,363,512	\$ (4,692)
Specific ownership tax	48,500	48,500	58,793	10,293
Penalty and interest	3,000	3,000	2,907	(93)
Total	<u>1,419,704</u>	<u>1,419,704</u>	<u>1,425,212</u>	<u>5,508</u>
Intergovernmental				
Payment in lieu of taxes	100	100	502	402
Mineral leasing	110,000	110,000	69,382	(40,618)
Forest service	40,000	40,000	36,896	(3,104)
R & B services	25,000	25,000	25,919	919
Federal land and materials	200	200	-	(200)
Total	<u>175,300</u>	<u>175,300</u>	<u>132,699</u>	<u>(42,601)</u>
Intergovernmental - State and Local				
Highway user's - County	1,775,000	1,775,000	1,926,839	151,839
Grants	-	-	242,313	242,313
Town of Sawpit	1,200	1,200	1,368	168
Automobile registration	18,000	18,000	22,564	4,564
Total	<u>1,794,200</u>	<u>1,794,200</u>	<u>2,193,084</u>	<u>398,884</u>
Licenses and permits				
Special permits and fees	3,000	3,000	2,300	(700)
Total	<u>3,000</u>	<u>3,000</u>	<u>2,300</u>	<u>(700)</u>
Miscellaneous				
Charges for services	400	400	1,336	936
Sale of assets	28,315	28,315	33,962	5,647
	-	-	110	110
Total revenues	<u>3,420,919</u>	<u>3,420,919</u>	<u>3,788,703</u>	<u>367,784</u>
Expenditures				
Current				
Maintenance of conditions	3,970,500	3,990,500	3,057,174	933,326
Snow and ice removal	38,110	38,110	20,344	17,766
Administration	968,735	968,735	995,860	(27,125)
Total expenditures	<u>4,977,345</u>	<u>4,997,345</u>	<u>4,073,378</u>	<u>923,967</u>
Revenues over (under) expenditures	(1,556,426)	(1,576,426)	(284,675)	1,291,751
Transfers in (out)	242,650	262,650	193,429	(69,221)
Fund balance, January 1	3,370,729	3,370,729	3,711,823	341,094
Changes in reserve for inventory	-	-	(44,103)	(44,103)
Fund balance, December 31	<u>\$ 2,056,953</u>	<u>\$ 2,056,953</u>	<u>\$ 3,576,474</u>	<u>\$ 1,519,521</u>

SAN MIGUEL COUNTY, COLORADO
OPEN SPACE AND PARK FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year Ended December 31, 2015

	Budgeted		Actual	Variance
	Original	Final		
Revenues				
Taxes				
General property tax	\$ 1,079,766	\$1,079,766	\$ 1,076,458	\$ (3,308)
Specific ownership tax	29,000	29,000	46,416	17,416
Penalty and interest	1,600	1,600	2,295	695
Total	<u>1,110,366</u>	<u>1,110,366</u>	<u>1,125,169</u>	<u>14,803</u>
Intergovernmental				
Payment in lieu of taxes	396	396	396	-
Other grants	175,000	175,000	7,360	(167,640)
Total	<u>175,396</u>	<u>175,396</u>	<u>7,756</u>	<u>(167,640)</u>
Miscellaneous				
Event center fees	4,000	4,000	3,779	(221)
Fairground fees	10,000	10,000	5,000	(5,000)
Other fees	7,600	7,600	10,074	2,474
Other	22,540	22,540	317,399	294,859
Total	<u>44,140</u>	<u>44,140</u>	<u>336,252</u>	<u>292,112</u>
Total revenues	<u>1,329,902</u>	<u>1,329,902</u>	<u>1,469,177</u>	<u>139,275</u>
Expenditures				
Current				
Recreation	504,703	504,703	492,476	12,227
Open space commission	544,750	544,750	417,721	127,029
Historical preservation	207,300	207,300	45,339	161,961
Fairgrounds and regional park	251,812	251,812	189,116	62,696
Parks administration	324,730	324,730	494,787	(170,057)
Total expenditures	<u>1,833,295</u>	<u>1,833,295</u>	<u>1,639,439</u>	<u>193,856</u>
Other financing sources and (uses)				
Transfer In (Out)	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues over (under) expenditures	(503,393)	(503,393)	(170,262)	333,131
Fund balance, January 1	<u>2,058,404</u>	<u>2,058,404</u>	<u>2,346,807</u>	<u>288,403</u>
Fund balance, December 31	<u>\$ 1,555,011</u>	<u>\$ 1,555,011</u>	<u>\$ 2,176,545</u>	<u>\$ 621,534</u>

SAN MIGUEL COUNTY, COLORADO
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS
December 31, 2015

	<u>Lodging Tax Tourism</u>	<u>Sales Tax</u>	<u>Transit</u>	<u>Contingent</u>	<u>Welfare</u>
Assets					
Cash and cash equivalents	\$ 8,343	\$ 1,989,443	\$ 208,701	\$ 627,831	\$ 68,865
Taxes receivable	-	-	-	-	127,102
Land for resale	-	-	-	-	-
Due from other governmental units	-	-	-	-	31,078
Other receivables	76,292	319,910	60,600	-	1,160
Total assets	<u>\$ 84,635</u>	<u>\$ 2,309,353</u>	<u>\$ 269,301</u>	<u>\$ 627,831</u>	<u>\$ 228,205</u>
Liabilities and fund balances					
Liabilities					
Accounts payable	\$ 76,471	\$ 70,158	\$ 1,488	\$ -	\$ 9,635
Accrued payroll	-	-	-	-	-
Accrued vacation and sick leave	-	-	-	-	-
Total liabilities	<u>76,471</u>	<u>70,158</u>	<u>1,488</u>	<u>-</u>	<u>9,635</u>
Deferred Inflows of Resources					
Unearned revenues	-	-	-	-	336
Deferred property tax revenue	-	-	-	-	127,102
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>127,438</u>
Fund balances					
Reserved for:					
Emergencies	-	-	-	627,831	-
Transportation	-	-	267,813	-	-
Housing	-	-	-	-	-
Energy	-	-	-	-	-
Solid waste	-	-	-	-	-
Air quality	-	-	-	-	-
Capital Acquisition	-	-	-	-	-
Unreserved:	8,164	2,239,195	-	-	91,132
Total fund balances	<u>8,164</u>	<u>2,239,195</u>	<u>267,813</u>	<u>627,831</u>	<u>91,132</u>
Total liabilities and fund balances	<u>\$ 84,635</u>	<u>\$ 2,309,353</u>	<u>\$ 269,301</u>	<u>\$ 627,831</u>	<u>\$ 228,205</u>

<u>Retirement</u>	<u>Conservation Trust</u>	<u>Public Health</u>	<u>Energy</u>	<u>Vegetation Management</u>	<u>Dependent Districts</u>	<u>Total Nonmajor Governmental Funds</u>
\$ 94,792	\$ 47,009	\$ 66,659	\$ 38,332	\$ 45,005	\$ 1,495,244	\$ 4,690,224
312,256	-	-	-	-	-	439,358
-	-	-	-	-	-	-
-	-	-	-	10,000	-	41,078
-	63	42,811	-	23,795	-	524,631
<u>\$ 407,048</u>	<u>\$ 47,072</u>	<u>\$ 109,470</u>	<u>\$ 38,332</u>	<u>\$ 78,800</u>	<u>\$ 1,495,244</u>	<u>\$ 5,695,291</u>
\$ 32,179	\$ -	\$ 28,625	\$ 3,717	\$ 1,172	\$ 6,934	\$ 230,379
-	-	1,818	-	-	-	1,818
-	-	53,820	-	-	-	53,820
<u>32,179</u>	<u>-</u>	<u>84,263</u>	<u>3,717</u>	<u>1,172</u>	<u>6,934</u>	<u>286,017</u>
-	-	-	-	-	-	336
312,256	-	-	-	-	-	439,358
<u>312,256</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>439,694</u>
-	-	-	-	-	-	627,831
-	-	-	-	-	-	267,813
-	-	-	-	-	1,332,571	1,332,571
-	-	-	34,615	-	-	34,615
-	-	-	-	-	155,739	155,739
-	-	65,411	-	-	-	65,411
-	-	-	-	59,572	-	59,572
62,613	47,072	(40,204)	-	18,056	-	2,426,028
<u>62,613</u>	<u>47,072</u>	<u>25,207</u>	<u>34,615</u>	<u>77,628</u>	<u>1,488,310</u>	<u>4,969,580</u>
<u>\$ 407,048</u>	<u>\$ 47,072</u>	<u>\$ 109,470</u>	<u>\$ 38,332</u>	<u>\$ 78,800</u>	<u>\$ 1,495,244</u>	<u>\$ 5,695,291</u>

SAN MIGUEL COUNTY, COLORADO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS
Year Ended December 31, 2015

	<u>Lodging Tax Tourism</u>	<u>Sales Tax</u>	<u>Transit Fund</u>	<u>Contingent</u>	<u>Welfare</u>
Revenues					
Taxes	\$ 446,076	\$ 1,156,285	\$ -	\$ -	\$ 116,267
Intergovernmental	-	-	164,624	-	1,121,713
Charges for services	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Interest earnings	-	-	(497)	-	-
Miscellaneous	-	11,501	168,083	-	-
Total revenues	<u>446,076</u>	<u>1,167,786</u>	<u>332,210</u>	<u>-</u>	<u>1,237,980</u>
Expenditures					
Current:					
Public safety	-	-	-	-	-
Retirement benefits and contributions	-	-	-	-	-
Health and human services	-	-	-	-	1,285,731
Urban development, housing and transportation	-	-	341,308	-	-
Economic development	446,165	-	-	-	-
Energy programs	-	-	-	-	-
Vegetation management	-	-	-	-	-
Capital outlay	-	472,159	-	-	-
Debt service payments	-	244,200	-	-	-
Total expenditures	<u>446,165</u>	<u>716,359</u>	<u>341,308</u>	<u>-</u>	<u>1,285,731</u>
Excess (deficiency) of revenues over expenditures	(89)	451,427	(9,098)	-	(47,751)
Other financing sources and (uses)					
Transfer In (Out)	-	(213,429)	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>(213,429)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change to fund balance	(89)	237,998	(9,098)	-	(47,751)
Fund balance, January 1	8,253	2,001,197	276,911	627,831	138,883
Residual transfer	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, December 31	<u>\$ 8,164</u>	<u>\$ 2,239,195</u>	<u>\$267,813</u>	<u>\$627,831</u>	<u>\$ 91,132</u>

<u>Retirement</u>	<u>Conservation Trust</u>	<u>Public Health</u>	<u>Energy</u>	<u>Vegetation Management</u>	<u>Dependent Districts</u>	<u>Total Nonmajor Governmental Funds</u>
\$ 292,545	\$ -	\$ -	\$ -	\$ -	\$ 44,248	\$ 2,055,421
-	25,897	145,201	-	42,019	-	1,499,454
-	-	44,412	-	6,184	238,783	289,379
-	-	39,652	-	-	-	39,652
-	63	-	-	-	719	285
22,977	-	12,169	-	89	4,814	219,633
<u>315,522</u>	<u>25,960</u>	<u>241,434</u>	<u>-</u>	<u>48,292</u>	<u>288,564</u>	<u>4,103,824</u>
-	-	-	-	-	99,041	99,041
384,229	-	-	-	-	-	384,229
-	-	550,976	-	-	-	1,836,707
-	-	-	-	-	209,484	550,792
-	-	-	-	-	-	446,165
-	-	-	40,570	-	-	40,570
-	-	-	-	111,690	-	111,690
-	-	-	-	-	-	472,159
-	-	-	-	-	-	244,200
<u>384,229</u>	<u>-</u>	<u>550,976</u>	<u>40,570</u>	<u>111,690</u>	<u>308,525</u>	<u>4,185,553</u>
(68,707)	25,960	(309,542)	(40,570)	(63,398)	(19,961)	(81,729)
50,000	-	321,000	-	80,000	-	237,571
<u>50,000</u>	<u>-</u>	<u>321,000</u>	<u>-</u>	<u>80,000</u>	<u>-</u>	<u>237,571</u>
(18,707)	25,960	11,458	(40,570)	16,602	(19,961)	155,842
81,320	21,112	13,749	75,185	-	1,508,271	4,752,712
-	-	-	-	61,026	-	61,026
<u>\$ 62,613</u>	<u>\$ 47,072</u>	<u>\$ 25,207</u>	<u>\$ 34,615</u>	<u>\$ 77,628</u>	<u>\$ 1,488,310</u>	<u>\$ 4,969,580</u>

SAN MIGUEL COUNTY, COLORADO
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS - DEPENDENT DISTRICTS
December 31, 2015

	San Miguel Disposal District	San Miguel County Housing Authority	Total
Assets			
Cash and cash equivalents	\$ 162,673	\$ 1,332,571	\$ 1,495,244
Total assets	\$ 162,673	\$ 1,332,571	\$ 1,495,244
 Liabilities and fund balances			
Liabilities			
Accounts payable	\$ 6,934	\$ -	\$ 6,934
Total liabilities	6,934	-	6,934
 Fund balances			
Reserved for:			
Housing	-	1,332,571	1,332,571
Solid waste	155,739	-	155,739
Total fund balances	155,739	1,332,571	1,488,310
Total liabilities and fund balances	\$ 162,673	\$ 1,332,571	\$ 1,495,244

SAN MIGUEL COUNTY, COLORADO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS - DEPENDENT DISTRICTS
Year Ended December 31, 2015

	San Miguel Disposal District	San Miguel County Housing Authority	Total
Revenues			
Taxes	\$ 44,248	\$ -	\$ 44,248
Charges for services	18,484	220,299	238,783
Interest earnings	-	719	719
Miscellaneous	51	4,763	4,814
Total revenues	62,783	225,781	288,564
Expenditures			
Current:			
Public safety	99,041	-	99,041
Urban development, housing and transportation	-	209,484	209,484
Total expenditures	99,041	209,484	308,525
Net change to fund balance	(36,258)	16,297	(19,961)
Fund balance, January 1	191,997	1,316,274	1,508,271
Fund balance, December 31	\$ 155,739	\$ 1,332,571	\$ 1,488,310

SAN MIGUEL COUNTY, COLORADO
SPECIAL REVENUE FUND - LODGING TAX TOURISM FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year Ended December 31, 2015

	<u>Budgeted</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes				
Lodging tax	\$ 400,000	\$ 450,000	\$ 446,076	\$ (3,924)
Total revenues	<u>400,000</u>	<u>450,000</u>	<u>446,076</u>	<u>(3,924)</u>
Expenditures				
Current				
Economic development				
Other contracted services	400,425	450,425	446,165	4,260
Total expenditures	<u>400,425</u>	<u>450,425</u>	<u>446,165</u>	<u>4,260</u>
Revenues over (under) expenditures	(425)	(425)	(89)	336
Fund balance, January 1	<u>7,828</u>	<u>7,828</u>	<u>8,253</u>	<u>425</u>
Fund balance, December 31	<u>\$ 7,403</u>	<u>\$ 7,403</u>	<u>\$ 8,164</u>	<u>\$ 761</u>

SAN MIGUEL COUNTY, COLORADO
SPECIAL REVENUE FUND - SALES TAX CAPITAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year Ended December 31, 2015

	Budgeted		Actual	Variance
	Original	Final		
Revenues				
Taxes				
Sales and use tax	\$ 1,107,250	\$ 1,107,250	\$1,156,285	\$ 49,035
Miscellaneous	3,086	3,086	11,501	8,415
Total revenues	<u>1,110,336</u>	<u>1,110,336</u>	<u>1,167,786</u>	<u>57,450</u>
Expenditures				
Capital outlay	1,000,271	1,000,271	472,159	528,112
Debt service				
Lease payments	244,200	244,200	244,200	-
Total expenditures	<u>1,244,471</u>	<u>1,244,471</u>	<u>716,359</u>	<u>528,112</u>
Revenues over (under) expenditures	(134,135)	(134,135)	451,427	585,562
Other Financing Sources				
Transfers In	(262,650)	(262,650)	(213,429)	49,221
Total other financing sources	<u>(262,650)</u>	<u>(262,650)</u>	<u>(213,429)</u>	<u>49,221</u>
Revenues and other sources over expenditures	(396,785)	(396,785)	237,998	634,783
Fund balance, January 1	<u>1,983,840</u>	<u>1,983,840</u>	<u>2,001,197</u>	<u>17,357</u>
Fund balance, December 31	<u>\$ 1,587,055</u>	<u>\$ 1,587,055</u>	<u>\$2,239,195</u>	<u>\$ 652,140</u>

SAN MIGUEL COUNTY, COLORADO
SPECIAL REVENUE FUND - TRANSIT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year Ended December 31, 2015

	Budgeted		Actual	Variance
	Original	Final		
Revenues				
Interest	\$ 400	\$ 400	\$ (497)	\$ (897)
Grants	170,800	170,800	164,624	(6,176)
Other	11,000	11,000	20,782	9,782
RETA fees	100,000	100,000	147,301	47,301
Total revenues	<u>282,200</u>	<u>282,200</u>	<u>332,210</u>	<u>50,010</u>
Expenditures				
Current				
Other	96,400	96,400	90,927	5,473
Transportation contract	250,360	250,360	250,381	(21)
Total expenditures	<u>346,760</u>	<u>346,760</u>	<u>341,308</u>	<u>(21)</u>
Revenues over (under) expenditures	(64,560)	(64,560)	(9,098)	55,462
Fund balance, January 1	<u>257,898</u>	<u>257,898</u>	<u>276,911</u>	<u>19,013</u>
Fund balance, December 31	<u><u>\$ 193,338</u></u>	<u><u>\$ 193,338</u></u>	<u><u>\$ 267,813</u></u>	<u><u>\$ 74,475</u></u>

SAN MIGUEL COUNTY, COLORADO
SPECIAL REVENUE FUND - CONTINGENT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year Ended December 31, 2015

	Budgeted		Actual	Variance
	Original	Final		
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures				
Current				
General government	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues over (under) expenditures	-	-	-	-
Fund balance, January 1	<u>627,831</u>	<u>627,831</u>	<u>627,831</u>	<u>-</u>
Fund balance, December 31	<u><u>\$ 627,831</u></u>	<u><u>\$ 627,831</u></u>	<u><u>\$ 627,831</u></u>	<u><u>\$ -</u></u>

SAN MIGUEL, COLORADO
PUBLIC WELFARE FUND-SOCIAL SERVICES
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year Ended December 31, 2015

	Budgeted		Actual	Variance
	Original	Final		
Revenues				
Taxes	\$ 115,949	\$ 115,949	\$ 116,267	\$ 318
County administration	121,548	121,548	138,339	16,791
Old age pension	64,950	64,950	43,577	(21,373)
Aid to the needy and disabled	9,600	9,600	(5,261)	(14,861)
Child care	30,400	30,400	46,582	16,182
Food assistance	625,000	625,000	505,255	(119,745)
Child welfare	198,000	198,000	224,366	26,366
Core services	34,400	34,400	18,172	(16,228)
Leap	64,500	64,500	52,448	(12,052)
CSBG grant	10,000	10,000	10,893	893
Colorado works	66,400	66,400	51,975	(14,425)
Child support	6,600	6,600	8,331	1,731
Medicaid transportation and other	18,000	18,000	25,512	7,512
Miscellaneous	1,000	1,000	1,524	524
Total revenues	<u>1,366,347</u>	<u>1,366,347</u>	<u>1,237,980</u>	<u>(128,367)</u>
Expenditures				
County funded grants	60,000	60,000	57,806	2,194
County administration	149,868	149,868	174,692	(24,824)
Old age pension	65,000	65,000	43,577	21,423
Colorado works	83,000	83,000	62,730	20,270
Aid to the needy and disabled	12,000	12,000	(6,576)	18,576
Medicaid transportation	10,000	10,000	16,805	(6,805)
Child care	38,000	38,000	52,622	(14,622)
General assistance	10,000	10,000	1,343	8,657
Leap	64,500	64,500	52,447	12,053
Child welfare	290,000	290,000	281,573	8,427
Core services	36,800	36,800	18,818	17,982
CSBG grant	10,000	10,000	16,472	(6,472)
Child support	10,000	10,000	9,640	360
Direct cost allocation	(7,500)	(7,500)	(8,605)	1,105
Food assistance	625,000	625,000	505,255	119,745
Miscellaneous	10,000	10,000	7,132	2,868
Total expenditures	<u>1,466,668</u>	<u>1,466,668</u>	<u>1,285,731</u>	<u>180,937</u>
Excess (deficiency) of revenues over expenditures	(100,321)	(100,321)	(47,751)	52,570
Fund balance, January 1	156,000	156,000	138,883	(17,117)
Prior period adjustment	-	-	-	-
Fund balance, December 31	<u>\$ 55,679</u>	<u>\$ 55,679</u>	<u>\$ 91,132</u>	<u>\$ 35,453</u>

SAN MIGUEL COUNTY, COLORADO
SPECIAL REVENUE FUND - RETIREMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year Ended December 31, 2015

	<u>Budgeted</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes				
General property tax	\$ 280,739	\$ 280,739	\$ 279,876	\$ (863)
Delinquent tax	-	-	3	3
Specific ownership tax	7,800	7,800	12,069	4,269
Penalty and interest	425	425	597	172
Other				
Forfeitures and miscellaneous	21,000	21,000	22,977	1,977
Total revenues	<u>309,964</u>	<u>309,964</u>	<u>315,522</u>	<u>5,558</u>
Expenditures				
Current				
Employer's contribution	404,000	404,000	384,229	19,771
Total expenditures	<u>404,000</u>	<u>404,000</u>	<u>384,229</u>	<u>19,771</u>
Revenues over (under) expenditures	(94,036)	(94,036)	(68,707)	25,329
Other Financing Sources				
Transfers (Out)	50,000	50,000	50,000	-
Total other financing sources	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>-</u>
Revenues and other sources over expenditures	(44,036)	(44,036)	(18,707)	25,329
Fund balance, January 1	<u>83,353</u>	<u>83,353</u>	<u>81,320</u>	<u>(2,033)</u>
Fund balance, December 31	<u>\$ 39,317</u>	<u>\$ 39,317</u>	<u>\$ 62,613</u>	<u>\$ 23,296</u>

SAN MIGUEL COUNTY, COLORADO
SPECIAL REVENUE FUND - CONSERVATION TRUST FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year Ended December 31, 2015

	<u>Budgeted</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental				
State lottery proceeds	\$ 28,000	\$ 28,000	\$ 25,897	\$ (2,103)
Interest income	125	125	63	(62)
Total revenues	<u>28,125</u>	<u>28,125</u>	<u>25,960</u>	<u>(2,165)</u>
Expenditures				
Current				
Capital outlay	15,000	15,000	-	15,000
Total expenditures	<u>15,000</u>	<u>15,000</u>	<u>-</u>	<u>15,000</u>
Revenues over (under) expenditures	13,125	13,125	25,960	12,835
Fund balance, January 1	<u>20,579</u>	<u>20,579</u>	<u>21,112</u>	<u>533</u>
Fund balance, December 31	<u>\$ 33,704</u>	<u>\$ 33,704</u>	<u>\$ 47,072</u>	<u>\$ 13,368</u>

SAN MIGUEL COUNTY, COLORADO
SPECIAL REVENUE FUND - PUBLIC HEALTH FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year Ended December 31, 2015

	Budgeted		Actual	Variance
	Original	Final		
Revenues				
Intergovernmental	\$ 111,720	\$ 140,975	\$ 145,201	\$ 4,226
Licenses and permits	43,000	43,000	39,652	(3,348)
Charges for services	50,000	50,000	44,412	(5,588)
Miscellaneous	5,384	5,384	12,169	6,785
Total revenues	<u>210,104</u>	<u>239,359</u>	<u>241,434</u>	<u>2,075</u>
Expenditures				
Current				
Health and welfare	537,895	567,150	550,976	16,174
Total expenditures	<u>537,895</u>	<u>567,150</u>	<u>550,976</u>	<u>16,174</u>
Revenues over (under) expenditures	(327,791)	(327,791)	(309,542)	18,249
Other Financing Sources				
Transfers In or (Out)	321,000	321,000	321,000	-
Total other financing sources	<u>321,000</u>	<u>321,000</u>	<u>321,000</u>	<u>-</u>
Revenues and other sources over expenditures	(6,791)	(6,791)	11,458	18,249
Fund balance, January 1	<u>16,854</u>	<u>16,854</u>	<u>13,749</u>	<u>(3,105)</u>
Fund balance, December 31	<u>\$ 10,063</u>	<u>\$ 10,063</u>	<u>\$ 25,207</u>	<u>\$ 15,144</u>

SAN MIGUEL COUNTY, COLORADO
SPECIAL REVENUE FUND - ENERGY FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year Ended December 31, 2015

	<u>Budgeted</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Miscellaneous				
Other	\$ -	\$ -	\$ -	\$ -
Interest income	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures				
Current				
Energy programs	61,900	61,900	40,570	21,330
Total expenditures	<u>61,900</u>	<u>61,900</u>	<u>40,570</u>	<u>21,330</u>
Revenues over (under) expenditures	(61,900)	(61,900)	(40,570)	21,330
Fund balance, January 1	<u>69,000</u>	<u>69,000</u>	<u>75,185</u>	<u>6,185</u>
Fund balance, December 31	<u>\$ 7,100</u>	<u>\$ 7,100</u>	<u>\$ 34,615</u>	<u>\$ 27,515</u>

SAN MIGUEL COUNTY, COLORADO
SPECIAL REVENUE FUND - VEGETATION MANAGEMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year Ended December 31, 2015

	Budgeted		Actual	Variance
	Original	Final		
Revenues				
Taxes				
Charges for Services	\$ 4,300	\$ 8,800	\$ 6,184	\$ (2,616)
Intergovernmental	62,300	62,300	42,019	(20,281)
Other	-	-	89	89
Total revenues	<u>66,600</u>	<u>71,100</u>	<u>48,292</u>	<u>(22,808)</u>
Expenditures				
Vegetation Management	151,237	151,237	111,690	39,547
Total expenditures	<u>151,237</u>	<u>151,237</u>	<u>111,690</u>	<u>39,547</u>
Revenues over (under) expenditures	(84,637)	(80,137)	(63,398)	16,739
Other Financing Sources				
Transfers (Out)	84,755	84,755	80,000	4,755
Total other financing sources	<u>84,755</u>	<u>84,755</u>	<u>80,000</u>	<u>4,755</u>
Revenues and other sources over expenditures	118	4,618	16,602	11,984
Fund balance, January 1	-	-	-	-
Residual transfer	<u>56,108</u>	<u>56,108</u>	<u>61,026</u>	<u>4,918</u>
Fund balance, December 31	<u>\$ 56,226</u>	<u>\$ 60,726</u>	<u>\$ 77,628</u>	<u>\$ 16,902</u>

SAN MIGUEL COUNTY, COLORADO
SAN MIGUEL DISPOSAL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year Ended December 31, 2015

	Budgeted		Actual	Variance
	Original	Final		
Revenues				
Taxes				
General property tax	\$ 42,662	\$ 42,662	\$ 42,347	\$ (315)
Specific ownership tax	1,400	1,400	1,834	434
Penalty and interest	50	50	67	17
Total taxes	<u>44,112</u>	<u>44,112</u>	<u>44,248</u>	<u>136</u>
Intergovernmental				
Other	50	50	51	1
Charges for services	12,500	12,500	18,484	5,984
Total intergovernmental	<u>12,550</u>	<u>12,550</u>	<u>18,535</u>	<u>5,985</u>
Total revenues	<u>56,662</u>	<u>56,662</u>	<u>62,783</u>	<u>6,121</u>
Expenditures				
Current				
General government				
Waste disposal	110,631	110,631	99,041	11,590
Total expenditures	<u>110,631</u>	<u>110,631</u>	<u>99,041</u>	<u>11,590</u>
Revenues over (under) expenditures	(53,969)	(53,969)	(36,258)	17,711
Fund balance, January 1	<u>196,478</u>	<u>196,478</u>	<u>191,997</u>	<u>(4,481)</u>
Fund balance, December 31	<u>\$ 142,509</u>	<u>\$ 142,509</u>	<u>\$ 155,739</u>	<u>\$ 13,230</u>



COLORADO

Department of Transportation

Instructions **Data Entry** CY15 Contact Information

Calendar Year 2015

A. Receipts from local sources

2. General Fund Appropriations:	\$	213429
3. Other local imposts: <i>(from A.3. Total' below)</i>	\$	1,425,213
4. Miscellaneous local receipts: <i>(from A.4. Total' below)</i>	\$	63,626
5. Transfers from toll facilities	\$	0
6. Proceeds of sale of bonds and notes		
a. Bonds - Original Issues:	\$	0
b. Bonds - Refunding Issues:	\$	0
c. Notes:	\$	0
SubTotal:	\$	1,702,268

B. Private Contributions

\$ 0

II - RECEIPTS FOR ROAD AND STREET PURPOSES (Detail)

A.3. Other local imposts

a. Property Taxes and Assessments	\$	1366420
b. Other Local Imposts		
1. Sales Taxes:	\$	0
2. Infrastructure and Impact Fees:	\$	0
3. Liens:	\$	0
4. Licenses:	\$	0
5. Specific Ownership and/or Other:	\$	58793
Total: <i>(a + b) carried to 'Other local imposts' above)</i>	\$	1,425,213

A.4. Miscellaneous local receipts

a. Interest on Investments:	\$	0
b. Traffic fines & Penalties:	\$	0
c. Parking Garage Fees:	\$	0
d. Parking Meter Fees:	\$	0
e. Sale of Surplus Property:	\$	110
f. Charges for Services:	\$	25919
g. Other Misc. Receipts:	\$	35297
h. Other:	\$	2300
Total: <i>(a through h) carried to 'Misc local receipts' above)</i>	\$	63,626

C. Receipts from State Government

1. Highway User Taxes:	\$	1928207
3. Other State funds:		
c. Motor Vehicle Registrations:	\$	22564

d. Other (Specify) - DOLA Grant: <i>(Specify in comments section below)</i>	\$	242313
e. Other (Specify): <i>(Specify in comments section below)</i>	\$	502
Total: (1+3c,d,e)	\$	2,193,586

D. Receipts from Federal Government

2. Other Federal Agencies

a. Forest Service:	\$	36896
b. FEMA:	\$	0
c. HUD:	\$	0
d. Federal Transit Administration:	\$	0
e. U.S. Corp of Engineers	\$	0
f. Other Federal:	\$	69381
Total: (2a-f)	\$	106,277

III - DISBURSEMENTS FOR ROAD AND STREET PURPOSES

A. Local highway disbursements

1. Capital outlay: <i>(from A.1.d. Total Capital Outlay below)</i>	\$	0
2. Maintenance:	\$	3017507
3. Road and street services		
a. Traffic control operations:	\$	0
b. Snow and ice removal:	\$	80011
c. Other:	\$	0
4. General administration & miscellaneous	\$	1038460
5. Highway law enforcement and safety	\$	0
Total: (A.1-5)	\$	4,135,978

B. Debt service on local obligations

1. Bonds		
a. Interest	\$	0
b. Redemption	\$	0
2. Notes		
a. Interest	\$	0
b. Redemption	\$	0
SubTotal: (1+2)	\$	0

C. Payments to State for Highways:

D. Payments to Toll Facilities:

\$	0
\$	0

Total Disbursements: (A+B+C+D)	\$	4,135,978
---------------------------------------	----	------------------

III - DISBURSEMENTS FOR ROAD AND STREET PURPOSES - (Detail)

A. ON NATIONAL HIGHWAY SYSTEM	B. OFF NATIONAL HIGHWAY SYSTEM	C. TOTAL
----------------------------------	-----------------------------------	----------

A.1. Capital Outlay

Data Entry - Local Highway Finance Report

a. Right-Of-Way Costs:	\$ <input type="text" value="0"/>	\$ <input type="text" value="0"/>	\$	0
b. Engineering Costs:	\$ <input type="text" value="0"/>	\$ <input type="text" value="0"/>	\$	0
c. Construction				
1. New Facilities:	\$ <input type="text" value="0"/>	\$ <input type="text" value="0"/>	\$	0
2. Capacity Improvements:	\$ <input type="text" value="0"/>	\$ <input type="text" value="0"/>	\$	0
3. System Preservation:	\$ <input type="text" value="0"/>	\$ <input type="text" value="0"/>	\$	0
4. System Enhancement:	\$ <input type="text" value="0"/>	\$ <input type="text" value="0"/>	\$	0
5. Total Construction:			\$	0
d. Total Capital Outlay: <i>(Lines A.1.a. + 1.b. + 1.c.5)</i>			\$	0

IV. LOCAL HIGHWAY DEBT STATUS

	OPENING DEBT	AMOUNT ISSUED	REDEMPTIONS	CLOSING DEBT
A. Bonds (Total)	\$ <input type="text" value="0"/>	\$ <input type="text" value="0"/>	\$ <input type="text" value="0"/>	\$ 0
1. Bonds (Refunding Portion)		\$ <input type="text" value="0"/>	\$ <input type="text" value="0"/>	\$ 0
B. Notes (Total):	\$ <input type="text" value="0"/>	\$ <input type="text" value="0"/>	\$ <input type="text" value="0"/>	\$ 0

V - LOCAL ROAD AND STREET FUND BALANCE

A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
\$ <input type="text" value="3005626"/>	\$ <input type="text" value="4,002,131"/>	\$ <input type="text" value="4,135,978"/>	\$ <input type="text" value="2871779"/>	\$ 0

Notes & Comments:

Please enter your name:

Please provide a telephone number where you may be reached:

If all entries are to be considered final and no more editing is expected, please check here:

SAN MIGUEL, COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2015

Federal Grantor/Pass Through Grantor/Program Title	FEDERAL CFDA NUMBER	FEDERAL AWARDS EXPENDED
DEPARTMENT OF HEALTH AND HUMAN SERVICES		
Passed Through Colorado Department of Health care policy and Financing Medical Assistance program	93.778	\$ 57,299
Passed Through Colorado Department of Public Health and Environment:		
Public Health Emergency Preparedness	93.069	15,432
Family Planning Services	93.217	3,165
Childhood Immunization	93.268	2,861
Maternal and Child health Services Block Grant to the states	93.994	7,077
Passed Through Colorado Department of Human Services		
Temporary Assistance to Needy Families	93.558	51,920
Promoting safe and stable Families	93.556	52
Child Support Enforcement (Title IV-d)	93.563	42,128
Low Income Home Energy Assistance	93.568	49,324
Child Care and Development Block Grant	93.575	1,265
Child Care mandatory and Matching Funds of the Child Care and Development fund and Development Block Grant	93.596	29,540
Child Welfare Services - State Grants	93.645	347
Foster Care - Title IV-E	93.658	80,218
Adoption Assistance	93.659	2,376
Social Services Block Grant	93.667	9,325
Single Entry Point	93.XXX	1,412
Total Department of Health and Human Services		\$ 353,741

**SAN MIGUEL COUNTY, COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2015**

Federal Grantor/Pass Through Grantor/Program Title	FEDERAL CFDA NUMBER	FEDERAL AWARDS EXPENDED
DEPARTMENT OF AGRICULTURE		
Passed Through Colorado Department of Health Services:		
SNAP	10.551	\$ 287
State Administrative matching Grants for Food Stamp program	10.561	\$ 60,049
Passed Through Colorado Department of Public Health and Environment:		
Special Supplemental Nutrition program for Women, Infants, and Children	10.557	31,463
Special Supplemental Nutrition program Women Infants and Children - Non Cash	10.557	47,786
Farmers Market and Local Food Promotion	10.168	12,367
Total Department of Agriculture		<u>151,952</u>
DEPARTMENT OF HOMELAND SECURITY		
Passed Through Colorado Department of Public Safety:		
Emergency Management Performance Grant	97.042	45,000
Homeland Security Grant-2014	97.067	187,204
		<u>232,204</u>
DEPARTMENT OF JUSTICE		
Passed Through Bureau of Justice Affairs:		
JAG Grant	16.606	<u>23,121</u>
DEPARTMENT OF TRANSPORTATION		
Passed Through Colorado Department of Transportation:		
Formula Grants For Rural Areas	20.509	110,000
Job Access and Reverse Commute Program	20.516	54,624
Passed Through Colorado Department of Natural Resources:		
Recreational Trails Program	20.219	7,360
		<u>171,984</u>
Total federal award expenditures		<u><u>\$ 933,002</u></u>

SAN MIGUEL, COLORADO
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The Schedule of Expenditures of Federal Awards includes the federal grant activity of the San Miguel County, Colorado, and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulation (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance).

NOTE B - REPORTING ENTITY

The financial reporting entity consists of San Miguel County, Colorado (the County) as the primary government; organizations for which the County is financially accountable; and other organizations for which the nature and significance of their relationship with the County are such that exclusion would cause the County's financial statements to be misleading or incomplete.

NOTE C - PASS-THROUGH AWARDS

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

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

To the Board of San Miguel County Commissioners
San Miguel, Colorado

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of San Miguel County, Colorado, as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise San Miguel County, Colorado's basic financial statements, and have issued our report thereon dated June 19, 2016.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether San Miguel County, Colorado's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

To the Board of San Miguel County Commissioners
San Miguel County, Colorado
Page Two

Purpose of this Report

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

Blair and Associates, P.C.

Cedaredge, Colorado
June 19, 2016

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of San Miguel County Commissioners
San Miguel County, Colorado

Report on Compliance for Each Major Federal Program

We have audited the San Miguel County, Colorado's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the San Miguel County, Colorado's major federal programs for the year ended December 31, 2015. San Miguel County, Colorado's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the San Miguel County, Colorado's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the San Miguel County, Colorado's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, the San Miguel County, Colorado, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2015.

Report on Internal Control over Compliance

Management of the San Miguel County, Colorado, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the San Miguel County, Colorado's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the San Miguel County, Colorado's internal control over compliance.

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

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

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

Blair and Associates, P.C.

Cedaredge, Colorado
June 19, 2016

SAN MIGUEL, COLORADO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year ended December 31, 2015

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	None Reported
Noncompliance material to financial statements noted	No

Federal Awards

Internal Control over major programs:	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	None Reported
Type of auditor's report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance 2 CFR 200.516	No

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
10.551/10.561	Supplemental Nutrition Assistance Program
93.568	Low Income Home Energy Assistance
97.042	Emergency Management Performance Grant
97.067	Homeland Security Grant
20.516	Job Access and Reverse Commute Program

Dollar threshold used to distinguish between Type A and Type B programs:	\$750,000
Auditee qualified as low-risk auditee?	No

SAN MIGUEL, COLORADO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS — CONTINUED
Year ended December 31, 2015

SECTION II — Financial Statement Findings

None noted in the current year audit

SECTION III — Federal Award Findings and Questioned Costs

None noted in the current year audit

SAN MIGUEL, COLORADO
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
Year ended December 31, 2015

FINDINGS UNDER GENERALLY ACCEPTED GOVERNMENT AUDITING STANDARDS

None

FINDINGS AND QUESTIONED COSTS UNDER OMB CIRCULAR A-133 for 2014 Audit

None