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*Management Report*

*For*

*San Miguel County*

*December 31, 2018*

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Board of Commissioners  
San Miguel County  
Telluride, Colorado

Dear Members of the Board:

We enjoyed the opportunity of working with the staff at San Miguel County during the performance of your December 31, 2018 audit. This letter is a by-product of the audit process, and accompanies your annual audited financial statements.

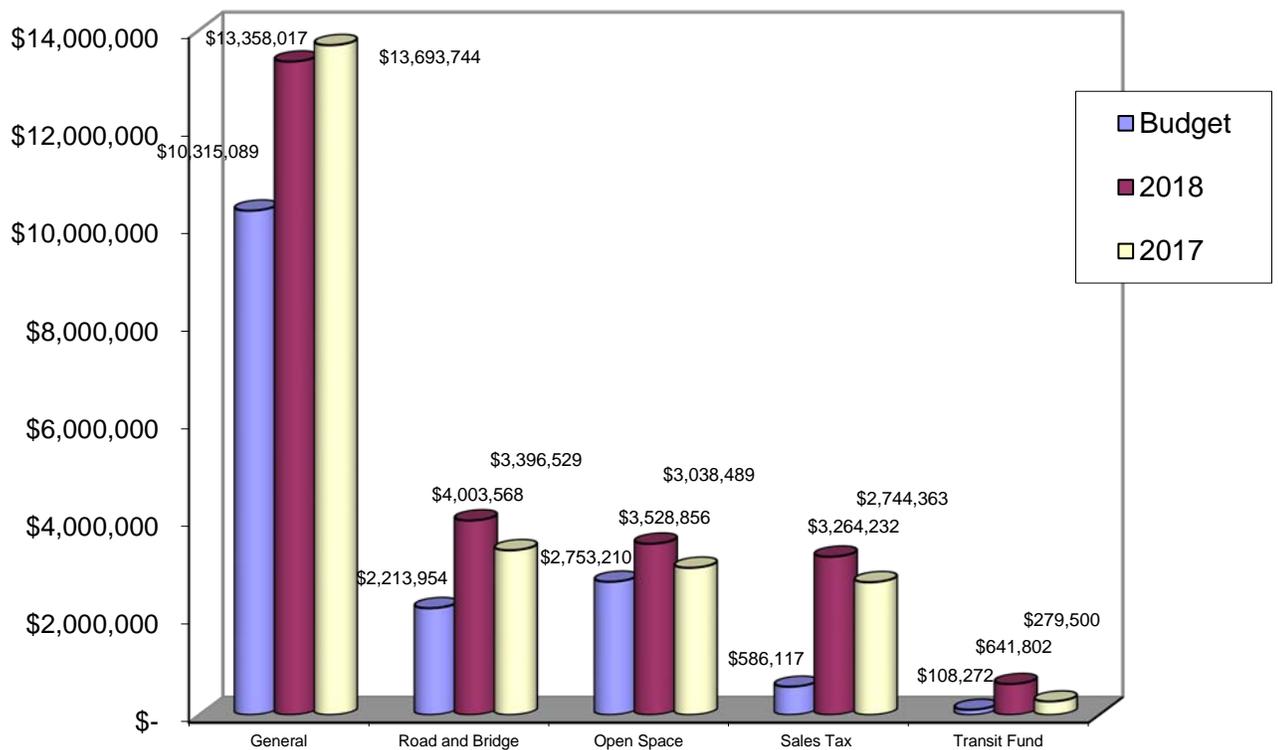
We hope this management letter provides you with valuable information that will assist in managing the County's financial operations. Included in this report are segments on positive observations, financial analysis and suggestions to improve the County's financial operations.

We did not design our review of the County's financial polices to detect all control weaknesses or irregularities that may exist within the County's operations. Consequently, we do not express an opinion on your internal control structure.

## *Positive Operations*

In this section, we highlight the positive financial areas that we observed. Our first Graph illustrates the projected fund balances compared to actual balances at December 31, 2018 for the governmental fund types.

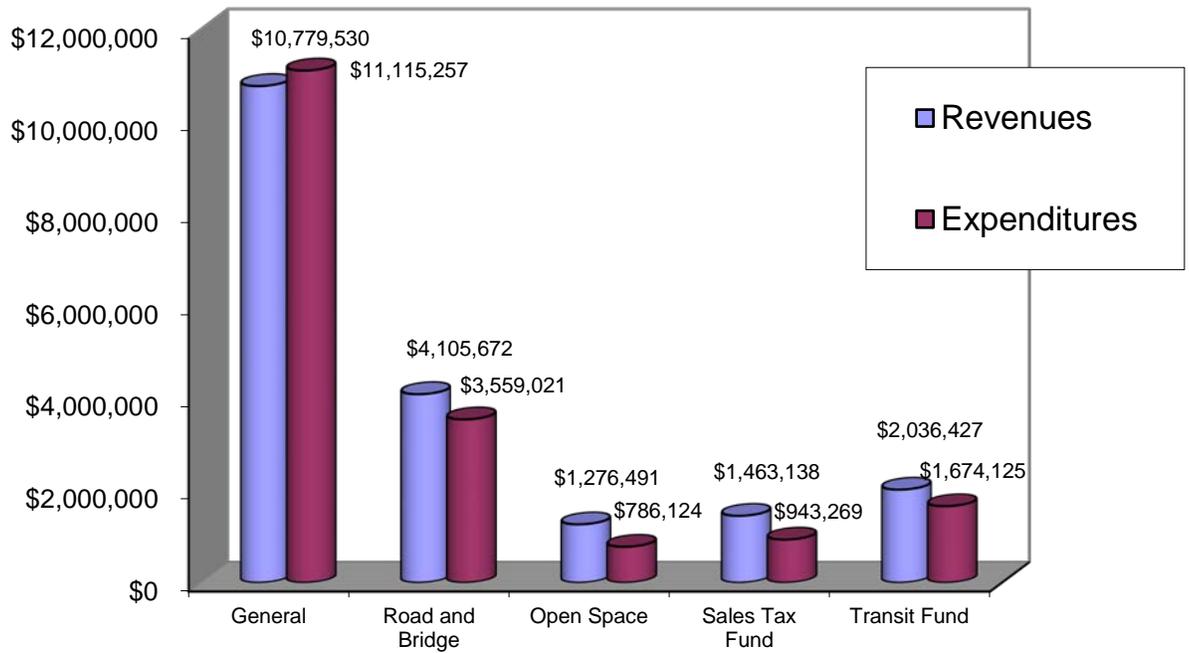
### *Fund Balances*



## *Operating Revenues and Expenditures*

The following graph depicts a comparison of 2018 sources of operating revenues and expenditures for the governmental funds.

### Comparison of Revenues and Expenditures



## ***Areas for Enhancement***

Throughout the audit, we observed areas that management may want to consider for change. These recommendations are subjective comments and we intend them to be a guideline for management to use constructively.

### ***Accrued Vacation and Sick Leave***

The finance department needs to implement an excel spreadsheet to track accrued vacation and sick leave by departments and accrued amounts to governmental funds that are current liabilities.

### ***Trust and Agency worksheet***

The finance department needs to implement an excel spreadsheet to track trust and agency funds, such as clearing accounts, sheriff's accounts and etc.

## ***Final Remarks***

We would like to thank the County for allowing us to assist you with your financial consulting and auditing needs. We would especially like to thank Ramona Rummel for her assistance in helping us complete the audit.

Should you have any questions or require additional assistance, please contact Pete Blair at 1-970-856-7550 or at [PeteBlaircpa@yahoo.com](mailto:PeteBlaircpa@yahoo.com).