

cPa DIXON, WALLER & CO., INC.

LAS ANIMAS COUNTY, COLORADO

FINANCIAL STATEMENTS

DECEMBER 31, 2017

DIXON, WALLER & CO., INC.

TABLE OF CONTENTS

LAS ANIMAS COUNTY, COLORADO
FINANCIAL STATEMENTS
DECEMBER 31, 2017

	<u>Page</u>
Title Page	
Table of Contents	
<u>FINANCIAL SECTION</u>	
Independent Auditor's Report.....	1-2
Management's Discussion and Analysis	i-vi
<u>BASIC FINANCIAL STATEMENTS</u>	
Government Wide Financial Statements:	
Statement of Net Position.....	3
Statement of Activities	4
Fund Financial Statements:	
Balance Sheet – Governmental Funds	5
Reconciliation of Governmental Funds Balance Sheet to Statement of Net Position ..	6
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	7
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	8
Statement of Net Position – Proprietary Funds.....	9
Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds	10
Statement of Cash Flows – Proprietary Funds.....	11
Statement of Fiduciary Net Position – Fiduciary Funds.....	12
Notes to Basic Financial Statements	13-35

REQUIRED SUPPLEMENTARY INFORMATION - BUDGETARY COMPARISONS

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual –
General and Major Special Revenue Funds

General Fund	36
Road and Bridge – Special Revenue Fund	37
Public Welfare – Special Revenue Fund	38-39
Capital Expenditure – Special Revenue Fund	40

COMBINING AND INDIVIDUAL FUND STATEMENTS AND OTHER SCHEDULES

Schedule of Revenues, Expenses, and Changes in Net Position – Airport – Proprietary Fund - Budget (GAAP Basis) and Actual	41
Combining Balance Sheet – Nonmajor Governmental Funds	42
Combining Statement of Revenues, Expenditures and Changes In Fund Balances – Nonmajor Governmental Funds	43

Schedule of Revenues, Expenditures and Changes in Fund Balances Budget (GAAP Basis) and Actual:

Jail Facility – Special Revenue Fund	44
Conservation Trust Fund – Special Revenue Fund	45
LEAF and DUI Fund – Special Revenue Fund	46
Jail – Capital Projects Fund	47

OTHER SCHEDULES

Counties, Cities and Towns Annual Statement of Receipts and Expenditures for Roads, Bridges and Streets	48-52
Public Welfare Fund - Schedule of Authorization, Expenditures, and Total Expenditures	53-54

SINGLE AUDIT SECTION

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 <i>Government Auditing Standards</i>	55-56
Independent Auditor's Report on Compliance for each Major Program and on Internal Control over Compliance Required by Uniform Guidance	57-58
Schedule of Findings and Questioned Costs	59-60
Summary Schedule of Prior Audit Findings	61
Schedule of Expenditures of Federal Awards	62
Notes to Schedule of Expenditures of Federal Awards	63

FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

The Board of County Commissioners
Las Animas County
Trinidad, Colorado 81082

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Las Animas County, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Las Animas County, as of December 31, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages i through vi and 36 through 40 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 Las Animas County's basic financial statements. The combining and individual fund financial statements and other schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is not a required part of the basic financial statements. The combining and individual fund financial statements, other schedules and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements, other schedules and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

The disclosure on EBT authorizations, warrant expenditures and total expenditures on page 53-54 is not a required part of the basic financial statements but is supplementary information required by the Colorado Department of Human Services. We have applied certain limited procedures which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2018, on our consideration of Las Animas County'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 Las Animas County's internal control over financial reporting and compliance.

Dwan, Waller & Co., P.C.

June 30, 2018

MANAGEMENT'S DISCUSSION AND ANALYSIS

LAS ANIMAS COUNTY, COLORADO Management's Discussion and Analysis

Management of Las Animas County offers readers of the County's annual financial report this discussion and analysis of financial activities for the fiscal year ended December 31, 2017. We encourage readers to consider the information presented here in conjunction with the County's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The County's total combined net position for government and business-type activities were \$50,485,517 at December 30, 2017.
- During the year, \$20,994,918 was generated by taxes, grants and other forms of revenue in all government funds, which left a decrease by \$2,908,865 compared to 2016.
- As of December 31, 2017, The County's governmental funds reported combined ending fund balances of \$8,745,547, a decrease of \$1,624,685 in comparison with the prior year. Of the ending fund balance, \$305,500 is reserved for emergencies.
- As of December 31, 2017, unreserved/unassigned fund balance for the general fund was \$3,322,856 alternatively, 65% of total general fund expenditures.
- In the general fund, the actual revenues (\$5,783,379) were .14% lower than what was budgeted while actual expenditures (\$5,732,176) were 1% lower than budget. Which left the excess of revenues over expenditures was \$687,965, however because of (\$636,762) other finance uses resulted in an increase in fund balance of \$51,203.
- County Revenues in other governmental funds decreased by (\$2,908,865) or 12.2% lower than they had been in the previous year of 2016, while expenditures also decreased by (\$4,662,074) or 17.4% lower than expenditures for 2016.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to Las Animas County's basic financial statements. The County's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Government-wide financial statements – The government-wide financial statements are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the County's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of the financial viability of the County.

The statement of activities presents information showing how the County's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses reported in this statement for certain items will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Each of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (government activities) from functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the County include general government, public safety, health & environment, auxiliary services, intergovernmental activities, roads & bridges, and social services.

The government-wide financial statements can be found on pages 3 to 4 of the audit report.

Fund financial statements – A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Las Animas County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County 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, unlike the government-wide financial statements, governmental fund financial statements focus on current sources and uses of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year.

Because the focus of 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. 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 between governmental funds and governmental activities.

The County maintains 8 governmental funds. Information is presented separately in the Governmental Fund Balance Sheet and in the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund, Road & Bridge Fund, Public Welfare Fund (human services), and other governmental funds including Capital Expenditures, and Conservation Trust.

The County adopts an annual appropriated budget for its funds. A budgetary comparison statement has been provided for each fund to demonstrate compliance with the budget. Expenditures were within budgeted amounts in all of the funds.

Proprietary funds: The County maintains one proprietary fund, which is the Airport Enterprise Fund. Enterprise funds are those in which customers are charged a fee and are used to report the same functions presented as business-type activities in the government-wide financial statements. Proprietary funds provide, in greater detail, the same type of information as the government-wide financial statements.

The basic proprietary fund financial statements can be found on pages 9 to 11 of the audit report.

Fiduciary funds: The County is the trustee, or *fiduciary*, for certain funds. Some examples of fiduciary funds are the School Districts, Cities & Towns, Health Department & District Attorney, and other Special Districts. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the County's own programs.

The basic fiduciary fund financial statements can be found on pages 12 to 13 of this report.

Notes to the financial statements – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 14 to 35 of this report.

GOVERNMENT WIDE FINANCIAL ANALYSIS

Net Position may serve over time as a useful indicator of a government’s financial position. In the case of Las Animas County, assets exceeded liabilities by \$50,485,517 as of December 31, 2017.

Of the County’s total net position, 84.8%, is reflected in capital assets investments (e.g. land, buildings, roads, bridges, equipment), less any related debt used to acquire assets that are still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County’s investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

LAS ANIMAS COUNTY’S NET POSITION

Net Position (page iii)	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Capital Assets, not depreciated	\$470,261	\$470,261	\$193,904	\$7,535,359	\$664,165	\$8,005,620
Capital Assets, being deprec (net)	\$33,573,429	\$38,784,153	\$8,562,659	\$1,602,237	\$42,136,088	\$40,386,390
Total Capital Assets	\$34,043,690	\$39,254,414	\$8,756,563	\$9,137,596	\$42,800,253	\$48,392,010
Current & Other Assets	\$13,714,411	\$15,603,478	\$48,487	\$30,058	\$13,762,898	\$15,633,536
Total Assets	\$47,758,101	\$54,857,892	\$8,805,050	\$9,167,654	\$56,563,151	\$64,025,546
Long-term Liabilities Outstanding	\$0	\$0	\$0	\$0	\$0	\$0
Other Liabilities	\$2,732,611	\$3,402,247	\$132,653	\$143,897	\$2,865,264	\$3,546,144
Total Liabilities	\$2,732,611	\$3,402,247	\$132,653	\$143,897	\$2,865,264	\$3,546,144
Deferred Inflows of Resources	\$3,212,371	\$3,087,109	\$0	\$0	\$3,212,371	\$3,087,109
Net Position:						
Net Investment in						
Capital Assets	\$33,455,531	\$38,418,177	\$8,756,564	\$9,137,596	\$42,212,095	\$47,555,773
Restricted	\$5,392,896	\$7,099,008	\$0	\$0	\$5,392,896	\$7,099,008
Unrestricted (Deficit)	\$2,964,692	\$2,851,351	(\$84,166)	(\$113,839)	\$2,880,526	\$2,737,512
Total Net Position	\$41,813,119	\$48,368,536	\$8,672,398	\$9,023,757	\$50,485,517	\$57,392,293

The increase in net position from 2016 to 2017 is due primarily capital asset (Airport Runway Project. etc.). Infrastructure accounted for \$24,591,718, after depreciation, of total net position. A portion of the County’s net position, represents resources that are subject to external restriction on how they may be used. The remaining unrestricted net position, \$2,880,526 has increased 5.2% from 2016

In addition, the remaining may be used to meet the government's ongoing obligations to citizens and creditors. As of December 31, 2017, the County is able to report positive balances in all three categories of total net position, both for the government as a whole, as well as for its separate governmental and business-type activities.

Changes in Net Position – The County's total revenues are \$21,213,646. Of this total, 26.7% is general revenue, i.e. taxes, intergovernmental revenue, interest income, etc.; 68.5% is from state programs and grants; and 4.8% relates to charges for services.

The total cost of all programs and services was \$27,599,273. The two largest portions are 36.6%, for social services and 38.6% for the various capital projects throughout the county including roads, bridges, and building construction. The resulting change in net position was a negative (6,909,776). Both the governmental activities programs and the Airport Proprietary Fund realized a decrease in net position for 2017.

Analysis of the County's Operations – The table below provides a summary of Las Animas County's operations for 2017. In governmental activities, net position decreased in the amount of (\$6,555,417). In business-type activities, net position decreased by (\$351,359).

LAS ANIMAS COUNTY'S CHANGES IN NET POSITION

Changes in Net Position (page iv)	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Revenues						
Program Revenues						
Charges for Services	\$796,060	\$1,093,806	\$218,728	\$130,253	\$1,014,788	\$1,224,059
Operating Grants & Contributions	\$12,906,895	\$13,140,790	\$0	\$0	\$12,906,895	\$13,140,790
Capital Grants & Contributions	\$1,631,277	\$3,462,425	\$0	\$6,749,405	\$1,631,277	\$10,211,830
General Revenues					\$0	\$0
Property Taxes	\$3,738,287	\$3,713,185	\$0	\$0	\$3,738,287	\$3,713,185
Specific Ownership Taxes	\$540,858	\$596,209	\$0	\$0	\$540,858	\$596,209
Sales Taxes	\$3,628	\$200	\$0	\$0	\$3,628	\$200
Sale of Assets	\$0	\$0	\$0	\$0	\$0	\$0
Intergovernmental (Not Specific Restrict)	\$478,134	\$856,973	\$0	\$0	\$478,134	\$856,973
Legal Settlement Jail Renov	\$0	\$0	\$0	\$0	\$0	\$0
Insurance Proceeds	\$660,703	\$709,191	\$0	\$0	\$660,703	\$709,191
Interest Revenue	\$72,958	\$56,760	\$0	\$0	\$72,958	\$56,760
Other Revenues	\$166,118	\$274,244	\$0	\$0	\$166,118	\$274,244
Transfers In / (Out)	\$0	(\$486,331)	\$0	\$486,331	\$0	\$0
Total Revenues	\$20,994,918	\$23,417,452	\$218,728	\$7,365,989	\$21,213,646	\$30,783,441
Expenses						
General Government	\$3,423,833	\$3,617,198	\$0	\$0	\$3,423,833	\$3,617,198
Public Safety	\$2,236,545	\$2,278,943	\$0	\$0	\$2,236,545	\$2,278,943
Health & Environment	\$173,416	\$216,740	\$0	\$0	\$173,416	\$216,740
Auxiliary Services	\$150,836	\$69,811	\$0	\$0	\$150,836	\$69,811
Intergovernmental	\$248,991	\$372,737	\$0	\$0	\$248,991	\$372,737
Parks and Recreation	\$5,115	\$5,998	\$0	\$0	\$5,115	\$5,998
Road, Bridges & Capital Outlay	\$10,661,401	\$7,144,076	\$0	\$0	\$10,661,401	\$7,144,076
Social Services	\$10,107,305	\$9,638,671	\$0	\$0	\$10,107,305	\$9,638,671
Debt Services	\$21,744	\$29,081	\$0	\$0	\$21,744	\$29,081
Airport	\$0	\$0	\$570,087	\$344,975	\$570,087	\$344,975
Total Expenses	\$27,029,186	\$23,373,255	\$570,087	\$344,975	\$27,599,273	\$23,718,230
Increase / (Decrease) In Net Position	(\$6,034,268)	\$44,197	(\$351,359)	\$7,021,014	(\$6,385,627)	\$7,065,211
Net Position -- January 1- Restated	\$48,361,465	\$48,324,339	\$9,023,757	\$2,002,743	\$57,385,222	\$50,327,082
Prior Year Adjustment	(\$514,078)		\$0	\$0	(\$514,078)	\$0
Net Position -- January 1, restated	\$47,847,387	\$48,324,339	\$9,023,757	\$2,002,743	\$56,871,144	\$50,327,082
Net Position -- December 31	\$41,813,119	\$48,368,536	\$8,672,398	\$9,023,757	\$50,485,517	\$57,392,293

CAPITAL ASSETS

CAPITAL ASSETS AT YEAR END Net of Accumulated Depreciation

Capital Assets Net of Accum Dprec	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Land	\$470,261	\$470,261	\$117,304	\$117,304	\$587,565	\$587,565
Water Rights	\$0	\$0	\$76,600	\$76,600	\$76,600	\$76,600
Construction in Progress	\$0	\$0	\$0	\$7,341,455	\$0	\$7,341,455
Infrastructure	\$24,591,718	\$28,841,315	\$0	\$0	\$24,591,718	\$28,841,315
Structure & Improvements	\$7,775,728	\$8,364,671	\$8,164,305	\$1,171,090	\$15,940,033	\$9,535,761
Equipment	\$1,205,983	\$1,578,167	\$398,354	\$431,147	\$1,604,337	\$2,009,314
Total Capital Assets (net)	\$34,043,690	\$39,254,414	\$8,756,563	\$9,137,596	\$42,800,253	\$48,392,010

During fiscal year 2017, Las Animas County added \$376,591 and \$323,814 capital assets were retired, including infrastructure, equipment, buildings, and vehicles. After depreciation, the total value of all assets is \$42,800,253. The County depreciates capital assets, except land and water rights, using the straight-line depreciation method in addition, a predetermined useful life of the asset.

LONG-TERM DEBT

LONG TERM DEBT AT YEAR END

Long Term Debt	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Sales Tax revenue Bonds	\$0	\$0	\$0	\$0	\$0	\$0
Notes Payable	\$0	\$0	\$0	\$0	\$0	\$0
Contract Agreement	\$118,794	\$237,589	\$0	\$0	\$118,794	\$237,589
Capital Lease Obligations	\$469,365	\$598,648	\$0	\$0	\$469,365	\$598,648
Compensated Absences	\$387,959	\$419,873	\$0	\$0	\$387,959	\$419,873
Total Long-Term Debt	\$976,118	\$1,256,110	\$0	\$0	\$976,118	\$1,256,110

Total long-term debt obligations of the County decreased by \$279,992 from 2016 to 2017. The amount owed to employees for compensated absences decreased by 7.6% in 2017. Compensated absences include accrued annual leave and sick leave due to employees of the general fund, road & bridge fund, and the department of social (human) services fund upon their separation from employment with the county.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Assessed valuation of taxable properties used for the 2018 budget preparation increased by \$13,341,790, or 4.1%. A Ballot Question (1B) approved by voters of Las Animas County in November 2005 which allowed the county to freeze the mill levy at that year's level of 9.357 mills for a five-year period expired at the end of 2010. Beginning with the 2011 budget year, Las Animas County was again required to adhere to any revenue restrictions as it pertains to the assessment of property taxes. November 2017 Ballot question (1C) approved by voters of Las Animas County which allowed the county to retain and spend all revenues in 2018 and each year after without raising the tax rate above the current level of 9.357 mills. General fund spending in 2018 is projected to increase by \$836,186 or 12.7% above what was actually spent in 2017, and general fund revenue is expected to increase by \$785,013 or 12% higher from what was actually realized in 2017. Revenues and expenditures in the general fund and road and bridge fund may fluctuate accordingly with the county's receipt of any capital improvement grants and awards.

REQUESTS FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the County's finances. If you have questions about this report or need additional financial information, please contact the County Finance Director at 200 E. First Street, Trinidad, Colorado 81082, or by calling (719) 845-2578.

BASIC FINANCIAL STATEMENTS

LAS ANIMAS COUNTY, COLORADO
STATEMENT OF NET POSITION
December 31, 2017

<u>ASSETS</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Cash and Equivalents	9,301,103	-	9,301,103
Receivables (Net, if Applicable, of Allowance for Uncollectibles):			
Accounts	375,196	4,660	379,856
Accrued Interest	14,925	-	14,925
Accrued Revenue	554,614	-	554,614
Property Tax	3,212,371	-	3,212,371
Interfund Receivable	130,041	18,259	148,300
Due from Other Governments	96,366	-	96,366
Inventories	29,795	25,568	55,363
Prepaid Insurance	-	-	-
Fixed Assets (Net)	<u>34,043,690</u>	<u>8,756,564</u>	<u>42,800,254</u>
<u>Total Assets</u>	<u>47,758,101</u>	<u>8,805,051</u>	<u>56,563,152</u>
 <u>DEFERRED OUTFLOWS OF RESOURCES</u>	 -	 -	 -
 <u>LIABILITIES</u>			
Interfund Payable	18,259	130,041	148,300
Unearned Grant Payments	378,712	-	378,712
Accounts Payable	273,924	1,569	275,493
Accrued Wages & Benefits Payable	71,689	1,043	72,732
Other Liabilities	75,242	-	75,242
Due to Other Governments	938,667	-	938,667
Noncurrent Liabilities:			
Due Within One Year	257,272	-	257,272
Due in More than One Year	330,887	-	330,887
Compensated Absences Payable	<u>387,959</u>	<u>-</u>	<u>387,959</u>
<u>Total Liabilities</u>	<u>2,732,611</u>	<u>132,653</u>	<u>2,865,264</u>
 <u>DEFERRED INFLOWS OF RESOURCES</u>			
Property Tax	<u>3,212,371</u>	<u>-</u>	<u>3,212,371</u>
 <u>NET POSITION</u>			
Net Investment in Capital Assets	33,455,531	8,756,564	42,212,095
Restricted for:			
Capital Projects	1,439,483	-	1,439,483
Public Safety	679,251	-	679,251
Roads and Bridges	2,665,185	-	2,665,185
Parks and Recreation	303,977	-	303,977
Tabor Reserve	305,000	-	305,000
Unrestricted (Deficit)	<u>2,964,692</u>	<u>(84,166)</u>	<u>2,880,526</u>
<u>Total Net Position</u>	<u>41,813,119</u>	<u>8,672,398</u>	<u>50,485,517</u>

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

LAS ANIMAS COUNTY, COLORADO
STATEMENT OF ACTIVITIES
Year Ended December 31, 2017

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Governmental Activities	Business Type Activities	Total
Governmental Activities							
General Government	3,423,833	692,024	-	-	(2,731,809)	-	(2,731,809)
Public Safety	2,236,545	104,036	-	-	(2,132,509)	-	(2,132,509)
Health & Environment	173,416	-	-	-	(173,416)	-	(173,416)
Auxiliary Services	150,836	-	-	-	(150,836)	-	(150,836)
Intergovernmental	248,991	-	-	-	(248,991)	-	(248,991)
Parks and Recreation	5,115	-	50,045	-	44,930	-	44,930
Roads, Bridges and Capital Outlay	10,661,401	-	3,308,336	1,631,277	(5,721,788)	-	(5,721,788)
Social Services	10,107,305	-	9,548,514	-	(558,791)	-	(558,791)
Debt Service Interest	21,744	-	-	-	(21,744)	-	(21,744)
Total Governmental Activities	27,029,186	796,060	12,906,895	1,631,277	(11,694,954)	-	(11,694,954)
BUSINESS TYPE ACTIVITIES							
Airport	570,087	218,728	-	-	-	(351,359)	(351,359)
Total Business Type Activities	570,087	218,728	-	-	-	(351,359)	(351,359)
Total Primary Government	27,599,273	1,014,788	12,906,895	1,631,277	(11,694,954)	(351,359)	(12,046,313)
General Revenues:							
Property Taxes					3,738,287	-	3,738,287
Specific Ownership Taxes					540,858	-	540,858
Sales Taxes					3,628	-	3,628
Intergovernmental Not Specifically Restricted					478,134	-	478,134
Insurance Proceeds					660,703	-	660,703
Interest Revenue					72,958	-	72,958
Other Revenues					166,118	-	166,118
Transfers In (Out)					-	-	-
Total General Revenues & Transfers					5,660,686	-	5,660,686
Change in Net Position					(6,034,268)	(351,359)	(6,385,627)
Net Position – Beginning (as Restated)					48,361,465	9,023,757	57,385,222
Prior Year Correction					(514,078)	-	(514,078)
Net Position – Ending					41,813,119	8,672,398	50,485,517

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

LAS ANIMAS COUNTY, COLORADO
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2017

	Special Revenue				Other Governmental Funds	Total Governmental Funds
	General	Road & Bridge	Public Welfare	Capital Expenditure		
ASSETS:						
Cash and Equivalents	3,645,461	2,109,820	1,122,746	1,214,454	1,208,622	9,301,103
Receivables (Net, of Allowance where Applicable)						
Accounts	118,523	253,152	1,599	1,922	-	375,196
Accrued Revenue	24,500	409,658	-	120,456	-	554,614
Accrued Interest	14,925	-	-	-	-	14,925
Property Taxes	2,525,858	-	514,885	171,628	-	3,212,371
Inventory	-	29,795	-	-	-	29,795
Due from Other Funds	130,041	-	236,762	485	-	367,288
Due from Other Governments	-	-	96,366	-	-	96,366
<u>Total Assets</u>	<u>6,459,308</u>	<u>2,802,425</u>	<u>1,972,358</u>	<u>1,508,945</u>	<u>1,208,622</u>	<u>13,951,658</u>
<u>Deferred Outflows of Resources</u>	-	-	-	-	-	-
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES:						
Liabilities:						
Accounts Payable	52,120	62,258	54,577	104,969	-	273,924
Accrued Salaries Payable	16,227	45,187	10,275	-	-	71,689
Due to Other Funds	237,347	-	-	18,259	-	255,506
Due to Other Governments	-	-	938,667	-	-	938,667
Liabilities Payable from Restricted Assets	-	-	-	-	-	-
Other Payables	-	-	75,242	-	-	75,242
Unearned Grant Payments	-	-	378,712	-	-	378,712
<u>Total Liabilities</u>	<u>305,594</u>	<u>107,445</u>	<u>1,457,473</u>	<u>123,228</u>	<u>-</u>	<u>1,993,740</u>
<u>Deferred Inflows of Resources</u>						
Property Tax	<u>2,525,858</u>	-	<u>514,885</u>	<u>171,628</u>	-	<u>3,212,371</u>
Fund Balances:						
Nonspendable:						
Inventories	-	29,795	-	-	-	29,795
Prepaid Expense	-	-	-	-	-	-
Restricted:						
Emergencies	305,000	-	-	-	-	305,000
Roads & Bridges	-	2,665,185	-	-	-	2,665,185
Capital Outlay	-	-	-	1,214,089	225,394	1,439,483
Parks and Recreation	-	-	-	-	303,977	303,977
Public Safety	-	-	-	-	679,251	679,251
Social Services	-	-	-	-	-	-
Committed:						
Unanticipated Obligations	272,832	-	-	-	-	272,832
Assigned:						
Social Services	-	-	-	-	-	-
Public Works	-	-	-	-	-	-
Unassigned:						
<u>Total Fund Balances</u>	<u>3,050,024</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,050,024</u>
<u>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>	<u>6,459,308</u>	<u>2,802,425</u>	<u>1,972,358</u>	<u>1,508,945</u>	<u>1,208,622</u>	<u>13,951,658</u>

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

LAS ANIMAS COUNTY, COLORADO
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
December 31, 2017

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

<u>Total Fund Balance – Governmental Funds</u>	8,745,547
Capital Assets used in governmental activities are not considered current financial resources and, therefore, not reported in the governmental funds.	126,923,834
Accumulated depreciation is not recognized in the governmental funds because capital assets are expensed at the time of acquisition.	(92,880,144)
Long-Term Liabilities for Compensated Absences of \$387,959 and Capital Lease and Contract Payable of \$588,159 are not due and payable in the current period and, therefore, not reported in the governmental funds.	<u>(976,118)</u>
<u>GOVERNMENTAL ACTIVITIES NET POSITION</u>	<u>41,813,119</u>

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

LAS ANIMAS COUNTY, COLORADO
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 GOVERNMENTAL FUNDS
 Year Ended December 31, 2017

	Special Revenue			Other Governmental Funds	Total Governmental Funds	
	General	Road & Bridge	Public Welfare			Capital Expenditure
REVENUES:						
Taxes	3,897,446	52	286,232	95,414	1	4,279,145
Licenses & Permits	1,700	-	-	-	-	1,700
Intergovernmental Revenues	320,974	5,049,481	9,548,514	152,949	50,045	15,121,963
Charges for Services	796,060	-	-	-	-	796,060
Interest Revenues	13,580	-	-	-	-	13,580
Miscellaneous Revenues	753,619	25,719	-	-	3,132	782,470
<u>Total Revenues</u>	<u>5,783,379</u>	<u>5,075,252</u>	<u>9,834,746</u>	<u>248,363</u>	<u>53,178</u>	<u>20,994,918</u>
EXPENDITURES						
General Government	2,684,731	-	-	13,620	155,882	2,854,233
Public Safety	1,810,462	-	-	-	312	1,810,774
Health Services	173,416	-	-	-	-	173,416
Auxiliary Services	98,500	-	-	-	-	98,500
Intergovernmental	248,991	-	-	-	-	248,991
Parks and Recreation	-	-	-	-	5,115	5,115
Roads, Bridges & Capital Outlay	-	6,383,026	-	183,069	-	6,566,095
Social Services	-	-	10,071,508	-	-	10,071,508
Debt Service	79,314	-	-	190,508	-	269,822
<u>Total Expenditures</u>	<u>5,095,414</u>	<u>6,383,026</u>	<u>10,071,508</u>	<u>387,197</u>	<u>161,309</u>	<u>22,098,454</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES						
	687,965	(1,307,774)	(236,762)	(138,834)	(108,131)	(1,103,536)
OTHER FINANCING SOURCES (USES)						
Contract Proceeds	-	-	-	-	-	-
Operating Transfers In (Out)	(636,762)	400,000	236,762	-	-	-
<u>Total Other Financing Sources (Uses)</u>	<u>(636,762)</u>	<u>400,000</u>	<u>236,762</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGES IN FUND BALANCES	51,203	(907,774)	-	(138,834)	(108,131)	(1,103,536)
FUND BALANCES-Beginning (as Restated)	3,576,653	3,602,754	514,078	1,352,923	1,316,753	10,363,161
PRIOR YEAR CORRECTION	-	-	(514,078)	-	-	(514,078)
FUND BALANCES-Ending	<u>3,627,856</u>	<u>2,694,980</u>	<u>-</u>	<u>1,214,089</u>	<u>1,208,622</u>	<u>8,745,547</u>

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

LAS ANIMAS COUNTY, COLORADO
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCES OF GOVERNMENT FUNDS TO THE STATEMENT OF ACTIVITIES
 Year Ended December 31, 2017

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

Net Change in Fund Balances – Total Governmental Funds (1,103,536)

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 of capital outlay reported as an expenditure in the governmental funds functions. 376,591

The governmental funds report debt proceeds as another financing source, while repayment of debt principal is reported as an expenditure. The effect of discounts and premiums are recognized when the debt is issued in governmental funds, whereas these amounts are deferred and amortized in the statement of activities. Interest expense is recognized as it accrues in the statement of activities regardless of when it is due. The net effect of these differences follows:

Contract Proceeds	-	
Repayment of Debt Principal	<u>248,078</u>	248,078

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, the adjustments to these expenses are not reported as expenditures in governmental funds.

Compensated Absences	<u>31,914</u>	31,914
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Governmental funds report capital outlay as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. (5,587,315)

GOVERNMENTAL ACTIVITIES CHANGE IN NET POSITION (6,034,268)

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

LAS ANIMAS COUNTY, COLORADO
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2017

	<u>Business-Type Activities</u>
	<u>Enterprise Fund</u>
	<u>Airport Fund</u>
<u>ASSETS</u>	
<u>Current Assets</u>	
Cash and Equivalents	-
Accounts Receivable	4,660
Inventories	25,568
Due From Other Funds	18,259
Prepaid Insurance	-
<u>Total Current Assets</u>	48,487
 <u>CAPITAL ASSETS</u>	
Land	117,304
Land Improvements	10,521,060
Building	278,638
Equipment	743,677
Water Rights	76,600
Less Accumulated Depreciation	(2,980,715)
<u>Total Capital Assets, Net of Accumulated Depreciation</u>	8,756,564
<u>Total Assets</u>	8,805,051
 <u>DEFERRED OUTFLOW OF RESOURCES</u>	
	-
 <u>LIABILITIES AND NET POSITION</u>	
<u>Current Liabilities</u>	
Due To Other Funds	130,041
Accounts Payable	1,569
Accrued Salaries Payable	1,043
Unearned Grant Payments	-
<u>Total Current Liabilities</u>	132,653
 <u>DEFERRED INFLOW OF RESOURCES</u>	
	-
 <u>NET POSITION</u>	
Net Investment in Capital Assets	8,756,564
Unrestricted (Deficit)	(84,166)
 <u>TOTAL NET POSITION</u>	 8,672,398

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

LAS ANIMAS COUNTY, COLORADO
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
Year Ended December 31, 2017

	Business Type Activities Enterprise Funds Airport Fund
<u>OPERATING REVENUES</u>	
Operating Revenue	218,728
<u>Total Revenues</u>	<u>218,728</u>
<u>OPERATING EXPENSES</u>	
Salaries	20,466
Employee Benefits	2,341
Cost of Sales	129,755
Public Utility Service	9,193
Office Expense & Supplies	8,102
Depreciation	381,033
Contractual Agreements & Leases	2,550
Telephone	2,346
Maintenance	899
Insurance	13,402
Bad Debt	-
<u>Total Operating Expenses</u>	<u>570,087</u>
<u>OPERATING INCOME (LOSS) BEFORE OTHER SOURCES</u>	<u>(351,359)</u>
<u>NON OPERATING REVENUES (EXPENSES)</u>	
Grants	-
Transfers In	-
<u>Total Non Operating Revenues (Expenses)</u>	<u>-</u>
<u>CHANGE IN NET POSITION</u>	<u>(351,359)</u>
<u>TOTAL NET POSITION, Beginning</u>	<u>9,023,757</u>
<u>TOTAL NET POSITION, Ending</u>	<u>8,672,398</u>

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

LAS ANIMAS COUNTY, COLORADO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended December 31, 2017

	Business Type Activities
	Enterprise Funds
	Airport Fund
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>	
Receipts from Customers & Users	216,104
Payments for Salaries and Benefits	(22,189)
Payments to Vendors – Supplies and Services	(163,793)
<u>NET CASH PROVIDED (USED) BY OPERATIONS</u>	30,122
<u>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</u>	
Grant Revenue	-
Operating Transfers In	-
Due To Other Funds	(30,122)
<u>NET CASH PROVIDED BY NON-CAPITAL FINANCING ACTIVITIES</u>	(30,122)
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>	
Non-Financed Purchase of Property & Equipment	-
Capital Grant	-
<u>NET CASH PROVIDED BY (USED FOR) IN CAPITAL AND RELATED FINANCING ACTIVITIES</u>	-
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>	
Other Revenue	-
<u>NET CASH PROVIDED BY INVESTING ACTIVITIES</u>	-
<u>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</u>	-
<u>CASH AND CASH EQUIVALENTS – Beginning</u>	-
<u>CASH AND CASH EQUIVALENTS – Ending</u>	-
<u>RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES</u>	
Operating Income (Loss)	(351,359)
Non Cash Items in Operations:	
Depreciation	381,033
(Increase) Decrease in Inventory	2,454
(Increase) Decrease in Receivables/Accruals	(2,624)
Increase (Decrease) in Payables/Accruals	618
<u>NET CASH PROVIDED (USED FOR) OPERATING ACTIVITIES</u>	30,122
<u>NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES</u>	
Cash Paid for Interest Expense	-
Cash Paid for Income Taxes	-
<u>TOTAL NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES</u>	-

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

LAS ANIMAS COUNTY, COLORADO
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
December 31, 2017

	<u>County Treasurer</u>	<u>Agency Funds County Clerk & Recorder</u>	<u>Public Trustee</u>	<u>Total Agency Funds</u>
<u>ASSETS</u>				
Cash and Equivalents	1,077,858	478,784	16,234	1,572,876
Due From Others	-	-	781	781
<u>Total Assets</u>	<u>1,077,858</u>	<u>478,784</u>	<u>17,015</u>	<u>1,573,657</u>
 <u>LIABILITIES</u>				
Accounts Payable	-	-	766	766
Due To Others	-	-	1,107	1,107
Deposits Held for Others	<u>1,077,858</u>	<u>478,784</u>	<u>15,142</u>	<u>1,571,784</u>
<u>Total Liabilities</u>	<u>1,077,858</u>	<u>478,784</u>	<u>17,015</u>	<u>1,573,657</u>
<u>NET POSITION</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

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

NOTES TO FINANCIAL STATEMENTS

LAS ANIMAS COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2017

NOTE 1 THE FINANCIAL REPORTING ENTITY

Reporting Entity

Las Animas County was created by an act of legislature in 1866, and is governed by applicable Colorado Statutes. The County is managed by three Commissioners and provides the following services: public safety, highways and roads, sanitation, health and social services, culture-recreation, public improvements, planning and zoning, tax and license assessments and collections, and general administrative services.

The Las Animas County is a County governed by an elected three member commission. As required by generally accepted accounting principles, these financial statements present the Las Animas County (the primary government) and its component units. The component units discussed below are included in the County's reporting entity because of the significance of their operational or financial relationships with the County.

The governmental reporting entity consists of the County (Primary Government) and its component units. Component units are legally separate organizations for which the Commission is financially accountable or other organizations whose nature and significant relationship with the County are such that exclusion would cause the County's financial statements to be misleading or incomplete. Financial accountability is defined as the appointment of a voting majority of the component unit's board, and (i) either the County's ability to impose its will on the organization or (ii) there is a potential for the organization to provide a financial benefit or impose a financial burden on the County.

The basic financial statements include blended presented component units. The blended component units, although legally separate entities are, in substance, part of the County's operations and so data from these units are combined with data of the primary government.

For financial reporting purposes, the County's basic financial statements include all financial activities that are controlled by or are dependent upon actions taken by the County's Commission.

Other Related Entity

Public Trustee

The Public Trustee is a State statutorily mandated position, appointed by the Board of County Commissioners, but 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, except those required to be accounted for in an Agency Fund.

Intergovernmental Agreements

The County has entered into the following intergovernmental agreements:

LAS ANIMAS COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2017

NOTE 1 THE FINANCIAL REPORTING ENTITY (Continued)

Intergovernmental Agreements (Continued)

Huerfano/Las Animas Counties Health Department

The Health Department operates a two county district health department. The counties appoint a seven member board and the board hires the health officer.

The governing board approves the operating budget and presents it to the County Commissioners for their approval. The County Commissioners then approve the amount of contributions each county will make to the Health Department for the ensuing year. In 2017, the allocation of budgeted expenditures was 70% for a total expenditure to the County of \$173,416.

Office of the District Attorney-Third Judicial District

The County is included in a two county judicial district which provides prosecution and other legal services to the counties in the district. In 2017, the total expenditure for the County was \$177,498.

Las Animas County E-911

Las Animas County E-911's sole purpose is to provide emergency telephone service to county residents. Initial grants received for the purchase of required equipment are in the name of Las Animas County. The County also appoints a portion of the governing Board of Directors. In 2017, the total expenditure for the County was \$42,500.

Condensed audited financial statement information as of December 31, 2016, is presented for the Health Department, the Third Judicial District and Las Animas County E-911.

Statement of Net Position

	<u>Health Department</u>	<u>Third Judicial District</u>	<u>Las Animas County E-911</u>
<u>ASSETS</u>	<u>667,048</u>	<u>291,157</u>	<u>450,969</u>
<u>LIABILITIES</u>	59,448	861,065	-
<u>NET POSITION</u>	<u>607,600</u>	<u>(569,908)</u>	<u>450,969</u>
<u>TOTAL LIABILITIES & NET POSITION</u>	<u>667,048</u>	<u>291,157</u>	<u>450,969</u>

Statement of Activities

<u>REVENUES</u>	1,220,988	579,194	224,425
<u>EXPENSES</u>	1,128,890	730,899	248,524
<u>REVENUES OVER (UNDER) EXPENDITURES</u>	<u>92,098</u>	<u>(151,705)</u>	<u>(24,099)</u>

LAS ANIMAS COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2017

NOTE 1 THE FINANCIAL REPORTING ENTITY (Continued)

Intergovernmental Agreements (Continued)

The above entities have not incurred any material current or long-term debt as of the balance sheet date.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

Government-Wide Financial Statements

The statement of net position and statement of activities display information about the primary government (the County) and its component units. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the *governmental* and *business-type activities* of the County and between the County. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the County and for each function of the County's governmental activities. Direct expenses are those that are specifically associated with a program or function and; therefore, are clearly identifiable to a particular function. Program revenues include 1) charges paid by the recipients of goods or services offered by the programs and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented instead as general revenues.

Fund Financial Statements

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

LAS ANIMAS COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2017

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Basis of Presentation (Continued)

Fund Financial Statements (Continued)

Proprietary fund *operating* revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. *Nonoperating* revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

The County reports the following major governmental funds:

- The *General Fund* is used to account for all revenues and expenditures necessary to carry out basic governmental activities of the County that are not accounted for through other funds. For the County, the General Fund includes such activities as public protection, public ways and facilities, health, public assistance, and recreation services.
- *Road and Bridge Fund* is used to account for the operations of the County Road Department. Financing is provided by an annual property tax levy, state contributions and other miscellaneous revenues.
- *Public Welfare Fund* is used to account for the operations of the County Welfare Department. Financing is provided by state grants and annual property tax levy.
- *The Capital Expenditure Fund* is used to account for capital additions. Financing is provided by Federal and State grants and miscellaneous revenues.

The County reports the following major enterprise fund:

- *Airport Fund* is used to account for the operations of the County Airport. Financing is provided by user fees.

The County reports the following additional fund types:

- *The Special Revenue Funds* are used to account for specific revenues that are legally restricted to expenditure for particular purposes.
- *The Capital Projects Funds* account for financial resources created by the issuance of bonded indebtedness and are used for major capital projects.
- *Fiduciary Funds* account for assets held by the County in a trustee capacity or as an agent on behalf of others.

The agency funds are custodial in nature and do not present results of operations or a measurement focus. Agency funds are accounted for using the accrual basis of accounting. Those funds are used to account for assets that the county holds for others in an agency capacity. The County's agency funds include the Treasurer's office, Clerk's office and Public Trustee.

LAS ANIMAS COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2017

NOTE 2

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Accounting

The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting.

Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the County gives (or receives) value without directly receiving (or giving) equal value in exchange, include property and sales taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenues from sales tax are recognized when the underlying transactions take place. Revenues from grants, entitlements and donations are recognized in the fiscal year in which all eligible requirements have been satisfied.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Sales taxes, interest, certain state and federal grants and charges for services are accrued when their receipt occurs within sixty days after the end of the accounting period so as to be both measurable and available. Property tax revenues are recognized in the fiscal year for which they were levied, provided they are due and collectible within 60 days after the end of the accounting period. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments are recorded only when payment is due. General capital assets acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and capital leases are reported as other financing sources.

C. Non-Current Governmental Assets/Liabilities

GASB Statement No. 34 eliminates the presentation of account groups, but provides for these records to be maintained and incorporates the information into the Governmental Activities column in the government-wide statement of net position.

D. Cash and Cash Equivalents

For purposes of the accompanying statement of cash flows, the enterprise funds consider all highly liquid investments with a maturity of three months or less when purchased, and their equity in the County Treasurer's investment pool, to be investments.

LAS ANIMAS COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2017

NOTE 2

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Investments

Statutes authorize the County to invest its surplus cash in the following investment instruments:

- 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
- Guaranteed investment contracts

F. Inventories

Inventories are stated at lower of average cost or market. Recorded inventories mainly consist of fuel, oil and road base.

G. Property Taxes

Property taxes represent ad valorem taxes levied by the County, which are payable to the County Treasurer, and are recognized as revenue by the County in the year for which they are levied.

Property taxes are levied in December for collection in the subsequent year.

Property taxes attach as an enforceable lien on property as of January 1. Taxes may be paid without penalty in either of two ways: (a) Full payment by April 30, or (b) First half must be paid by last day of February, and second half must be paid by June 15.

H. Capital Assets

Capital assets (including infrastructure) are recorded at historical cost or at estimated historical cost if actual historical cost is not available. Contributed fixed assets are valued at their estimated fair market value on the date contributed. Capital assets include public domain (infrastructure) general fixed assets consisting of certain improvements including roads and bridges. The County defines capital assets as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Capital assets used in operations are depreciated or amortized (assets under capital leases) using the straight-line method over the lesser of the capital lease period or their estimated useful lives in the government-wide statements and proprietary funds.

LAS ANIMAS COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2017

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Capital Assets (Continued)

The estimated useful lives are as follows:

Infrastructure	5-50 years
Structures and Improvements	10-75 years
Equipment	3-25 years

The County has one network of infrastructure assets – roads and bridges.

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.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities, if any, is included as part of the capitalized value of the assets constructed. No such interest expense was incurred during the current fiscal year.

I. Compensated Absences

County Union Employees

Union employees accrue vacation leave at various rates based on length of continuous employment to a maximum of 35 days. Upon separation, employees receive payment for any unused vacation leave. If an employee is not able to use accrued vacation time because of staffing or scheduling problems, the employee may cash any unused vacation time earned during the calendar year in which the employee was prevented from taking vacation time.

Sick leave is accrued at a rate of one day per month to a maximum of 120 days. Upon separation, employees receive 50% payment for any unused sick leave earned before January 1, 2000 less any sick leave taken from that date until the employee's date of separation.

County Non-Union Employees

Non-Union employees accrue vacation leave at various rate based on length of continuous employment. Upon separation, employees receive payment for any unused vacation leave. If an employee is not able to use accrued vacation time because of staffing or scheduling problems, the employee may cash out unused time on a day to day basis.

Sick leave is accrued at a rate of one day per month to a maximum of 120 days. Upon separation, employees receive 50% payment for any unused sick leave earned before June 1, 2001 less any sick leave taken from that date until the employee's date of separation.

LAS ANIMAS COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2017

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. Compensated Absences (Continued)

At December 31, 2017, the County has a liability for accrued sick leave and vacation payable of \$387,959.

A summary of compensated absences is presented as follows:

General County Government	\$ 213,241
Social Services	<u>\$ 174,718</u>
Total	<u>\$ 387,959</u>

Compensated absences for general county government is payable upon separation.

The Department of Social Services' liability for accrued sick leave is payable up to one-fourth of the unused amount under certain criteria upon separation. Unused annual leave is payable upon separation.

J. Interfund Transactions

Interfund transactions are reflected as either loans, services provided, reimbursements or transfers. Loans are reported as receivables and payables as appropriate, are subject to elimination upon consolidation and are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e. the noncurrent portion of interfund loans). Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as "due to/from other funds".

Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental funds are netted as part of the reconciliation to the government-wide presentation.

K. Estimates

The preparation of basic financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

L. Budgets and Budgetary Accounting

The County follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to September 1, the Finance Manager submits to the County Commissioners a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayer comments.
3. Prior to December 31, the budget is legally enacted through passage of an ordinance or resolution.

LAS ANIMAS COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2017

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. Budgets and Budgetary Accounting (Continued)

4. The County Commissioners approve all budget transfers or revisions.
5. Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds, Capital Projects Fund, and Enterprise Funds.
6. Budgets for the General, Special Revenue, Capital Projects Fund, and Enterprise Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgets are not prepared for the Fiduciary Funds.

M. Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are prepared in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the General Fund, Special Revenue Funds, Capital Projects Fund, and Enterprise Funds. Outstanding encumbrances lapse at the end of the year.

N. GASB Statement No. 54

The Government Accounting Standards Board (GASB) has issued Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions (GASB 54). This statement defines the different types of fund balances that a governmental entity must use for financial reporting purposes.

GASB 54 requires the fund balance amounts to be properly reported within one of the fund balance categories list below.

1. Nonspendable such as fund balances associated with inventories, prepaids, long-term loans and notes receivable, and property held for resale (unless the proceeds are restricted, committed, or assigned).
2. Restricted fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.
3. Committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the County Commissioners (the County's highest level of decision-making authority).
4. Assigned fund balance classification is intended to be used by the government for specific purposes that do not meet the criteria to be classified as restricted or committed.
5. Unassigned fund balance is the residual classification for the government's general fund and includes all spendable amounts not contained in the other classifications.

LAS ANIMAS COUNTY, COLORADO
 NOTES TO FINANCIAL STATEMENTS
 For the Fiscal Year Ended December 31, 2017

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N. GASB Statement No. 54 (Continued)

Fund Balance Classification Policies and Procedures

Committed Fund Balance Policy:

The County's Committed Fund Balance is fund balance reporting required by the County Commission, either because of a County Commission Policy in the County Policy Manual, or because of motions that passed at County Commission meetings.

Assigned Fund Balance Policy:

The County's Assigned Fund Balance is fund balance reporting occurring by County Commissioners Administration authority, under the direction of the Chief Business Officer.

Order of Fund Balance Spending Policy

The County's policy is to apply expenditures against non-spendable fund balance, restricted fund balance, committed fund balance, assigned fund balance, and unassigned fund balance at the end of the fiscal year by adjusting journal entries.

First, non-spendable fund balances are determined. Then restricted fund balances for specific purposes are determined (not including non-spendable amounts). Then unrestricted fund balances are determined following the order of committed, assigned, and unassigned.

Fund Balance Classification by Fund:

	<u>General</u>	<u>Special Revenue Funds</u>			<u>Other</u>	<u>Total</u>
		<u>Road & Bridge</u>	<u>Public Welfare</u>	<u>Capital Expenditure</u>	<u>Governmental Fund</u>	<u>Governmental Funds</u>
<u>Nonspendable:</u>						
Inventories	-	29,795	-	-	-	29,795
Prepaid Expenses	-	-	-	-	-	-
<u>Restricted:</u>						
Emergencies	305,000	-	-	-	-	305,000
Road and Bridge	-	2,665,185	-	-	-	2,665,185
Capital Outlay	-	-	-	1,214,089	225,394	1,439,483
Parks & Recreation	-	-	-	-	303,977	303,977
Public Safety	-	-	-	-	679,251	679,251
Social Services	-	-	-	-	-	-
<u>Committed:</u>						
Unanticipated Obligations	272,832	-	-	-	-	272,832
<u>Assigned:</u>						
Social Services	-	-	-	-	-	-
Public Works	-	-	-	-	-	-
<u>Unassigned:</u>	<u>3,050,024</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,050,024</u>
<u>Total Fund Balances</u>	<u>3,627,856</u>	<u>2,694,980</u>	<u>-</u>	<u>1,214,089</u>	<u>1,208,622</u>	<u>8,745,547</u>

LAS ANIMAS COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2017

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N. GASB Statement No. 54 (Continued)

Fund Balance Classification Policies and Procedures (Continued)

In addition to assets, the statement of financial position and the balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position and the balance sheet will sometimes report a separate section for 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 so will not be recognized as an inflow of resources (revenue) until that time.

NOTE 3 RECEIVABLES

Receivables at year-end of the County's major individual funds and nonmajor funds in the aggregate, including the applicable allowances for uncollectible accounts are as follows:

	<u>General Fund</u>	<u>Road and Bridge Fund</u>	<u>Public Welfare Fund</u>	<u>Capital Expenditure Fund</u>	<u>Nonmajor Fund</u>	<u>Total Governmental Activities</u>
<u>Receivables-</u>						
<u>Governmental Activities</u>						
Accounts	118,254	253,152	1,599	1,922	-	374,927
Interest	14,925	-	-	-	-	14,925
Accrued Revenue	24,500	409,658	-	120,456	-	554,614
Accounts (Social Services)	-	-	2,731,208	-	-	2,731,208
Due From Other Governments	-	-	96,366	-	-	96,366
Property Tax	<u>2,525,858</u>	-	<u>514,885</u>	<u>171,628</u>	-	<u>3,212,371</u>
<u>Gross Receivables</u>	<u>2,683,537</u>	<u>662,810</u>	<u>3,344,058</u>	<u>294,006</u>	-	<u>6,984,411</u>
Less: Allowance for Uncollectibles	-	-	(2,731,208)	-	-	(2,731,208)
Deferred Inflows- Property Taxes	<u>(2,525,858)</u>	-	<u>(514,885)</u>	<u>(171,628)</u>	-	<u>(3,212,371)</u>
<u>Total Receivables</u>	<u>157,679</u>	<u>662,810</u>	<u>97,965</u>	<u>122,378</u>	<u>-</u>	<u>1,040,832</u>
		<u>Airport Fund</u>				
<u>Receivables-</u>						
<u>Business-Type Activities</u>						
Accounts		4,660				
Interest		-				
Other		-				
<u>Gross Receivables</u>		<u>4,660</u>				
Less: Allowance for Uncollectibles		-				
<u>Total Receivables</u>		<u>4,660</u>				

Governmental funds report unearned revenues or deferred inflows in connection with receivables for revenues not considered available to liquidate liabilities of the current period. Governmental and enterprise funds also defer revenue recognition in connection with resources that have been received, but not yet earned.

LAS ANIMAS COUNTY, COLORADO
 NOTES TO FINANCIAL STATEMENTS
 For the Fiscal Year Ended December 31, 2017

NOTE 3 RECEIVABLES (Continued)

At December 31, 2017, the various components of unearned revenue or deferred inflows were as follows:

	<u>Unavailable</u>	<u>Unearned</u>
<u>Governmental Activities:</u>		
<u>Major Funds:</u>		
Grant drawdowns prior to meeting all eligibility requirements	-	378,712
Property Taxes	3,212,371	-
<u>Nonmajor Funds:</u>		
Grant drawdowns prior to meeting all eligibility requirements	-	-
<u>Total Governmental Activities</u>	<u>3,212,371</u>	<u>378,712</u>
<u>Business-Type Activities:</u>	<u>-</u>	<u>-</u>

NOTE 4 DEFINED CONTRIBUTION PLAN

The County provides pension benefits for substantially all full time employees through a defined contribution plan of the Colorado County Officials and Employees Retirement Association. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. One year of service is required previous to participation in the Colorado County Officials and Employees Retirement Association Plan.

Employees contribute 3% of their salary to the plan with an equal amount contributed by the County. Vesting occurs at the rate of 20% per year. County contributions for, and earnings forfeited by, employees who leave employment before fully vesting are returned to the County. Forfeitures were \$6,303 during 2017 and pension expense was \$41,247. The County had no outstanding liability for this plan at year end.

NOTE 5 DEFERRED COMPENSATION PLAN

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

LAS ANIMAS COUNTY, COLORADO
 NOTES TO FINANCIAL STATEMENTS
 For the Fiscal Year Ended December 31, 2017

NOTE 5 DEFERRED COMPENSATION PLAN (Continued)

In 2001, the County adopted an amendment to its Deferred Compensation Plan with CCOERA. The adoption of the amendment was due to recent changes in the Internal Revenue Code. Specifically the amendment states that all amounts deferred under this plan, all property and rights purchased with such amounts, and all income attributable to such amounts, property or rights shall, until made available to the participant or beneficiary, be held in the Colorado County Officials and Employees Retirement Association Deferred Compensation Plan Trust for the exclusive benefit of participants and their beneficiaries. Colorado County officials and Employees Retirement Association is trustee of the trust.

Eligible voluntary employee contributions were \$21,235 for 2017.

NOTE 6 RISK MANAGEMENT

County Workers' Compensation Pool

The County is exposed to various risks of loss related to injuries of employees while on the job. In 1986, the County joined together with other Counties in the State of Colorado to form the County Workers' Compensation Pool (CWCP), a public entity risk pool currently operating as a common risk management and insurance program for member counties. The County pays an annual contribution to CWCP for its workers' compensation insurance coverage. The intergovernmental agreement of formation of CWCP provides that the pool will be financially self-sustaining through member contributions and additional assessments, if necessary, and the Pool will purchase excess insurance through commercial companies for members' claims in excess of a specified self-insured retention, which is determined each policy year.

Summary audited financial information as of December 31, 2017 follows:

Assets	<u>42,592,056</u>
Liabilities	25,179,086
Fund Equity	<u>17,412,970</u>
	<u>42,592,056</u>
Revenues	10,467,040
Expenses	<u>12,061,986</u>
	(1,594,946)
Net Investment Income	889,993
Gain On Commutation	<u> -</u>
Net Income (Loss)	<u>(704,953)</u>

LAS ANIMAS COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2017

NOTE 6 RISK MANAGEMENT (Continued)

Colorado Counties Casualty and Property Pool

The County is exposed to various risks of loss related to property and casualty losses. During 1986, the County was unable to obtain property and liability insurance at a cost it considered to be economically justifiable. Therefore, the County joined together with other Counties in the State of Colorado to form the Colorado Counties Casualty and Property Pool (CAPP) for its property and casualty insurance coverage. The intergovernmental agreement of formation of CAPP provides that the pool will be financially self-sustaining through member contributions and additional assessments, if necessary, and the Pool will purchase excess insurance through commercial companies for members' claims in excess of a specified self-insured retention, which is determined each policy year.

Summary audited financial information as of December 31, 2017 follows:

Assets	<u>24,284,660</u>
Liabilities	9,537,262
Fund Equity	<u>14,747,398</u>
	<u>24,284,660</u>
Revenues	6,753,835
Expenses	<u>5,989,546</u>
Net Income (Loss)	<u>764,289</u>

County Health Pool

Since 1999, the County has been a member of the County Health Pool (CHP) which is administered by County Technical Services, Inc. The CHP provides medical, dental, vision and life insurance benefits to more than 5,300 employees of 37 local government agencies. CHP is the only county-owned health plan provider in Colorado with benefits, contribution rates, and coverages determined by representatives from member counties. The CHP board meets every other month to discuss the industry, plan changes, coverages and renewal, as well as vote on appeals. In 2017, the county contribution for CHP coverage for each employee was \$651 per month which paid for the employee's medical and life insurance as well as dental and vision coverage for the entire family.

Summary audited financial information as of December 31, 2017 follows:

Assets	<u>16,237,714</u>
Liabilities	6,015,861
Net Position	<u>10,221,853</u>
	<u>16,237,714</u>
Revenues	56,177,428
Expenses	<u>54,721,945</u>
Increase (Decrease) in Net Position	<u>1,455,483</u>

LAS ANIMAS COUNTY, COLORADO
 NOTES TO FINANCIAL STATEMENTS
 For the Fiscal Year Ended December 31, 2017

NOTE 7 INTERFUND TRANSACTIONS

Interfund Receivables/Payables

Individual Fund Interfund Receivable and Payable balances at December 31, 2017 were as follows:

	<u>Due From</u>	<u>Due To</u>	<u>Repayment Period</u>	<u>Purpose</u>
<u>Governmental Activities:</u>				
General Fund	130,041	237,247	Within 1 Year	Operational
Public Welfare Fund	236,762	-	Within 1 Year	Operational
Capital Expenditure	485	18,259	Within 1 Year	Capital Outlay
Other Governmental Funds	-	-	Within 1 Year	Operational
 <u>Business Type Activities:</u>				
Airport	<u>18,259</u>	<u>130,041</u>	Within 1 Year	Operational / Capital Outlay
	<u>385,547</u>	<u>385,547</u>		

Transfers

Transfers are indicative of funding for capital projects, lease payments or debt service, subsidies of various County operations and re-allocations of special revenues. The following schedule briefly summarizes the County's transfer activity.

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
Major Funds:		
General	-	636,762
Road & Bridge	400,000	-
Public Welfare	236,762	-
Capital Expenditures	-	-
Other Governmental	100,000	100,000
Airport Fund	<u>-</u>	<u>-</u>
 Total	 <u>736,762</u>	 <u>736,762</u>

LAS ANIMAS COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2017

NOTE 8 CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2017 was as follows:

	Balance January 1, 2017	<u>Increases</u>	<u>Decreases</u>	<u>Adjustments</u>	Balance December 31, 2017
<u>GOVERNMENTAL ACTIVITIES:</u>					
<u>Capital Assets, Not Being</u>					
<u>Depreciated:</u>					
Land	470,261	-	-	-	470,261
Total Capital Assets Not					
<u>Being Depreciated</u>	470,261	-	-	-	470,261
<u>Capital Assets, Being Depreciated:</u>					
Infrastructure	91,105,387	81,480	-	-	91,186,867
Structures & Improvements	20,924,237	185,343	-	-	21,109,580
Equipment	14,371,172	109,768	323,814	-	14,157,126
Total Capital Assets, Being					
<u>Depreciated</u>	126,400,796	376,591	323,814	-	126,453,573
<u>Less Accumulated Depreciation for:</u>					
Infrastructure	62,264,072	4,331,077	-	-	66,595,149
Structures & Improvements	12,559,566	774,286	-	-	13,333,852
Equipment	12,793,005	481,952	323,814	-	12,951,143
Total Accumulated Depreciation	87,616,643	5,587,315	323,814	-	92,880,144
Total Capital Assets, Being					
<u>Depreciated, Net</u>	38,784,153	(5,210,724)	-	-	33,573,429
Governmental Activities Capital					
<u>Assets, Net</u>	39,254,414	(5,210,724)	-	-	34,043,690
<u>BUSINESS-TYPE ACTIVITIES</u>					
<u>Capital Assets, Not Being Depreciated:</u>					
Land	117,304	-	-	-	117,304
Water Rights	76,600	-	-	-	76,600
Construction in Progress	7,341,455	-	-	(7,341,455)	-
Total Capital Assets, Not Being					
<u>Depreciated</u>	7,535,359	-	-	(7,341,455)	193,904
<u>Capital Assets, Being Depreciated</u>					
Structures & Improvements	3,458,242	-	-	7,341,455	10,799,697
Equipment	743,677	-	-	-	743,677
Total Capital Assets, Being					
<u>Depreciated</u>	4,201,919	-	-	7,341,455	11,543,374
<u>Less Accumulated Depreciation for:</u>					
Structures & Improvements	2,287,152	348,240	-	-	2,635,392
Equipment	312,530	32,793	-	-	345,323
Total Accumulated Depreciation	2,599,682	381,033	-	-	2,980,715
Total Capital Assets, Being					
<u>Depreciated, Net</u>	1,602,237	(381,033)	-	-	8,562,659
Business-Type Activities Capital					
<u>Assets, Net</u>	9,137,596	(381,033)	-	-	8,756,563

LAS ANIMAS COUNTY, COLORADO
 NOTES TO FINANCIAL STATEMENTS
 For the Fiscal Year Ended December 31, 2017

NOTE 8 CAPITAL ASSETS (Continued)

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

Governmental Activities:

General Government	740,476
Public Safety	269,889
Auxiliary Services	52,336
Roads and Bridges	4,483,633
Public Welfare	<u>40,981</u>
<u>Total Depreciation Expense – Governmental Activities</u>	<u>5,587,315</u>

Business-Type Activities

Airport	<u>381,033</u>
<u>Total Depreciation Expenses – Business-Type Function</u>	<u>381,033</u>

NOTE 9 LONG-TERM DEBT

Long-term liabilities at December 31, 2017 consisted of the following:

	<u>Balance</u> <u>01-01-17</u>	<u>Additions</u> <u>Accretions</u>	<u>Retirements</u>	<u>Balance</u> <u>12-31-17</u>	<u>Amounts Due</u> <u>Within One Year</u>
<u>Governmental Activities</u>					
Capital Lease Obligations	598,648	-	129,283	469,365	138,478
Contract Agreement	237,589	-	118,795	118,794	118,794
Compensated Absences (Note 2)	<u>419,873</u>	<u>-</u>	<u>31,914</u>	<u>387,959</u>	<u>-</u>
<u>Total Governmental</u> <u>Activities – Long Term</u> <u>Liabilities</u>	<u>1,256,110</u>	<u>-</u>	<u>279,992</u>	<u>976,118</u>	<u>257,272</u>

Lease Purchases and Contract Payable:

Terms and Transactions of Lease Agreements are as follows:

The County entered into a capital lease agreements for the following:

<u>Description</u>	<u>Cost</u>	<u>Interest</u> <u>Rate</u>	<u>Monthly/Annual</u> <u>Payments</u>	<u>Number of</u> <u>Payments</u>	<u>First Payment</u> <u>Date</u>
Energy Retrofit	535,525	4.05%	\$3,819 - \$4,327	120 Months	6/22/2011
Computer System	163,279	4.64%	36,483	5 Years	1/15/2012
Equipment (Vehicles/Graders)	562,736	2.99%	119,456	5 Years	8/13/2012
Computer System	297,330	3.38%	79,314	5 ½ Years	1/1/2016

The County entered into an agreement with Pictometry International Corporation to obtain imagery of county property for property assessment purposes. A description of the contract follows:

Pictometry International Corp	390,285	0.00%	\$152,696-\$118,475	3 Years	3/30/2016
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LAS ANIMAS COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2017

NOTE 9 LONG-TERM DEBT (continued)

Annual debt service requirements to maturity for the lease purchase agreements are as follows:

	<u>Year</u>	<u>Annual Payment</u>	<u>Principal</u>	<u>Interest</u>
Energy Retrofit:	2018	76,016	64,290	11,726
	2019	80,577	71,589	8,988
	2020	85,412	79,467	5,945
	2021	90,537	87,967	2,570
	2022	<u>15,233</u>	<u>15,156</u>	<u>77</u>
		347,775	<u>318,469</u>	<u>29,306</u>
Less Amount Representing Interest Present Value of Future Minimum Lease Payments		<u>(29,306)</u>		
		<u>318,469</u>		
Computer System:	2018	79,314	74,188	5,126
	2019	<u>79,314</u>	<u>76,708</u>	<u>2,606</u>
		158,628	<u>150,896</u>	<u>7,732</u>
Less Amount Representing Interest Present Value of Future Minimum Lease Payments		<u>(7,732)</u>		
		<u>150,896</u>		
<u>Total Lease Purchase as of 12/31/2017</u>		<u>469,365</u>		

Annual debt service requirements to maturity for the contract agreement is as follows:

	<u>Year</u>	<u>Annual Payment</u>	<u>Principal</u>	<u>Interest</u>
Pictometry - Imagery:	2018	118,794	118,794	-
		118,794	<u>118,794</u>	<u>-</u>
Less Amount Representing Interest Present Value of Future Minimum Contract Payments		<u>-</u>		
		<u>118,794</u>		
<u>Total Contract Payable as of 12/31/2017</u>		<u>118,794</u>		

LAS ANIMAS COUNTY, COLORADO
 NOTES TO FINANCIAL STATEMENTS
 For the Fiscal Year Ended December 31, 2017

NOTE 9 LONG-TERM DEBT (continued)

The following is the annual debt service requirements to maturity for all lease purchase and contract agreements:

<u>Year</u>	<u>Annual Payment</u>	<u>Principal</u>	<u>Interest</u>
2018	274,124	257,272	16,852
2019	159,891	148,297	11,594
2020	85,412	79,467	5,945
2021	90,537	87,967	2,570
2022	<u>15,233</u>	<u>15,156</u>	<u>77</u>
	625,197	<u>588,159</u>	<u>37,038</u>
Less Amount Representing Interest Present Value of Future Minimum Lease Payments	<u>(37,038)</u>		
	<u>588,159</u>		

NOTE 10 NET POSITION/FUND BALANCES

The government-wide and business-type activities fund financial statements utilize a net position presentation. Net position is categorized as net investment in capital assets (net of related debt), restricted and unrestricted.

- *Net Investment In Capital Assets* – This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce the balance in this category.
- *Restricted Net Position* This category presents external restrictions imposed by creditors, grantors; contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.
- *Unrestricted Net Position* – This category represents net position of the County, not restricted for any project or other purpose.

As of December 31, 2017, restricted fund balance for emergencies is described below:

- *Emergencies* – Cash and investments of approximately \$305,000 are available as Emergency Reserves as required by Article X, Section 20 of the Constitution of the State of Colorado (See Note 12).

LAS ANIMAS COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2017

NOTE 11 HOSPITAL LAND AND BUILDINGS

On March 1, 1990, title to the land and buildings of Mount San Rafael Hospital was transferred to Las Animas County, Colorado, in connection with the retirement of the First Lien Hospital Building Bonds, Series A, issued by the Hospital in 1971 to construct the hospital. The contingent Trust Agreement pursuant to which the bonds were issued provides that at such time as the principal and interest of the bonds shall be paid in full, the Hospital will transfer and convey all of its right, title and interest in the real estate and improvements subject to the Contingent Trust Agreement to the County, free and clear of all liens and encumbrances. Subsequent to the transfer, the Hospital leased the land and buildings from the County for a period of twenty four years at a nominal fee of \$1 per year. This property is included in the County's Fixed Assets at cost.

NOTE 12 CONTINGENCIES - TAX, SPENDING AND DEBT LIMITATIONS

In November 1992, the voters of Colorado approved Amendment 1, commonly known as the Taxpayer's Bill of Rights (TABOR), which adds a new Section 20 to Article X of the Colorado Constitution. TABOR contains tax, spending, revenue and debt limitations which apply to the State of Colorado and all local governments.

Enterprises, defined as government-owned businesses authorized to issue revenue bonds and receiving less than 10% of annual revenue in grants from all state and local governments combined, are excluded from the provisions of TABOR.

The initial base for local government spending and revenue limits is 1992 Fiscal Year Spending. Future spending and revenue limits are determined based on the prior year's Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue.

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 1% of Fiscal Year Spending (excluding bonded debt service) in 1993, 2% in 1995 and 3% thereafter. Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

TABOR requires, with certain exceptions, voters approval prior to imposing new taxes, increasing a tax rate, increasing a mill levy above that for the prior year, extending an expiring tax, or implementing a tax policy change directly causing a net tax revenue gain to any local government.

On November 1, 2005, the registered voters approved a ballot resolution authorizing Las Animas County to accept, retain, and spend, for use as the board of County Commissioners deem appropriate, the full proceeds and revenues received from any and all grants awarded to Las Animas County, from any source, in the year 2006 and each year thereafter without affecting property tax revenues collected by Las Animas County.

On November 7, 2017, the registered voters approved a ballot resolution authorizing Las Animas County to receive, retain, and spend in the year 2018 and each subsequent year, all revenues, including investment income, it receives from its mill levy, without raising the tax rate above the current level of 9.357 mills, as a voter-approved revenue change without limitation or condition under article X, section 20 of the Colorado Constitution (TABOR) or any other law.

LAS ANIMAS COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2017

NOTE 12 CONTINGENCIES - TAX, SPENDING AND DEBT LIMITATIONS (Continued)

Except for bond refinancing at lower interest rates or adding employees to existing pension plans, TABOR specifically prohibits the creation of multiple-fiscal year debt or other financial obligations without voter approval or without irrevocably pledging present cash reserves for all future payments.

The County's management believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of the provisions, including the interpretation of how to calculate Fiscal Year Spending Limits (and qualification as an Enterprise) will require judicial interpretation.

NOTE 13 LITIGATION

As of December 31, 2017, the County was involved in various claims in which no formal lawsuit has been filed. An evaluation as to outcome was not possible as of the audit date. The County is involved in the appeal of one lawsuit which was originally dismissed in favor of the County. The appeal is currently pending. If an unfavorable outcome were to occur, the range of loss is estimated to be between \$140,000 and \$200,000.

NOTE 14 COMMITMENTS AND CONTINGENCIES

Grants

The County recognizes as revenue grant monies received as reimbursement for costs incurred in certain Federal and State programs it administers. Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the Federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the County expects such amounts, if any, to be immaterial.

NOTE 15 CASH AND INVESTMENTS

The County's cash at year-end consisted of deposits in financial institutions and was entirely covered by federal depository insurance or by collateral held by the financial institutions as their agent in the County's name. Collateral is held under provisions of the Public Deposit Protection Act of 1975. This act requires pledged collateral to be clearly identified as security for public deposits and it requires that the pledging financial institution certify to the secured governmental unit that it is secured and indicate the location of the collateral. In the event of default or insolvency on the part of the pledging financial institution, the custodian will surrender the collateral to the state bank commissioner. A breakdown of cash deposits and certificates of deposit follows:

LAS ANIMAS COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2017

NOTE 15 CASH AND INVESTMENTS (Continued)

At December 31, 2017, the County's bank balance and corresponding carrying balance were as follows:

	<u>Bank Balance</u>	<u>Carrying Balance</u>
Insured FDIC	750,000	750,000
Uninsured, Collateralized Under the Public Deposit Protection Act of the State of Colorado	10,242,965	10,122,781
Cash on Hand	-	1,198
<u>Total Cash and Deposits</u>	<u>10,992,965</u>	<u>10,873,979</u>
<u>Recap</u>		
Cash	3,680,278	
Certificates of Deposit	5,620,825	
Cash – Agency Fund	1,572,876	
<u>Total</u>	<u>10,873,979</u>	

As presented above, deposits with a bank balance of \$10,242,965 and a carrying balance of \$10,122,781 as of December 31, 2017 are uninsured, are exposed to custodial risk, and are collateralized with securities held by the pledging financial institution.

NOTE 16 RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The governmental funds balance sheet includes a reconciliation between *fund balances – total governmental funds* and *net position – governmental activities* as reported in the government-wide statement of net position. Additionally, the governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net change in fund balances – total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide financial statement of activities.

These reconciliations detail items that require adjustment to convert from the current resources measurement and modified accrual basis for governmental fund statements to the economic resources management and full accrual basis used for government-wide statements.

The following Interfund Activity has been eliminated in the government-wide financial statements:

	<u>Interfund Transfer In</u>	<u>Interfund Transfer Out</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	-	636,762	-	237,247
Capital Expenditure Fund	-	-	485	-
Road and Bridge Fund	400,000	-	-	-
Public Welfare	236,762	-	236,762	-
Non Major Funds	100,000	100,000	-	-
	<u>736,762</u>	<u>736,762</u>	<u>237,247</u>	<u>237,247</u>

LAS ANIMAS COUNTY, COLORADO
 NOTES TO FINANCIAL STATEMENTS
 For the Fiscal Year Ended December 31, 2017

NOTE 17 PRIOR YEAR CORRECTION

In prior years, the County Public Welfare Fund incorrectly recorded unexpended Single Entry Point monies as restricted Fund Balance instead of the liability "Unearned Grant Payments". Grant accounting require expenditure of grant monies as a requirement for recognizing grant revenue. Therefore, as of December 31, 2016, unexpended Single Entry Point monies of \$514,078, have been reclassified from "Restricted Fund Balance to the liability "Unearned Grant Payments" as a "Prior Year Correction" in the Public Welfare Fund.

NOTE 18 RESTATEMENT OF FUND BALANCE / DEPOSITS HELD FOR OTHERS

The County previously recorded the Public Trustee Fund Balance as part of the General Fund. During 2017, it was determined that this fund balance should be recorded as part of the County Agency Fund. As of December 31, 2016, \$7,071 has been restated from the General Fund "Fund Balance" to the Agency Fund "Deposits Held for Others".

	<u>General Fund</u>	<u>Agency Fund</u>
Deposits Held for Others as originally stated – December 31, 2016	-	836,066
Fund Balance as originally stated – December 31, 2016	3,583,724	-
Restatement of Fund Balance / Deposits Held for Other	<u>(7,071)</u>	<u>7,071</u>
Fund Balance as Restated, December 31, 2016	<u>3,576,653</u>	<u>843,137</u>

NOTE 19 COMPLIANCE WITH BUDGET LAWS

The actual expense/expenditures of the following funds exceeded their budget and may be in violation of Colorado Budget Law:

Airport Proprietary Fund	191,773
Jail Capital Projects Fund	5,882

REQUIRED SUPPLEMENTARY INFORMATION

General Fund – Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual

Road and Bridge – Special Revenue Fund – Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual

Public Welfare – Special Revenue Fund – Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual

Capital Expenditures – Special Revenue Fund – Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual

LAS ANIMAS COUNTY, COLORADO
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
Year Ended December 31, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance-
	<u>Original</u>	<u>Final</u>		Favorable (Unfavorable)
<u>REVENUES</u>				
Taxes	3,259,578	3,259,578	3,897,446	637,868
Licenses and Permits	4,700	4,700	1,700	(3,000)
Intergovernmental Revenue	818,635	900,875	320,974	(579,901)
Charges for Services	638,800	638,800	710,871	72,071
Interest Revenues	65,000	65,000	13,580	(51,420)
Miscellaneous Revenue	<u>922,544</u>	<u>922,544</u>	<u>838,808</u>	<u>(83,736)</u>
<u>TOTAL REVENUE</u>	<u>5,709,257</u>	<u>5,791,497</u>	<u>5,783,379</u>	<u>(8,118)</u>
<u>EXPENDITURES</u>				
General Government	3,070,865	3,061,089	2,684,731	376,358
Public Safety	1,707,752	1,799,768	1,810,462	(10,694)
Health Services	173,416	173,416	173,416	-
Auxiliary Services	100,776	100,776	98,500	2,276
Intergovernmental	256,448	256,448	248,991	7,457
Debt Service	<u>-</u>	<u>-</u>	<u>79,314</u>	<u>(79,314)</u>
<u>TOTAL EXPENDITURES</u>	<u>5,309,257</u>	<u>5,391,497</u>	<u>5,095,414</u>	<u>296,083</u>
<u>REVENUES OVER (UNDER) EXPENDITURE</u>	<u>400,000</u>	<u>400,000</u>	<u>687,965</u>	
<u>OTHER FINANCING SOURCES (USES)</u>				
Lease Purchase Proceeds	-	-	-	-
Operating Transfers In (Out)	<u>(400,000)</u>	<u>(400,000)</u>	<u>(636,762)</u>	<u>(236,762)</u>
<u>Total Other Financing Sources (Uses)</u>	<u>(400,000)</u>	<u>(400,000)</u>	<u>(636,762)</u>	<u>(236,762)</u>
<u>TOTAL REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</u>	-	-	51,203	
<u>FUND BALANCE, Beginning (as Restated)</u>	-	-	3,576,653	
<u>FUND BALANCE, Ending</u>	-	-	3,627,856	

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

LAS ANIMAS COUNTY, COLORADO
SPECIAL REVENUE FUND - ROAD AND BRIDGE FUND
SCHEDULE OF REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
Year Ended December 31, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance-
	<u>Original</u>	<u>Final</u>		Favorable (Unfavorable)
<u>REVENUE</u>				
<u>Property Tax Revenue</u>				
Delinquent Property Taxes	-	-	52	52
<u>Total</u>	<u>-</u>	<u>-</u>	<u>52</u>	<u>52</u>
<u>Intergovernmental Revenue</u>				
Highway Users Tax	2,556,680	2,556,680	2,702,544	145,864
Energy Impact Grant	2,354,000	2,354,000	1,631,277	(722,723)
Mineral Lease Rights	-	-	25,984	25,984
Forest Service	9,000	9,000	2,366	(6,634)
M.V. Registration	50,000	50,000	15,744	(34,256)
HUTF Faster (SB 09-108)	425,000	425,000	605,792	180,792
Taylor Grazing Act & Bankhead Jones	300	300	186	(114)
Severance Tax	105,000	105,000	65,588	(39,412)
<u>Total</u>	<u>5,499,980</u>	<u>5,499,980</u>	<u>5,049,481</u>	<u>(450,499)</u>
<u>Miscellaneous Revenue</u>				
Miscellaneous	2,988,270	2,988,270	25,719	(2,962,551)
<u>Total</u>	<u>2,988,270</u>	<u>2,988,270</u>	<u>25,719</u>	<u>(2,962,551)</u>
<u>TOTAL REVENUE</u>	<u>8,488,250</u>	<u>8,488,250</u>	<u>5,075,252</u>	<u>(3,412,998)</u>
<u>EXPENDITURES</u>				
Salaries	1,651,233	1,651,233	1,368,418	282,815
Retirement & Fringe Benefits	175,857	175,857	421,218	(245,361)
Office Supplies	7,500	7,500	2,474	5,026
Operating Supplies	1,183,500	1,183,500	1,177,820	5,680
Repairs & Maintenance Road Equipment	785,000	785,000	260,778	524,222
Insurance and Bonds	479,260	479,260	114,186	365,074
Public Utility Service	91,000	91,000	78,459	12,541
Capital Outlay	38,000	38,000	5,100	32,900
Road Construction	4,000,000	4,000,000	2,913,570	1,086,430
Weed Expense	15,000	15,000	1,072	13,928
Radio/Communication	30,000	30,000	22,868	7,132
Telephone & Postage	12,700	12,700	11,599	1,101
Lease Purchase Principal	-	-	-	-
Lease Purchase Interest	-	-	-	-
Miscellaneous	19,200	19,200	5,464	13,736
<u>TOTAL EXPENDITURES</u>	<u>8,488,250</u>	<u>8,488,250</u>	<u>6,383,026</u>	<u>2,105,224</u>
<u>REVENUES OVER (UNDER) EXPENDITURES</u>	<u>-</u>	<u>-</u>	<u>(1,307,774)</u>	
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers In	-	-	400,000	400,000
<u>TOTAL REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</u>	<u>-</u>	<u>-</u>	<u>(907,774)</u>	
<u>FUND BALANCE, Beginning</u>	<u>-</u>	<u>-</u>	<u>3,602,754</u>	
<u>FUND BALANCE, Ending</u>	<u>-</u>	<u>-</u>	<u>2,694,980</u>	

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

LAS ANIMAS COUNTY, COLORADO
SPECIAL REVENUE FUND - PUBLIC WELFARE FUND
SCHEDULE OF REVENUE, EXPENDITURES AND
CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
Year Ended December 31, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance- Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		
<u>REVENUE</u>				
<u>Intergovernmental Revenues</u>				
Administration	-	-	484,403	
Adult Protection	-	-	48,828	
Infant Toddler Grant	-	-	91,948	
Core Services	-	-	143,997	
LEAP	-	-	674,002	
AID to Needy Disabled	-	-	107,095	
Child Care	-	-	278,063	
Child Welfare	-	-	946,642	
Workload Study	-	-	39,112	
Child Support Enforcement	-	-	119,632	
Old Age Pension Administration	-	-	430,582	
Home Care Allowance	-	-	22,069	
Medicaid Transportation	-	-	168,553	
Program Incentives	-	-	65,989	
CW SB 94	-	-	14,284	
Single Entry Point	-	-	609,293	
Single Entry Point Excess Revenue	-	-	35	
Colorado Works	-	-	707,824	
Food Stamp Benefits	-	-	4,557,115	
CSE Retained	-	-	27,936	
Miscellaneous Revenue	-	-	7,112	
<u>Total Intergovernmental Revenue</u>	<u>10,560,640</u>	<u>10,560,640</u>	<u>9,544,514</u>	<u>(1,016,126)</u>
<u>Tax Revenues</u>				
Property Taxes	246,761	246,761	238,308	(8,453)
Senior/Veteran Tax	-	-	3,194	3,194
Delinquent Property Taxes	5,000	5,000	1,497	(3,503)
Specific Ownership Taxes	40,000	40,000	43,233	3,233
<u>Total Tax Revenues</u>	<u>291,761</u>	<u>291,761</u>	<u>286,232</u>	<u>(5,529)</u>
<u>Other Revenues</u>				
Food Commodity	3,189	3,189	4,000	811
<u>Total Other Revenues</u>	<u>3,189</u>	<u>3,189</u>	<u>4,000</u>	<u>811</u>
<u>TOTAL REVENUES</u>	<u>10,855,590</u>	<u>10,855,590</u>	<u>9,834,746</u>	<u>(1,020,844)</u>

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

LAS ANIMAS COUNTY, COLORADO
SPECIAL REVENUE FUND - PUBLIC WELFARE FUND
SCHEDULE OF REVENUE, EXPENDITURES AND
CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
Year Ended December 31, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance-
	<u>Original</u>	<u>Final</u>		Favorable (Unfavorable)
<u>EXPENDITURES</u>				
Administration	551,687	551,687	372,200	179,487
Adult Protection	58,244	58,244	60,982	(2,738)
Infant Toddler Grant	-	-	91,948	(91,948)
Colorado Works	1,031,466	1,031,466	825,179	206,287
Core Services	256,412	256,412	179,068	77,344
Single Entry Point	710,064	710,064	609,293	100,771
Child Care	352,026	352,026	306,943	45,083
Child Welfare	1,375,232	1,375,232	1,214,942	160,290
Child Support Enforcement	237,656	237,656	210,059	27,597
Home Care Allowance	19,000	19,000	17,134	1,866
Food Stamp Fraud	26,833	26,833	3,585	23,248
LEAP	529,095	529,095	673,010	(143,915)
Old Age Pension	425,000	425,000	430,582	(5,582)
Medicaid Transportation	120,000	120,000	169,335	(49,335)
Enhanced Medicaid	-	-	206,476	(206,476)
Food Stamp Benefits	4,700,000	4,700,000	4,557,115	142,885
Aid to Needy Disabled	133,000	133,000	127,138	5,862
Food Commodity Expense	-	-	3,415	(3,415)
Truancy Services	-	-	7,531	(7,531)
SB-94 County Only	-	-	4,542	(4,542)
IV-E Excess SB-80	-	-	400	(400)
General Assistance	-	-	631	(631)
<u>TOTAL EXPENDITURES</u>	<u>10,525,715</u>	<u>10,525,715</u>	<u>10,071,508</u>	<u>454,207</u>
<u>REVENUES OVER (UNDER) EXPENDITURES</u>	329,875	329,875	(236,762)	
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfer In (Out)	-	-	236,762	<u>236,762</u>
<u>TOTAL REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</u>	329,875	329,875	-	
<u>FUND BALANCE, Beginning</u>	-	-	514,078	
<u>PRIOR YEAR CORRECTION</u>	-	-	(514,078)	
<u>FUND BALANCE, Ending</u>	<u>329,875</u>	<u>329,875</u>	<u>-</u>	

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

LAS ANIMAS COUNTY, COLORADO
SPECIAL REVENUE FUND
CAPITAL EXPENDITURE FUND
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
Year Ended December 31, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance- Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Taxes	101,221	101,221	95,414	(5,807)
Intergovernmental	2,315,000	2,315,000	152,949	(2,162,051)
Other Revenue	718,779	718,779	-	(718,779)
<u>Total Revenues</u>	<u>3,135,000</u>	<u>3,135,000</u>	<u>248,363</u>	<u>(2,886,637)</u>
<u>EXPENDITURES</u>				
Capital Outlay	3,152,500	3,152,500	373,577	2,778,923
Other	20,000	20,000	13,620	6,380
<u>Total Expenditures</u>	<u>3,172,500</u>	<u>3,172,500</u>	<u>387,197</u>	<u>2,785,303</u>
<u>REVENUE OVER (UNDER) EXPENDITURES</u>	<u>(37,500)</u>	<u>(37,500)</u>	<u>(138,834)</u>	
<u>OTHER FINANCING SOURCES (USES)</u>				
Contract Proceeds	-	-	-	-
Transfer In (Out)	37,500	37,500	-	(37,500)
<u>Total Other Financing Sources (Uses)</u>	<u>37,500</u>	<u>37,500</u>	<u>-</u>	<u>(37,500)</u>
<u>TOTAL REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</u>				
	-	-	(138,834)	
<u>FUND BALANCE, Beginning</u>	<u>-</u>	<u>-</u>	<u>1,352,923</u>	
<u>FUND BALANCE, Ending</u>	<u>-</u>	<u>-</u>	<u>1,214,089</u>	

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

Proprietary Fund – Business Type Activities

Enterprise Funds – used to account for operations that are financed and operated in a manner similar to private business enterprise, where the intent is that the costs (including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. Enterprise funds are considered major funds because of community interests in the activities and sources of funding supporting these operations.

Airport Fund – this fund accounts for all financial activities associated with the County's airport.

NON MAJOR GOVERNMENTAL FUNDS

Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

Jail Facility Fund – to account for sales taxes assessed for specific purposes.

Conservation Trust Fund – to account for the operations of a conservation trust fund financed by the state. Contributions are to be used for the improvement of park and recreation facilities.

LEAF and DUI – to account for the operations of the County LEAP program. Financing is provided by DUI fees.

Capital Projects Fund – account for financial resources created by the issuance of bonded indebtedness and to be used for major capital projects.

Jail Capital Projects Fund – this fund accounts for expenditures from sales tax proceeds for a major capital project. The revenues and expenditures of this fund are controlled by State Statute and the debt ordinance.

LAS ANIMAS COUNTY, COLORADO
 AIRPORT – PROPRIETARY FUND
 SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
 BUDGET (GAAP BASIS) AND ACTUAL
 Year Ended December 31, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance-
	<u>Original</u>	<u>Final</u>		Favorable (Unfavorable)
<u>OPERATING REVENUES</u>				
Fuel Sales	290,000	290,000	157,838	(132,162)
Hangar Rental	22,000	22,000	23,860	1,860
Other Revenues	<u>13,314</u>	<u>13,314</u>	<u>37,030</u>	<u>23,716</u>
<u>Total Operating Revenues</u>	<u>325,314</u>	<u>325,314</u>	<u>218,728</u>	<u>(106,586)</u>
<u>OPERATING EXPENSES</u>				
Salaries	18,720	18,720	20,466	(1,746)
Employee Benefits	1,994	1,994	2,341	(347)
Cost of Sales	178,000	178,000	129,755	48,245
Public Utility Service	10,000	10,000	9,193	807
Office Expense & Supplies	4,000	4,000	8,102	(4,102)
Depreciation	136,000	136,000	381,033	(245,033)
Contractual Agreements & Leases	2,500	2,500	2,550	(50)
Telephone	1,600	1,600	2,346	(746)
Maintenance	5,000	5,000	899	4,101
Insurance	13,500	13,500	13,402	98
Other	<u>7,000</u>	<u>7,000</u>	<u>-</u>	<u>7,000</u>
<u>Total Operating Expenses</u>	<u>378,314</u>	<u>378,314</u>	<u>570,087</u>	<u>(191,773)</u>
<u>OPERATING INCOME (LOSS) BEFORE</u>				
<u>OTHER SOURCES</u>	<u>(53,000)</u>	<u>(53,000)</u>	<u>(351,359)</u>	
<u>NON OPERATING REVENUES</u>				
<u>(EXPENSES)</u>				
Grants Revenue	-	-	-	-
Transfers In	-	-	-	-
<u>Total Non Operating Revenues</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(Expenses)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>CHANGES IN NET POSITION</u>				
<u>NET POSITION, Beginning</u>	<u>-</u>	<u>-</u>	<u>9,023,757</u>	
<u>NET POSITION, Ending</u>	<u>(53,000)</u>	<u>(53,000)</u>	<u>8,672,398</u>	

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

LAS ANIMAS COUNTY, COLORADO
 COMBINING BALANCE SHEET
 NON MAJOR GOVERNMENTAL FUNDS
 December 31, 2017

	<u>Special Revenue Fund</u>			<u>Capital Projects Fund</u>	<u>Total Non-Major Governmental Funds</u>
	<u>Jail Facility</u>	<u>Conservation Trust</u>	<u>LEAF & DUI</u>	<u>Jail Improvement</u>	
ASSETS					
Cash and Equivalents	647,327	303,977	31,924	225,394	1,208,622
Accounts Receivable	-	-	-	-	-
Due From Other Funds	-	-	-	-	-
<u>Total Assets</u>	<u>647,327</u>	<u>303,977</u>	<u>31,924</u>	<u>225,394</u>	<u>1,208,622</u>
LIABILITIES AND FUND EQUITY					
Liabilities					
Accounts Payable	-	-	-	-	-
<u>Total Liabilities</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:					
Nonspendable:					
Inventories	-	-	-	-	-
Prepaid Expense	-	-	-	-	-
Restricted:					
Emergencies	-	-	-	-	-
Roads and Bridges	-	-	-	-	-
Capital Outlay	-	-	-	225,394	225,394
Parks and Recreation	-	303,977	-	-	303,977
Public Safety	647,327	-	31,924	-	679,251
Committed:					
Unanticipated Obligations	-	-	-	-	-
Assigned:					
Roads and Bridges	-	-	-	-	-
Capital Outlay	-	-	-	-	-
Public Works	-	-	-	-	-
Unassigned:					
<u>Total Fund Balances</u>	<u>647,327</u>	<u>303,977</u>	<u>31,924</u>	<u>225,394</u>	<u>1,208,622</u>
TOTAL LIABILITIES AND FUND BALANCES					
	<u>647,327</u>	<u>303,977</u>	<u>31,924</u>	<u>225,394</u>	<u>1,208,622</u>

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

LAS ANIMAS COUNTY, COLORADO
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 NON MAJOR GOVERNMENTAL FUNDS
 Year Ended December 31, 2017

	<u>Special Revenue Fund</u>			<u>Capital Projects Fund</u>	<u>Total Non-Major Governmental Funds</u>
	<u>Jail Facility</u>	<u>Conservation Trust</u>	<u>LEAF & DUI</u>	<u>Jail Improvement</u>	
<u>REVENUES</u>					
Taxes	1	-	-	-	1
Intergovernmental Revenues	-	50,045	-	-	50,045
Other Revenues	-	<u>1,568</u>	<u>1,564</u>	-	<u>3,132</u>
<u>Total Revenues</u>	<u>1</u>	<u>51,613</u>	<u>1,564</u>	<u>-</u>	<u>53,178</u>
<u>EXPENDITURES</u>					
Capital Outlay	-	5,115	-	155,882	160,997
Social Services	-	-	-	-	-
Public Safety	-	-	312	-	312
Debt Service	-	-	-	-	-
Other	-	-	-	-	-
<u>Total Expenditures</u>	<u>-</u>	<u>5,115</u>	<u>312</u>	<u>155,882</u>	<u>161,309</u>
<u>REVENUES OVER (UNDER) EXPENDITURES</u>					
	<u>1</u>	<u>46,498</u>	<u>1,252</u>	<u>(155,882)</u>	<u>(108,131)</u>
<u>OTHER FINANCING SOURCES (USES)</u>					
Capital Lease Proceeds	-	-	-	-	-
Operating Transfers In (Out)	(100,000)	-	-	100,000	-
<u>Total Other Financing Sources (Uses)</u>	<u>(100,000)</u>	<u>-</u>	<u>-</u>	<u>100,000</u>	<u>-</u>
<u>TOTAL REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</u>					
	(99,999)	46,498	1,252	(55,882)	(108,131)
<u>FUND BALANCE, Beginning</u>	<u>747,326</u>	<u>257,479</u>	<u>30,672</u>	<u>281,276</u>	<u>1,316,753</u>
<u>FUND BALANCE, Ending</u>	<u>647,327</u>	<u>303,977</u>	<u>31,924</u>	<u>225,394</u>	<u>1,208,622</u>

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

LAS ANIMAS COUNTY, COLORADO
SPECIAL REVENUE FUND
JAIL FACILITY FUND
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
Year Ended December 31, 2017

	<u>Budgeted Amounts</u> <u>Original & Final</u>	<u>Actual</u>	Variance- Favorable (Unfavorable)
<u>REVENUE</u>			
State Tax Revenue	-	1	1
Other	<u>150,000</u>	<u>-</u>	<u>(150,000)</u>
<u>Total Revenues</u>	<u>150,000</u>	<u>1</u>	<u>(149,999)</u>
<u>EXPENDITURES</u>			
Other	<u>-</u>	<u>-</u>	<u>-</u>
<u>Total Expenditures</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>REVENUES OVER (UNDER) EXPENDITURES</u>	150,000	1	
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers (Out)	<u>(150,000)</u>	<u>(100,000)</u>	<u>50,000</u>
<u>REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</u>	-	(99,999)	
<u>FUND BALANCE, Beginning</u>	<u>-</u>	<u>747,326</u>	
<u>FUND BALANCE, Ending</u>	<u>-</u>	<u>647,327</u>	

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

LAS ANIMAS COUNTY, COLORADO
SPECIAL REVENUE FUND
CONSERVATION TRUST FUND
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
Year Ended December 31, 2017

	<u>Budgeted Amounts</u> <u>Original & Final</u>	<u>Actual</u>	Variance- Favorable (Unfavorable)
<u>REVENUE</u>			
Intergovernmental - Lottery	49,000	50,045	1,045
Other Revenue	<u>44,500</u>	<u>1,568</u>	<u>(42,932)</u>
<u>Total Revenues</u>	<u>93,500</u>	<u>51,613</u>	<u>(41,887)</u>
<u>EXPENDITURES</u>			
Capital Outlay	6,000	5,115	885
Other	<u>50,000</u>	<u>-</u>	<u>50,000</u>
<u>Total Expenditures</u>	<u>56,000</u>	<u>5,115</u>	<u>50,885</u>
<u>REVENUES OVER (UNDER) EXPENDITURES</u>	37,500	46,498	
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers (Out)	<u>(37,500)</u>	<u>-</u>	<u>37,500</u>
<u>REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</u>	-	46,498	
<u>FUND BALANCE, Beginning</u>	<u>-</u>	<u>257,479</u>	
<u>FUND BALANCE, Ending</u>	<u>-</u>	<u>303,977</u>	

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

LAS ANIMAS COUNTY, COLORADO
SPECIAL REVENUE FUND
LEAF AND DUI FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
Year Ended December 31, 2017

	<u>Budgeted Amounts</u> <u>Original & Final</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
<u>REVENUE</u>			
DUI Fees	<u>10,000</u>	<u>1,564</u>	<u>(8,436)</u>
<u>Total Revenues</u>	<u>10,000</u>	<u>1,564</u>	<u>(8,436)</u>
 <u>EXPENDITURES</u>			
Miscellaneous	<u>10,000</u>	<u>312</u>	<u>9,688</u>
<u>Total Expenditures</u>	<u>10,000</u>	<u>312</u>	<u>9,688</u>
 <u>REVENUES OVER (UNDER) EXPENDITURES</u>	 -	 1,252	
 <u>FUND BALANCE, Beginning</u>	 <u>-</u>	 <u>30,672</u>	
 <u>FUND BALANCE, Ending</u>	 <u>-</u>	 <u>31,924</u>	

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

LAS ANIMAS COUNTY, COLORADO
 JAIL CAPITAL PROJECTS FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET (GAAP BASIS) AND ACTUAL
 Year Ended December 31, 2017

	<u>Budgeted Amounts</u> <u>Original & Final</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
<u>Revenue</u>			
Miscellaneous	-	-	-
<u>Total Revenues</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Expenditures</u>			
Capital Outlay	-	145,694	(145,694)
Maintenance & Repairs	150,000	10,188	139,812
<u>Total Expenditures</u>	<u>150,000</u>	<u>155,882</u>	<u>(5,882)</u>
<u>Revenues Over (Under) Expenditures</u>	(150,000)	(155,882)	
<u>Other Financing Sources (Uses)</u>			
Transfers In (Out)	150,000	100,000	(50,000)
<u>Total Other Financing Sources (Uses)</u>	<u>150,000</u>	<u>100,000</u>	<u>(50,000)</u>
<u>Net Change in Fund Balance</u>	-	(55,882)	
<u>Fund Balance, Beginning</u>	<u>-</u>	<u>281,276</u>	
<u>Fund Balance, Ending</u>	<u>-</u>	<u>225,394</u>	

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

OTHER SCHEDULES

ANNUAL HIGHWAY FINANCE REPORT - CY17

Email address: kristee.coberly@lasanimascounty.org

City/County: Las Animas County

II - RECEIPTS FOR ROAD AND STREET PURPOSES

Please no commas or dollar signs for the input

A. Receipts from local sources

2. General Fund Appropriations:	\$	0.00
3. Other local imposts: <i>from A.3. Total below</i>	\$	52.00
4. Miscellaneous local receipts: <i>from A.4. Total below</i>	\$	451,702.00
5. Transfers from toll facilities	\$	0.00
6. Proceeds of sale of bonds and notes		
a. Bonds - Original Issues:	\$	0.00
b. Bonds - Refunding Issues:	\$	0.00
c. Notes:	\$	0.00

	\$	451,754.00
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B. Private Contributions	\$	0.00
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II - RECEIPTS FOR ROAD AND STREET PURPOSES (Detail)

Please no commas or dollar signs for the input

A.3. Other local imposts

a. Property Taxes and Assessments	\$	52.00
b. Other Local Imposts		
1. Sales Taxes:	\$	0.00
2. Infrastructure and Impact Fees:	\$	0.00

3. Liens:	\$	0.00
4. Licenses:	\$	0.00
5. Specific Ownership and/or Other:	\$	0.00
Total: (a + b) carried to 'Other local imposts' above		\$ 52.00

A.4. Miscellaneous local receipts

Please no commas or dollar signs for the input

a. Interest on Investments:	\$	0.00
b. Traffic fines & Penalties:	\$	0.00
c. Parking Garage Fees:	\$	0.00
d. Parking Meter Fees:	\$	0.00
e. Sale of Surplus Property:	\$	0.00
f. Charges for Services:	\$	0.00
g. Other Misc. Receipts:	\$	25,984.00
h. Other:	\$	425,718.00
Total: (a through h) carried to 'Misc local receipts' above		\$ 451,702.00

C. Receipts from State Government

Please no commas or dollar signs for the input

1. Highway User Taxes:	\$	3,308,337.00
3. Other State funds:		
c. Motor Vehicle Registrations:	\$	15,744.00
d. Other (Specify):		
Comments: Severance Tax	\$	65,588.00
e. Other (Specify):		
Comments: EIAF Grants	\$	1,631,277.00
Total: (1+3c,d,e)		\$ 5,020,946.00

D. Receipts from Federal Government

Please no commas or dollar signs for the input

2. Other Federal Agencies		
a. Forest Service:	\$	2,366.00
b. FEMA:	\$	0.00
c. HUD:	\$	0.00
d. Federal Transit Administration:	\$	0.00
e. U.S. Corp of Engineers	\$	0.00
f. Other Federal:	\$	186.00
Total: (2a-f)		\$ 2,552.00

III - DISBURSEMENTS FOR ROAD AND STREET PURPOSES

Please no commas or dollar signs for the input

A. Local highway disbursements

1. Capital outlay: <i>(from A.1.d. 'Total Capital Outlay' below)</i>	\$	3,464,082.00
2. Maintenance:	\$	1,793,442.00
3. Road and street services		
a. Traffic control operations:	\$	0.00
b. Snow and ice removal:	\$	448,361.00
c. Other:	\$	1,072.00
4. General administration & miscellaneous	\$	676,069.00
5. Highway law enforcement and safety	\$	0.00
Total: (A.1-5)	\$	6,383,026.00

Please no commas or dollar signs for the input

B. Debt service on local obligations

1. Bonds		
a. Interest	\$	0.00
b. Redemption	\$	0.00
2. Notes		
a. Interest	\$	0.00
b. Redemption	\$	0.00
SubTotal: (1+2)	\$	0.00

Please no commas or dollar signs for the input

C. Payments to State for Highways:	\$	0.00
D. Payments to Toll Facilities:	\$	0.00

Total Disbursements: (A+B+C+D)	\$	6,383,026.00
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Please no commas or dollar signs for the input

III - DISBURSEMENTS FOR ROAD AND STREET PURPOSES (Total)

Please no commas or dollar signs for the input

	A. ON NATIONAL HIGHWAY SYSTEM	B. OFF NATIONAL HIGHWAY SYSTEM	C. TOTAL
A.1. Capital Outlay			
a. Right-Of-Way Costs:	\$ 0.00	\$ 0.00	\$ 0.00
b. Engineering Costs:	\$ 0.00	\$ 0.00	\$ 0.00
c. Construction			
1. New Facilities:	\$ 0.00	\$ 0.00	\$ 0.00
2. Capacity Improvements:	\$ 0.00	\$ 0.00	\$ 0.00
3. System Preservation:	\$ 0.00	\$ 0.00	\$ 0.00
4. System Enhancement:	\$ 0.00	\$ 3,464,082.00	\$ 3,464,082.00
5. Total Construction:			\$ 3,464,082.00
d. Total Capital Outlay: <i>(Lines A.1.a. + 1.b. + 1.c.5)</i>			\$ 3,464,082.00

IV. LOCAL HIGHWAY DEBT STATUS

Please no commas or dollar signs for the input

	OPENING DEBT	AMOUNT ISSUED	REDEMPTIONS	CLOSING DEBT
A. Bonds (Total)	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
1. Bonds (Refunding Portion)		\$ 0.00	\$ 0.00	\$ 0.00
B. Notes (Total):	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00

V - LOCAL ROAD AND STREET FUND BALANCE

Please no commas or dollar signs for the input

A. Beginning Balance	B. Total Receipts	C.Total Disbursements	D. Ending Balance	E. Reconciliation
\$ 3,602,754.00	\$ 5,475,252.00	\$ 6,383,026.00	\$ 2,694,980.00	\$ 0.00

Notes & Comments:

A4.g - MLR

Please enter your name: Kristee Coberly

Please provide a telephone number where you may be reached: 7198452578

Save

Print Mode

Edit Mode

Please click on the "Save" button before viewing the data in a print format.

FORM FHWA-536e (Version 4.5) - CY17

**LAS ANIMAS COUNTY DEPARTMENT OF HUMAN SERVICES
REQUIRED SUPPLEMENTAL INFORMATION (RSI)
December, 2017**

CATEGORY	A COUNTY EBT AUTHORIZATIONS	B COUNTY SHARE OF AUTHORIZATIONS	C WARRANT ISSUE ISSUED BY COUNTY DEPT	A + C = D TOTAL COUNTY WARRANT ISSUE & AUTHORIZATIONS	B + C = E TOTAL COUNTY DEPT EXPENDITURES
Colorado Works					
Administration	\$ -		\$ 97,458.55	\$ 97,458.55	\$ 97,458.55
Non-ADM - Client Payment	\$ 565.00			\$ 565.00	\$ -
EBT (Non ADM)	\$ 690,309.85			\$ 690,309.85	\$ -
Total Colorado Works	\$ 690,874.85		\$ 97,458.55	\$ 788,333.40	\$ 97,458.55
Child Care					
EBT / MOE	\$ 269,817.73			\$ 269,817.73	\$ -
Administration	\$ -		\$ 29,088.78	\$ 29,088.78	\$ 29,088.78
Quality Grants	\$ -		\$ -	\$ -	\$ -
Total Child Care	\$ 269,817.73		\$ 29,088.78	\$ 298,906.51	\$ 29,088.78
Child Welfare					
Administration 100%			\$ 137,909.19	\$ 137,909.19	\$ 137,909.19
Administration 80/20%			\$ 371,581.78	\$ 371,581.78	\$ 371,581.78
CHRP				\$ -	\$ -
RTC				\$ -	\$ -
Res Mental Health	\$ 14,589.65			\$ 14,589.65	\$ -
Foster Care OOH	\$ 362,653.81			\$ 362,653.81	\$ -
Related Child Care	\$ 13,625.07			\$ 13,625.07	\$ -
SubAdopt	\$ 231,234.84			\$ 231,234.84	\$ -
Relative Guardianship	\$ 29,672.39			\$ 29,672.39	
Case Services	\$ 2,366.50			\$ 2,366.50	
Total Child Welfare	\$ 654,142.26		\$ 509,490.97	\$ 1,163,633.23	\$ 509,490.97
Total County Administration			\$ 824,131.79	\$ 824,131.79	\$ 824,131.79
Core Services					
Mental Health	\$ 1,800.00			\$ 1,800.00	\$ -
ADAD	\$ 19,272.96			\$ 19,272.96	\$ -
Special Economic Asst	\$ 1,400.00			\$ 4,173.79	\$ -
Core Other EBT/EFT				\$ -	\$ -
Core Other - 100%			\$ 55,191.16	\$ 55,191.16	\$ 55,191.16
Core 80/20%			\$ 102,709.30	\$ 102,709.30	\$ 102,709.30
Total Core Services	\$ 22,472.96		\$ 157,900.46	\$ 183,147.21	\$ 157,900.46
				\$ -	\$ -
Total Child Support Enforce			\$ 209,135.47	\$ 209,135.47	\$ 209,135.47
Total LEAP	\$ 631,312.91		\$ 42,668.34	\$ 673,981.25	\$ 42,668.34
Total Aid to Needy Disabled	\$ 127,137.96			\$ 127,137.96	\$ -
Total A.N.D. HCA				\$ -	\$ -
Total O.A.P. HCA	\$ 11,214.00			\$ 11,214.00	\$ -
Total SSI - HCA	\$ 6,154.56			\$ 6,154.56	
Total Old Age Pension	\$ 424,187.60			\$ 424,187.60	\$ -
Total Food Assist Fraud			\$ 3,585.22	\$ 3,585.22	\$ 3,585.22
Total FA Benefits & Collect	\$ 4,557,114.57			\$ 4,557,114.57	\$ -
Total DoD Funds	\$ -			\$ -	\$ -
				\$ -	\$ -
Total Chaffee Indep Living				\$ -	\$ -

**LAS ANIMAS COUNTY DEPARTMENT OF HUMAN SERVICES
REQUIRED SUPPLEMENTAL INFORMATION (RSI)
December, 2017**

CATEGORY	A COUNTY EBT AUTHORIZATIONS	B COUNTY SHARE OF AUTHORIZATIONS	C WARRANT ISSUE ISSUED BY COUNTY DEPT	A + C = D TOTAL COUNTY WARRANT ISSUE & AUTHORIZATIONS	B + C = E TOTAL COUNTY DEPT EXPENDITURES
Total Co Wide Cost Alloc			\$ -	\$ -	\$ -
Medicaid Transportation			\$ 169,335.37	\$ 169,335.37	\$ 169,335.37
Single Entry Point			\$ 611,141.51	\$ 611,141.51	\$ 611,141.51
Other Local Sources					
General Assistance			\$ 585.00	\$ 585.00	\$ 585.00
Commodities			\$ 3,414.95	\$ 3,414.95	\$ 3,414.95
Total Other Sources			\$ 3,999.95	\$ 3,999.95	\$ 3,999.95
IV-E Revenue SB-80 Non-ADM - Client Payment			\$ 400.00	\$ 400.00	\$ 400.00
Parental Fees SB-94 Non-ADM - Client Payment			\$ 4,541.50	\$ 4,541.50	\$ 4,541.50
Workload Study			\$ 43,256.71	\$ 43,256.71	\$ 43,256.71
IV-E Waiver Kinship Support			\$ 5,637.01	\$ 5,637.01	\$ 5,637.01
IV-E Waiver Roundtable				\$ -	\$ -
Hotline Implementation				\$ -	\$ -

SINGLE AUDIT SECTION

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**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***

The Board of County Commissioners
Las Animas County
Trinidad, Colorado 81082

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Las Animas County as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise Las Animas County's basic financial statements, and have issued our report thereon dated June 30, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Las Animas County'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 the Las Animas County's internal control. Accordingly, we do not express an opinion on the effectiveness of the Las Animas County'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 Las Animas County'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*.

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.

Dyer, Waller & Co., P.C.

June 30, 2018

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

The Board of County Commissioners
Las Animas County
Trinidad, Colorado 81082

Report on Compliance for Each Major Federal Program

We have audited Las Animas County'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 Las Animas County's major federal programs for the year ended December 31, 2017. Las Animas County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Las Animas County'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 Las Animas County'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 Las Animas County's compliance.

Opinion on Each Major Federal Program

In our opinion, Las Animas County 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, 2017.

Report on Internal Control Over Compliance

Management of Las Animas County 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 Las Animas County'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 Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Las Animas County's internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Las Animas County'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 Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Dixon, Waller & Co., Inc.

June 30, 2018

LAS ANIMAS COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2017

SUMMARY OF AUDITOR'S RESULTS:

Report

An unmodified report has been issued on the financial statements of Las Animas County.

Internal Control – Financial Statements

No conditions were disclosed by the audit that are considered to be a material weakness. No significant deficiencies not considered a material weakness were identified.

Noncompliance – Financial Statements

No instances of noncompliance in amounts material to the financial statements of Las Animas County were disclosed by the audit.

Internal Control – Federal Awards

No conditions were disclosed by the audit that are considered to be a material weakness. No significant deficiencies not considered a material weakness were identified.

Report on Compliance – Major Programs

An unmodified report has been issued on Las Animas County compliance for major programs.

Audit Findings

No audit findings requiring disclosure in accordance with 2 CFR Section 200.516(a) were disclosed by the audit.

Major Programs

LEAP	(CFDA# 93.568)
TANF	(CFDA# 93.558)

Dollar Threshold to Distinguish Type A and Type B Programs

\$750,000

Qualification as low-risk auditee

Las Animas County did not qualify as a low risk auditee for 2017.

Findings – GAGAS

None.

LAS ANIMAS COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2017

SUMMARY OF AUDITOR'S RESULTS: (continued)

Findings – Federal Awards

NONE

LAS ANIMAS COUNTY, COLORADO
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
Year Ended December 31, 2017

NONE

LAS ANIMAS COUNTY, COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended December 31, 2017

<u>Federal Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass Through Grantor</u>	<u>Federal Expenditures</u>	<u>Pass Through to Other Entity</u>
Services to Indian Children, Elderly and Families-Cluster				
Department of Health and Human Services				
Child Care and Development Block Grant (477 Cluster – Version 2)				
Child Care and Development Block Grant (477 Cluster – Version 2)	93.575	State Dept. of Human Services	130,586	
Child Care Mandatory and Matching Funds of the Child Care and Development Fund (477 Cluster – Version 2)	93.596	State Dept. of Human Services	<u>70,982</u>	
<i>Total Department of Health and Human Services</i>			<u>201,568</u>	
Total Services to Indian Children, Elderly And Families – Cluster			<u>201,568</u>	
Other Programs				
Department of Homeland Security				
Emergency Management Performance Grants				
<i>Total Department of Homeland Security</i>	97.042		<u>10,000</u>	
			<u>10,000</u>	
United States Department of Justice				
Bulletproof Vest Partnership Program				
<i>Total United States Department of Justice</i>	16.607		<u>1,223</u>	
			<u>1,223</u>	
Department of Transportation				
Airport Improvement Program				
<i>Total Department of Transportation</i>	20.106		<u>3,539</u>	
			<u>3,539</u>	
Total Other Programs			<u>14,762</u>	
Department of Health and Human Services				
Guardianship Assistance	93.090	State Dept. of Human Services	<u>7,370</u>	
Temporary Assistance for Needy Families	93.558	State Dept. of Human Services	<u>705,662</u>	
Child Support Enforcement	93.563	State Dept. of Human Services	<u>128,567</u>	
Low-Income Home Energy Assistance	93.568	State Dept. of Human Services	<u>674,002</u>	
Stephanie Tubbs Jones Child Welfare Services Program	93.645	State Dept. of Human Services	<u>14,118</u>	
Foster Care – Title IV-E	93.658	State Dept. of Human Services	<u>226,505</u>	
Adoption Assistance	93.659	State Dept. of Human Services	<u>110,333</u>	
Social Services Block Grant	93.667	State Dept. of Human Services	<u>65,496</u>	
Medical Assistance Program	93.778	State Dept. of Human Services	220,597	
Medical Assistance Program	93.778	State Dept. of Health Care Policy and Finance	<u>304,646</u>	53,023
<i>Total Medical Assistance Program</i>			<u>525,243</u>	<u>53,023</u>
Total Department of Health and Human Services			<u>2,457,296</u>	
United States Department of Agriculture				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program				
Emergency Food Assistance Program (Food Commodities)	10.561	State Dept. of Human Services	<u>126,712</u>	
	10.569	State Dept. of Human Services	<u>47,799</u>	
Total United States Department of Agriculture			<u>174,511</u>	
<u>Total Expenditures of Federal Awards</u>			<u>2,848,137</u>	<u>53,023</u>

The accompanying notes are an integral part of this schedule.

LAS ANIMAS COUNTY, COLORADO
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended December 31, 2017

NOTE 1 Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Las Animas County and is presented on the modified accrual basis of accounting. The information is presented in accordance with requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the financial statements.

NOTE 2 Non-Cash Assistance

a) Food Distribution

Non-monetary assistance is reported in the schedule at the fair market value of commodities received.

b) Electronic Benefits Transfer

The County has implemented the Electronic Benefits Transfer Program (EBT) and the following federal awards were received under this program:

1. Low-Income Energy Assistance Program (LEAP),
2. Child Welfare Eligibility and Tracking System (CWEST),
3. Child Care Automated Tracking Systems (CHATS),
4. Colorado Automated Food Stamp System (CAFSS),
5. Temporary Assistance to Needy Families (TANF),
6. Aid to Needy Disabled (AND).

Under this program, Counties authorize welfare payments to clients and/or vendors and subsequently the State bills the County for the County's local share. Non-monetary assistance provided for these programs has been either reported in the schedule at amounts provided by the Colorado Department of Human Services or on the modified accrual basis of accounting.

NOTE 3 Single Entry Point Program

\$53,023 of Single Entry Point federal monies were passed through to Huerfano County during 2017. The cash basis of accounting was used to recognize the pass through of these program monies.

NOTE 4 Food Assistance – SNAP

A county must NOT report expenditures for SNAP benefits in its SEFA or its SF-SAC. This is because SNAP benefits are provided exclusively by electronic benefits transfer (EBT). In an EBT environment, there is no pass-through of Federal funds for SNAP benefits as these funds do not pass through the hands of county agencies. Rather, benefits are processed and expenditures determined by State-level EBT systems. With respect to counties, therefore, SNAP benefits do not meet the definitions of “Federal Award” and “Federal Financial Assistance”.

NOTE 5 Indirect Costs

The County has elected not to use the 10 percent de minimis indirect cost rate.