

cPa **DIXON, WALLER & CO., INC.**

LAS ANIMAS COUNTY, COLORADO

AUDIT REPORT

DECEMBER 31, 2012

**DIXON, WALLER & CO., INC.**

**TABLE OF CONTENTS**

LAS ANIMAS COUNTY, COLORADO  
REPORT ON EXAMINATION  
December 31, 2012

	<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
Statement of Changes in Fiduciary Deposits Held for Others.....	13

Notes to Basic Financial Statements..... 14-37

REQUIRED SUPPLEMENTARY INFORMATION - BUDGETARY COMPARISONS:

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

General Fund ..... 38-46
Road and Bridge – Special Revenue Fund ..... 47
Public Welfare – Special Revenue Fund ..... 48-49
Capital Expenditure – Special Revenue Fund ..... 50

COMBINING AND INDIVIDUAL FUND STATEMENTS AND OTHER SCHEDULES:

Statement of Revenues, Expenses, and Changes in Net Position – Airport – Proprietary Fund - Budget (GAAP Basis) and Actual ..... 51
Combining Balance Sheet – Nonmajor Governmental Funds ..... 52-53
Combining Statement of Revenues, Expenditures and Changes In Fund Balances – Nonmajor Governmental Funds ..... 54-55

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

Jail Facility – Special Revenue Fund ..... 56
Conservation Trust Fund – Special Revenue Fund ..... 57
Contingent Fund – Special Revenue Fund ..... 58
LEAF and DUI Fund – Special Revenue Fund ..... 59
Emergency Assistance Fund – Special Revenue Fund..... 60
PILT Fund – Special Revenue Fund..... 61
Jail – Capital Projects Fund ..... 62

OTHER SCHEDULES

Counties, Cities and Towns Annual Statement of Receipts and Expenditures for Roads, Bridges and Streets..... 63-64
Schedule of Authorization, Expenditures, and Total Expenditures ..... 65-66

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> .....	67-68
Independent Auditor’s Report on Compliance for each Major Federal Program and Report on Internal Control over Compliance Required by OMB Circular A-133 .....	69-70
Schedule of Findings and Questioned Costs .....	71-72
Summary Schedule of Prior Audit Findings.....	73
Schedule of Expenditures of Federal Awards .....	74
Notes to Schedule of Expenditures of Federal Awards.....	75

FINANCIAL SECTION

164 E. MAIN  
TRINIDAD, COLORADO 81082  
(719) 846-9241 FAX (719) 846-3352

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, 2012, 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, 2012, 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 38 through 50 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 U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also 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 65-66 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 September 23, 2013, 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.

*Dixon, Walker & Co., P.C.*

September 23, 2013

MANAGEMENT'S DISCUSSION AND ANALYSIS



## **LAS ANIMAS COUNTY, COLORADO**

### **Management's Discussion and Analysis**

As management of Las Animas County, we offer readers of the County's annual financial report this narrative overview and analysis of the financial activities of the County for the fiscal year ended December 31, 2012. 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 \$61,718,137 at December 30, 2012.
- During the year, the County's government activities expenses were \$630,574 more than the \$19,763,220 generated by taxes, grants and other forms of revenue in all government funds.
- As of December 31, 2012, The County's governmental funds reported combined ending fund balances of \$14,685,672, an increase of \$86,935 in comparison with the prior year. Of the ending fund balance, \$313,000 is reserved for emergencies.
- As of December 31, 2012, the unassigned fund balance for the general fund was \$3,623,167 or 52.5% of total general fund expenditures.
- In the general fund, the actual revenues (\$6,480,854) were 1.5% higher than what was budgeted while actual expenditures (\$6,773,877) were 0.5% higher than budget. This resulted in a decrease in fund balance of \$293,023.
- Revenues in the County's governmental funds decreased by \$2,054,466 or 9.4% less than they had been in the previous year of 2011, while expenditures decreased by \$1,586,644 or 7.2% less than expenditures for 2011.

#### **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 are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both 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 this 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, like other state and local governments, 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 13 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), Capital Expenditures Fund and other governmental funds including Conservation Trust, and PILT.

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 this 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 37 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 \$61,718,137 as of December 31, 2012.

Of the County’s total net position, 79.0%, is reflected in investment in capital assets (e.g. land, buildings, roads, bridges, equipment), less any related debt used to acquire those assets that is 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 net investment in 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 ASSETS

	Governmental Activities		Business-Type Activities		Total	
	2012	2011	2012	2011	2012	2011
Capital Assets, not depreciated	\$ 464,551	\$ 464,551	\$ 193,904	\$ 193,904	\$ 658,455	\$ 658,455
Capital Assets, being depreciated (net)	<u>46,709,015</u>	<u>51,364,000</u>	<u>1,378,000</u>	<u>1,478,590</u>	<u>48,087,015</u>	<u>52,842,594</u>
Total Capital Assets	47,173,566	51,828,555	1,571,904	1,672,494	48,745,470	53,501,049
Current & Other Assets	<u>15,321,468</u>	<u>15,846,549</u>	<u>47,916</u>	<u>67,806</u>	<u>15,369,384</u>	<u>15,914,355</u>
Total Assets	62,495,034	67,675,104	1,619,820	1,740,300	64,114,854	69,415,404
Long-term liabilities outstanding	-----	-----	-----	-----	-----	-----
Other liabilities	<u>2,208,782</u>	<u>2,342,533</u>	<u>187,935</u>	<u>172,129</u>	<u>2,396,717</u>	<u>2,514,662</u>
Total Liabilities	2,208,782	2,342,533	187,935	172,129	2,396,717	2,514,662
Net Position:						
Net investment in capital asset	46,071,697	51,689,706	1,571,904	1,672,494	47,643,601	53,362,200
Restricted	9,771,936	9,121,765	-----	-----	9,771,936	9,121,765
Unrestricted (Deficit)	<u>4,442,619</u>	<u>4,521,100</u>	<u>(140,019)</u>	<u>(104,323)</u>	<u>4,302,600</u>	<u>4,416,777</u>
Total Net Position	\$60,286,252	65,332,571	\$1,431,885	\$1,568,171	\$61,718,137	\$66,900,742

The decrease in net position from 2011 to 2012 is due primarily to depreciation of infrastructure (roads, bridges, etc.). Infrastructure accounted for \$33,495,654, after depreciation, of total net position. A portion of the County’s net position, 16.2%, represents resources that are subject to external restriction on how they may be used which is up from 13.6% the previous year. The remaining unrestricted net position, \$4,302,600, is down 2.6% from 2011 and may be used to meet the government’s ongoing obligations to citizens and creditors.

As of December 31, 2012, 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 \$20,129,834. Of this total, 35.1% is general revenue, i.e. taxes, intergovernmental revenue, interest income, etc.; 59.6% is from state programs and grants; and 5.3% relates to charges for services.

The total cost of all programs and services was \$25,312,439. The two largest portions are 35.2%, for social services and 33.3% for the various capital projects throughout the county including roads, bridges, and building construction. The resulting change in net position was a negative \$[5,182,605]. Both the governmental activities programs and the Airport Proprietary Fund realized a decrease in net position for 2012.

**Analysis of the County’s Operations** – The table below provides a summary of Las Animas County’s operations for 2012. In governmental activities, net position was reduced in the amount of \$5,046,319. In business-type activities, net position was reduced by \$136,286.

### LAS ANIMAS COUNTY’S CHANGES IN NET POSITION

	Governmental Activities		Business-Type Activities		Total	
	2012	2011	2012	2011	2012	2011
<b>Revenues</b>						
Program Revenues						
Charges for Services	\$ 743,141	\$ 852,518	\$ 315,077	\$ 298,204	\$ 1,058,218	\$ 1,150,722
Operating Grants & Contributions	11,901,617	12,239,219	-	-	11,901,617	12,239,219
Capital Grants & Contributions	100,233	1,737,752	-	252,004	100,233	1,989,756
General Revenue						
Property Taxes	4,274,257	4,108,165	-	-	4,274,257	4,108,165
Specific Ownership Taxes	691,598	724,749	-	-	691,598	724,749
Sales Taxes	-	77	-	-	-	77
Sale of Assets	-	-	-	-	-	-
Intergovernmental Not Spec Restrict	1,391,752	1,254,498	-	-	1,391,752	1,254,498
Interest Revenue	101,946	123,286	-	-	101,946	123,286
Other Revenues	610,213	828,959	-	-	610,213	828,959
Transfers In (Out)	(51,537)	-	51,537	-	-	-
<b>Total Revenues</b>	<b>19,763,220</b>	<b>21,869,223</b>	<b>366,614</b>	<b>550,208</b>	<b>20,129,834</b>	<b>22,419,431</b>
<b>Expenses:</b>						
General Government	4,105,323	1,435,723	-	-	4,105,323	1,435,723
Public Safety	2,458,093	2,330,673	-	-	2,458,093	2,330,673
Health & Environment	255,024	238,824	-	-	255,024	238,824
Auxiliary Services	220,954	266,329	-	-	220,954	266,329
Intergovernmental	438,414	441,737	-	-	438,414	441,737
Roads, Bridges & Cap Outlay	8,393,334	10,501,548	-	-	8,393,334	10,501,548
Social Services	8,913,053	9,710,713	-	-	8,913,053	9,710,713
Debt Services	25,344	-	-	-	25,344	-
Airport	-	-	502,900	450,879	502,900	450,879
<b>Total Expenses</b>	<b>24,809,539</b>	<b>24,925,547</b>	<b>502,900</b>	<b>450,879</b>	<b>25,312,439</b>	<b>25,376,426</b>
Increase (decrease) in Position	[5,046,319]	[3,056,324]	[136,286]	99,329	[5,182,605]	[2,956,995]
Net Position – January 1	65,332,571	68,388,895	1,568,171	1,468,842	66,900,742	69,857,737
Prior Year Adjustment	-	-	-	-	-	-
Net Position – January 1, restated	65,332,571	68,388,895	1,568,171	1,468,842	66,900,742	69,857,737
<b>Net Position – December 31</b>	<b>\$60,246,916</b>	<b>\$65,332,571</b>	<b>\$1,431,885</b>	<b>\$1,568,171</b>	<b>\$61,678,801</b>	<b>\$66,900,742</b>

## CAPITAL ASSETS

### CAPITAL ASSETS AT YEAR END Net of Accumulated Depreciation

	Governmental Activities		Business-Type Activities		Total	
	2012	2011	2012	2011	2012	2011
Land	\$ 464,551	\$ 464,551	\$ 117,304	\$ 117,304	\$ 581,855	\$ 581,855
Water Rights	-----	-----	76,600	76,600	76,600	76,600
Infrastructure	33,495,654	37,525,372	-----	-----	33,495,654	37,525,372
Structure & Improvements	9,649,707	10,338,904	1,096,988	1,169,141	10,746,695	11,508,045
Equipment	<u>3,563,654</u>	<u>3,499,728</u>	<u>281,012</u>	<u>309,449</u>	<u>3,844,666</u>	<u>3,809,177</u>
Total Capital Assets (net)	\$47,173,566	\$51,828,555	\$ 1,571,904	\$ 1,672,494	\$48,745,470	\$53,501,049

During fiscal year 2012, Las Animas County added \$870,147 and retired \$86,000 in capital assets, including infrastructure, equipment, buildings, and vehicles. After depreciation, the total value of all assets is \$48,745,470. The County depreciates capital assets, except land and water rights, using the straight-line depreciation method and a predetermined useful life of the asset.

## LONG-TERM DEBT

### LONG TERM DEBT AT YEAR END

	Governmental Activities		Business-Type Activities		Total	
	2012	2011	2012	2011	2012	2011
Sales Tax Revenue Bonds	\$ -----	\$ -----	-----	-----	\$ -----	\$ -----
Notes Payable	-----	-----	-----	-----	-----	-----
Capital Lease Obligations	1,101,869	546,461	-----	-----	1,101,869	546,461
Compensated Absences	<u>471,117</u>	<u>587,596</u>	-----	-----	<u>471,117</u>	<u>587,596</u>
Total Long-Term Debt	\$1,572,986	\$ 1,134,057	-----	-----	\$1,572,986	\$ 1,134,057

Total long-term debt obligations of the County increased by \$438,929 from 2011 to 2012 with the addition of two motor graders. The amount owed to employees for compensated absences decreased by 19.8% in 2012. 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 2013 budget preparation decreased by \$50,529,840, or 9.6%. 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. Due to the decrease in valuation, the mill levy will remain at 9.357 in 2012 in conformance with TABOR. General fund spending in 2013 is projected to increase by \$558,065 (8.2%) over what was actually spent in 2012, and general fund revenue is expected to decrease by \$182,380 (2.8%) from

what was actually realized in 2012. 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 Budget Officer 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, 2012

<u>ASSETS</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Cash	9,332,039	-	9,332,039
Investments	5,379,279	-	5,379,279
Receivables (Net, if Applicable, of Allowance for Uncollectibles):			
Accounts	238,607	2,529	241,136
Accrued Interest	6,519	-	6,519
Due from Business Type Activities	184,854	-	184,854
Due from Other Governments	104,856	-	104,856
Inventories	38,884	39,375	78,259
Prepaid Insurance	-	6,012	6,012
Restricted Assets:			
Cash	36,430	-	36,430
Fixed Assets (Net)	<u>47,173,566</u>	<u>1,571,904</u>	<u>48,745,470</u>
<u>Total Assets</u>	<u>62,495,034</u>	<u>1,619,820</u>	<u>64,114,854</u>
 <u>DEFERRED OUTFLOWS OF RESOURCES</u>	 <u>-</u>	 <u>-</u>	 <u>-</u>
 <u>LIABILITIES</u>			
Due to Governmental Activities	-	184,854	184,854
Deferred Revenue – Other	195,031	-	195,031
Accounts Payable	266,190	3,081	269,271
Accrued Wages & Benefits Payable	48,709	-	48,709
Liabilities Payable from Restricted Assets	36,430	-	36,430
Other Liabilities	6,439	-	6,439
Due to Other Governments	82,997	-	82,997
Noncurrent Liabilities:			
Due within One Year	163,933	-	163,933
Due in More than One Year	937,936	-	937,936
Compensated Absences Payable	471,117	-	471,117
<u>Total Liabilities</u>	<u>2,208,782</u>	<u>187,935</u>	<u>2,396,717</u>
 <u>DEFERRED INFLOWS OF RESOURCES</u>	 <u>-</u>	 <u>-</u>	 <u>-</u>
 <u>NET POSITION</u>			
Net Investment in Capital Assets	46,071,697	1,571,904	47,643,601
Restricted for:			
Capital Projects	3,913,496	-	3,913,496
Public Safety	24,244	-	24,244
Roads and Bridges	4,771,920	-	4,771,920
Parks and Recreation	181,205	-	181,205
Unforeseen Contingencies	504,071	-	504,071
Tabor Reserve	313,000	-	313,000
Unrestricted (Deficit)	<u>4,506,619</u>	<u>(140,019)</u>	<u>4,366,600</u>
<u>Total Net Position</u>	<u>60,286,252</u>	<u>1,431,885</u>	<u>61,718,137</u>

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



LAS ANIMAS COUNTY, COLORADO  
STATEMENT OF ACTIVITIES  
Year Ended December 31, 2012

Functions/Programs	<u>Expenses</u>	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		<u>Charges for Services</u>	<u>Operating Grants &amp; Contributions</u>	<u>Capital Grants &amp; Contributions</u>	<u>Governmental Activities</u>	<u>Business Type Activities</u>	<u>Total</u>
<b><u>Governmental Activities</u></b>							
General Government	4,105,323	659,799	115,791	10,653	(3,319,080)	-	(3,319,080)
Public Safety	2,458,093	83,342	-	-	(2,374,751)	-	(2,374,751)
Health & Environment	255,024	-	-	-	(255,024)	-	(255,024)
Auxiliary Services	220,954	-	54,252	-	(166,702)	-	(166,702)
Intergovernmental	438,414	-	-	-	(438,414)	-	(438,414)
Roads, Bridges and Capital Outlay	8,393,334	-	2,983,490	89,580	(5,320,264)	-	(5,320,264)
Social Services	8,913,053	-	8,748,084	-	(164,969)	-	(164,969)
Debt Service Interest	25,344	-	-	-	(25,344)	-	(25,344)
<b>Total Governmental Activities</b>	<b><u>24,809,539</u></b>	<b><u>743,141</u></b>	<b><u>11,901,617</u></b>	<b><u>100,233</u></b>	<b><u>(12,064,548)</u></b>	<b><u>-</u></b>	<b><u>(12,064,548)</u></b>
<b><u>BUSINESS TYPE ACTIVITIES</u></b>							
Airport	502,900	315,077	-	-	-	(187,823)	(187,823)
<b>Total Business Type Activities</b>	<b><u>502,900</u></b>	<b><u>315,077</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>(187,823)</u></b>	<b><u>(187,823)</u></b>
<b>Total Primary Government</b>	<b><u>25,312,439</u></b>	<b><u>1,058,218</u></b>	<b><u>11,901,617</u></b>	<b><u>100,233</u></b>	<b><u>(12,064,548)</u></b>	<b><u>(187,823)</u></b>	<b><u>(12,252,371)</u></b>
<b><u>General Revenues:</u></b>							
Property Taxes					4,274,257	-	4,274,257
Specific Ownership Taxes					691,598	-	691,598
Sales Taxes					-	-	-
Intergovernmental Not Specifically Restricted					1,391,752	-	1,391,752
Interest Revenue					101,946	-	101,946
Other Revenues					610,213	-	610,213
Transfers In (Out)					(51,537)	51,537	-
<b>Total General Revenues &amp; Transfers</b>					<b><u>7,018,229</u></b>	<b><u>51,537</u></b>	<b><u>7,069,766</u></b>
<b>Changes in Net Position</b>					<b><u>(5,046,319)</u></b>	<b><u>(136,286)</u></b>	<b><u>(5,182,605)</u></b>
<b>Net Position – Beginning</b>					<b><u>65,332,571</u></b>	<b><u>1,568,171</u></b>	<b><u>66,900,742</u></b>
<b>Net Position – Ending</b>					<b><u>60,286,252</u></b>	<b><u>1,431,885</u></b>	<b><u>61,718,137</u></b>

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

LAS ANIMAS COUNTY, COLORADO  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
December 31, 2012

	General	Special Revenue			Other Governmental Funds	Total Governmental Funds
		Road & Bridge	Public Welfare	Capital Expenditure		
<b>ASSETS:</b>						
Cash	2,319,542	3,021,271	653,686	1,634,227	1,703,313	9,332,039
Investments	1,485,905	1,741,331	347,506	822,822	981,715	5,379,279
Receivables (Net, of Allowance where Applicable)						
Accounts	101,061	132,501	3,213	1,607	225	238,607
Accrued Interest	6,519	-	-	-	-	6,519
Inventory	-	38,884	-	-	-	38,884
Due from Other Funds	184,854	-	-	-	-	184,854
Due from Other Governments	-	-	104,856	-	-	104,856
Cash - Restricted	-	-	36,430	-	-	36,430
<b>Total Assets</b>	<b>4,097,881</b>	<b>4,933,987</b>	<b>1,145,691</b>	<b>2,458,656</b>	<b>2,685,253</b>	<b>15,321,468</b>
<b>LIABILITIES AND FUND</b>						
<b>BALANCES:</b>						
<b>Liabilities:</b>						
Accounts Payable	161,714	74,474	30,002	-	-	266,190
Accrued Salaries Payable	-	48,709	-	-	-	48,709
Due to Other Funds	-	-	-	-	-	-
Due to Other Governments	-	-	82,997	-	-	82,997
Liabilities Payable from Restricted Assets	-	-	36,430	-	-	36,430
Other Payables	-	-	6,439	-	-	6,439
Deferred Revenue:						
Other	-	-	195,031	-	-	195,031
<b>Total Liabilities</b>	<b>161,714</b>	<b>123,183</b>	<b>350,899</b>	<b>-</b>	<b>-</b>	<b>635,796</b>
<b>Fund Balances:</b>						
<b>Nonspendable:</b>						
Inventories	-	38,884	-	-	-	38,884
Prepaid Expense	-	-	-	-	-	-
<b>Restricted:</b>						
Emergencies	313,000	-	-	-	-	313,000
Roads & Bridges	-	4,771,920	-	-	-	4,771,920
Capital Outlay	-	-	-	2,458,656	1,454,840	3,913,496
Unforeseen Contingencies	-	-	-	-	504,071	504,071
Parks and Recreation	-	-	-	-	181,205	181,205
Public Safety	-	-	-	-	24,244	24,244
Committed:	-	-	-	-	-	-
Assigned:						
Social Services	-	-	794,792	-	-	794,792
Unforeseen Contingencies	-	-	-	-	520,893	520,893
Unassigned:	3,623,167	-	-	-	-	3,623,167
<b>Total Fund Balances</b>	<b>3,936,167</b>	<b>4,810,804</b>	<b>794,792</b>	<b>2,458,656</b>	<b>2,685,253</b>	<b>14,685,672</b>
<b>TOTAL LIABILITIES AND</b>						
<b>FUND BALANCES</b>	<b>4,097,881</b>	<b>4,933,987</b>	<b>1,145,691</b>	<b>2,458,656</b>	<b>2,685,253</b>	<b>15,321,468</b>

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, 2012

---

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

<u>Total Fund Balance – Governmental Funds</u>	\$ 14,685,672
Add:	
Capital Assets used in governmental activities are not considered current financial resources and, therefore, not reported in the governmental funds.	112,089,872
Less:	
Accumulated depreciation is not recognized in the governmental funds because capital assets are expensed at the time of acquisition.	64,916,306
Long-Term liabilities for Compensated Absences of \$471,117 and Capital Lease Payable of \$1,101,869 are not due and payable in the current period and, therefore, not reported in the governmental funds.	<u>1,572,986</u>
<u>GOVERNMENTAL ACTIVITIES NET POSITION</u>	<u>60,286,252</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, 2012

	Special Revenue			Other Governmental Funds	Total Governmental Funds	
	General	Road & Bridge	Public Welfare			Capital Expenditure
<b>REVENUES:</b>						
Taxes	4,503,730	-	293,576	146,943	21606	4,965,855
Licenses & Permits	4,700	-	-	-	-	4,700
Intergovernmental Revenues	562,422	3,433,925	8,748,084	92,697	556,474	13,393,602
Charges for Services	650,360	-	-	-	-	650,360
Interest Revenues	99,839	-	-	-	2,107	101,946
Miscellaneous Revenues	659,803	35,935	-	635	1,921	698,294
<u>Total Revenues</u>	<u>6,480,854</u>	<u>3,469,860</u>	<u>9,041,660</u>	<u>240,275</u>	<u>582,108</u>	<u>19,814,757</u>
<b>EXPENDITURES</b>						
General Government	3,566,627	-	-	11,039	5,834	3,583,500
Public Safety	2,330,192	-	-	-	1,115	2,331,307
Health Services	255,024	-	-	-	-	255,024
Auxiliary Services	145,313	-	-	-	-	145,313
Intergovernmental	438,414	-	-	-	-	438,414
Roads, Bridges & Capital Outlay	-	3,793,593	-	450,906	264,465	4,508,964
Social Services	-	-	8,983,163	-	-	8,983,163
Debt Service	38,307	89,723	-	41,883	29,733	199,646
<u>Total Expenditures</u>	<u>6,773,877</u>	<u>3,883,316</u>	<u>8,983,163</u>	<u>503,828</u>	<u>301,147</u>	<u>20,445,331</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>						
	(293,023)	(413,456)	58,497	(263,553)	280,961	(630,574)
<b>Other Financing Sources (Uses)</b>						
Lease Purchase Proceeds	163,279	439,693	-	3,695	123,043	729,710
Operating Transfers In (Out)	(301,537)	500,000	(193,058)	420,635	(477,577)	(51,537)
<u>Total Other Financing Sources (Uses)</u>	<u>(138,258)</u>	<u>939,693</u>	<u>(193,058)</u>	<u>424,330</u>	<u>(354,534)</u>	<u>678,173</u>
<b>NET CHANGES IN FUND BALANCES</b>	(431,281)	526,237	(134,561)	160,777	(73,573)	47,599
<b>FUND BALANCES-Beginning</b>	4,367,448	4,245,231	929,353	2,297,879	2,758,826	14,598,737
<b>PRIOR YEAR ADJUSTMENT</b>	-	39,336	-	-	-	39,336
<b>FUND BALANCES-Ending</b>	<u>3,936,167</u>	<u>4,810,804</u>	<u>794,792</u>	<u>2,458,656</u>	<u>2,685,253</u>	<u>14,685,672</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, 2012

---

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

<u>Net Change in Fund Balances – Total Governmental Funds</u>		\$ 47,599
<p>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.</p>		
	870,147	
<p>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:</p>		
Lease Proceeds	(729,710)	
Repayment of debt principal	<u>174,302</u>	(555,408)
<p>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.</p>		
Compensated Absences	<u>116,479</u>	116,479
<p>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.</p>		
		(5,525,136)
<u>GOVERNMENTAL ACTIVITIES CHANGE IN NET POSITION</u>		<u>(5,046,319)</u>

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

LAS ANIMAS COUNTY, COLORADO  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
December 31, 2012

	<u>Business-Type Activities</u>
	<u>Enterprise Fund</u>
	<u>Airport Fund</u>
<u>ASSETS</u>	
<u>Current Assets</u>	
Cash	-
Accounts Receivable	2,529
Inventories	39,375
Prepaid Insurance	6,012
<u>Total Current Assets</u>	<u>47,916</u>
 <u>CAPITAL ASSETS</u>	
Land	117,304
Land Improvements	2,735,674
Building	251,430
Equipment	461,640
Water Rights	76,600
	3,642,648
Less Accumulated Depreciation	(2,070,744)
<u>Total Capital Assets, Net of Accumulated Depreciation</u>	<u>1,571,904</u>
 <u>Total Assets</u>	 <u>1,619,820</u>
 <u>LIABILITIES AND NET POSITION</u>	
<u>Current Liabilities</u>	
Due to Other Funds	184,854
Accounts Payable	3,081
<u>Total Current Liabilities</u>	<u>187,935</u>
 <u>Net Position</u>	
Net Investment in Capital Assets	1,571,904
Unrestricted (Deficit)	(140,019)
 <u>TOTAL NET POSITION</u>	 <u>1,431,885</u>

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, 2012

---

	<u>Business Type Activities</u> <u>Enterprise Funds</u> <u>Airport Fund</u>
<u>OPERATING REVENUES</u>	
Operating Revenue	315,077
<u>Total Revenues</u>	<u>315,077</u>
<u>OPERATING EXPENSES</u>	
Cost of Sales	255,746
Public Utility Service	9,796
Office Expense & Supplies	25,988
Depreciation	100,590
Contractual Agreements & Leases	72,000
Telephone	1,814
Maintenance	26,510
Insurance	10,456
Bad Debt	-
<u>Total Operating Expenses</u>	<u>502,900</u>
<u>OPERATING INCOME (LOSS)</u>	(187,823)
<u>OPERATING TRANSFER IN (OUT)</u>	<u>51,537</u>
<u>INCOME BEFORE CAPITAL CONTRIBUTIONS</u>	(136,286)
<u>CAPITAL CONTRIBUTIONS – EQUIPMENT PURCHASE</u>	<u>-</u>
<u>CHANGE IN NET POSITION</u>	(136,286)
<u>TOTAL NET POSITION, July 1</u>	<u>1,568,171</u>
<u>TOTAL NET POSITION, June 30</u>	<u>1,431,885</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, 2012

Business Type Activities  
Enterprise Funds  
Airport Fund

<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>	
Receipts from Customers & Users	322,023
Payments to Vendors – Supplies and Services	(373,560)
<u>NET CASH PROVIDED (USED) BY OPERATIONS</u>	<u>(51,537)</u>
 <u>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</u>	
Operating Transfers In	51,537
<u>NET CASH PROVIDED BY NON-CAPITAL FINANCING ACTIVITIES</u>	<u>51,537</u>
 <u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>	
Capital Grant	-
Non-Financed Purchase of Property & Equipment	-
<u>NET CASH PROVIDED BY (USED FOR) IN CAPITAL AND RELATED FINANCING ACTIVITIES</u>	<u>-</u>
 <u>CASH FLOWS FROM INVESTING ACTIVITIES</u>	
Other Revenue	-
<u>NET CASH PROVIDED BY INVESTING ACTIVITIES</u>	<u>-</u>
 <u>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</u>	 <u>-</u>
 <u>CASH AND CASH EQUIVALENTS – Beginning</u>	 <u>-</u>
<u>CASH AND CASH EQUIVALENTS – Ending</u>	<u>-</u>
 <u>RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES</u>	
Operating Income (Loss)	(187,823)
Non Cash Items in Operations:	
Depreciation	100,590
(Increase) Decrease in Inventory	12,866
(Increase) Decrease in Receivables/Accruals	7,024
Increase (Decrease) in Payables/Accruals	15,806
<u>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</u>	<u>(51,537)</u>
 <u>NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES</u>	
Cash Paid for Interest Expense	-
Cash Paid for Income Taxes	-
Capital Contributions – Equipment Purchase	-
<u>TOTAL NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES</u>	<u>-</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, 2012

---

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	404,611
Investments	-
<u>Total Assets</u>	<u>404,611</u>
 <u>LIABILITIES</u>	
Deposits Held for Others	404,611
<u>Total Liabilities</u>	<u>404,611</u>
 <u>NET POSITION</u>	
	<u><u>-</u></u>

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

LAS ANIMAS COUNTY, COLORADO  
STATEMENT OF CHANGES IN FIDUCIARY DEPOSITS HELD FOR OTHERS  
FIDUCIARY FUNDS  
Year Ended December 31, 2012

---

	<u>Agency Funds</u>
<u>ADDITIONS</u>	
Receipts	16,215,092
<u>DEDUCTIONS</u>	
Disbursements	<u>16,321,177</u>
<u>CHANGES IN NET POSITION</u>	(106,085)
<u>DEPOSITS HELD FOR OTHERS – Beginning of Year</u>	<u>510,696</u>
<u>DEPOSITS HELD FOR OTHERS – End of Year</u>	<u>404,611</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, 2012

---

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.

Individual Component Unit Disclosures

Blended Component Units:

There is one component unit that is included in these financial statements:

1. The Public Trustee is organized as a separate entity, with the Las Animas County Treasurer managing the operations. Although it is separate from the County, the Public Trustee is reported as if it were part of the primary government because the County is required by Colorado Law to provide substantial operating support.

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, 2012

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 2012, the allocation of budgeted expenditures was 70% for a total expenditure to the County of \$255,024.

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 2012, the total expenditure for the County was \$254,487.

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.

Condensed audited financial statement information as of December 31, 2012, is presented for the Health Department and Las Animas County E-911 and as of December 31, 2011 for the third Judicial District

Balance Sheet

	<u>Health Department</u>	<u>Third Judicial District</u>	<u>Las Animas County E-911</u>
<u>ASSETS</u>	<u>295,026</u>	<u>41,549</u>	<u>637,312</u>
<u>LIABILITIES</u>	40,699	1,507	89,937
<u>NET POSITION</u>	<u>254,327</u>	<u>40,042</u>	<u>547,375</u>
<u>TOTAL LIABILITIES &amp; NET POSITION</u>	<u>295,026</u>	<u>41,549</u>	<u>637,312</u>

Statement of Revenues and Expenditures

<u>REVENUES</u>	1,066,474	671,568	257,706
<u>EXPENDITURES</u>	1,192,608	662,963	303,863
<u>REVENUES OVER (UNDER) EXPENDITURES</u>	<u>(126,134)</u>	<u>8,605</u>	<u>(46,157)</u>

LAS ANIMAS COUNTY, COLORADO  
NOTES TO FINANCIAL STATEMENTS  
For the Fiscal Year Ended December 31, 2012

---

NOTE 1      THE FINANCIAL REPORTING ENTITY (Continued)

Las Animas County E-911 (Continued)

The Health Department has not incurred any material current or long-term debt as of the balance sheet date.

The accounting policies of Las Animas County conform to generally accepted accounting principles as applicable to governments.

NOTE 2      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

Government-Wide Financial Statements

The statement of net assets 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 reporting 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.

When both restricted and unrestricted net assets are available, restricted resources are used only after the unrestricted resources are depleted.

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, 2012

---

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.
- *The Agency Funds* account for assets held by the County as an agent for various local governments.

B.    Basis of Accounting

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

LAS ANIMAS COUNTY, COLORADO  
NOTES TO FINANCIAL STATEMENTS  
For the Fiscal Year Ended December 31, 2012

---

NOTE 2      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B.    Basis of Accounting (Continued)

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.

Under GASB Statement No.20 "Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that use Proprietary Fund Accounting", all proprietary funds continue to follow Private-Sector Codified Standards issued on or before November 30, 1989. However, from that date forward, proprietary funds have the option of either 1) choosing not to apply future Private-Sector Codified standards (including amendments of earlier pronouncements), or 2) continuing to follow new pronouncements (unless they conflict with GASB guidance). The County has chosen not to apply future Private-Sector Codified standards for its proprietary fund. GASB Statement No. 62 codifies the applicable pre-November 30, 1989 Standards and is effective for periods beginning after December 15, 2011.

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 cash equivalents.



LAS ANIMAS COUNTY, COLORADO  
NOTES TO FINANCIAL STATEMENTS  
For the Fiscal Year Ended December 31, 2012

---

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

LAS ANIMAS COUNTY, COLORADO  
NOTES TO FINANCIAL STATEMENTS  
For the Fiscal Year Ended December 31, 2012

NOTE 2      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H.    Capital Assets (Continued)

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.

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 suspension.

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, 2012

---

NOTE 2      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I.      Compensated Absences (Continued)

At December 31, 2012, the County has a liability for accrued sick leave and vacation payable of \$471,117

A summary of compensated absences is presented as follows:

General County Government	\$ 250,617
Social Services	<u>\$ 220,500</u>
Total	<u>\$ 471,117</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 "loans 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 or proprietary 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, 2012

---

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, 2012

**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 Governmental Fund</u>	<u>Total Governmental Funds</u>
		<u>Road &amp; Bridge</u>	<u>Public Welfare</u>	<u>Capital Expenditure</u>		
<u>Nonspendable:</u>						
Inventories	-	38,884	-	-	-	38,884
Prepaid Expenses	-	-	-	-	-	-
<u>Restricted:</u>						
Emergencies	313,000	-	-	-	-	313,000
Road and Bridge	-	4,771,920	-	-	-	4,771,920
Capital Outlay	-	-	-	2,458,656	1,454,840	3,913,496
Unforeseen Contingencies	-	-	-	-	504,071	504,071
Parks & Recreation	-	-	-	-	181,205	181,205
Public Safety	-	-	-	-	24,244	24,244
<u>Committed:</u>						
<u>Assigned:</u>						
Social Services	-	-	794,792	-	-	794,792
Unforeseen Contingencies	-	-	-	-	520,893	520,893
<u>Unassigned:</u>	<u>3,623,167</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,623,167</u>
<u>Total Fund Balances</u>	<u>3,936,167</u>	<u>4,810,804</u>	<u>794,792</u>	<u>2,458,656</u>	<u>2,685,253</u>	<u>14,685,672</u>

LAS ANIMAS COUNTY, COLORADO  
NOTES TO FINANCIAL STATEMENTS  
For the Fiscal Year Ended December 31, 2012

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	101,061	132,501	3,213	1,607	225	238,607
Interest	6,519	-	-	-	-	6,519
Accounts (Social Services)	-	-	2,570,067	-	-	2,570,067
<u>Gross Receivables</u>	<u>107,580</u>	<u>132,501</u>	<u>2,573,280</u>	<u>1,607</u>	<u>225</u>	<u>2,815,193</u>
Less: Allowance for Uncollectibles	-	-	(2,465,211)	-	-	(2,465,211)
<u>Total Receivables</u>	<u>107,580</u>	<u>132,501</u>	<u>108,069</u>	<u>1,607</u>	<u>225</u>	<u>349,982</u>
<u>Receivables-</u>						
<u>Business-Type Activities</u>						
Accounts		2,529				
Interest		-				
Other		-				
<u>Gross Receivables</u>		<u>2,529</u>				
Less: Allowance for Uncollectibles		-				
<u>Total Receivables</u>		<u>2,529</u>				

Governmental funds report deferred revenues 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, 2012

NOTE 3      RECEIVABLES (Continued)

At December 31, 2012, the various components of deferred revenue and unearned revenue 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	-	195,031
<u>Nonmajor Funds:</u>		
Grant drawdowns prior to meeting all eligibility requirements	-	-
<u>Total Governmental Activities</u>	<u>-</u>	<u>195,031</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. The County's total payroll for fiscal year 2012 was \$3,898,421. The salary for which contributions were calculated was \$3,884,157. The County and employees each made the required 3% contributions of \$116,525 or \$233,049 in total.

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 a employees until termination, retirement, death, or unforeseeable emergency.

LAS ANIMAS COUNTY, COLORADO  
NOTES TO FINANCIAL STATEMENTS  
For the Fiscal Year Ended December 31, 2012

---

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 \$65,643 for 2012.

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, 2012 follows:

Assets	<u>36,922,350</u>
Liabilities	22,903,979
Fund Equity	<u>14,018,371</u>
	<u>36,922,350</u>
Revenues	9,536,510
Expenses	<u>9,185,919</u>
	350,591
Net Investment Income	1,334,466
Gain On Commutation	<u>-</u>
Net Income (Loss)	<u>1,685,057</u>



LAS ANIMAS COUNTY, COLORADO  
 NOTES TO FINANCIAL STATEMENTS  
 For the Fiscal Year Ended December 31, 2012

---

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 jointed 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, 2012 follows:

Assets	<u>25,498,916</u>
Liabilities	8,598,883
Fund Equity	<u>16,900,033</u>
	<u>25,498,916</u>
Revenues	6,740,270
Expenses	<u>5,750,936</u>
Net Income (Loss)	<u>989,334</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 2012, the county contribution for CHP coverage for each employee was \$584 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, 2012 follows:

Assets	<u>12,166,263</u>
Liabilities	4,434,783
Net Assets	<u>7,731,480</u>
	<u>12,166,263</u>
Revenues	43,806,560
Expenses	<u>46,271,046</u>
Increase (Decrease) in Net Assets	<u>(2,464,486)</u>

LAS ANIMAS COUNTY, COLORADO  
 NOTES TO FINANCIAL STATEMENTS  
 For the Fiscal Year Ended December 31, 2012

NOTE 7      INTERFUND TRANSACTIONS

Interfund Receivables/Payables

Individual Fund Interfund Receivable and Payable balances at December 31, 2012 were as follows:

	<u>Due From</u>	<u>Due To</u>	<u>Repayment Period</u>	<u>Purpose</u>
Governmental Activities:				
General Fund	184,854	-	Within 1 Year	Operational
Business Type Activities:				
Airport	-	<u>184,854</u>	Within 1 Year	Operational
	<u>184,854</u>	<u>184,854</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>	<u>Purpose</u>
Major Funds:			
General	-	301,537	Operational
Road & Bridge	500,000	-	Capital Outlay
Capital Expenditure	420,635	-	Capital Outlay
Public Welfare	-	193,058	Capital Outlay
Nonmajor Funds:	-	477,577	Capital Outlay
Business-Type:			
Airport	<u>51,537</u>	-	Operational
	<u>972,172</u>	<u>972,172</u>	

LAS ANIMAS COUNTY, COLORADO  
NOTES TO FINANCIAL STATEMENTS  
For the Fiscal Year Ended December 31, 2012

NOTE 8      CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2012 was as follows:

	<u>Balance</u> <u>January 1,</u> <u>2012</u>	<u>Adjustment</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>December</u> <u>31, 2012</u>
<u>GOVERNMENTAL ACTIVITIES:</u>					
<u>Capital Assets, Not Being</u>					
<u>  Depreciated:</u>					
Land	464,551	-	-	-	464,551
<u>Total Capital Assets Not</u>					
<u>  Being Depreciated</u>	<u>464,551</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>464,551</u>
<u>Capital Assets, Being Depreciated:</u>					
Infrastructure	78,882,721	-	-	-	78,882,721
Structures & Improvements	17,548,900	-	144,132	-	17,693,032
Equipment	14,409,553	-	726,015	86,000	15,049,568
<u>Total Capital Assets, Being</u>					
<u>  Depreciated</u>	<u>110,841,174</u>	<u>-</u>	<u>870,147</u>	<u>86,000</u>	<u>111,625,321</u>
<u>Less Accumulated Depreciation for:</u>					
Infrastructure	41,357,349	-	4,029,718	-	45,387,067
Structures & Improvements	7,209,996	-	889,405	-	8,099,401
Equipment	10,909,825	-	606,013	86,000	11,429,838
<u>Total Accumulated Depreciation</u>	<u>59,477,170</u>	<u>-</u>	<u>5,525,136</u>	<u>86,000</u>	<u>64,916,306</u>
<u>Total Capital Assets, Being</u>					
<u>  Depreciated, Net</u>	<u>51,364,004</u>	<u>-</u>	<u>(4,654,989)</u>	<u>-</u>	<u>46,709,015</u>
<u>Governmental Activities Capital</u>					
<u>  Assets, Net</u>	<u>51,828,555</u>	<u>-</u>	<u>(4,654,989)</u>	<u>-</u>	<u>47,173,566</u>
 <u>BUSINESS-TYPE ACTIVITIES</u>					
<u>Capital Assets, Not Being Depreciated:</u>					
Land	117,304	-	-	-	117,304
Water Rights	76,600	-	-	-	76,600
<u>Total Capital Assets, Not Being</u>					
<u>  Depreciated</u>	<u>193,904</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>193,904</u>
<u>Capital Assets, Being Depreciated</u>					
Structures & Improvements	2,987,104	-	-	-	2,987,104
Equipment	461,640	-	-	-	461,640
<u>Total Capital Assets, Being</u>					
<u>  Depreciated</u>	<u>3,448,744</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,448,744</u>
<u>Less Accumulated Depreciation for:</u>					
Structures & Improvements	1,817,963	-	72,153	-	1,890,116
Equipment	152,191	-	28,437	-	180,628
<u>Total Accumulated Depreciation</u>	<u>1,970,154</u>	<u>-</u>	<u>100,590</u>	<u>-</u>	<u>2,070,744</u>
<u>Total Capital Assets, Being</u>					
<u>  Depreciated, Net</u>	<u>1,478,590</u>	<u>-</u>	<u>(100,590)</u>	<u>-</u>	<u>1,378,000</u>
<u>Business-Type Activities Capital</u>					
<u>  Assets, Net</u>	<u>1,672,494</u>	<u>-</u>	<u>(100,590)</u>	<u>-</u>	<u>1,571,904</u>

LAS ANIMAS COUNTY, COLORADO  
NOTES TO FINANCIAL STATEMENTS  
For the Fiscal Year Ended December 31, 2012

NOTE 8      CAPITAL ASSETS (Continued)

Depreciated Expense was Charged to Governmental Functions as Follows:

General Government	633,468
Public Safety	279,826
Auxiliary Services	75,641
Roads and Bridges	4,524,272
Public Welfare	<u>11,929</u>
 <u>Total Depreciation Expense – Governmental Functions</u>	 <u>5,525,136</u>

Depreciation Expense was Charged to the Business-Type Function as Follows:

Airport	<u>100,590</u>
 <u>Total Depreciation Expenses – Business-Type Function</u>	 <u>100,590</u>

NOTE 9      LONG-TERM DEBT

Long-term liabilities at December 31, 2012 consisted of the following:

	<u>Balance</u> <u>01-01-12</u>	<u>Additions</u> <u>Accretions</u>	<u>Retirements</u>	<u>Balance</u> <u>12-31-12</u>	<u>Amounts Due</u> <u>Within One Year</u>
<u>Governmental Activities</u>					
Capital Lease Obligations	546,461	729,710	174,302	1,101,869	163,933
Compensated Absences (Note 2)	<u>587,596</u>	<u>-</u>	<u>116,479</u>	<u>471,117</u>	<u>-</u>
 <u>Total Governmental</u> <u>Activities – Long Term</u> <u>Liabilities</u>	 <u>1,134,057</u>	 <u>729,710</u>	 <u>290,781</u>	 <u>1,572,986</u>	 <u>163,933</u>

LAS ANIMAS COUNTY, COLORADO  
NOTES TO FINANCIAL STATEMENTS  
For the Fiscal Year Ended December 31, 2012

NOTE 9      LONG-TERM DEBT (continued)

Lease Purchases Payable:

Terms and transactions of Lease Agreements are as follows:

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

<u>Fund/Item</u>	<u>Cost</u>	<u>Interest Rate</u>	<u>Monthly/Annual Payments</u>	<u>Number of Payments</u>	<u>First Payment 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

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

Future minimum payments required are:

<u>Energy Retrofit:</u>	<u>Year</u>	<u>Annual Payment</u>	<u>Principal</u>	<u>Interest</u>
	2013	48,289	27,310	20,979
	2014	51,400	31,605	19,795
	2015	62,347	44,035	18,312
	2016	67,654	51,283	16,371
	2017	71,713	57,533	14,180
	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	15,233	15,156	77
		<u>649,178</u>	<u>530,235</u>	<u>118,943</u>
	Less Amount Representing Interest Present Value of Future Minimum Lease Payments	(118,943)		
		<u>530,235</u>		

<u>Computer System:</u>	<u>Year</u>	<u>Annual Payment</u>	<u>Principal</u>	<u>Interest</u>
	2013	36,482	30,434	6,048
	2014	36,482	31,845	4,637
	2015	36,483	33,322	3,161
	2016	36,483	31,866	4,617
		<u>145,930</u>	<u>127,467</u>	<u>18,463</u>
	Less Amount Representing Interest Present Value of Future Minimum Lease Payments	(18,463)		
		<u>127,467</u>		

LAS ANIMAS COUNTY, COLORADO  
 NOTES TO FINANCIAL STATEMENTS  
 For the Fiscal Year Ended December 31, 2012

NOTE 9      LONG-TERM DEBT (continued)

Lease Purchases Payable:

Equipment:	<u>Year</u>	<u>Annual Payment</u>	<u>Principal</u>	<u>Interest</u>
	2013	119,456	106,189	13,267
	2014	119,455	109,360	10,095
	2015	119,456	112,627	6,829
	2016	<u>119,456</u>	<u>115,991</u>	<u>3,465</u>
		477,823	<u>444,167</u>	<u>33,656</u>
Less Amount Representing Interest Present Value of Future Minimum Lease Payments		<u>(33,656)</u>		
		<u>444,167</u>		

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

	<u>Year</u>	<u>Annual Payment</u>	<u>Principal</u>	<u>Interest</u>
	2013	204,227	163,933	40,294
	2014	207,337	172,810	34,527
	2015	218,286	189,984	28,302
	2016	223,593	199,140	24,453
	2017	71,713	57,533	14,180
	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>
		1,272,931	<u>1,101,869</u>	<u>171,062</u>
Less Amount Representing Interest Present Value of Future Minimum Lease Payments		<u>(171,062)</u>		
		<u>1,101,869</u>		

Defeasance of the Sales and Use Tax Revenue Bonds, Series 1997

In prior years, the County defeased the 1997 sales and use tax revenue bonds by placing excess debt service fund monies in a irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the County's financial statements. On December 31, 2012, \$3,095,000 of bonds outstanding are considered defeased.

LAS ANIMAS COUNTY, COLORADO  
NOTES TO FINANCIAL STATEMENTS  
For the Fiscal Year Ended December 31, 2012

---

NOTE 10    NET POSITION/FUND BALANCES

The government-wide and business-type activities fund financial statements utilize a net position presentation. Net assets are categorized as invested 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, 2012, restricted fund balance for emergencies is described below:

- *Emergencies* – Cash and investments of approximately \$313,000 are available as Emergency Reserves as required by Article X, Section 20 of the Constitution of the State of Colorado (See Note 12).

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.

LAS ANIMAS COUNTY, COLORADO  
NOTES TO FINANCIAL STATEMENTS  
For the Fiscal Year Ended December 31, 2012

---

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

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.

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, 2012, the County was not involved in any suit in which the anticipated outcome would have a material impact on the financial statements.

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.



LAS ANIMAS COUNTY, COLORADO  
 NOTES TO FINANCIAL STATEMENTS  
 For the Fiscal Year Ended December 31, 2012

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:

At December 31, 2012, the County's bank balance and corresponding carrying balance were as follows:

	<u>Bank Balance</u>	<u>Carrying Balance</u>
Insured FDIC	956,602	956,602
Uninsured, Collateralized Under the Public Deposit Protection Act of the State of Colorado	14,372,134	13,625,356
Cash on Hand	-	500
<u>Total Cash and Deposits</u>	<u>15,328,736</u>	<u>14,582,458</u>
<u>Recap</u>		
Cash	9,332,039	
Certificates of Deposit	4,809,378	
Cash – Agency Fund	404,611	
Restricted Assets	<u>36,430</u>	
<u>Total</u>	<u>14,582,458</u>	

As presented above, deposits with a bank balance of \$14,372,134 and a carrying balance of \$13,625,356 as of December 31, 2012 are uninsured, are exposed to custodial risk, and are collateralized with securities held by the pledging financial institution.

Investments

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local government entities may invest:

- Obligations of the United States and certain U.S. government agency securities
- Certain international agency securities

LAS ANIMAS COUNTY, COLORADO  
 NOTES TO FINANCIAL STATEMENTS  
 For the Fiscal Year Ended December 31, 2012

NOTE 15    CASH AND INVESTMENTS (Continued)

Investments (Continued)

- 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

As of December 31, 2012, the County's reporting entity had the following investments:

<u>Type of Investments</u>	<u>Fair Value/ Carrying Value</u>	<u>Cost</u>	<u>Average Credit Quality Rating</u>
<u>Pooled Investments</u>			
Money Market Funds	531,534	531,534	AAA
GNMA Guaranteed Pass Through Certificate	14,974	19,671	Implicit backing of the U.S. Government
FNMA Guaranteed Pass Through CTF	23,393	28,761	Senior to AAA Rating with implied backing of the U.S. Government
<u>Non Pooled Investments</u>			
Certificates of Deposit	4,809,378	4,809,378	Unrated
	<u>5,379,279</u>	<u>5,389,344</u>	

Interest Rate Risk – The County does not have a formal investment policy that limits investment maturities for managing possible fair value losses due to increasing interest rates.

Credit Risk – State Law limits the type of investments allowable. The ratings by Standard & Poor for each investment are disclosed above.

Concentration of Credit Risk – The County has no policy restricting the amount that can be invested in any issuer.

LAS ANIMAS COUNTY, COLORADO  
 NOTES TO FINANCIAL STATEMENTS  
 For the Fiscal Year Ended December 31, 2012

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>
General Fund	-	250,000
Capital Expenditure Fund	420,635	-
Road and Bridge Fund	500,000	-
Public Welfare	-	193,058
Non Major Funds	-	<u>477,577</u>
	<u>920,635</u>	<u>920,635</u>

NOTE 17      PRIOR YEAR ADJUSTMENT

During 2012, the fund balance of the Road and Bridge Special Revenue Fund was adjusted to reflect the inventory balance as of December 31, 2011. The following is a summary of this adjustment:

Fund Balance 12-31-11	4,245,231
Inventory Adjustment	<u>39,336</u>
Fund Balance, As Adjusted, 12-31-11	<u>4,284,567</u>

LAS ANIMAS COUNTY, COLORADO  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET (GAAP BASIS) AND ACTUAL  
Year Ended December 31, 2012

	Budgeted Amounts Original & Final	Actual	Variance- Favorable (Unfavorable)
<b>REVENUE</b>			
<b>Property Tax Revenue</b>			
Current Property Taxes	4,019,457	3,945,879 <sup>x</sup> ✓	(73,578)
Less Treasurer's Fees	(100,000)	(86,324) <sup>x</sup> ✓	13,676
<u>Net Amount</u>	<u>3,919,457</u>	<u>3,859,555</u>	<u>(59,902)</u>
Delinquent Property Taxes	5,000	9,391 <sup>x</sup> ✓	4,391
Specific Ownership Taxes	450,000	548,678 <sup>x</sup> ✓	98,678
Special Mobile Equipment	50,000	86,106 <sup>x</sup> ✓	36,106
<u>Total</u>	<u>4,424,457</u>	<u>4,503,730</u>	<u>79,273</u>
<b>Licenses and Permits</b>			
Liquor Licenses (15% Only)	2,600	1,500	(1,100)
Special Use Permits	3,000	3,200	200
<u>Total</u>	<u>5,600</u>	<u>4,700</u> <sup>x</sup> ✓	<u>(900)</u>
<b>Intergovernmental Revenue</b>			
CDBG Housing Grant	-	1,268 <sup>x</sup> ✓	1,268
County Cost Allocation	64,000	42,505 <sup>x</sup> ✓	(21,495)
State Wildfire Grant	-	7,348 <sup>x</sup> ✓	7,348
Courthouse Security Grant	-	10,653 <sup>x</sup> ✓	10,653
Expenditure Reimbursements	8,000	6,313 <sup>x</sup> ✓	(1,687)
EMS Funds	13,000	13,000 <sup>x</sup> ✓	-
Planning	8,000	8,025 <sup>x</sup> ✓	25
Sampson Funds	-	20,000 <sup>x</sup> ✓	20,000
Emergency Management	10,000	6,594 <sup>x</sup> ✓	(3,406)
Cigarette Tax	5,000	2,924 <sup>x</sup> ✓	(2,076)
Severance Tax	-	121,579 <sup>x</sup> ✓	121,579
Impact Assistance	3,393	3,216 <sup>x</sup> ✓	(177)
Veterans Service	600	1,200 <sup>x</sup> ✓	600
Search & Rescue Grant	-	2,749 <sup>x</sup> ✓	2,749
Mineral Leasing	240,000	251,416 <sup>x</sup> ✓	11,416
E911 Aguilar	6,317	-	(6,317)
Noxious Weed Program	20,000	63,632 <sup>x</sup> ✓	43,632
<u>Total</u>	<u>378,310</u>	<u>562,422</u> <sup>x</sup> ✓	<u>184,112</u>
<b>Charges for Services</b>			
Sheriff's Fees	50,000	68,934 <sup>x</sup> ✓	18,934
Inmate Fees	40,000	14,408 <sup>x</sup> ✓	(25,592)
County Clerk Fees	210,000	230,379 <sup>x</sup> ✓	20,379
County Treasurer's Fees	250,000	241,951 <sup>x</sup> ✓	(8,049)
Assessor's Fees	3,000	1,745 <sup>x</sup> ✓	(1,255)
County Surveyor	-	1,140 <sup>x</sup> ✓	1,140
Zoning and Building Fees	60,000	87,403 <sup>x</sup> ✓	27,403
Oil and Gas Fees	-	4,400 <sup>x</sup> ✓	4,400
<u>Total</u>	<u>613,000</u>	<u>650,360</u> <sup>x</sup> ✓	<u>37,360</u>

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

LAS ANIMAS COUNTY, COLORADO  
GENERAL FUND  
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET (GAAP BASIS) AND ACTUAL  
Year Ended December 31, 2012

	Budgeted Amounts Original & Final	Actual	Variance- Favorable (Unfavorable)
<u>REVENUE (Continued)</u>			
<u>Miscellaneous Revenue</u>			
Miscellaneous Income	60,000	80,851 ✓	20,851
Interest Earnings	150,000	99,839 ✓	(50,161)
Rents from Tenants	68,000	57,364 ✓	(10,636)
Insurance Reimbursements	450,000	490,871 ✓	40,871
Public Trustee	29,157	30,717 ✓	1,560
<u>Total</u>	<u>757,157</u>	<u>759,642</u> •	<u>2,485</u>
<u>TOTAL REVENUE</u>	<u>6,178,524</u>	<u>6,480,854</u>	<u>302,330</u>
<u>EXPENDITURES</u>			
<u>GENERAL GOVERNMENT</u>			
<u>County Commissioners</u>			
Salaries	175,000	175,500 ✓	(500)
Retirement & Fringe Benefits	39,715	40,611 ✓	(896)
Office Supplies	-	407 ✓	(407)
Professional Services	2,228	50,688 ✓	(48,460)
Telephone & Postage	1,500	683 ✓	817
Travel & Transportation Expense	1,000	2,450 ✓	(1,450)
Dues & Meetings	24,000	15,785 ✓	8,215
Miscellaneous	2,000	800 ✓	1,200
Other Services	30,000	-	30,000
<u>Total</u>	<u>275,443</u>	<u>286,924</u>	<u>(11,481)</u>
<u>County Attorney</u>			
Office Supplies	300	144 ✓	156
Telephone & Postage	-	58 ✓	(58)
Miscellaneous	2,500	1,217 ✓	1,283
Contractual Services	75,500	85,000 ✓	(9,500)
<u>Total</u>	<u>78,300</u>	<u>86,419</u>	<u>(8,119)</u>
<u>County Surveyor</u>			
Surveyors Fees	3,000	-	3,000

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

LAS ANIMAS COUNTY, COLORADO  
GENERAL FUND  
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET (GAAP BASIS) AND ACTUAL  
Year Ended December 31, 2012

	Budgeted Amounts		Variance- Favorable (Unfavorable)
	Original & Final	Actual	
<u>GENERAL GOVERNMENT (Continued)</u>			
<u>Planning and Zoning</u>			
Salaries	53,570	53,931 ✓	(361)
Retirement & Fringe Benefits	12,713	13,288 ✓	(575)
Office Supplies & Operating Supplies	2,500	2,780 ✓	(280)
Telephone & Postage	3,500	2,287 ✓	1,213
Travel & Transportation Expense	1,500	2,122 ✓	(622)
Advertising & Legal Notices	1,500	94 ✓	1,406
Maintenance Contracts	3,900	1,229 ✓	2,671
Equipment & Fixtures	500	313 ✓	187
Dues and Meetings	2,000	290 ✓	1,710
Special Accounts	1,500	1,249 ✓	251
<u>Total</u>	<u>83,183</u>	<u>77,583</u>	<u>5,600</u>
<u>Council of Governments</u>			
Allocations /Housing	15,700	15,700 ✓	-
CDBG Grant	-	1,268 ✓	(1,268)
<u>Total</u>	<u>15,700</u>	<u>16,968</u>	<u>(1,268)</u>
<u>County Administrator</u>			
Salaries	109,303	118,767 ✓	(9,464)
Retirement & Fringe Benefits	433,475	525,137 ✓	(91,662)
Dues & Meetings	2,500	3,306 ✓	(806)
Office Supplies	6,000	11,444 ✓	(5,444)
Other Services & Charges	1,000	841 ✓	159
Telephone & Postage	40,000	23,068 ✓	16,932
Travel & Transportation	-	71 ✓	(71)
Advertising & Legal Notices	6,000	6,582 ✓	(582)
Insurance	230,000	138,456 ✓	91,544
Equipment and Fixtures	500	502 ✓	(2)
Website Development	1,000	-	1,000
Other	5,000	2,420 ✓	2,580
<u>Total</u>	<u>834,778</u>	<u>830,594</u>	<u>4,184</u>
<u>Chief Accounting Officer</u>			
Salaries	117,936	135,090 ✓	(17,154)
Retirement & Fringe Benefits	33,584	35,860 ✓	(2,276)
Office Supplies	3,000	2,760 ✓	240
Repairs/Maintenance Contracts	59,500	12,787 ✓	46,713
Professional Fees	34,000	34,000 ✓	-
Advertising & Legal Notices	-	154 ✓	(154)
Equipment & Fixtures	4,000	2,336 ✓	1,664
Dues and Meetings	500	-	500
Capital Outlay	-	163,279 ✓	(163,279)
<u>Total</u>	<u>252,520</u>	<u>386,266</u>	<u>(133,746)</u>

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

LAS ANIMAS COUNTY, COLORADO  
GENERAL FUND  
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET (GAAP BASIS) AND ACTUAL  
Year Ended December 31, 2012

	Budgeted Amounts		Variance- Favorable
	Original & Final	Actual	(Unfavorable)
<u>GENERAL GOVERNMENT (Continued)</u>			
<u>County Clerk &amp; Recorder - Operations</u>			
Salaries	227,195	228,311 ✓	(1,116)
Retirement & Fringe Benefits	66,085	65,713 ✓	372
Office & Operating Supplies	27,730	41,310 ✓	(13,580)
Telephone & Postage	23,500	17,545 ✓	5,955
Dues and Meetings	6,000	6,043 ✓	(43)
Maintenance Contracts	68,000	27,261 ✓	40,739
Bonds/Advertising/Legal	2,000	-	2,000
<u>Total</u>	<u>420,510</u>	<u>386,183</u>	<u>34,327</u>
<u>County Clerk &amp; Recorder - Elections</u>			
Salaries	72,793	93,158 ✓	(20,365)
Retirement & Fringe Benefits	21,662	21,261 ✓	401
Office & Operating Supplies	95,000	43,877 ✓	51,123
Judges	24,000	12,311 ✓	11,689
Telephone & Postage	7,000	4,259 ✓	2,741
Travel & Transportation	4,500	1,554 ✓	2,946
Advertising & Legal Notices	15,000	5,353 ✓	9,647
Contractual Services	25,000	6,485 ✓	18,515
Maintenance Contracts	25,000	24,865 ✓	135
Dues and Meetings	2,000	490 ✓	1,510
<u>Total</u>	<u>291,955</u>	<u>213,613</u>	<u>78,342</u>
<u>County Treasurer</u>			
Salaries	158,876	163,423 ✓	(4,547)
Retirement & Fringe Benefits	44,952	44,369 ✓	583
Office & Operating Supplies	12,000	10,908 ✓	1,092
Telephone & Postage	15,000	24,299 ✓	(9,299)
Advertising & Legal Notices	25,000	15,641 ✓	9,359
Insurance/Bonds	1,200	50 ✓	1,150
Maintenance Contracts	70,000	37,160 ✓	32,840
Dues and Meetings	3,000	2,336 ✓	664
<u>Total</u>	<u>330,028</u>	<u>298,186</u>	<u>31,842</u>
<u>Public Trustee</u>			
Salaries	27,760	16,926 ✓	10,834
Retirement & Fringe Benefits	2,956	4,162 ✓	(1,206)
Office Supplies	1,500	2,088 ✓	(588)
<u>Total</u>	<u>32,216</u>	<u>23,176</u>	<u>9,040</u>

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

LAS ANIMAS COUNTY, COLORADO  
GENERAL FUND  
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET (GAAP BASIS) AND ACTUAL  
Year Ended December 31, 2012

	Budgeted Amounts		Variance- Favorable
	Original & Final	Actual	(Unfavorable)
<u>GENERAL GOVERNMENT (Continued)</u>			
<u>County Assessor</u>			
Salaries	309,636	297,779 ✓	11,857
Retirement & Fringe Benefits	89,040	82,415 ✓	6,625
Office Supplies	12,000	22,831 ✓	(10,831)
Telephone & Postage	13,200	3,120 ✓	10,080
Travel & Transportation Expense	4,000	1,396 ✓	2,604
Advertising & Legal Notices	2,000	2,007 ✓	(7)
Maintenance Contracts	94,500	93,912 ✓	588
Contractual Services	6,000	2,500 ✓	3,500
Dues and Meetings	7,000	4,936 ✓	2,064
Total	537,376	510,896	26,480
<u>Community Corrections</u>			
<u>Maintenance of Buildings &amp; Plant</u>			
Salaries	123,817	145,396 ✓	(21,579)
Retirement & Fringe Benefits	41,219	39,894 ✓	1,325
Telephone & Postage	1,500	1,254 ✓	246
Travel & Transportation	1,500	6,788 ✓	(5,288)
Public Utility Services	245,000	168,246 ✓	76,754
Building & Real Estate	-	93 ✓	(93)
Operating Supplies	5,200	6,264 ✓	(1,064)
Equipment & Fixtures	3,000	12,045 ✓	(9,045)
Repairs and Maintenance	70,000	69,573 ✓	427
Miscellaneous	-	266 ✓	(266)
Total	491,236	449,819	41,417
<u>TOTAL GENERAL GOVERNMENT</u>	3,646,245	3,566,627	79,618
<u>PUBLIC SAFETY</u>			
<u>County Sheriff</u>			
Salaries	630,709	638,830 ✓	(8,121)
Retirement & Fringe Benefits	189,587	183,930 ✓	5,657
Office Supplies	5,000	4,370 ✓	630
Operating Supplies	8,600	11,859 ✓	(3,259)
Travel, Transportation Expense	30,550	67,731 ✓	(37,181)
Search & Rescue	4,500	2,646 ✓	1,854
Advertising and Legal Notices	1,000	418 ✓	582
Uniforms	10,000	7,844 ✓	2,156
Telephone & Postage	8,400	7,184 ✓	1,216
Dues and Meetings	5,000	8,860 ✓	(3,860)
Training	3,000	3,861 ✓	(861)
Maintenance & Repair	31,000	38,875 ✓	(7,875)
Radio/Communications	4,000	474 ✓	3,526
Capital Outlay	5,000	7,516 ✓	(2,516)
Total	936,346	984,398	(48,052)

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



LAS ANIMAS COUNTY, COLORADO  
GENERAL FUND  
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET (GAAP BASIS) AND ACTUAL  
Year Ended December 31, 2012

	<u>Budgeted</u> <u>Amounts</u>	<u>Actual</u>	<u>Variance-</u> <u>Favorable</u> <u>(Unfavorable)</u>
	<u>Original &amp; Final</u>	<u>Actual</u>	<u>(Unfavorable)</u>
<u>PUBLIC SAFETY (Continued)</u>			
<u>County Jail</u>			
Salaries	580,751	559,405 ✓	21,346
Retirement & Fringe Benefits	191,274	176,080 ✓	15,194
Supplies / Printing	43,500	32,984 ✓	10,516
Food Expense	105,000	137,660 ✓	(32,660)
Inmate Commissary	12,000	10,931 ✓	1,069
Telephone	7,000	2,118 ✓	4,882
Transports/Mileage	10,000	4,701 ✓	5,299
Doctors/Pharmacy/Ambulance	182,000	145,131 ✓	36,869
Maintenance & Repairs	5,000	95 ✓	4,905
Equipment & Fixtures	3,000	1,979 ✓	1,021
Advertising & Legal Notices	1,500	420 ✓	1,080
Other	5,000	4,272 ✓	728
Contractual Agreements	20,000	15,102 ✓	4,898
Uniforms	8,000	6,410 ✓	1,590
<u>Total</u>	<u>1,174,025</u>	<u>1,097,288</u>	<u>76,737</u>
 <u>County Coroner</u>			
Salaries	33,100	33,100 ✓	-
Fringe Benefits	2,532	12,590 ✓	(10,058)
Supplies	2,000	1,888 ✓	112
Travel/Transportation Expense	1,000	1,310 ✓	(310)
Doctors	18,000	24,521 ✓	(6,521)
Equipment & Fixtures	2,200	2,344 ✓	(144)
Telephone	600	1,015 ✓	(415)
Miscellaneous	7,040	4,304 ✓	2,736
<u>Total</u>	<u>66,472</u>	<u>81,072</u>	<u>(14,600)</u>
 <u>Public Building Inspector</u>			
Salaries	34,700	35,737 ✓	(1,037)
Retirement & Fringe Benefits	10,704	10,129 ✓	575
Travel/Transportation Expense	5,000	1,685 ✓	3,315
Telephone	1,000	439 ✓	561
Office/Operating Supplies	2,000	2,205 ✓	(205)
Dues & Meetings	1,000	190 ✓	810
Personnel Training	2,000	1,405 ✓	595
<u>Total</u>	<u>56,404</u>	<u>51,790</u>	<u>4,614</u>

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

LAS ANIMAS COUNTY, COLORADO  
GENERAL FUND  
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET (GAAP BASIS) AND ACTUAL  
Year Ended December 31, 2012

	Budgeted Amounts		Variance- Favorable
	Original & Final	Actual	(Unfavorable)
<u>PUBLIC SAFETY (Continued)</u>			
<u>Oil and Gas Inspection</u>			
Salaries	51,449	52,825 ✓	(1,376)
Retirement and Fringe Benefits	12,487	12,504 ✓	(17)
Supplies	20,600	13,766 ✓	6,834
Telephone and Postage	1,550	581 ✓	969
Travel	3,500	2,675 ✓	825
Dues and Meetings	1,250	513 ✓	737
<u>Total</u>	<u>90,836</u>	<u>82,864</u>	<u>7,972</u>
<u>Civil Defense</u>			
Salaries	10,000	9,638 ✓	362
Retirement & Fringe Benefits	1,065	1,782 ✓	(717)
Supplies	-	19,729 ✓	(19,729)
Telephone & Postage	500	59 ✓	441
Dues and Meetings	2,400	791 ✓	1,609
Other	1,000	781 ✓	219
<u>Total</u>	<u>14,965</u>	<u>32,780</u>	<u>(17,815)</u>
<u>TOTAL PUBLIC SAFETY</u>	<u>2,339,048</u>	<u>2,330,192</u>	<u>8,856</u>
<u>HEALTH AND HOSPITALS</u>			
<u>County Allocation</u>			
Health Department	255,024	255,024 ✓	-
<u>TOTAL HEALTH AND HOSPITALS</u>	<u>255,024</u>	<u>255,024</u>	<u>-</u>
<u>AUXILIARY SERVICES</u>			
<u>Allocation - Senior Citizens Center</u>	<u>14,500</u>	<u>14,500</u> ✓	<u>-</u>
<u>Allocation-Economic Development</u>	<u>8,000</u>	<u>8,000</u> ✓	<u>-</u>
<u>Allocation-Chamber of Commerce</u>	<u>12,500</u>	<u>12,500</u> ✓	<u>-</u>
<u>Extension Service</u>			
Office Supplies	4,000	4,477 ✓	(477)
Operating Supplies	2,500	2,136 ✓	364
Telephone & Postage	2,500	1,948 ✓	552
Travel & Transportation Expense	3,000	4,277 ✓	(1,277)
Dues and Meetings	3,000	3,050 ✓	(50)
Contractual Services	24,100	12,027 ✓	12,073
Capital Outlay	1,500	1,670 ✓	(170)
<u>Total</u>	<u>40,600</u>	<u>29,585</u>	<u>11,015</u>

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

LAS ANIMAS COUNTY, COLORADO  
GENERAL FUND  
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET (GAAP BASIS) AND ACTUAL  
Year Ended December 31, 2012

	Budgeted Amounts		Variance- Favorable
	Original & Final	Actual	(Unfavorable)
<u>AUXILIARY SERVICES (continued)</u>			
<u>County Fair</u>			
Salaries	3,000	1,930 ✓	1,070
Retirement & Fringe Benefits	-	37 ✓	(37)
Judges	2,500	1,635 ✓	865
Telephone & Postage	1,000	405 ✓	595
Travel & Transportation Expense	2,500	1,314 ✓	1,186
Supplies & Printing	2,000	341 ✓	1,659
Miscellaneous	1,500	1,669 ✓	(169)
Awards and Prizes	3,500	3,440 ✓	60
Capital Outlay	1,000	-	1,000
Total	<u>17,000</u>	<u>10,771</u>	<u>6,229</u>
<u>Fairground Operations</u>			
Salaries	24,072	20,792 ✓	3,280
Retirement & Fringe Benefits	9,572	9,834 ✓	(262)
Office Supplies	200	191 ✓	9
Operating Supplies	5,000	2,879 ✓	2,121
Telephone	1,000	451 ✓	549
Travel and Transportation	1,000	-	1,000
Utilities	10,000	5,984 ✓	4,016
Equipment & Fixtures	3,000	2,578 ✓	422
Maintenance & Repairs	<u>20,000</u>	<u>11,843</u> ✓	<u>8,157</u>
Total	<u>73,844</u>	<u>54,552</u>	<u>19,292</u>
<u>Veterans Office</u>			
Salaries	12,066	12,310 ✓	(244)
Retirement & Fringe Benefits	1,285	1,326 ✓	(41)
Office Supplies	300	332 ✓	(32)
Telephone & Postage	700	407 ✓	293
Travel & Transportation	-	431 ✓	(431)
Dues and Meetings	500	599 ✓	(99)
Total	<u>14,851</u>	<u>15,405</u>	<u>(554)</u>
<u>TOTAL AUXILIARY SERVICES</u>	<u>181,295</u>	<u>145,313</u>	<u>35,982</u>
<u>INTERGOVERNMENTAL</u>			
<u>District Attorney</u>			
Allocation	254,587	254,487 ✓	100
Total	<u>254,587</u>	<u>254,487</u>	<u>100</u>

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

LAS ANIMAS COUNTY, COLORADO  
GENERAL FUND  
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET (GAAP BASIS) AND ACTUAL  
Year Ended December 31, 2012

<u>INTERGOVERNMENTAL (Continued)</u>	<u>Budgeted Amounts</u>		<u>Variance- Favorable (Unfavorable)</u>
	<u>Original &amp; Final</u>	<u>Actual</u>	
<u>Fire Control</u>			
Operating Supplies	1,000	1,400 ✓	(400)
Dues and Meetings	15,000	12,683 ✓	2,317
Capital Outlay	4,000	6,323 ✓	(2,323)
<u>Total</u>	<u>20,000</u>	<u>20,406</u>	<u>(406)</u>
 <u>Ambulance Service</u>			
EMS Grant	<u>13,000</u>	<u>13,000</u> ✓	<u>-</u>
<u>Total</u>	<u>13,000</u>	<u>13,000</u>	<u>-</u>
 <u>E-911</u>			
Allocation	<u>164,239</u>	<u>125,521</u> ✓	<u>38,718</u>
 <u>Non-Profit Agencies</u>			
Allocation	<u>26,000</u>	<u>25,000</u> ✓	<u>1,000</u>
 <u>TOTAL INTERGOVERNMENTAL</u>	<u>477,826</u>	<u>438,414</u>	<u>39,412</u>
 <u>DEBT SERVICE</u>			
Interest Capital Lease	-	5,495 ✓	(5,495)
Principal Capital Lease	-	32,812 ✓	(32,812)
<u>Total</u>	<u>-</u>	<u>38,307</u>	<u>(38,307)</u>
 <u>TOTAL EXPENDITURES</u>	<u>6,899,438</u>	<u>6,773,877</u> ✓	<u>125,561</u>
 <u>REVENUES OVER (UNDER) EXPENDITURES</u>	<u>(720,914)</u>	<u>(293,023)</u>	
 <u>OTHER FINANCING SOURCES (USES)</u>			
Capital Lease Proceeds	-	163,279 ✓	163,279
Transfers In (Out)	<u>(301,537)</u>	<u>(301,537)</u> ✓	<u>-</u>
<u>Total Other Financing Sources (Uses)</u>	<u>(301,537)</u>	<u>(138,258)</u>	<u>163,279</u>
 <u>TOTAL REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</u>	<u>(1,022,451)</u>	<u>(431,281)</u>	
 <u>FUND BALANCE, January 1</u>	<u>4,436,663</u>	<u>4,367,448</u>	
 <u>FUND BALANCE, December 31</u>	<u>3,414,212</u>	<u>3,936,167</u>	

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

LAS ANIMAS COUNTY, COLORADO  
SPECIAL REVENUE FUND - ROAD AND BRIDGE FUND  
STATEMENT OF REVENUE, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
BUDGET (GAAP BASIS) AND ACTUAL  
Year Ended December 31, 2012

<u>REVENUE</u>	<u>Budgeted Amounts</u>		<u>Variance- Favorable</u>
	<u>Original &amp; Final</u>	<u>Actual</u>	<u>(Unfavorable)</u>
<u>Intergovernmental Revenue</u>			
Highway Users Tax	2,634,925	2,452,124	(182,801)
Energy Impact Grant	-	13,201	13,201
Mineral Leasing Act	-	11,656	11,656
Oil & Gas Fees	-	3,600	3,600
Mineral Lease Rights	30,000	29,629	(371)
Forest Service	8,500	10,030	1,530
M.V. Registration	40,000	35,329	(4,671)
HUTF Faster (SB 09-108)	400,000	528,249	128,249
Taylor Grazing Act & Bankhead Jones	150	107	(43)
Severance Tax	<u>350,000</u>	<u>350,000</u>	<u>-</u>
<u>Total</u>	<u>3,463,575</u>	<u>3,433,925</u>	<u>(29,650)</u>
<u>Miscellaneous Revenue</u>			
Miscellaneous	<u>65,000</u>	<u>35,935</u>	<u>(29,065)</u>
<u>Total</u>	<u>65,000</u>	<u>35,935</u>	<u>(29,065)</u>
<u>TOTAL REVENUE</u>	<u>3,528,575</u>	<u>3,469,860</u>	<u>(58,715)</u>
<u>EXPENDITURES</u>			
Salaries	1,501,299	1,289,863	211,436
Retirement & Fringe Benefits	487,560	438,283	49,277
Office Supplies	7,500	4,064	3,436
Operating Supplies	991,000	701,409	289,591
Repairs & Maintenance Road Equipment	225,000	264,410	(39,410)
Insurance and Bonds	180,000	101,640	78,360
Public Utility Service	82,000	61,165	20,835
Capital Outlay	250,000	439,693	(189,693)
Road Construction	624,716	448,734	175,982
Weed Expense	15,000	7,188	7,812
Radio/Communication	30,000	15,826	14,174
Telephone & Postage	10,000	8,449	1,551
Lease Purchase Principal	-	89,030	(89,030)
Lease Purchase Interest	-	693	(693)
Miscellaneous	<u>24,500</u>	<u>12,869</u>	<u>11,631</u>
<u>Total Expenditures</u>	<u>4,428,575</u>	<u>3,883,316</u>	<u>545,259</u>
<u>REVENUES OVER (UNDER) EXPENDITURES</u>	<u>(900,000)</u>	<u>(413,456)</u>	
<u>OTHER FINANCIAL SOURCES (USES)</u>			
Lease Purchase Proceeds	-	439,693	439,693
Transfer In	<u>500,000</u>	<u>500,000</u>	<u>-</u>
<u>Total Other Financing Sources (Uses)</u>	<u>500,000</u>	<u>939,693</u>	<u>439,693</u>
<u>TOTAL REVENUES AND OTHER SOURCES</u>			
<u>OVER (UNDER) EXPENDITURES AND OTHER USES</u>	(400,000)	526,237	
<u>FUND BALANCE, January 1</u>	3,226,231	4,245,231	
<u>PRIOR PERIOD ADJUSTMENT</u>	-	39,336	
<u>FUND BALANCE, December 31</u>	<u>2,826,231</u>	<u>4,810,804</u>	

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

LAS ANIMAS COUNTY, COLORADO  
SPECIAL REVENUE FUND - PUBLIC WELFARE FUND  
STATEMENT OF REVENUE, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
BUDGET (GAAP BASIS) AND ACTUAL  
Year Ended December 31, 2012

	<u>Budgeted Amounts</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
<u>REVENUE</u>	<u>Original &amp; Final</u>		
<u>Intergovernmental Revenues</u>			
Administration	-	529,229	-
Food Stamp Fraud	-	25,493	-
Core Services	-	268,730	-
LEAP	-	513,800	-
AID to Needy Disabled	-	71,789	-
Child Care	-	211,236	-
Child Welfare	-	862,816	-
RES MH Child Welfare	-	8,088	-
Chaffee Independent Living	-	19,757	-
Child Support Enforcement	-	164,228	-
Old Age Pension Administration	-	326,702	-
Home Care Allowance	-	43,420	-
Medicaid Transportation	-	117,965	-
Program Incentives	-	30,763	-
CW SB 94	-	14,187	-
Single Entry Point	-	542,345	-
Colorado Works	-	784,961	-
Food Stamp Benefits	-	4,174,657	-
CSE Retained	-	37,875	-
Miscellaneous Revenue	-	43	-
<u>Total Intergovernmental Revenue</u>	<u>9,647,333</u>	<u>8,748,084</u>	<u>(899,249)</u>
<u>Tax Revenues</u>			
Property Taxes	262,854	257,501	(5,353)
Senior/Veteran Tax	-	64	64
Delinquent Property Taxes	-	459	459
Specific Ownership Taxes	22,000	35,552	13,552
<u>Total Tax Revenues</u>	<u>284,854</u>	<u>293,576</u>	<u>8,722</u>
<u>TOTAL REVENUES</u>	<u>9,932,187</u>	<u>9,041,660</u>	<u>(890,527)</u>

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

LAS ANIMAS COUNTY, COLORADO  
SPECIAL REVENUE FUND - PUBLIC WELFARE FUND  
STATEMENT OF REVENUE, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
BUDGET (GAAP BASIS) AND ACTUAL  
Year Ended December 31, 2012

<u>EXPENDITURES</u>	<u>Budgeted Amounts</u> <u>Original &amp; Final</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
Administration	10,164,015	417,236	9,746,779
Colorado Works	-	892,963	(892,963)
Core Services	-	289,999	(289,999)
Single Entry Point	-	538,426	(538,426)
Child Care	-	252,113	(252,113)
Child Welfare	-	1,052,767	(1,052,767)
Chaffee Independent Living	-	19,744	(19,744)
Child Support Enforcement	-	227,104	(227,104)
Home Care Allowance	-	31,434	(31,434)
Food Stamp Fraud	-	31,864	(31,864)
LEAP	-	513,792	(513,792)
Old Age Pension	-	326,703	(326,703)
Medicaid Transportation	-	115,624	(115,624)
Food Stamp Benefits	-	4,174,657	(4,174,657)
Aid to Needy Disabled	-	89,736	(89,736)
Food Commodity Expense	-	2,922	(2,922)
General Assistance	-	6,079	(6,079)
<u>Total Expenditures</u>	<u>10,164,015</u>	<u>8,983,163</u>	<u>1,180,852</u>
<u>REVENUES OVER (UNDER) EXPENDITURES</u>	(231,828)	58,497	
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfer In (Out)	-	(193,058)	(193,058)
<u>TOTAL REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</u>	(231,828)	(134,561)	
<u>FUND BALANCE, January 1</u>	<u>1,033,228</u>	<u>929,353</u>	
<u>FUND BALANCE, December 31</u>	<u>801,400</u>	<u>794,792</u>	

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

LAS ANIMAS COUNTY, COLORADO  
SPECIAL REVENUE FUND  
CAPITAL EXPENDITURE FUND  
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET (GAAP BASIS) AND ACTUAL  
Year Ended December 31, 2012

	<u>Budgeted Amounts</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
	<u>Original &amp; Final</u>		
<u>REVENUES</u>			
Taxes	151,927	146,943	(4,984)
Local Revenue	-	635	635
Intergovernmental	<u>334,947</u>	<u>92,697</u>	<u>(242,250)</u>
<u>Total Revenues</u>	<u>486,874</u>	<u>240,275</u>	<u>(246,599)</u>
<u>EXPENDITURES</u>			
Capital Outlay	510,902	450,906	59,996
Debt Service:			-
Principal	-	22,921	(22,921)
Interest	-	18,962	(18,962)
Other	<u>8,000</u>	<u>11,039</u>	<u>(3,039)</u>
<u>Total Expenditures</u>	<u>518,902</u>	<u>503,828</u>	<u>15,074</u>
<u>REVENUE OVER (UNDER) EXPENDITURES</u>	(32,028)	(263,553)	
<u>OTHER FINANCING SOURCES (USES)</u>			
Lease Purchase Proceeds	-	3,695	3,695
Transfer In (Out)	<u>(360,000)</u>	<u>420,635</u>	<u>780,635</u>
<u>Total Other Financing Sources (Uses)</u>	<u>(360,000)</u>	<u>424,330</u>	<u>784,330</u>
<u>TOTAL REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</u>	(392,028)	160,777	
<u>FUND BALANCE, January 1</u>	1,163,256	2,297,879	
<u>FUND BALANCE, December 31</u>	<u>771,228</u>	<u>2,458,656</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.

Contingent Fund – to account for unforeseen contingencies. Financing is provided by property taxes and transfers from General Fund.

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

PILT – to account for the operations of the PILT Fund. Financing is provided through federal monies.

Emergency Assistance – to account for the allocation of the Emergency Assistance Program. Financing is provided by local contributions.

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  
 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
 BUDGET (GAAP BASIS) AND ACTUAL  
 Year Ended December 31, 2012

	<u>Budgeted Amounts</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
	<u>Original &amp; Final</u>		
<u>OPERATING REVENUES</u>			
Fuel Sales	230,000	288,419	58,419
Hangar Rental	30,000	22,759	(7,241)
Grant Revenues	225,000	1,710	(223,290)
Other Revenues	5,000	2,189	(2,811)
<u>Total Operating Revenues</u>	<u>490,000</u>	<u>315,077</u> •	<u>(174,923)</u>
 <u>OPERATING EXPENSES</u>			
Cost of Sales	185,000	255,746	(70,746)
Contractual Agreements	50,000	72,000	(22,000)
Master Plan Expense	231,000	-	231,000
Depreciation	-	100,590	(100,590)
Insurance	12,000	10,456	1,544
Operating Supplies	14,637	12,202	2,435
Office Supplies & Expense	5,500	13,786	(8,286)
Utilities	9,000	9,796	(796)
Telephone	1,400	1,814	(414)
Maintenance	33,000	26,510	6,490
Bad Debt Expense	-	-	-
<u>Total Operating Expenses</u>	<u>541,537</u>	<u>502,900</u> •	<u>38,637</u>
 <u>OPERATING INCOME (LOSS) BEFORE OTHER SOURCES</u>	 <u>(51,537)</u>	 <u>(187,823)</u>	
 <u>NON OPERATING REVENUES (EXPENSES)</u>			
Transfers In	51,537	51,537 •	-
<u>Total Non Operating Revenues (Expenses)</u>	<u>51,537</u>	<u>51,537</u>	<u>-</u>
 <u>INCOME BEFORE CAPITAL CONTRIBUTION</u>	 <u>-</u>	 <u>(136,286)</u>	
 <u>CAPITAL CONTRIBUTIONS – FIXED ASSETS</u>	 <u>-</u>	 <u>-</u>	 <u>-</u>
 <u>CHANGE IN NET POSITION</u>	 <u>-</u>	 <u>(136,286)</u>	
 <u>NET POSITION, January 1</u>	 <u>1,468,842</u>	 <u>1,568,171</u> •	
 <u>NET POSITION, December 31</u>	 <u>1,468,842</u>	 <u>1,431,885</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, 2012

	Special Revenue Fund			
	Jail Facility	Conservation Trust	Contingent	Emergency Assistance
<u>ASSETS</u>				
Cash	823,962	114,952	319,627	-
Investments	474,896	66,253	184,219	-
Accounts Receivables	-	-	225	-
<u>Total Assets</u>	<u>1,298,858</u>	<u>181,205</u>	<u>504,071</u>	<u>-</u>
<u>LIABILITIES AND FUND EQUITY</u>				
<u>Liabilities</u>				
Accounts Payable	-	-	-	-
<u>Total Liabilities</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Fund Balances:</u>				
Nonspendable:				
Inventories	-	-	-	-
Prepaid Expense	-	-	-	-
Restricted:				
Emergencies	-	-	-	-
Roads and Bridges	-	-	-	-
Capital Outlay	1,298,858	-	-	-
Unforeseen Contingencies	-	-	504,071	-
Parks and Recreation	-	181,205	-	-
Public Safety	-	-	-	-
Committed:				
Assigned:	-	-	-	-
Roads and Bridges	-	-	-	-
Capital Outlay	-	-	-	-
Unforeseen Contingencies	-	-	-	-
Unassigned:				
<u>Total Fund Balances</u>	<u>1,298,858</u>	<u>181,205</u>	<u>504,071</u>	<u>-</u>
<u>TOTAL LIABILITIES AND FUND BALANCES</u>	<u>1,298,858</u>	<u>181,205</u>	<u>504,071</u>	<u>-</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, 2012

	<u>Special Revenue Fund</u>		<u>Capital Projects</u>	<u>Total Non-Major Governmental Funds</u>
	<u>LEAF &amp; DUI</u>	<u>PILT</u>	<u>Jail Fund</u>	
<u>ASSETS</u>				
Cash	15,380	330,441	98,951	1,703,313
Investments	8,864	190,452	57,031	981,715
Accounts Receivables	-	-	-	225
<u>Total Assets</u>	<u>24,244</u>	<u>520,893</u>	<u>155,982</u>	<u>2,685,253</u>
 <u>LIABILITIES AND FUND EQUITY</u>				
<u>Liabilities</u>				
Accounts Payable	-	-	-	-
<u>Total Liabilities</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
 <u>Fund Balances:</u>				
Nonspendable:				
Inventories	-	-	-	-
Prepaid Expense	-	-	-	-
Restricted:				
Emergencies	-	-	-	-
Roads and Bridges	-	-	-	-
Capital Outlay	-	-	155,982	1,454,840
Unforeseen Contingencies	-	-	-	504,071
Parks and Recreation	-	-	-	181,205
Public Safety	24,244	-	-	24,244
Committed:				
Assigned:				
Roads and Bridges	-	-	-	-
Capital Outlay	-	-	-	-
Unforeseen Contingencies	-	520,893	-	520,893
Unassigned:				
<u>Total Fund Balances</u>	<u>24,244</u>	<u>520,893</u>	<u>155,982</u>	<u>2,685,253</u>
 <u>TOTAL LIABILITIES AND FUND BALANCES</u>				
	<u>24,244</u>	<u>520,893</u>	<u>155,982</u>	<u>2,685,253</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, 2012

	Special Revenue Fund			
	Jail Facilities	Conservation Trust	Contingent	Emergency Assistance
<u>REVENUES</u>				
Taxes	47	-	21,559	-
Intergovernmental Revenues		54,252	-	-
Other Revenues	8	2,107	46	-
<u>Total Revenues</u>	55	56,359	21,605	-
<u>EXPENDITURES</u>				
Capital Outlay	-	-	-	-
Social Services	-	-	-	-
Public Safety	-	-	-	-
Debt Service	-	-	-	-
Other	-	-	5,834	-
<u>Total Expenditures</u>	-	-	5,834	-
<u>REVENUES OVER (UNDER) EXPENDITURES</u>	55 ✓	56,359	15,771	-
<u>OTHER FINANCING SOURCES (USES)</u>				
Capital Lease Proceeds	-	-	-	-
Operating Transfers In (Out)	(372,577)	-	250,408	(408)
<u>Total Other Financing Sources (Uses)</u>	(372,577)	-	250,408	(408)
<u>TOTAL REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</u>	(372,522)	56,359	266,179	(408)
<u>FUND BALANCE, January 1</u>	1,671,380 ✓	124,846 ✓	237,892	408
<u>FUND BALANCE, December 31</u>	1,298,858 ✓	181,205 ✓	504,071 ✓	-

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, 2012

*NOT IN SUMMARY*

	<u>Special Revenue Fund</u>		<u>Capital Projects</u>	<u>Total Non-Major</u>
	<u>LEAF &amp; DUI</u>	<u>PILT</u>	<u>Jail Fund</u>	<u>Governmental Funds</u>
<u>REVENUES</u>				
Taxes	-	-	-	21,606
Intergovernmental Revenues	-	502,222	-	556,474
Other Revenues	<u>1,867</u> ✓	<u>-</u>	<u>-</u>	<u>4,028</u>
<u>Total Revenues</u>	<u>1,867</u>	<u>502,222</u> ✓	<u>-</u>	<u>582,108</u>
<u>EXPENDITURES</u>				
Capital Outlay	-	-	264,465	264,465
Social Services	-	-	-	-
Public Safety	1,115	-	-	1,115
Debt Service	-	-	29,733	29,733
Other	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,834</u>
<u>Total Expenditures</u>	<u>1,115</u> ✓	<u>-</u>	<u>294,198</u> ⊗	<u>301,147</u>
<u>REVENUES OVER (UNDER) EXPENDITURES</u>	<u>752</u>	<u>502,222</u>	<u>(294,198)</u>	<u>280,961</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Capital Lease Proceeds	-	-	123,043	123,043
Operating Transfers In (Out)	<u>-</u>	<u>(500,000)</u> ✓	<u>145,000</u>	<u>(477,577)</u>
<u>Total Other Financing Sources (Uses)</u>	<u>-</u>	<u>(500,000)</u>	<u>268,043</u>	<u>(354,534)</u>
<u>TOTAL REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</u>	<u>752</u>	<u>2,222</u>	<u>(26,155)</u>	<u>(73,573)</u>
<u>FUND BALANCE, January 1</u>	<u>23,492</u> ✓	<u>518,671</u> ✓	<u>182,137</u>	<u>2,758,826</u>
<u>FUND BALANCE, December 31</u>	<u>24,244</u> ✓	<u>520,893</u> ✓	<u>155,982</u>	<u>2,685,253</u>

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

LAS ANIMAS COUNTY, COLORADO  
SPECIAL REVENUE FUND  
JAIL FACILITY FUND  
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET (GAAP BASIS) AND ACTUAL  
Year Ended December 31, 2012

	<u>Budgeted Amounts</u> <u>Original &amp; Final</u>	<u>Actual</u>	Variance- Favorable <u>(Unfavorable)</u>
<u>REVENUE</u>			
State Tax Revenue	-	47	47
Miscellaneous Revenue	-	8	8
<u>Total Revenues</u>	<u>-</u>	<u>55</u>	<u>55</u>
<u>EXPENDITURES</u>			
<u>Total Expenditures</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>REVENUES OVER (UNDER) EXPENDITURES</u>	-	55	
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers (Out)	<u>(372,577)</u>	<u>(372,577)</u>	<u>-</u>
<u>REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</u>	<u>(372,577)</u>	<u>(372,522)</u>	
<u>FUND BALANCE, January 1</u>	<u>1,670,302</u>	<u>1,671,380</u>	
<u>FUND BALANCE, December 31</u>	<u>1,297,725</u>	<u>1,298,858</u>	

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

LAS ANIMAS COUNTY, COLORADO  
SPECIAL REVENUE FUND  
CONSERVATION TRUST FUND  
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET (GAAP BASIS) AND ACTUAL  
Year Ended December 31, 2012

	<u>Budgeted Amounts</u>		<u>Variance- Favorable (Unfavorable)</u>
	<u>Original &amp; Final</u>	<u>Actual</u>	
<u>REVENUE</u>			
Intergovernmental - Lottery	50,000	54,252	4,252
Interest Revenue	-	2,107	2,107
<u>Total Revenues</u>	<u>50,000</u>	<u>56,359</u>	<u>6,359</u>
<u>EXPENDITURES</u>			
Capital Outlay	-	-	-
Other	-	-	-
<u>Total Expenditures</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>REVENUES OVER (UNDER) EXPENDITURES</u>	50,000	56,359	
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers (Out)	(150,000)	-	150,000
<u>REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</u>	(100,000)	56,359	
<u>FUND BALANCE, January 1</u>	<u>122,445</u>	<u>124,846</u>	
<u>FUND BALANCE, December 31</u>	<u>22,445</u>	<u>181,205</u>	

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



LAS ANIMAS COUNTY, COLORADO  
SPECIAL REVENUE FUND  
CONTINGENT FUND  
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET (GAAP BASIS) AND ACTUAL  
Year Ended December 31, 2012

	<u>Budgeted Amounts</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
	<u>Original &amp; Final</u>		
<u>REVENUE</u>			
Property Taxes	18,500	18,082	(418)
Specific Ownership Tax	1,500	3,477	1,977
Other	-	46	46
<u>Total Revenues</u>	<u>20,000</u>	<u>21,605</u>	<u>1,605</u>
 <u>EXPENDITURES</u>			
Miscellaneous	320,000	360	319,640
Fire Expenditures	-	5,474	(5,474)
West Nile Expenditures	-	-	-
<u>Total Expenditures</u>	<u>320,000</u>	<u>5,834</u>	<u>314,166</u>
 <u>REVENUES OVER (UNDER) EXPENDITURES</u>	 (300,000)	 15,771	
 <u>OTHER FINANCING SOURCES (USES)</u>			
Transfer In (Out)	250,000	250,408	408
 <u>OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</u>	 (50,000)	 266,179	
 <u>FUND BALANCE, January 1</u>	 <u>50,000</u>	 <u>237,892</u>	
 <u>FUND BALANCE, December 31</u>	 <u>-</u>	 <u>504,071</u>	

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

LAS ANIMAS COUNTY, COLORADO  
SPECIAL REVENUE FUND  
LEAF AND DUI FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET (GAAP BASIS) AND ACTUAL  
Year Ended December 31, 2012

---

	<u>Budgeted Amounts</u>	<u>Actual</u>	Variance- Favorable (Unfavorable)
	<u>Original &amp; Final</u>		
<u>REVENUE</u>			
DUI Fees	<u>2,500</u>	<u>1,867</u>	<u>(633)</u>
<u>EXPENDITURES</u>			
Miscellaneous	<u>10,000</u>	<u>1,115</u>	<u>8,885</u>
<u>REVENUES OVER (UNDER) EXPENDITURES</u>	<u>(7,500)</u>	<u>752</u>	
<u>FUND BALANCE, January 1</u>	<u>22,325</u>	<u>23,492</u>	
<u>FUND BALANCE, December 31</u>	<u>14,825</u>	<u>24,244</u>	

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

LAS ANIMAS COUNTY, COLORADO  
SPECIAL REVENUE FUND  
EMERGENCY ASSISTANCE FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET (GAAP BASIS) AND ACTUAL  
Year Ended December 31, 2012

---

	<u>Budgeted Amounts</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
	<u>Original &amp; Final</u>		
<u>REVENUES</u>			
Local Sources	-	-	-
<u>EXPENDITURES</u>			
Other	-	-	-
<u>REVENUES OVER (UNDER) EXPENDITURES</u>	-	-	
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfer In (Out)	(408)	(408)	-
<u>TOTAL OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</u>			
<u>FUND BALANCE, January 1</u>	408	408	
<u>FUND BALANCE, December 31</u>	-	-	

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

LAS ANIMAS COUNTY, COLORADO  
SPECIAL REVENUE FUND  
PILT FUND  
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET (GAAP BASIS) AND ACTUAL  
Year Ended December 31, 2012

---

	<u>Budgeted Amounts</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
	<u>Original &amp; Final</u>		
<u>REVENUE</u>			
Federal Sources	<u>400,000</u>	<u>502,222</u>	<u>102,222</u>
<u>EXPENDITURES</u>			
Miscellaneous	<u>-</u>	<u>-</u>	<u>-</u>
<u>REVENUES OVER (UNDER) EXPENDITURES</u>	<u>400,000</u>	<u>502,222</u>	
<u>Other Financing Sources (Uses)</u>			
Transfer (Out)	<u>(500,000)</u>	<u>(500,000)</u>	<u>-</u>
<u>Total Revenues and Other Sources</u>	<u>(500,000)</u>	<u>(500,000)</u>	<u>-</u>
<u>REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</u>	<u>(100,000)</u>	<u>2,222</u>	
<u>FUND BALANCE, January 1</u>	<u>401,262</u>	<u>518,671</u>	
<u>FUND BALANCE, December 31</u>	<u>301,262</u>	<u>520,893</u>	

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

LAS ANIMAS COUNTY, COLORADO  
 JAIL CAPITAL PROJECTS FUND  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET (GAAP BASIS) AND ACTUAL  
 Year Ended December 31, 2012

	<u>Budgeted Amounts</u> <u>Original &amp; Final</u>	<u>Actual</u>	Variance- Favorable (Unfavorable)
<u>Revenue</u>			
Sales Tax	-	-	-
Miscellaneous	-	-	-
<u>Total Revenues</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Expenditures</u>			
Operating Supplies	-	-	-
Equipment & Fixtures	-	-	-
Maintenance & Repairs	227,577	-	227,577
Capital Outlay	145,000	264,465	(119,465)
Debt Service:			
Principal	-	29,539	(29,539)
Interest	-	194	(194)
<u>Total Expenditures</u>	<u>372,577</u>	<u>294,198</u>	<u>78,379</u>
<u>Revenues Over (Under) Expenditures</u>	<u>(372,577)</u>	<u>(294,198)</u>	
<u>Other Financing Sources (Uses)</u>			
Capital Lease Proceeds	-	123,043	123,043
Transfers In (Out)	372,577	145,000	(227,577)
<u>Total Other Financing Sources (Uses)</u>	<u>372,577</u>	<u>268,043</u>	<u>(104,534)</u>
<u>Net Change in Fund Balance</u>	<u>-</u>	<u>(26,155)</u>	
<u>Fund Balance, January 1</u>	<u>187,087</u>	<u>182,137</u>	
<u>Fund Balance, December 31</u>	<u>187,087</u>	<u>155,982</u>	

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

OTHER SCHEDULES

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

<b>LOCAL HIGHWAY FINANCE REPORT</b>	City or County: Las Animas County YEAR ENDING : December 2012
This Information From The Records Of (example - City of _ or County of _ County of Las Animas	Prepared By: Larry Lochard Phone: (719) 845-2578

**I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE**

ITEM	A. Local Motor-Fuel Taxes	B. Local Motor-Vehicle Taxes	C. Receipts from State Highway-User Taxes	D. Receipts from Federal Highway Administration
1. Total receipts available				
2. Minus amount used for collection expenses				
3. Minus amount used for nonhighway purposes				
4. Minus amount used for mass transit				
5. Remainder used for highway purposes				

**II. RECEIPTS FOR ROAD AND STREET PURPOSES**

**III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES**

ITEM	AMOUNT	ITEM	AMOUNT
<b>A. Receipts from local sources:</b>		<b>A. Local highway disbursements:</b>	
1. Local highway-user taxes		1. Capital outlay (from page 2)	731,537
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	1,935,507
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	
2. General fund appropriations		b. Snow and ice removal	483,877
3. Other local imposts (from page 2)	0	c. Other	7,188
4. Miscellaneous local receipts (from page 2)	1,008,857	d. Total (a. through c.)	491,065
5. Transfers from toll facilities		4. General administration & miscellaneous	725,208
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	
a. Bonds - Original Issues		6. Total (1 through 5)	3,883,317
b. Bonds - Refunding Issues		<b>B. Debt service on local obligations:</b>	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	
7. Total (1 through 6)	1,008,857	b. Redemption	
<b>B. Private Contributions</b>		c. Total (a. + b.)	0
<b>C. Receipts from State government (from page 2)</b>	3,365,701	2. Notes:	
<b>D. Receipts from Federal Government (from page 2)</b>	34,995	a. Interest	
<b>E. Total receipts (A.7 + B + C + D)</b>	4,409,553	b. Redemption	
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	0
		<b>C. Payments to State for highways</b>	
		<b>D. Payments to toll facilities</b>	
		<b>E. Total disbursements (A.6 + B.3 + C + D)</b>	3,883,317

**IV. LOCAL HIGHWAY DEBT STATUS**  
(Show all entries at par)

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

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

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	4,245,683	4,409,553	3,883,317	4,771,919	0

**Notes and Comments:**

**LOCAL HIGHWAY FINANCE REPORT**

STATE:  
Colorado  
YEAR ENDING (mm/yy):  
December 2012

**II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL**

ITEM	AMOUNT	ITEM	AMOUNT
<b>A.3. Other local imposts:</b>		<b>A.4. Miscellaneous local receipts:</b>	
a. Property Taxes and Assessments		a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes		c. Parking Garage Fees	
2. Infrastructure & Impact Fees		d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	3,600
5. Specific Ownership &/or Other		g. Other Misc. Receipts	29,629
6. Total (1. through 5.)	0	h. Other	975,628
c. Total (a. + b.)	0	i. Total (a. through h.)	1,008,857
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
<b>C. Receipts from State Government</b>		<b>D. Receipts from Federal Government</b>	
1. Highway-user taxes	2,980,373	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	10,030
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	35,328	d. Federal Transit Admin	
d. Other (Specify) - DOLA Grant		e. U.S. Corps of Engineers	
e. Other (Specify)	350,000	f. Other Federal	24,965
f. Total (a. through e.)	385,328	g. Total (a. through f.)	34,995
4. Total (1. + 2. + 3.f)	3,365,701	3. Total (1. + 2.g)	
			(Carry forward to page 1)

**III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL**

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
<b>A.1. Capital outlay:</b>			
a. Right-Of-Way Costs			0
b. Engineering Costs			0
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements			0
(3). System Preservation		731,537	731,537
(4). System Enhancement & Operation			0
(5). Total Construction (1) + (2) + (3) + (4)	0	731,537	731,537
d. Total Capital Outlay (Lines I.a. + I.b. + I.c.5)	0	731,537	731,537
			(Carry forward to page 1)

**Notes and Comments:**

Item C.3(e) Severance Tax	350,000	Item D.2(f) Energy Impact Grant (mineral Taylor Bankhead Tenant)	24,858 107
		Total	24,965



**LAS ANIMAS COUNTY DEPARTMENT OF HUMAN SERVICES  
REQUIRED SUPPLEMENTAL INFORMATION (RSI)  
DECEMBER 31, 2012**

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
<b>Colorado Works</b>					
Administration	\$ -		\$ 222,515.55	\$ 222,515.55	\$ 222,515.55
Non-ADM - Client Payment	\$ -		\$ 2,169.63	\$ 2,169.63	\$ 2,169.63
EBT (Non ADM)	\$ 668,605.95			\$ 668,605.95	\$ -
<b>Total Colorado Works</b>	\$ 668,605.95		\$ 224,685.18	\$ 893,291.13	\$ 224,685.18
<b>Child Care</b>					
EBT / MOE	\$ 178,182.75			\$ 178,182.75	\$ -
Administration	\$ -		\$ 73,930.43	\$ 73,930.43	\$ 73,930.43
Quality Grants	\$ -		\$ -	\$ -	\$ -
<b>Total Child Care</b>	\$ 178,182.75		\$ 73,930.43	\$ 252,113.18	\$ 73,930.43
<b>Child Welfare</b>					
Administration 100%			\$ 115,435.61	\$ 115,435.61	\$ 115,435.61
Administration 80/20%			\$ 455,910.94	\$ 455,910.94	\$ 455,910.94
CHRP	\$ 36,156.84			\$ 36,156.84	\$ -
RTC				\$ -	\$ -
Res Mental Health	\$ 10,109.44			\$ 10,109.44	\$ -
Foster Care OOH	\$ 267,172.47			\$ 267,172.47	\$ -
Related Child Care	\$ 27,758.55			\$ 27,758.55	\$ -
SubAdopt	\$ 132,031.34			\$ 132,031.34	\$ -
Relative Guardianship	\$ 11,960.88			\$ 11,960.88	
Case Services	\$ 4,955.25			\$ 4,955.25	
<b>Total Child Welfare</b>	\$ 490,144.77		\$ 571,346.55	\$ 1,061,491.32	\$ 571,346.55
<b>Total County Administration</b>			\$ 600,393.07	\$ 600,393.07	\$ 600,393.07
<b>Core Services</b>					
Mental Health	\$ 15,061.05			\$ 15,061.05	\$ -
ADAD	\$ 19,272.96			\$ 19,272.96	\$ -
Special Economic Asst	\$ 847.84			\$ 787.83	\$ -
Core Other EBT/EFT	\$ 13,748.37			\$ 13,748.37	\$ -
Core Other - 100%			\$ 103,068.83	\$ 103,068.83	\$ 103,068.83
Core 80/20%			\$ 138,060.24	\$ 138,060.24	\$ 138,060.24
<b>Total Core Services</b>	\$ 48,930.22		\$ 241,129.07	\$ 289,999.28	\$ 241,129.07
				\$ -	\$ -
<b>Total Child Support Enforce</b>			\$ 229,380.99	\$ 229,380.99	\$ 229,380.99
<b>Total LEAP</b>	\$ 471,479.42		\$ 42,312.98	\$ 513,792.40	\$ 42,312.98
<b>Total Aid to Needy Disabled</b>	\$ 89,735.77			\$ 89,735.77	\$ -
<b>Total A.N.D. HCA</b>	\$ 4,446.00			\$ 4,446.00	\$ -
<b>Total O.A.P. HCA</b>	\$ 14,738.88			\$ 14,738.88	\$ -
<b>Total SSI - HCA</b>	\$ 12,249.00			\$ 12,249.00	
<b>Total Old Age Pension</b>	\$ 326,702.46			\$ 326,702.46	\$ -
<b>Total Food Assist Fraud</b>	\$ -		\$ 31,864.42	\$ 31,864.42	\$ 31,864.42
<b>Total FA Benefits &amp; Collect</b>	\$ 4,174,656.50			\$ 4,174,656.50	\$ -
<b>Total DoD Funds</b>	\$ -			\$ -	\$ -
				\$ -	\$ -
<b>Total Chaffee Indep Living</b>	\$ 1,196.62		\$ 18,547.59	\$ 19,744.21	\$ 18,547.59

**LAS ANIMAS COUNTY DEPARTMENT OF HUMAN SERVICES  
REQUIRED SUPPLEMENTAL INFORMATION (RSI)  
DECEMBER 31, 2012**

<b>CATEGORY</b>	<b>A COUNTY EBT AUTHORIZATIONS</b>	<b>B COUNTY SHARE OF AUTHORIZATIONS</b>	<b>C WARRANT ISSUE ISSUED BY COUNTY DEPT</b>	<b>A + C = D TOTAL COUNTY WARRANT ISSUE &amp; AUTHORIZATIONS</b>	<b>B + C = E TOTAL COUNTY DEPT EXPENDITURES</b>
<b>Total Co Wide Cost Alloc</b>			\$ -	\$ -	\$ -
<b>Medicaid Transportation</b>			\$ 115,624.14	\$ 115,624.14	\$ 115,624.14
<b>Single Entry Point</b>			\$ 542,278.93	\$ 542,278.93	\$ 542,278.93
<b>Other Local Sources</b>					
<b>General Assistance</b>			\$ 5,470.71	\$ 5,470.71	\$ 5,470.71
<b>Commodities</b>			\$ 2,992.40	\$ 2,992.40	\$ 2,992.40
<b>Total Other Sources</b>			\$ 8,463.11	\$ 8,463.11	\$ 8,463.11
<b>IV-E Revenue SB-80</b>					
<b>Non-ADM - Client Payment</b>			\$ -	\$ -	\$ -
<b>Parental Fees SB-94</b>					
<b>Non-ADM - Client Payment</b>			\$ 608.00	\$ 608.00	\$ 608.00
				\$ -	\$ -

SINGLE AUDIT SECTION

164 E. MAIN  
TRINIDAD, COLORADO 81082  
(719) 846-9241 FAX (719) 846-3352

**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***

**Independent Auditor's Report**

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, 2012, 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 September 23, 2013.

**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. We did not identify any deficiencies in internal control that we consider to be significant deficiencies, as defined above.

### **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.

Dixon, Waller & Co., P.C.

September 23, 2013

164 E. MAIN  
TRINIDAD, COLORADO 81082  
(719) 846-9241 FAX (719) 846-3352

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM  
AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE  
REQUIRED BY OMB CIRCULAR A-133**

**Independent Auditor's Report**

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 Circular A-133 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, 2012. 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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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, 2012.

## 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 OMB Circular A-133, but not for the purpose of expressing 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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

*Duan, Waller & Co, Inc.*

September 23, 2013

LAS ANIMAS COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended December 31, 2012

---

**SUMMARY OF AUDITOR'S RESULTS:**

**Report**

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

**Audit Findings**

Audit findings requiring disclosure in accordance with OMB Circular A-133 Section 510(a) were not disclosed by the audit.

**Major Programs**

LEAP	(CFDA # 93.568)
TANF	(CFDA # 93.558, 93.714)

**Dollar Threshold to Distinguish Type A and Type B Programs**

\$300,000.

**Qualification as low-risk auditee**

Las Animas County did not qualify as a low risk auditee for 2012

**Findings – GAGAS**

None.



LAS ANIMAS COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended December 31, 2012

---

**SUMMARY OF AUDITOR'S RESULTS: (continued)**

**Findings – Federal Awards**

NONE

LAS ANIMAS COUNTY, COLORADO  
SUMMARY OF SCHEDULE OF PRIOR AUDIT FINDINGS  
Year Ended December 31, 2012

---

NONE

LAS ANIMAS COUNTY, COLORADO  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 Year Ended December 31, 2012

<u>Federal Grantor/Pass Through Grantor/Program Title</u>	<u>CFDA Number</u>	<u>Expenditures Amount</u>
<u>U.S. Department of Transportation</u>		
<u>(Direct Payment)</u>		
Airport Improvement Program	20.1063	89,580
<u>U.S. Department of Health and Human Services</u>		
<u>(Passed Through State Department of Human Services)</u>		
Title IV-B Child Welfare	93.645	8,209
Title IV-E Foster Care	93.658	205,621
Title XX Block Grant	93.667	114,635
Title XIX Medicaid	93.778	101,182
Title IV-D Administration	93.563	117,185
LEAP	93.568	513,801
Title IV-E Adoption	93.659	68,630
TANF	93.558	867,498
TANF ARRA	93.714	23,251
CCDF Discretionary	93.575	29,424
CCDF	93.596	129,827
IV-E Ind. Living	93.674	19,757
<u>(Passed Through State Department of Health Care Policy and Finance)</u>		
Single Entry Point	93.778	283,930
<u>U.S. Department of Agriculture</u>		
<u>(Passed Through State Department of Human Services)</u>		
TEFAP Commodities	10.569	31,864
TEFAP Admin	10.568	14,422
<u>TOTALS</u>		<u>2,618,816</u>

LAS ANIMAS COUNTY, COLORADO  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year Ended December 31, 2012

---

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 in the schedule is prepared in accordance with generally accepted accounting principles. The information is presented in accordance with requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. 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

\$152,191 of Single Entry Point monies were passed through to the Huerfano County during 2012. 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” in section 105 of A-133 (codified by USDA at 7 CFR Section 3052.105).