

cPa DIXON, WALLER & CO., INC.

LAS ANIMAS COUNTY, COLORADO

AUDIT REPORT

DECEMBER 31, 2011

DIXON, WALLER & CO., INC.

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December 31, 2011

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FINANCIAL SECTION

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

Independent Auditor's Report

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, 2011 which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Las Animas County's management. Our responsibility is to express an opinion 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 basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amount and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic 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 the Las Animas County as of December 31, 2011, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated September 28, 2012 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 grants 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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 37 through 50 be presented to supplement the basic financial statements. Such information, although not a part of the 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.

The disclosure on EBT authorizations, warrant expenditures and total expenditures on page 64-69 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Las Animas County's financial statements as a whole. 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 financial statements. The accompanying 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 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Dyer, Waller & Co., P.C.

September 28, 2012

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, 2011. 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 assets for government and business-type activities were \$66,900,742 at December 30, 2011.
- During the year, the County's expenses were \$162,752 more than the \$21,869,223 generated by taxes, grants and other forms of revenue in all government funds.
- As of December 31, 2011, The County's governmental funds reported combined ending fund balances of \$14,598,737, an increase of \$383,709 in comparison with the prior year. Of the ending fund balance, \$338,500 is reserved for emergencies.
- As of December 31, 2011, unreserved fund balance for the general fund was \$4,028,948 or 63.2% of total general fund expenditures.
- In the general fund, the actual revenues (\$6,486,490) were 6.9% higher than what was budgeted and actual expenditures (\$6,555,706) were 3.6% lower than budget. This resulted in a decrease in fund balance of \$69,216.
- Revenues in the County's governmental funds decreased by \$3,763,524 or 14.7% less than they had been in the previous year, while expenditures decreased by \$829,781 or 3.6% less than expenditures for 2010.

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 assets presents information on all of the County's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets 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 assets changed during the most recent fiscal year. All changes in net assets 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 page 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 16 governmental funds. Information is presented separately in the Governmental Fund Balance Sheet and in the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund, Road & Bridge Fund, Public Welfare Fund (human services), and other governmental funds including Capital Expenditures, 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 10 to 12 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 13 to 14 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 15 to 34 of this report.

GOVERNMENT WIDE FINANCIAL ANALYSIS

Net assets 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 \$66,900,742 as of December 31, 2011.

Of the County's total net assets, 80.0%, 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 investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

LAS ANIMAS COUNTY'S NET ASSETS

	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
Capital Assets, not depreciated	\$ 464,551	\$ 464,551	\$ 193,904	\$ 193,904	\$ 658,455	\$ 658,455
Capital Assets, being depreciated (net)	<u>51,364,004</u>	<u>54,250,645</u>	<u>1,478,590</u>	<u>1,327,176</u>	<u>52,842,594</u>	<u>55,577,821</u>
Total Capital Assets	51,828,555	54,715,196	1,672,494	1,521,080	53,501,049	56,236,276
Current & Other Assets	<u>15,846,549</u>	<u>15,165,092</u>	<u>67,806</u>	<u>62,128</u>	<u>15,914,355</u>	<u>15,227,220</u>
Total Assets	67,675,104	69,880,288	1,740,300	1,583,208	69,415,404	71,463,496
Long-term liabilities outstanding	-----	-----	-----	-----	-----	-----
Other liabilities	<u>2,342,533</u>	<u>1,491,393</u>	<u>172,129</u>	<u>114,366</u>	<u>2,514,662</u>	<u>1,605,759</u>
Total Liabilities	2,342,533	1,491,393	172,129	114,366	2,514,662	1,605,759
Net Assets:						
Invested in capital assets, net of related debt	51,689,706	54,715,196	1,672,494	1,521,080	53,362,200	56,236,276
Restricted	9,121,765	4,162,088	-----	-----	9,121,765	4,162,088
Unrestricted (Deficit)	<u>4,521,100</u>	<u>9,511,611</u>	<u>(104,323)</u>	<u>(52,238)</u>	<u>4,416,777</u>	<u>9,459,373</u>
Total Net Assets	\$65,332,571	\$68,388,895	\$1,568,171	\$1,468,842	\$66,900,742	\$69,857,737

The decrease in net assets from 2010 to 2011 is due primarily to depreciation of infrastructure (roads, bridges, etc.). Infrastructure accounted for \$37,525,372, after depreciation, of total net assets. A portion of the County's net assets, 13.6%, represents resources that are subject to external restriction on how they may be used which is down from 6.0% the previous year. The remaining unrestricted net assets, \$4,416,777, is down 53.3% from 2010 and may be used to meet the government's ongoing obligations to citizens and creditors.

As of December 31, 2011, the County is able to report positive balances in all three categories of total net assets, both for the government as a whole, as well as for its separate governmental and business-type activities.

Changes in Net Assets – The County’s total revenues are \$22,419,431. Of this total, 31.4% is general revenue, i.e. taxes, intergovernmental revenue, interest income, etc.; 63.5% is from state programs and grants; and 5.1% relates to charges for services.

The total cost of all programs and services was \$25,376,426. The largest portion, 41.4%, is for the various capital projects throughout the county including roads, bridges, and building construction. The resulting change in net assets was \$[2,956,995]. The governmental activities programs realized a decrease in net assets and the Airport Proprietary Fund saw an increase in total net assets for 2011.

Analysis of the County’s Operations – The table below provides a summary of Las Animas County’s operations for 2011. In governmental activities, net assets were reduced in the amount of \$3,056,324. In business-type activities, net assets increased by \$99,329.

LAS ANIMAS COUNTY’S CHANGES IN NET ASSETS

	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
Revenues						
Program Revenues						
Charges for Services	\$ 852,518	\$ 738,817	\$ 298,204	\$ 287,990	\$ 1,150,722	\$ 1,026,807
Operating Grants & Contributions	12,239,219	12,424,381	-	-	12,239,219	12,424,381
Capital Grants & Contributions	1,737,752	1,853,827	252,004	234,215	1,989,756	2,088,042
General Revenue						
Property Taxes	4,108,165	7,686,105	-	-	4,108,165	7,686,105
Specific Ownership Taxes	724,749	810,281	-	-	724,749	810,281
Sales Taxes	77	96	-	-	77	96
Sale of Assets	-	-	-	-	-	-
Intergovernmental Not Spec Restrict	1,254,498	1,136,812	-	-	1,254,498	1,136,812
Interest Revenue	123,286	186,924	-	-	123,286	186,924
Other Revenues	828,959	795,504	-	-	828,959	793,504
Transfers In (Out)	-	-	-	38,680	-	38,680
Total Revenues	<u>21,869,223</u>	<u>25,594,067</u>	<u>550,208</u>	<u>560,885</u>	<u>22,419,431</u>	<u>26,154,952</u>
Expenses:						
General Government	1,435,723	4,122,080	-	-	1,435,723	4,122,080
Public Safety	2,330,673	2,706,472	-	-	2,330,673	2,706,472
Health & Environment	238,824	309,838	-	-	238,824	309,838
Auxiliary Services	266,329	332,853	-	-	266,329	332,853
Intergovernmental	441,737	622,390	-	-	441,737	622,390
Roads, Bridges & Cap Outlay	10,501,548	8,849,608	-	-	10,501,548	8,849,608
Social Services	9,710,713	9,868,356	-	-	9,710,713	9,868,356
Airport	-	-	450,879	407,726	450,879	407,726
Total Expenses	<u>24,925,547</u>	<u>26,811,597</u>	<u>450,879</u>	<u>407,726</u>	<u>25,376,426</u>	<u>27,219,323</u>
Increase(decrease) in Net Assets	[3,056,324]	[1,217,530]	99,329	153,159	[2,956,995]	[1,064,371]
Net Assets – January 1	68,388,895	69,606,425	1,468,842	1,315,683	69,857,737	70,922,108
Prior Year Adjustment	-----	-----	-----	-----	-----	-----
Net Assets – January 1, restated	<u>68,388,895</u>	<u>69,606,425</u>	<u>1,468,842</u>	<u>1,152,683</u>	<u>69,857,737</u>	<u>70,922,108</u>
Net Assets – December 31	<u>\$65,332,571</u>	<u>\$68,388,895</u>	<u>\$1,568,171</u>	<u>\$1,468,842</u>	<u>\$66,900,742</u>	<u>\$69,857,737</u>

CAPITAL ASSETS

CAPITAL ASSETS AT YEAR END Net of Accumulated Depreciation

	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
Land	\$ 464,551	\$ 464,551	\$ 117,304	\$ 117,304	\$ 581,855	\$ 581,855
Water Rights	-----	-----	76,600	76,600	76,600	76,600
Infrastructure	37,525,372	41,614,217	-----	-----	37,525,372	44,328,210
Structure & Imprvmnts	10,338,904	8,412,825	1,169,141	995,992	11,508,045	9,984,591
Equipment	<u>3,499,728</u>	<u>4,223,603</u>	<u>309,449</u>	<u>331,184</u>	<u>3,809,177</u>	<u>5,058,445</u>
Total Capital Assets (net)	\$51,828,555	\$54,715,196	\$ 1,672,494	\$ 1,521,080	\$53,501,049	\$60,030,061

During fiscal year 2011, Las Animas County added \$2,937,684 and retired \$195,549 in capital assets, including infrastructure, equipment, buildings, and vehicles. After depreciation, the total value of all assets is \$53,501,049. 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	
	2011	2010	2011	2010	2011	2010
Sales Tax Revenue Bonds	\$ -----	\$ -----	-----	-----	\$ -----	\$ -----
Notes Payable	-----	-----	-----	-----	-----	-----
Capital Lease Obligations	546,461	-----	-----	-----	546,461	-----
Compensated Absences	<u>587,596</u>	<u>574,899</u>	-----	-----	<u>587,596</u>	<u>574,899</u>
Total Long-Term Debt	\$1,134,057	\$ 574,899	-----	-----	\$1,134,057	\$ 574,899

Total long-term debt obligations of the County increased by \$559,158 from 2010 to 2011 with the additional of a capital lease used to improve energy efficiency in all county buildings. The amount owed to employees for compensated absences increased by 2.2% in 2011. 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 2012 budget preparation increased by \$75,231,620, or 14.3%. 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. Ballot Question 1B also removed the county from any property tax restrictions resulting from the TABOR law or the statutory 5.5% limitation. In accordance with the provisions of Ballot Question 1B, one mill of property tax proceeds was earmarked for specific non-profit entities and agencies, and one mill is devoted to capital projects within the county. Beginning with the 2011 budget year, Las Animas County must again adhere to any revenue restrictions as it pertains to the assessment of property taxes. General fund spending in 2012 is projected to

increase by \$926,259 (14.5%) over what was actually spent in 2011, and general fund revenue is expected to decrease by \$207,966 (3.2%) from what was actually realized in 2011. 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) 846-2081.

BASIC FINANCIAL STATEMENTS

LAS ANIMAS COUNTY, COLORADO
STATEMENT OF NET ASSETS
December 31, 2011

<u>ASSETS</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Cash	8,830,668	-	8,830,668
Investments	5,259,240	-	5,259,240
Receivables (Net, if Applicable, of Allowance for Uncollectibles):			
Accounts	1,217,007	9,475	1,226,482
Accrued Interest	5,370	-	5,370
Due from Business Type Activities	169,863	-	169,863
Due from Other Governments	286,217	-	286,217
Inventories	39,336	52,241	91,577
Prepaid Insurance	-	6,090	6,090
Restricted Assets:			
Cash	38,848	-	38,848
Fixed Assets (Net)	<u>51,828,555</u>	<u>1,672,494</u>	<u>53,501,049</u>
<u>Total Assets</u>	<u>67,675,104</u>	<u>1,740,300</u>	<u>69,415,404</u>
 <u>LIABILITIES AND FUND BALANCES</u>			
<u>Liabilities</u>			
Due to Governmental Activities	-	169,863	169,863
Deferred Revenue – Other	213,890	-	213,890
Accounts Payable	818,639	2,266	820,905
Accrued Wages & Benefits Payable	50,950	-	50,950
Liabilities Payable from Restricted Assets	38,879	-	38,879
Due to Other Governments	86,118	-	86,118
Noncurrent Liabilities:			
Due within One Year	16,226	-	16,226
Due in More than One Year	530,235	-	530,235
Compensated Absences Payable	<u>587,596</u>	-	<u>587,596</u>
<u>Total Liabilities</u>	<u>2,342,533</u>	<u>172,129</u>	<u>2,514,662</u>
 <u>NET ASSETS</u>			
Invested in Capital Assets, Net of Related Debt	51,689,706	1,672,494	53,362,200
Restricted for:			
Capital Projects	4,151,396	-	4,151,396
Public Safety	23,900	-	23,900
Roads and Bridges	4,245,231	-	4,245,231
Parks and Recreation	124,846	-	124,846
Unforeseen Contingencies	237,892	-	237,892
Tabor Reserve	338,500	-	338,500
Unrestricted (Deficit)	<u>4,521,100</u>	<u>(104,323)</u>	<u>4,416,777</u>
<u>Total Net Assets</u>	<u>65,332,571</u>	<u>1,568,171</u>	<u>66,900,742</u>

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

LAS ANIMAS COUNTY, COLORADO
STATEMENT OF ACTIVITIES
Year Ended December 31, 2011

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Governmental Activities	Business Type Activities	Total
Governmental Activities							
General Government	1,435,723	765,637	26,728	15,195	(628,163)	-	(628,163)
Public Safety	2,330,673	86,881	66,788	-	(2,177,004)	-	(2,177,004)
Health & Environment	238,824	-	-	-	(238,824)	-	(238,824)
Auxiliary Services	266,329	-	52,402	-	(213,927)	-	(213,927)
Intergovernmental	441,737	-	-	-	(441,737)	-	(441,737)
Roads, Bridges and Capital Outlay	10,501,548	-	3,014,833	1,722,557	(5,764,158)	-	(5,764,158)
Social Services	9,710,713	-	9,078,468	-	(632,245)	-	(632,245)
Total Governmental Activities	24,925,547	852,518	12,239,219	1,737,752	(10,096,058)	-	(10,096,058)
BUSINESS TYPE ACTIVITIES							
Airport	450,879	298,204	-	252,004	-	99,329	99,329
Total Business Type Activities	450,879	298,204	-	252,004	-	99,329	99,329
Total Primary Government	25,376,426	1,150,722	12,239,219	1,989,756	(10,096,058)	99,329	(9,996,729)
General Revenues:							
Property Taxes					4,108,165	-	4,108,165
Specific Ownership Taxes					724,749	-	724,749
Sales Taxes					77	-	77
Intergovernmental Not Specifically Restricted					1,254,498	-	1,254,498
Interest Revenue					123,286	-	123,286
Other Revenues					828,959	-	828,959
Transfers In (Out)					-	-	-
Total General Revenues & Transfers					7,039,734	-	7,039,734
Change in Net Assets					(3,056,324)	99,329	(2,956,995)
Net Assets – Beginning					68,388,895	1,468,842	69,857,737
Net Assets – Ending					65,332,571	1,568,171	66,900,742

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

LAS ANIMAS COUNTY, COLORADO
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2011

	General	Special Revenue				1% Sales Tax	Other Governmental Funds	Total Governmental Funds
		Road & Bridge	Public Welfare	Capital Expenditure				
ASSETS:								
Cash	2,492,045	2,628,880	807,186	1,201,374	1,030,682	670,501	8,830,668	
Investments	1,644,000	1,633,479	430,838	493,423	640,698	416,802	5,259,240	
Receivables (Net, of Allowance where Applicable)								
Accounts	201,940	167,294	4,608	843,022	-	143	1,217,007	
Accrued Interest	5,370	-	-	-	-	-	5,370	
Due from Other Funds	169,863	-	-	-	-	-	169,863	
Due from Other Governments	-	-	286,217	-	-	-	286,217	
Cash - Restricted	-	-	38,848	-	-	-	38,848	
Total Assets	4,513,218	4,429,653	1,567,697	2,537,819	1,671,380	1,087,446	15,807,213	
LIABILITIES AND FUND BALANCES:								
LIABILITIES:								
Accounts Payable	145,739	133,472	299,488	239,940	-	-	818,639	
Accrued Salaries & Benefits	-	50,950	-	-	-	-	50,950	
Due to Other Funds	-	-	-	-	-	-	-	
Due to Other Governments	-	-	86,118	-	-	-	86,118	
Other Payables	31	-	38,848	-	-	-	38,879	
Deferred Revenue:								
Other	-	-	213,890	-	-	-	213,890	
Total Liabilities	145,770	184,422	638,344	239,940	-	-	1,208,476	
Fund Balances:								
Restricted:								
Emergencies	338,500	-	-	-	-	-	338,500	
Roads & Bridges	-	4,245,231	-	-	-	-	4,245,231	
Capital Outlay	-	-	-	2,297,879	1,671,380	182,137	4,151,396	
Unforeseen Contingencies	-	-	-	-	-	237,892	237,892	
Parks and Recreation	-	-	-	-	-	124,846	124,846	
Public Safety	-	-	-	-	-	23,900	23,900	
Unassigned:	4,028,948	-	929,353	-	-	518,671	5,476,972	
Total Fund Balances	4,367,448	4,245,231	929,353	2,297,879	1,671,380	1,087,446	14,598,737	
TOTAL LIABILITIES AND FUND BALANCES								
	4,513,218	4,429,653	1,567,697	2,537,819	1,671,380	1,087,446	15,807,213	

138,847.69 - 6,891.31

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 ASSETS
December 31, 2011

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

<u>Total Fund Balance – Governmental Funds</u>	\$ 14,598,737
Add:	
Capital Assets used in governmental activities are not considered current financial resources and, therefore, not reported in the governmental funds.	111,305,725
Inventories are not recognized in governmental funds because they are expensed at the time of purchase.	39,336
Less:	
Accumulated depreciation is not recognized in the governmental funds because capital assets are expensed at the time of acquisition.	59,477,170
Long-Term liabilities for Compensated Absences of \$587,596 and Capital Lease Payable of \$546,461 are not due and payable in the current period and, therefore, not reported in the governmental funds.	<u>1,134,057</u>
<u>GOVERNMENTAL ACTIVITIES NET ASSETS</u>	<u>65,332,571</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, 2011

	General	Special Revenue			1% Sales Tax	Other Governmental Funds	Total Governmental Funds
		Road & Bridge	Public Welfare	Capital Expenditure			
REVENUES:							
Taxes	4,395,384	101	133,423	136,822	78	17,564	4,683,372
Licenses & Permits	4,225	-	-	-	-	-	4,225
Intergovernmental Revenues	432,078	3,568,730	9,076,257	1,722,556	-	519,810	15,319,431
Charges for Services	691,245	-	-	-	-	-	691,245
Interest Revenues	123,286	-	-	-	-	-	123,286
Miscellaneous Revenues	840,272	145,392	2,211	448	-	59,341	1,047,664
<u>Total Revenues</u>	<u>6,486,490</u>	<u>3,714,223</u>	<u>9,211,891</u>	<u>1,859,826</u>	<u>78</u>	<u>596,715</u>	<u>21,869,223</u>
EXPENDITURES							
General Government	3,274,111	-	-	7,062	-	307	3,281,480
Public Safety	2,225,340	-	-	-	-	20,340	2,245,680
Health Services	238,824	-	-	-	-	-	238,824
Auxiliary Services	194,703	-	-	-	-	-	194,703
Intergovernmental	441,737	-	-	-	-	-	441,737
Roads, Bridges & Capital							
Outlay	-	3,078,619	-	2,876,513	-	-	5,955,132
Social Services	-	-	9,663,483	-	-	-	9,663,483
Debt Service	-	-	-	10,936	-	-	10,936
<u>Total Expenditures</u>	<u>6,374,715</u>	<u>3,078,619</u>	<u>9,663,483</u>	<u>2,894,511</u>	<u>-</u>	<u>20,647</u>	<u>22,031,975</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES							
	<u>111,775</u>	<u>635,604</u>	<u>(451,592)</u>	<u>(1,034,685)</u>	<u>78</u>	<u>576,068</u>	<u>(162,752)</u>
Other Financing Sources (Uses)							
Lease Purchase Proceeds	-	-	-	546,461	-	-	546,461
Transfers In (Out)	(180,990)	383,396	-	380,990	-	(583,396)	-
<u>Total Other Financing Sources (Uses)</u>	<u>(180,990)</u>	<u>383,396</u>	<u>-</u>	<u>927,451</u>	<u>-</u>	<u>(583,396)</u>	<u>546,461</u>
Net Change in Fund Balances	(69,215)	1,019,000	(451,592)	(107,234)	78	(7,328)	383,709
<u>FUND BALANCES-Beginning</u>	<u>4,436,663</u>	<u>3,226,231</u>	<u>1,380,945</u>	<u>2,405,113</u>	<u>1,671,302</u>	<u>1,094,774</u>	<u>14,215,028</u>
<u>FUND BALANCES-Ending</u>	<u>4,367,448</u>	<u>4,245,231</u>	<u>929,353</u>	<u>2,297,879</u>	<u>1,671,380</u>	<u>1,087,446</u>	<u>14,598,737</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, 2011

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

Net Change in Fund Balances – Total Governmental Funds \$ 383,709

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. 2,685,680

The governmental funds report debt proceeds as an other financing source, while repayment of debt principal is reported as an expenditure. The effect of issuance cost 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:

Lease Proceeds	(546,461)	
Repayment of debt principal	-	
Interest expense	-	
Amortization expense	<u>-</u>	(546,461)

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.

Inventories	5,766	
Compensated Absences	<u>(12,697)</u>	(6,931)

Governmental funds report capital outlay as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. (5,572,321)

GOVERNMENTAL ACTIVITIES CHANGE IN NET ASSETS (3,056,324)

LAS ANIMAS COUNTY, COLORADO
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
December 31, 2011

Business Type Activities – Enterprise Fund
Airport Fund

ASSETS

Current Assets

Cash	-
Accounts Receivable	9,475
Inventories	52,241
Prepaid Insurance	6,090
<u>Total Current Assets</u>	<u>67,806</u>

CAPITAL ASSETS

Land	117,304
Land Improvements	2,735,674
Building	251,430
Equipment	461,640
Water Rights	76,600
	<u>3,642,648</u>
Less Accumulated Depreciation	(1,970,154)
<u>Total Capital Assets, Net of Accumulated Depreciation</u>	<u>1,672,494</u>

<u>Total Assets</u>	<u>1,740,300</u>
---------------------	------------------

LIABILITIES AND NET ASSETS

Current Liabilities

Due to Other Funds	169,863
Accounts Payable	2,266
<u>Total Current Liabilities</u>	<u>172,129</u>

Net Assets

Invested in Capital Assets, Net of Related Debt	1,672,494
Unrestricted (Deficit)	<u>(104,323)</u>

<u>TOTAL NET ASSETS</u>	<u>1,568,171</u>
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The accompanying notes are an integral part of these financial statements.

LAS ANIMAS COUNTY, COLORADO
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
PROPRIETARY FUNDS
Year Ended December 31, 2011

Business Type Activities – Enterprise Funds
Airport Fund

OPERATING REVENUES

Operating Revenue	298,204
<u>Total Revenues</u>	<u>298,204</u>

OPERATING EXPENSES

Cost of Sales	228,970
Public Utility Service	6,582
Office Expense & Supplies	23,259
Depreciation	100,590
Contractual Agreements & Leases	72,000
Telephone	1,749
Maintenance	917
Insurance	11,015
Bad Debt	5,797
<u>Total Operating Expenses</u>	<u>450,879</u>

OPERATING INCOME (LOSS) (152,675)

OPERATING TRANSFER IN (OUT) _____ -

INCOME BEFORE CAPITAL CONTRIBUTIONS (152,675)

CAPITAL CONTRIBUTIONS – EQUIPMENT PURCHASE 252,004

CHANGE IN NET ASSETS 99,329

NET ASSETS, July 1 1,468,842

NET ASSETS, June 30 1,568,171

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, 2011

Business Type Activities – Enterprise Funds
Airport Fund

<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>	
Receipts from Customers & Users	320,976
Payments to Vendors – Supplies and Services	(377,935)
<u>NET CASH PROVIDED (USED) BY OPERATIONS</u>	<u>(56,959)</u>
 <u>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</u>	
Due to Other Funds	56,959
Operating Transfers In	-
<u>NET CASH PROVIDED BY NON-CAPITAL FINANCING ACTIVITIES</u>	<u>56,959</u>
 <u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>	
Capital Grant	252,004
Non-Financed Purchase of Property & Equipment	(252,004)
<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>CASH AND CASH EQUIVALENTS – Beginning</u>	<u>-</u>
<u>CASH AND CASH EQUIVALENTS – Ending</u>	<u>-</u>
 <u>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATIONS</u>	
Operating Income (Loss)	(152,675)
Non Cash Items in Operations:	
Depreciation	100,590
(Increase) Decrease in Inventory	(28,639)
(Increase) Decrease Receivables/Accruals	22,961
Increase (Decrease) in Payables/Accruals	804
<u>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</u>	<u>(56,959)</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 ASSETS
FIDUCIARY FUNDS
December 31, 2011

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	510,696
Investments	<u>-</u>
<u>Total Assets</u>	<u>510,696</u>
 <u>LIABILITIES</u>	
Deposits Held for Others	<u>510,696</u>
<u>Total Liabilities</u>	<u>510,696</u>
 <u>NET ASSETS</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 NET ASSETS
FIDUCIARY FUNDS
Year Ended December 31, 2011

	<u>Agency Funds</u>
<u>ADDITIONS</u>	
Receipts	14,951,778
<u>DEDUCTIONS</u>	
Disbursements	<u>14,921,752</u>
<u>CHANGES IN NET ASSETS</u>	30,026
<u>DEPOSITS HELD FOR OTHERS – Beginning of Year</u>	<u>480,670</u>
<u>DEPOSITS HELD FOR OTHERS – End of Year</u>	<u>510,696</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, 2011

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 Board 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 Board.

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, 2011

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 2011, the allocation of budgeted expenditures was 70% for a total expenditure to the County of \$238,824.

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 2011, 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, 2011, is presented for the Health Department, Third Judicial District, and Las Animas County E-911.

Balance Sheet

	<u>Health Department</u>	<u>Third Judicial District</u>	<u>Las Animas County E-911</u>
<u>ASSETS</u>	<u>404,473</u>	<u>41,549</u>	<u>721,470</u>
<u>LIABILITIES</u>	24,012	1,507	127,938
<u>NET ASSETS</u>	<u>380,461</u>	<u>40,042</u>	<u>593,532</u>
<u>TOTAL LIABILITIES & NET ASSETS</u>	<u>404,473</u>	<u>41,549</u>	<u>721,470</u>

Statement of Revenues and Expenditures

<u>REVENUES</u>	932,921	671,568	259,972
<u>EXPENDITURES</u>	<u>1,054,499</u>	<u>662,963</u>	<u>303,677</u>
<u>REVENUES OVER (UNDER) EXPENDITURES</u>	<u>(121,578)</u>	<u>8,605</u>	<u>(43,705)</u>

LAS ANIMAS COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2011

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, 2011

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 additions and expansion of the County Airport. Financing is provided by Federal and State grants and miscellaneous revenues.
- *The 1% Sales Tax Fund* is used to account for a sales tax assessed for specific purposes.

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, 2011

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. It will be the applicable standard for proprietary fund financial reporting in the upcoming year.

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 assets.

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, 2011

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 for proprietary funds. Inventory recorded in the proprietary funds mainly consists of fuel and oil.

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, 2011

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, 2011

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. Compensated Absences (Continued)

At December 31, 2011, the County has a liability for accrued sick leave and vacation payable of \$285,057.

Social Services

At December 31, 2011, the Department of Social Services has a liability for accrued sick leave and vacation payable of \$302,539. Accumulated 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, 2011

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, 2011

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 Board, either because of a County Board Policy in the County Policy Manual, or because of motions that passed at County Board 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 Fund</u>	<u>Road and Bridge Fund</u>	<u>Public Welfare Fund</u>	<u>Capital Expenditure Fund</u>	<u>1% Sales Tax Fund</u>	<u>Other Governmental Fund</u>	<u>Total Governmental Activities</u>
<u>Restricted:</u>							
Emergencies	338,500	-	-	-	-	-	338,500
Road and Bridge	-	4,245,231	-	-	-	-	4,245,231
Capital Outlay Unforeseen	-	-	-	2,297,879	1,671,380	182,137	4,151,396
Contingencies	-	-	-	-	-	237,892	237,892
Parks & Recreation	-	-	-	-	-	124,846	124,846
Public Safety	-	-	-	-	-	23,900	23,900
<u>Unassigned:</u>	<u>4,028,948</u>	<u>-</u>	<u>929,353</u>	<u>-</u>	<u>-</u>	<u>518,671</u>	<u>5,476,972</u>
<u>Total Fund Balances</u>	<u>4,367,448</u>	<u>4,245,231</u>	<u>929,353</u>	<u>2,297,879</u>	<u>1,671,380</u>	<u>1,087,446</u>	<u>14,598,737</u>

LAS ANIMAS COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2011

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>1% Sales Tax Fund</u>	<u>Nonmajor Fund</u>	<u>Total Governmental Activities</u>
<u>Receivables-</u>							
<u>Governmental Activities</u>							
Accounts	201,940	167,294	4,608	843,022	-	143	1,217,007
Interest	5,370	-	-	-	-	-	5,370
Due from Other Governments	-	-	<u>2,460,286</u>	-	-	-	<u>2,460,286</u>
<u>Gross Receivables</u>	207,310	167,294	2,464,894	843,022	-	143	3,682,663
Less: Allowance for Uncollectibles	-	-	<u>(2,174,069)</u>	-	-	-	<u>(2,174,069)</u>
<u>Total Receivables</u>	<u>207,310</u>	<u>167,294</u>	<u>290,825</u>	<u>843,022</u>	<u>-</u>	<u>143</u>	<u>1,508,594</u>
<u>Airport Fund</u>							
<u>Receivables</u>							
<u>Business-Type Activities</u>							
Accounts			9,475				
Interest			-				
Other			-				
<u>Gross Receivables</u>			9,475				
Less: Allowance for Uncollectibles			-				
<u>Total Receivables</u>			<u>9,475</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, 2011

NOTE 3 RECEIVABLES (Continued)

At December 31, 2011, 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	-	213,890
<u>Nonmajor Funds:</u>		
Grant drawdowns prior to meeting all eligibility requirements	-	-
 <u>Total Governmental Activities</u>	 <u>-</u>	 <u>213,890</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 2011 was \$4,065,757. The salary for which contributions were calculated was \$3,942,505. The County and employees each made the required 3% contributions of \$118,582 or \$237,163 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, 2011

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 \$75,368 for 2011. Beginning in 2007, Las Animas County matched up to 1% of the employee's contribution to the deferred compensation plan however, the County contribution ceased in July of 2010.

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, 2011 follows:

Assets	<u>35,758,135</u>
Liabilities	22,742,210
Fund Equity	<u>13,015,925</u>
	<u>35,758,135</u>
Revenues	9,454,713
Expenses	<u>11,650,853</u>
	(2,196,140)
Net Investment Income	1,246,442
Gain On Commutation	<u> -</u>
Net Income (Loss)	<u>(949,698)</u>

LAS ANIMAS COUNTY, COLORADO
 NOTES TO FINANCIAL STATEMENTS
 For the Fiscal Year Ended December 31, 2011

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, 2011 follows:

Assets	<u>26,461,204</u>
Liabilities	10,253,643
Fund Equity	<u>16,207,561</u>
	<u>26,461,204</u>
Revenues	7,086,555
Expenses	<u>8,725,462</u>
Net Income (Loss)	<u>(1,638,907)</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 2011, the county contribution for CHP coverage for each employee was \$513 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, 2011 follows:

Assets	<u>14,475,503</u>
Liabilities	4,279,537
Net Assets	<u>10,195,966</u>
	<u>14,475,503</u>
Revenues	40,745,551
Expenses	<u>40,184,423</u>
Increase (Decrease) in Net Assets	<u>561,128</u>

LAS ANIMAS COUNTY, COLORADO
 NOTES TO FINANCIAL STATEMENTS
 For the Fiscal Year Ended December 31, 2011

NOTE 7 INTERFUND TRANSACTIONS

Interfund Receivables/Payables

Individual Fund Interfund Receivable and Payable balances at December 31, 2011 were as follows:

	<u>Due From</u>	<u>Due To</u>	<u>Repayment Period</u>	<u>Purpose</u>
Governmental Activities:				
General Fund	169,863	-	Within 1 Year	Operational
Business Type Activities:				
Airport	-	169,863	Within 1 Year	Operational
	<u>169,863</u>	<u>169,863</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.

Between Funds within Governmental Activities

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>	<u>Purpose</u>
Major Funds:			
General	-	180,990	Operational
Road & Bridge	383,396	-	Capital Outlay
Capital Expenditure	380,990	-	Capital Outlay
Nonmajor Funds:	-	583,396	Capital Outlay
	<u>764,386</u>	<u>764,386</u>	

LAS ANIMAS COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2011

NOTE 8 CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2011 was as follows:

	Balance January 1, 2011	Adjustment	Additions	Retirements	Balance December 31, 2011
<u>GOVERNMENTAL ACTIVITIES:</u>					
<u>Capital Assets, Not Being Depreciated:</u>					
Land	464,551	-	-	-	464,551
Total Capital Assets Not Being Depreciated	464,551	-	-	-	464,551
<u>Capital Assets, Being Depreciated:</u>					
Infrastructure	78,882,721	-	-	-	78,882,721
Structures & Improvements	14,924,392	-	2,624,508	-	17,548,900
Equipment	14,348,381	-	61,172	195,549	14,409,553
Total Capital Assets, Being Depreciated	108,155,494	-	2,685,680	195,549	110,841,174
<u>Less Accumulated Depreciation for:</u>					
Infrastructure	37,268,504	-	4,088,845	-	41,357,349
Structures & Improvements	6,511,567	-	698,429	-	7,209,996
Equipment	10,124,778	-	785,047	195,549	10,909,825
Total Accumulated Depreciation	53,904,849	-	5,572,321	195,549	59,477,170
Total Capital Assets, Being Depreciated, Net	54,250,645	-	(2,886,641)	-	51,364,004
Governmental Activities Capital Assets, Net	54,715,196	-	(2,886,641)	-	51,828,555
<u>BUSINESS-TYPE ACTIVITIES</u>					
<u>Capital Assets, Not Being Depreciated:</u>					
Land	117,304	-	-	-	117,304
Water Rights	76,600	-	-	-	76,600
Total Capital Assets, Not Being Depreciated	193,904	-	-	-	193,904
<u>Capital Assets, Being Depreciated</u>					
Structures & Improvements	2,742,630	-	244,474	-	2,987,104
Equipment	454,110	-	7,530	-	461,640
Total Capital Assets, Being Depreciated	3,196,740	-	252,004	-	3,448,744
<u>Less Accumulated Depreciation for:</u>					
Structures & Improvements	1,746,638	-	71,325	-	1,817,963
Equipment	122,926	-	29,265	-	152,191
Total Accumulated Depreciation	1,869,564	-	100,590	-	1,970,154
Total Capital Assets, Being Depreciated, Net	1,327,176	-	151,414	-	1,478,590
Business-Type Activities Capital Assets, Net	1,521,080	-	151,414	-	1,672,494

LAS ANIMAS COUNTY, COLORADO
 NOTES TO FINANCIAL STATEMENTS
 For the Fiscal Year Ended December 31, 2011

NOTE 8 CAPITAL ASSETS (Continued)

Depreciation Expense was Charged to Governmental Functions as Follows:

General Government	608,907
Public Safety	279,088
Auxiliary Services	71,626
Roads and Bridges	4,590,748
Public Welfare	<u>21,952</u>

Total Depreciation Expense – Governmental Functions 5,572,321

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

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

NOTE 9 LONG-TERM DEBT

Long-term liabilities at December 31, 2011 consisted of the following:

	<u>Balance</u> <u>01-01-11</u>	<u>Additions</u> <u>Accretions</u>	<u>Retirements</u>	<u>Balance</u> <u>12-31-11</u>	<u>Amounts Due</u> <u>Within One Year</u>
<u>Governmental Activities</u>					
Capital Lease Obligations	-	546,461	-	546,461	16,226
Compensated Absences (Note 2)	<u>574,899</u>	<u>12,697</u>	<u>-</u>	<u>587,596</u>	<u>-</u>
<u>Total Governmental</u> <u>Activities – Long-Term</u> <u>Liabilities</u>	<u>574,899</u>	<u>559,158</u>	<u>-</u>	<u>1,134,057</u>	<u>16,226</u>

LAS ANIMAS COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2011

NOTE 9 LONG-TERM DEBT (continued)

Lease Purchases Payable:

Terms and transactions of Lease Agreements are as follows:

<u>Fund/Item</u>	<u>Cost</u>	<u>Interest Rate</u>	<u>Annual Payments</u>	<u>Number of Payments</u>	<u>First Payment Date</u>
Capital Expenditure/Energy Retrofit	535,525	4.05%	\$3,819 to \$7,617	120	3/22/2012
Interest added to Lease Principal	<u>10,936</u>				
	<u>546,461</u>				

Future minimum payments required are:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	16,226	21,962	38,188
2013	27,310	20,980	48,289
2014	31,605	19,795	51,400
2015	44,035	18,312	62,347
2016	51,283	16,371	67,654
2017	57,533	14,180	71,713
2018	64,290	11,726	76,016
2019	71,589	8,988	80,578
2020	79,467	5,573	85,041
2021	87,967	2,570	90,537
2022	<u>15,156</u>	<u>77</u>	<u>15,233</u>
Total Minimum Lease Payments	<u>546,461</u>	<u>140,534</u>	686,995
Less Amounts Representing Interest			(140,534)
Present Value of Future Minimum Lease Payment			<u>546,461</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, 2011, \$2,700,000 of bonds outstanding are considered defeased.

LAS ANIMAS COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2011

NOTE 10 NET ASSETS/FUND BALANCES

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

- *Invested in Capital Assets, Net of Related Debt* – This category groups all capital assets, including infrastructure, into one component of net assets. 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 Assets* – 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 Assets* – This category represents net assets of the County, not restricted for any project or other purpose.

As of December 31, 2011, reservation of fund balance for emergencies is described below:

- *Emergencies* – Cash and investments of approximately \$338,500 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, 2011

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, 2011, 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, 2011

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, 2011, the County's bank balance and corresponding carrying balance were as follows:

	<u>Bank Balance</u>	<u>Carrying Balance</u>
Insured FDIC	1,000,000	1,000,000
Uninsured, Collateralized Under the Public Deposit Protection Act of the State of Colorado	13,538,533	13,175,208
Cash on Hand	-	65,610
<u>Total Cash and Deposits</u>	<u>14,538,533</u>	<u>14,240,818</u>
<u>Recap</u>		
Cash	9,000,531	
Certificates of Deposit	4,690,743	
Cash – Agency Fund	510,696	
Restricted Assets	<u>38,848</u>	
<u>Total</u>	<u>14,240,818</u>	

As presented above, deposits with a bank balance of \$13,538,533 and a carrying balance of \$13,175,208 as of December 31, 2011 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, 2011

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, 2011, 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	514,540	514,540	AAA
GNMA Guaranteed Pass Through Certificate	18,703	23,178	Implicit backing of the U.S. Government
FNMA Guaranteed Pass Through CTF	35,254	39,931	Senior to AAA Rating with implied backing of the U.S. Government
<u>Non Pooled Investments</u>			
Certificates of Deposit	<u>4,690,743</u>	<u>4,690,743</u>	Unrated
	<u>5,259,240</u>	<u>5,268,392</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.

There were realized losses on investment securities of \$25 for the year ended December 31, 2011. The net increase (decrease) in the fair value of investments was equal to the unrealized gain (loss) on investments held at year end of \$(5).

LAS ANIMAS COUNTY, COLORADO
 NOTES TO FINANCIAL STATEMENTS
 For the Fiscal Year Ended December 31, 2011

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 assets – governmental activities* as reported in the government-wide statement of net assets. 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 assets 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	-	180,990
Capital Expenditure Fund	380,990	-
Road and Bridge Fund	383,396	-
Non Major Funds:		
PILT Fund	-	383,396
Jail Fund	-	<u>200,000</u>
	<u>764,386</u>	<u>764,386</u>

NOTE 17 COMPLIANCE WITH COLORADO LAW

The actual expense of the Airport Proprietary Fund, exceeded the budgeted amount by \$163,073, for the year ended December 31, 2011.

ADDITIONAL REQUIRED SUPPLEMENTARY INFORMATION

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

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

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

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

1% Sales Tax – Special Revenue Fund – Schedule of revenues, Expenditures and Changes in Fund Balance – Budget and Actual.

LAS ANIMAS COUNTY, COLORADO
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
Year Ended December 31, 2011

	Budgeted Amounts <u>Original & Final</u>	Actual	Variance- Favorable (Unfavorable)
REVENUE			
<u>Property Tax Revenue</u>			
Current Property Taxes	3,974,106	3,855,308 *	(118,798)
Less Treasurer's Fees	<u>(100,000)</u>	<u>(90,721)</u>	<u>9,279</u>
<u>Net Amount</u>	<u>3,874,106</u>	<u>3,764,587</u>	<u>(109,519)</u>
Delinquent Property Taxes	15,000	15,937 *	937
Specific Ownership Taxes	400,000	544,979	144,979
Special Mobile Equipment	<u>50,000</u>	<u>69,881</u>	<u>19,881</u>
<u>Total</u>	<u>4,339,106</u>	<u>4,395,384</u>	<u>56,278</u>
<u>Licenses and Permits</u>			
Liquor Licenses (15% Only)	2,600	1,600	(1,000)
Special Use Permits	<u>3,000</u>	<u>2,625</u>	<u>(375)</u>
<u>Total</u>	<u>5,600</u>	<u>4,225</u>	<u>(1,375)</u>
<u>Intergovernmental Revenue</u>			
COEM / DOJ Grant	-	61,172	61,172
County Cost Allocation	50,000	59,703	9,703
Forest Service	35,000	-	(35,000)
Courthouse Security Grant	-	15,195	15,195
Expenditure Reimbursements	3,000	4,625	1,625
EMS Funds	13,000	6,500	(6,500)
Planning	-	7,825	7,825
Emergency Management	12,000	-	(12,000)
Cigarette Tax	5,000	3,285	(1,715)
Impact Assistance	3,393	18,520	15,127
Veterans Service	600	1,200	600
Search & Rescue Grant	-	5,616	5,616
Mineral Leasing	250,000	234,920	(15,080)
Noxious Weed Program	<u>17,500</u>	<u>13,517</u>	<u>(3,983)</u>
<u>Total</u>	<u>389,493</u>	<u>432,078</u>	<u>42,585</u>
<u>Charges for Services</u>			
Sheriff's Fees	50,000	65,270	15,270
Inmate Fees	50,000	21,611	(28,389)
County Clerk Fees	210,000	246,118	36,118
County Treasurer's Fees	200,000	236,933	36,933
Assessor's Fees	3,000	2,196	(804)
Zoning and Building Fees	20,000	75,667	55,667
Oil and Gas Fees	<u>27,500</u>	<u>43,450</u>	<u>15,950</u>
<u>Total</u>	<u>560,500</u>	<u>691,245</u>	<u>130,745</u>

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

LAS ANIMAS COUNTY, COLORADO
GENERAL FUND
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
Year Ended December 31, 2011

	Budgeted Amounts	Actual	Variance- Favorable (Unfavorable)
	<u>Original & Final</u>	<u>Actual</u>	<u>(Unfavorable)</u>
<u>REVENUE (Continued)</u>			
<u>Miscellaneous Revenue</u>			
Miscellaneous Income	56,317	84,899	28,582
Donations	19,654	142,628	122,974
Interest Earnings	100,000	123,286	23,286
Rents from Tenants	68,000	51,154	(16,846)
Insurance Reimbursements	425,000	455,697	30,697
Public Trustee	104,157	105,894	1,737
<u>Total</u>	<u>773,128</u>	<u>963,558</u>	<u>190,430</u>
 <u>TOTAL REVENUE</u>	 <u>6,067,827</u>	 <u>6,486,490</u>	 <u>418,663</u>
 <u>EXPENDITURES</u>			
<u>GENERAL GOVERNMENT</u>			
<u>County Commissioners</u>			
Salaries	175,500	175,313	187
Retirement & Fringe Benefits	38,995	39,250	(255)
Office Supplies	-	556	(556)
Professional Services	-	90,285	(90,285)
Telephone & Postage	3,000	1,056	1,944
Travel & Transportation Expense	-	1,795	(1,795)
Advertising & Legal Notices	8,000	2,556	5,444
Equipment & Fixtures	-	24	(24)
Dues and Meetings	24,000	17,473	6,527
Miscellaneous	-	11,249	(11,249)
<u>Total</u>	<u>249,495</u>	<u>339,557</u>	<u>(90,062)</u>
<u>County Attorney</u>			
Office Supplies	-	294	(294)
Miscellaneous	1,000	457	543
Contractual Services	75,000	78,129	(3,129)
<u>Total</u>	<u>76,000</u>	<u>78,880</u>	<u>(2,880)</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
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
Year Ended December 31, 2011

	Budgeted Amounts		Variance- Favorable
	Original & Final	Actual	(Unfavorable)
<u>Planning and Zoning</u>			
Salaries	51,098	66,172	(15,074)
Retirement & Fringe Benefits	12,210	17,256	(5,046)
Office Supplies & Operating Supplies	2,500	1,025	1,475
Telephone & Postage	3,500	3,008	492
Travel & Transportation Expense	1,500	-	1,500
Advertising & Legal Notices	1,500	232	1,268
Maintenance Contracts	-	1,252	(1,252)
Equipment & Fixtures	500	-	500
Miscellaneous	3,900	-	3,900
Dues and Meetings	2,000	250	1,750
Special Accounts	1,500	1,146	354
<u>Total</u>	<u>80,208</u>	<u>90,341</u>	<u>(10,133)</u>
<u>Council of Governments</u>			
Allocations /Housing	15,700	15,700	-
<u>Total</u>	<u>15,700</u>	<u>15,700</u>	<u>-</u>
<u>County Administrator</u>			
Salaries	163,140	167,718	(4,578)
Retirement & Fringe Benefits	422,974	489,010	(66,036)
Dues & Meetings	2,500	2,509	(9)
Office Supplies	6,000	10,287	(4,287)
Other Services & Charges	1,000	11,492	(10,492)
Telephone & Postage	45,000	(1,414)	46,414
Travel & Transportation	-	456	(456)
Uniforms	-	-	-
Advertising & Legal Notices	-	64	(64)
Insurance	230,000	117,472	112,528
Equipment and Fixtures	500	6,097	(5,597)
Website Development	7,601	-	7,601
Other	35,000	-	35,000
<u>Total</u>	<u>913,715</u>	<u>803,691</u>	<u>110,024</u>
<u>Chief Accounting Officer</u>			
Salaries	82,962	98,178	(15,216)
Retirement & Fringe Benefits	22,371	23,679	(1,308)
Office Supplies	3,000	2,417	583
Repairs/Maintenance Contracts	49,403	58,775	(9,372)
Professional Fees	34,000	33,000	1,000
Equipment & Fixtures	4,000	4,335	(335)
Dues and Meetings	500	87	413
<u>Total</u>	<u>196,236</u>	<u>220,471</u>	<u>(24,235)</u>

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

LAS ANIMAS COUNTY, COLORADO
GENERAL FUND
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
Year Ended December 31, 2011

<u>GENERAL GOVERNMENT (Continued)</u>	<u>Budgeted Amounts</u>		<u>Variance- Favorable</u>
	<u>Original & Final</u>	<u>Actual</u>	<u>(Unfavorable)</u>
<u>County Clerk & Recorder - Operations</u>			
Salaries	219,479	208,725	10,754
Retirement & Fringe Benefits	63,823	58,777	5,046
Office & Operating Supplies	27,500	23,577	3,923
Telephone & Postage	22,000	16,174	5,826
Dues and Meetings	5,000	7,345	(2,345)
Maintenance Contracts	68,000	20,877	47,123
Bonds/Advertising/Legal	2,000	112	1,888
<u>Total</u>	<u>407,802</u>	<u>335,587</u>	<u>72,215</u>
<u>County Clerk & Recorder - Elections</u>			
Salaries	69,468	67,577	1,891
Retirement & Fringe Benefits	20,870	20,036	834
Office & Operating Supplies	50,000	21,210	28,790
Judges	10,000	-	10,000
Telephone & Postage	10,000	1,752	8,248
Travel & Transportation	3,000	-	3,000
Advertising & Legal Notices	15,000	4,055	10,945
Contractual Services	15,000	16,704	(1,704)
Maintenance Contracts	20,000	762	19,238
Dues and Meetings	1,000	830	170
<u>Total</u>	<u>214,338</u>	<u>132,926</u>	<u>81,412</u>
<u>County Treasurer</u>			
Salaries	152,448	168,333	(15,885)
Retirement & Fringe Benefits	43,308	44,509	(1,201)
Office & Operating Supplies	11,000	9,361	1,639
Telephone & Postage	15,000	12,237	2,763
Advertising & Legal Notices	25,000	15,533	9,467
Maintenance Contracts	61,629	55,521	6,108
Dues and Meetings	2,000	633	1,367
<u>Total</u>	<u>310,385</u>	<u>306,127</u>	<u>4,258</u>
<u>Public Trustee</u>			
Salaries	27,055	12,500	14,555
Retirement & Fringe Benefits	2,881	956	1,925
Office Supplies	1,500	720	780
<u>Total</u>	<u>31,436</u>	<u>14,176</u>	<u>17,260</u>

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

LAS ANIMAS COUNTY, COLORADO
GENERAL FUND
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
Year Ended December 31, 2011

<u>GENERAL GOVERNMENT (Continued)</u>	<u>Budgeted</u> <u>Amounts</u>		<u>Variance-</u> <u>Favorable</u>
	<u>Original & Final</u>	<u>Actual</u>	<u>(Unfavorable)</u>
<u>County Assessor</u>			
Salaries	286,362	295,480	(9,118)
Retirement & Fringe Benefits	84,642	81,914	2,728
Office Supplies	12,000	14,746	(2,746)
Telephone & Postage	13,200	11,779	1,421
Travel & Transportation Expense	3,000	1,183	1,817
Advertising & Legal Notices	2,000	236	1,764
Maintenance Contracts	94,500	93,604	896
Contractual Services	6,000	3,000	3,000
Dues and Meetings	<u>5,000</u>	<u>4,184</u>	<u>816</u>
<u>Total</u>	<u>506,704</u>	<u>506,126</u>	<u>578</u>
<u>Maintenance of Buildings & Plant</u>			
Salaries	139,680	122,924	16,756
Retirement & Fringe Benefits	48,716	34,154	14,562
Telephone & Postage	1,100	2,172	(1,072)
Travel & Transportation	1,500	1,669	(169)
Public Utility Services	245,000	184,277	60,723
Building & Real Estate	-	387	(387)
Operating Supplies	5,000	5,519	(519)
Equipment & Fixtures	2,500	20,858	(18,358)
Repairs and Maintenance	70,000	55,512	14,488
Miscellaneous	<u>-</u>	<u>57</u>	<u>(57)</u>
<u>Total</u>	<u>513,496</u>	<u>427,529</u>	<u>85,967</u>
<u>TOTAL GENERAL GOVERNMENT</u>	<u>3,518,515</u>	<u>3,274,111</u>	<u>244,404</u>
<u>PUBLIC SAFETY</u>			
<u>County Sheriff</u>			
Salaries	579,101	728,665	(149,564)
Retirement & Fringe Benefits	173,003	195,363	(22,360)
Office Supplies	5,000	5,086	(86)
Operating Supplies	8,600	2,209	6,391
Travel, Transportation Expense	30,550	20,860	9,690
Search & Rescue	3,550	9,751	(6,201)
Advertising and Legal Notices	1,000	-	1,000
Uniforms	9,100	6,168	2,932
Telephone & Postage	8,800	7,849	951
Dues and Meetings	5,000	2,226	2,774
Training	3,000	1,277	1,723
Maintenance & Repair	31,000	32,018	(1,018)
Radio/Communications	4,000	1,230	2,770
Capital Outlay	<u>5,000</u>	<u>251</u>	<u>4,749</u>
<u>Total</u>	<u>866,704</u>	<u>1,012,953</u>	<u>(146,249)</u>

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

LAS ANIMAS COUNTY, COLORADO
GENERAL FUND
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
Year Ended December 31, 2011

<u>PUBLIC SAFETY (Continued)</u>	<u>Budgeted Amounts</u>		<u>Variance- Favorable</u>
<u>County Jail</u>	<u>Original & Final</u>	<u>Actual</u>	<u>(Unfavorable)</u>
Salaries	520,751	512,068	8,683
Retirement & Fringe Benefits	173,556	138,474	35,082
Supplies / Printing	38,000	35,607	2,393
Food Expense	105,000	104,379	621
Inmate Commissary	12,000	6,294	5,706
Telephone	7,000	3,803	3,197
Transports/Mileage	10,000	3,559	6,441
Doctors/Pharmacy/Ambulance	202,000	142,929	59,071
Maintenance & Repairs	5,000	1,889	3,111
Equipment & Fixtures	3,000	1,175	1,825
Advertising & Legal Notices	1,900	125	1,775
Other	5,000	437	4,563
Contractual Agreements	19,000	14,216	4,784
Uniforms	8,000	5,739	2,261
<u>Total</u>	<u>1,110,207</u>	<u>970,694</u>	<u>139,513</u>
<u>County Coroner</u>			
Salaries	33,100	32,994	106
Fringe Benefits	2,532	7,939	(5,407)
Supplies	2,000	2,261	(261)
Travel/Transportation Expense	1,000	801	199
Doctors	18,000	20,547	(2,547)
Telephone	600	983	(383)
Miscellaneous	6,800	3,605	3,195
<u>Total</u>	<u>64,032</u>	<u>69,130</u>	<u>(5,098)</u>
<u>Public Building Inspector</u>			
Salaries	17,350	21,317	(3,967)
Retirement & Fringe Benefits	1,848	2,267	(419)
Travel/Transportation Expense	5,000	1,625	3,375
Telephone	-	340	(340)
Office/Operating Supplies	2,000	1,104	896
Dues & Meetings	650	855	(205)
<u>Total</u>	<u>26,848</u>	<u>27,508</u>	<u>(660)</u>

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

LAS ANIMAS COUNTY, COLORADO
GENERAL FUND
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
Year Ended December 31, 2011

	Budgeted Amounts		Variance- Favorable
	Original & Final	Actual	(Unfavorable)
<u>Oil and Gas Inspection</u>			
Salaries	49,074	50,074	(1,000)
Retirement and Fringe Benefits	11,994	11,539	455
Supplies	1,350	755	595
Telephone and Postage	1,200	1,377	(177)
Travel	3,500	812	2,688
Dues and Meetings	1,250	1,239	11
<u>Total</u>	<u>68,368</u>	<u>65,796</u>	<u>2,572</u>
<u>Civil Defense</u>			
Salaries	14,622	13,116	1,506
Retirement & Fringe Benefits	1,558	1,436	122
Capital Outlay	-	61,172	(61,172)
Supplies	1,000	889	111
Telephone & Postage	-	564	(564)
Dues and Meetings	2,400	1,542	858
Other	1,000	540	460
<u>Total</u>	<u>20,580</u>	<u>79,259</u>	<u>(58,679)</u>
<u>TOTAL PUBLIC SAFETY</u>	<u>2,156,739</u>	<u>2,225,340</u>	<u>(68,601)</u>
<u>HEALTH AND HOSPITALS</u>			
<u>County Allocation</u>			
Health Department	238,824	238,824	-
<u>TOTAL HEALTH AND HOSPITALS</u>	<u>238,824</u>	<u>238,824</u>	<u>-</u>
<u>AUXILIARY SERVICES</u>			
<u>Allocation - Senior Citizens Center</u>	<u>20,500</u>	<u>18,000</u>	<u>2,500</u>
<u>Allocation-Economic Development</u>	<u>8,000</u>	<u>8,000</u>	<u>-</u>
<u>Allocation-Chamber of Commerce</u>	<u>15,000</u>	<u>15,000</u>	<u>-</u>
<u>Extension Service</u>			
Office Supplies	4,000	3,470	530
Operating Supplies	2,500	2,612	(112)
Telephone & Postage	2,400	2,209	191
Travel & Transportation Expense	3,000	3,433	(433)
Dues and Meetings	3,000	3,000	-
Awards and Prizes	-	-	-
Contractual Services	24,100	11,800	12,300
Capital Outlay	1,000	783	217
Reserve	-	-	-
<u>Total</u>	<u>40,000</u>	<u>27,307</u>	<u>12,693</u>

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

LAS ANIMAS COUNTY, COLORADO
GENERAL FUND
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
Year Ended December 31, 2011

<u>County Fair</u>	<u>Budgeted Amounts</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
	<u>Original & Final</u>		
Salaries	1,500	1,450	50
Judges	2,500	1,757	743
Telephone & Postage	1,000	581	419
Travel & Transportation Expense	2,500	643	1,857
Supplies & Printing	2,000	262	1,738
Miscellaneous	1,500	1,882	(382)
Awards and Prizes	3,500	3,360	140
Capital Outlay	<u>1,000</u>	<u>263</u>	<u>737</u>
<u>Total</u>	<u>15,500</u>	<u>10,198</u>	<u>5,302</u>
<u>Fairground Operations</u>			
Salaries	44,072	21,344	22,728
Retirement & Fringe Benefits	11,462	9,074	2,388
Office Supplies	300	66	234
Operating Supplies	10,000	1,733	8,267
Telephone	1,000	729	271
Travel and Transportation	3,000	-	3,000
Utilities	13,000	7,240	5,760
Equipment & Fixtures	3,000	471	2,529
Maintenance & Repairs	20,000	54,866	(34,866)
Contractual Services	-	5,050	(5,050)
Miscellaneous	<u>1,000</u>	<u>-</u>	<u>1,000</u>
<u>Total</u>	<u>106,834</u>	<u>100,573</u>	<u>6,261</u>
<u>Veterans Office</u>			
Salaries	12,066	12,009	57
Retirement & Fringe Benefits	1,285	1,315	(30)
Office Supplies	1,000	730	270
Telephone & Postage	1,100	550	550
Travel & Transportation	2,200	286	1,914
Equipment and Fixtures	-	11	(11)
Dues and Meetings	<u>-</u>	<u>724</u>	<u>(724)</u>
<u>Total</u>	<u>17,651</u>	<u>15,625</u>	<u>2,026</u>
<u>TOTAL AUXILIARY SERVICES</u>	<u>223,485</u>	<u>194,703</u>	<u>28,782</u>
<u>INTERGOVERNMENTAL</u>			
<u>District Attorney</u>			
Allocation	<u>254,487</u>	<u>254,487</u>	<u>-</u>
<u>Total</u>	<u>254,487</u>	<u>254,487</u>	<u>-</u>

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

LAS ANIMAS COUNTY, COLORADO
GENERAL FUND
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
Year Ended December 31, 2011

<u>INTERGOVERNMENTAL (Continued)</u>	<u>Budgeted Amounts</u>		<u>Variance- Favorable (Unfavorable)</u>
	<u>Original & Final</u>	<u>Actual</u>	
<u>Fire Control</u>			
Operating Supplies	-	2,081	(2,081)
Food Shelter & Transportation	-	19,507	(19,507)
Dues and Meetings	17,400	17,690	(290)
Capital Outlay	3,500	5,164	(1,664)
<u>Total</u>	<u>20,900</u>	<u>44,442</u>	<u>(23,542)</u>
 <u>Ambulance Service</u>			
EMS Grant	13,000	-	13,000
<u>Total</u>	<u>13,000</u>	<u>-</u>	<u>13,000</u>
 <u>E-911</u>			
Allocation	157,922	124,808	33,114
 <u>Non-Profit Agencies</u>			
Allocation	26,000	18,000	8,000
 <u>TOTAL INTERGOVERNMENTAL</u>	<u>472,309</u>	<u>441,737</u>	<u>30,572</u>
 <u>TOTAL EXPENDITURES</u>	<u>6,609,872</u>	<u>6,374,715</u>	<u>235,157</u>
 <u>REVENUES OVER (UNDER) EXPENDITURES</u>	<u>(542,045)</u>	<u>111,775</u>	
 <u>Other Financing Sources (Uses)</u>			
Transfers In (Out)	(31,306)	(180,990)	(149,684)
<u>Total Other Financing Sources (Uses)</u>	<u>(31,306)</u>	<u>(180,990)</u>	<u>(149,684)</u>
 <u>TOTAL REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</u>	<u>(573,351)</u>	<u>(69,215)</u>	
 <u>FUND BALANCE, January 1</u>	<u>3,426,520</u>	<u>4,436,663</u>	
 <u>FUND BALANCE, December 31</u>	<u>2,853,169</u>	<u>4,367,448</u>	

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

LAS ANIMAS COUNTY, COLORADO
SPECIAL REVENUE FUND
ROAD AND BRIDGE FUND
SCHEDULE OF REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
Year Ended December 31, 2011

	Budgeted Amounts	Actual	Variance- Favorable (Unfavorable)
	<u>Original & Final</u>	<u>Actual</u>	<u>(Unfavorable)</u>
REVENUE			
Property Tax Revenue			
Delinquent Property Taxes	-	101	101
<u>Total</u>	<u>-</u>	<u>101</u>	<u>101</u>
Intergovernmental Revenue			
Highway Users Tax	2,838,286	2,447,359	(390,927)
Energy Impact Grant	-	22,782	22,782
Oil & Gas Fees	-	35,550	35,550
Mineral Lease Rights	-	46,767	46,767
Forest Service	-	8,775	8,775
M.V. Registration	35,000	58,897	23,897
HUTF Faster (SB 09-108)	400,000	517,474	117,474
Taylor Grazing Act & Bankhead Jones	200	107	(93)
Severance Tax	<u>200,000</u>	<u>431,019</u>	<u>231,019</u>
<u>Total</u>	<u>3,473,486</u>	<u>3,568,730</u>	<u>95,244</u>
Miscellaneous Revenue			
Miscellaneous	35,000	145,392	110,392
Sale of Asset	<u>30,000</u>	<u>-</u>	<u>(30,000)</u>
<u>Total</u>	<u>65,000</u>	<u>145,392</u>	<u>80,392</u>
TOTAL REVENUE	<u>3,538,486</u>	<u>3,714,223</u>	<u>175,737</u>
EXPENDITURES			
Salaries	1,433,702	1,276,668	157,034
Retirement & Fringe Benefits	469,081	408,930	60,151
Office Supplies	7,500	2,895	4,605
Operating Supplies	969,500	640,647	328,853
Repairs & Maintenance Road Equipment	270,000	216,061	53,939
Insurance and Bonds	180,000	117,800	62,200
Public Utility Service	82,000	70,207	11,793
Road Construction	423,099	304,952	118,147
Weed Expense	32,500	18,502	13,998
Radio/Communications	20,000	1,189	18,811
Telephone & Postage	10,000	9,001	999
Miscellaneous	<u>24,500</u>	<u>11,767</u>	<u>12,733</u>
<u>Total Expenditures</u>	<u>3,921,882</u>	<u>3,078,619</u>	<u>843,263</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(383,396)</u>	<u>635,604</u>	
OTHER FINANCIAL SOURCES (USES)			
Transfer In	<u>383,396</u>	<u>383,396</u>	<u>-</u>
<u>Total Other Financing Sources (Uses)</u>	<u>383,396</u>	<u>383,396</u>	<u>-</u>
TOTAL REVENUES AND OTHER SOURCES			
OVER (UNDER) EXPENDITURES AND OTHER USES	-	1,019,000	
FUND BALANCE, January 1	<u>2,808,051</u>	<u>3,226,231</u>	
FUND BALANCE, December 31	<u>2,808,051</u>	<u>4,245,231</u>	

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

LAS ANIMAS COUNTY, COLORADO
SPECIAL REVENUE FUND - PUBLIC WELFARE FUND
SCHEDULE OF REVENUE, EXPENDITURES AND
CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) - ACTUAL
Year Ended December 31, 2011

	<u>Budgeted Amounts</u> <u>Original & Final</u>	<u>Actual</u>	Variance- Favorable (Unfavorable)
REVENUE			
<u>Intergovernmental Revenues</u>			
Administration	-	483,180	-
Food Stamp Fraud	-	25,946	-
Core Services	-	252,977	-
LEAP	-	713,623	-
AID to Needy Disabled	-	83,375	-
Child Care	-	183,459	-
Child Welfare	-	922,815	-
RES MH Child Welfare	-	164,248	-
Chaffee Independent Living	-	19,725	-
Child Support Enforcement	-	161,641	-
Erroneous Disbursement	-	3,417	-
Old Age Pension Administration	-	385,683	-
Home Care Allowance	-	41,520	-
Medicaid Transportation	-	100,973	-
Program Incentives	-	19,766	-
CW SB 94	-	2,440	-
Single Entry Point	-	550,845	-
Single Entry Point Excess Revenue	-	28,706	-
Colorado Works	-	660,021	-
Colorado Works County Only Bonus	-	31,107	-
Food Stamp Benefits	-	4,202,069	-
Expedited Perm Plan	-	1,346	-
CSE Retained	-	36,875	-
Miscellaneous Revenue	-	500	-
<u>Total Intergovernmental Revenue</u>	<u>9,995,568</u>	<u>9,076,257</u>	<u>(919,311)</u>
<u>Tax Revenues</u>			
Property Taxes	112,619	108,966	(3,653)
Delinquent Property Taxes	2,000	1,783	(217)
Specific Ownership Taxes	20,000	22,674	2,674
<u>Total Tax Revenues</u>	<u>134,619</u>	<u>133,423</u>	<u>(1,196)</u>
<u>Other Revenues</u>			
Food Commodity Revenue	-	2,211	-
<u>Total Other Revenues</u>	<u>-</u>	<u>2,211</u>	<u>2,211</u>
<u>TOTAL REVENUES</u>	<u>10,130,187</u>	<u>9,211,891</u>	<u>(918,296)</u>

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

LAS ANIMAS COUNTY, COLORADO
SPECIAL REVENUE FUND - PUBLIC WELFARE FUND
SCHEDULE OF REVENUE, EXPENDITURES AND
CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) - ACTUAL
Year Ended December 31, 2011

	Budgeted Amounts		Variance- Favorable
	Original & Final	Actual	(Unfavorable)
<u>EXPENDITURES</u>			
Administration	-	608,186	-
Colorado Works	-	814,185	-
Core Services	-	285,461	-
Single Entry Point	-	552,009	-
Child Care	-	225,704	-
Child Welfare	-	1,345,306	-
Chaffee Independent Living	-	23,935	-
Child Support Enforcement	-	232,604	-
Home Care Allowance	-	31,618	-
Food Stamp Fraud	-	33,453	-
SB 94 County Only Salaries	-	2,439	-
LEAP	-	713,643	-
Old Age Pension	-	385,683	-
Medicaid Transportation	-	98,452	-
Food Stamp Benefits	-	4,202,069	-
Aid to Needy Disabled	-	104,219	-
Food Commodity Expense	-	1,394	-
General Assistance	-	3,123	-
<u>Total Expenditures</u>	<u>10,477,904</u>	<u>9,663,483</u>	<u>814,421</u>
<u>REVENUES OVER (UNDER) EXPENDITURES</u>	(347,717)	(451,592)	
<u>FUND BALANCE, January 1</u>	<u>1,345,919</u>	<u>1,380,945</u>	
<u>FUND BALANCE, December 31</u>	<u>998,202</u>	<u>929,353</u>	

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

LAS ANIMAS COUNTY, COLORADO
SPECIAL REVENUE FUND
CAPITAL EXPENDITURE FUND
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
Year Ended December 31, 2011

	<u>Budgeted</u> <u>Amounts</u>	<u>Actual</u>	<u>Variance-</u> <u>Favorable</u> <u>(Unfavorable)</u>
	<u>Original & Final</u>		
<u>REVENUE</u>			
Taxes	133,119	136,822	3,703
Local Revenue	-	448	448
Intergovernmental	<u>1,583,318</u>	<u>1,722,556</u>	<u>139,238</u>
<u>Total Revenues</u>	<u>1,716,437</u>	<u>1,859,826</u>	<u>143,389</u>
 <u>EXPENDITURES</u>			
Capital Outlay	2,943,294	2,876,513	66,781
Debt Service	-	10,936	(10,936)
Other	<u>15,000</u>	<u>7,062</u>	<u>7,938</u>
<u>Total Expenditures</u>	<u>2,958,294</u>	<u>2,894,511</u>	<u>63,783</u>
 <u>REVENUE OVER (UNDER) EXPENDITURES</u>	 (1,241,857)	 (1,034,685)	
 <u>OTHER FINANCING SOURCES (USES)</u>			
Lease Purchase Proceeds	-	546,461	546,461
Transfer In (Out)	<u>350,000</u>	<u>380,990</u>	<u>30,990</u>
<u>Total Other Financing Sources (Uses)</u>	<u>350,000</u>	<u>927,451</u>	<u>577,451</u>
 <u>TOTAL REVENUES AND OTHER SOURCES</u> <u>OVER (UNDER) EXPENDITURES AND</u> <u>OTHER USES</u>			
	(891,857)	(107,234)	
 <u>FUND BALANCE, January 1</u>	 <u>3,776,987</u>	 <u>2,405,113</u>	
 <u>FUND BALANCE, December 31</u>	 <u>2,885,130</u>	 <u>2,297,879</u>	

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

LAS ANIMAS COUNTY, COLORADO
1% SALES TAX
SPECIAL REVENUE FUND
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
Year Ended December 31, 2011

	<u>Budgeted Amounts</u> <u>Original & Final</u>	<u>Actual</u>	Variance- Favorable (Unfavorable)
<u>REVENUE</u>			
State Tax Revenue	-	78	78
Interest Revenue	-	-	-
Miscellaneous Revenue	-	-	-
<u>Total Revenue</u>	<u>-</u>	<u>78</u>	<u>78</u>
 <u>EXPENDITURES</u>			
Principal	-	-	-
Interest	-	-	-
Other	-	-	-
<u>Total Expenditures</u>	<u>-</u>	<u>-</u>	<u>-</u>
 <u>REVENUE OVER (UNDER) EXPENDITURES</u>			
	-	78	
 <u>OTHER FINANCING SOURCES (USES)</u>			
Transfer (Out)	-	-	-
 <u>TOTAL REVENUES AND OTHER SOURCES</u> <u>OVER (UNDER) EXPENDITURES AND</u> <u>OTHER USES</u>			
	-	78	
 <u>FUND BALANCE, January 1</u>			
	<u>1,671,205</u>	<u>1,671,302</u>	
 <u>FUND BALANCE, December 31</u>			
	<u>1,671,205</u>	<u>1,671,380</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.

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.

Law Enforcement Equipment Grant – to account for monies received for Law Enforcement equipment.

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 ASSETS
 BUDGET (GAAP BASIS) AND ACTUAL
 Year Ended December 31, 2011

	<u>Budgeted Amounts</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
<u>OPERATING REVENUES</u>	<u>Original & Final</u>		
Fuel Sales	230,000	270,571	40,571
Hangar Rental	24,000	24,400	400
Grant Revenues	-	-	-
Other Revenues	<u>2,500</u>	<u>3,233</u>	<u>733</u>
<u>Total Operating Revenues</u>	<u>256,500</u>	<u>298,204</u>	<u>41,704</u>
<u>OPERATING EXPENSES</u>			
Cost of Sales	185,000	228,970	(43,970)
Contractual Agreements	59,406	72,000	(12,594)
Depreciation	-	100,590	(100,590)
Insurance	18,000	11,015	6,985
Operating Supplies	12,000	17,753	(5,753)
Office Supplies & Expense	2,500	5,506	(3,006)
Utilities	9,000	6,582	2,418
Telephone	1,400	1,749	(349)
Maintenance	500	917	(417)
Bad Debt Expense	-	<u>5,797</u>	<u>(5,797)</u>
<u>Total Operating Expenses</u>	<u>287,806</u>	<u>450,879</u>	<u>(163,073)</u>
<u>OPERATING INCOME (LOSS)</u>	<u>(31,306)</u>	<u>(152,675)</u>	
<u>NON OPERATING REVENUES (EXPENSES)</u>			
Transfers In	<u>31,306</u>	-	<u>(31,306)</u>
<u>Total Non Operating Revenues (Expenses)</u>	<u>31,306</u>	-	<u>(31,306)</u>
<u>INCOME BEFORE CAPITAL CONTRIBUTION</u>	-	(152,675)	
<u>CAPITAL CONTRIBUTIONS – FIXED ASSETS</u>	-	<u>252,004</u>	<u>252,004</u>
<u>CHANGE IN NET ASSETS</u>	-	99,329	
<u>NET ASSETS, January 1</u>	<u>1,315,683</u>	<u>1,468,842</u>	
<u>NET ASSETS, December 31</u>	<u>1,315,683</u>	<u>1,568,171</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, 2011

	Special Revenue Fund			
	Conservation Trust	Contingent	Emergency Assistance	LEAF and DUI
<u>ASSETS</u>				
Cash	76,988	146,611	252	14,487
Investments	47,858	91,138	156	9,005
Accounts Receivables	-	143	-	-
<u>Total Assets</u>	<u>124,846</u>	<u>237,892</u>	<u>408</u>	<u>23,492</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>				
Restricted:				
Capital Outlay	-	-	-	-
Unforeseen Contingencies	-	237,892	-	-
Parks and Recreation	124,846	-	-	-
Public Safety	-	-	408	23,492
Unassigned:	-	-	-	-
<u>Total Fund Equity</u>	<u>124,846</u>	<u>237,892</u>	<u>408</u>	<u>23,492</u>
 <u>TOTAL LIABILITIES AND FUND BALANCES</u>				
	<u>124,846</u>	<u>237,892</u>	<u>408</u>	<u>23,492</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, 2011

	<u>Special Revenue</u> PILT	<u>Capital Projects</u> Jail Fund	Total Non-Major Governmental Funds
<u>ASSETS</u>			
Cash	319,846	112,317	670,501
Investments	198,825	69,820	416,802
Accounts Receivables	-	-	143
<u>Total Assets</u>	<u>518,671</u>	<u>182,137</u>	<u>1,087,446</u>
 <u>LIABILITIES AND FUND EQUITY</u>			
<u>Liabilities</u>			
Accounts Payable	-	-	-
<u>Total Liabilities</u>	<u>-</u>	<u>-</u>	<u>-</u>
 <u>Fund Balances:</u>			
Restricted:			
Capital Outlay	-	182,137	182,137
Unforeseen Contingencies	-	-	237,892
Parks and Recreation	-	-	124,846
Public Safety	-	-	23,900
Unassigned:	<u>518,671</u>	<u>-</u>	<u>518,671</u>
<u>Total Fund Equity</u>	<u>518,671</u>	<u>182,137</u>	<u>1,087,446</u>
 <u>TOTAL LIABILITIES AND FUND EQUITY</u>			
	<u>518,671</u>	<u>182,137</u>	<u>1,087,446</u>

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

LAS ANIMAS COUNTY, COLORADO
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 NON MAJOR GOVERNMENTAL FUNDS
 Year Ended December 31, 2011

	<u>Special Revenue Fund</u>			
	<u>Conservation Trust</u>	<u>Contingent</u>	<u>Emergency Assistance</u>	<u>LEAF and DUI</u>
<u>REVENUES</u>				
Taxes	-	17,564	-	-
Intergovernmental Revenues	52,401	-	-	-
Other Revenues	-	56,124	-	3,167
<u>Total Revenues</u>	<u>52,401</u>	<u>73,688</u>	<u>-</u>	<u>3,167</u>
<u>EXPENDITURES</u>				
Capital Outlay	-	-	-	-
Social Services	-	-	-	-
Other	-	20,647	-	-
<u>Total Expenditures</u>	<u>-</u>	<u>20,647</u>	<u>-</u>	<u>-</u>
<u>REVENUES OVER (UNDER) EXPENDITURES</u>	<u>52,401</u>	<u>53,041</u>	<u>-</u>	<u>3,167</u>
<u>Other Financing Sources (Uses)</u>				
Operating Transfers In (Out)	-	-	-	-
<u>Total Other Financing Sources (Uses)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</u>	<u>52,401</u>	<u>53,041</u>	<u>-</u>	<u>3,167</u>
<u>FUND BALANCE, January 1</u>	<u>72,445</u>	<u>184,851</u>	<u>408</u>	<u>20,325</u>
<u>FUND BALANCE, December 31</u>	<u>124,846</u>	<u>237,892</u>	<u>408</u>	<u>23,492</u>

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

LAS ANIMAS COUNTY, COLORADO
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 NON MAJOR GOVERNMENTAL FUNDS
 Year Ended December 31, 2011

	<u>Special Revenue Fund PILT</u>	<u>Capital Projects Jail Fund</u>	<u>Total Non-Major Governmental Total</u>
<u>REVENUES</u>			
Taxes	-	-	17,564
Intergovernmental Revenues	467,409	-	519,810
Other Revenues	-	50	59,341
<u>Total Revenues</u>	<u>467,409</u>	<u>50</u>	<u>596,715</u>
<u>EXPENDITURES</u>			
Capital Outlay	-	-	-
Social Services	-	-	-
Other	-	-	20,647
<u>Total Expenditures</u>	<u>-</u>	<u>-</u>	<u>20,647</u>
<u>REVENUES OVER (UNDER) EXPENDITURES</u>	<u>467,409</u>	<u>50</u>	<u>576,068</u>
<u>Other Financing Sources (Uses)</u>			
Operating Transfers In (Out)	(383,396)	(200,000)	(583,396)
<u>Total Other Financing Sources (Uses)</u>	<u>(383,396)</u>	<u>(200,000)</u>	<u>(583,396)</u>
<u>REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</u>	<u>84,013</u>	<u>(199,950)</u>	<u>(7,328)</u>
<u>FUND BALANCE, January 1</u>	<u>434,658</u>	<u>382,087</u>	<u>1,094,774</u>
<u>FUND BALANCE, December 31</u>	<u>518,671</u>	<u>182,137</u>	<u>1,087,446</u>

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

LAS ANIMAS COUNTY, COLORADO
SPECIAL REVENUE FUND
CONSERVATION TRUST FUND
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
Year Ended December 31, 2011

	<u>Budgeted Amounts</u> <u>Original & Final</u>	<u>Actual</u>	Variance- Favorable (Unfavorable)
<u>REVENUE</u>			
Intergovernmental - Lottery	50,000	52,401	2,401
Interest Revenue	-	-	-
<u>Total Revenues</u>	<u>50,000</u>	<u>52,401</u>	<u>2,401</u>
<u>EXPENDITURES</u>			
Capital Outlay	50,000	-	50,000
Other	-	-	-
<u>Total Expenditures</u>	<u>50,000</u>	<u>-</u>	<u>50,000</u>
<u>REVENUES OVER (UNDER) EXPENDITURES</u>	-	52,401	
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers (Out)	-	-	-
<u>REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</u>	-	52,401	
<u>FUND BALANCE, January 1</u>	<u>19,243</u>	<u>72,445</u>	
<u>FUND BALANCE, December 31</u>	<u>19,243</u>	<u>124,846</u>	

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

LAS ANIMAS COUNTY, COLORADO
SPECIAL REVENUE FUND
CONTINGENT FUND
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
Year Ended December 31, 2011

	<u>Budgeted Amounts</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
	<u>Original & Final</u>		
<u>REVENUE</u>			
Property Taxes	15,767	15,334	(433)
Specific Ownership Tax	1,000	2,230	1,230
Other	<u>-</u>	<u>56,124</u>	<u>56,124</u>
<u>Total Revenues</u>	<u>16,767</u>	<u>73,688</u>	<u>56,921</u>
 <u>EXPENDITURES</u>			
Miscellaneous	500	307	193
Fire Expenditures	-	20,340	(20,340)
West Nile Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
<u>Total Expenditures</u>	<u>500</u>	<u>20,647</u>	<u>(20,147)</u>
 <u>REVENUES OVER (UNDER) EXPENDITURES</u>	 16,267	 53,041	
 <u>OTHER FINANCING SOURCES (USES)</u>			
Transfer In (Out)	(196,267)	-	196,267
 <u>OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</u>	 (180,000)	 53,041	
 <u>FUND BALANCE, January 1</u>	 <u>185,526</u>	 <u>184,851</u>	
 <u>FUND BALANCE, December 31</u>	 <u>5,526</u>	 <u>237,892</u>	

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

LAS ANIMAS COUNTY, COLORADO
 SPECIAL REVENUE FUND
 LEAF AND DUI FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET (GAAP BASIS) AND ACTUAL
 Year Ended December 31, 2011

	<u>Budgeted Amounts</u> <u>Original & Final</u>	<u>Actual</u>	Variance- Favorable (Unfavorable)
<u>REVENUE</u>			
DUI Fees	<u>2,000</u>	<u>3,167</u>	<u>1,167</u>
<u>EXPENDITURES</u>			
Miscellaneous	<u>2,000</u>	<u>-</u>	<u>2,000</u>
<u>REVENUES OVER (UNDER) EXPENDITURES</u>	<u>-</u>	<u>3,167</u>	
<u>FUND BALANCE, January 1</u>	<u>17,259</u>	<u>20,325</u>	
<u>FUND BALANCE, December 31</u>	<u>17,259</u>	<u>23,492</u>	

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

LAS ANIMAS COUNTY, COLORADO
 SPECIAL REVENUE FUND
 EMERGENCY ASSISTANCE FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET (GAAP BASIS) AND ACTUAL
 Year Ended December 31, 2011

	<u>Budgeted Amounts</u>	<u>Actual</u>	Variance- Favorable (Unfavorable)
	<u>Original & Final</u>		<u>(Unfavorable)</u>
<u>REVENUES</u>			
Local Sources	-	-	-
 <u>EXPENDITURES</u>			
Other	-	-	-
 <u>REVENUES OVER (UNDER) EXPENDITURES</u>			
	-	-	
<u>FUND BALANCE, January 1</u>	<u>408</u>	<u>408</u>	
<u>FUND BALANCE, December 31</u>	<u>408</u>	<u>408</u>	

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

LAS ANIMAS COUNTY, COLORADO
SPECIAL REVENUE FUND
PILT FUND
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
Year Ended December 31, 2011

	<u>Budgeted Amounts</u> <u>Original & Final</u>	<u>Actual</u>	Variance- Favorable <u>(Unfavorable)</u>
<u>REVENUE</u>			
Federal Sources	<u>350,000</u>	<u>467,409</u>	<u>117,409</u>
<u>EXPENDITURES</u>			
Miscellaneous	<u>-</u>	<u>-</u>	<u>-</u>
<u>REVENUES OVER (UNDER) EXPENDITURES</u>	<u>350,000</u>	<u>467,409</u>	
<u>Other Financing Sources (Uses)</u>			
Transfer (Out)	<u>(383,396)</u>	<u>(383,396)</u>	<u>-</u>
<u>Total Revenues and Other Sources</u>	<u>(383,396)</u>	<u>(383,396)</u>	<u>-</u>
<u>Revenues and Other Sources Over</u> <u>(Under) Expenditures and Other Uses</u>	<u>(33,396)</u>	<u>84,013</u>	
<u>FUND BALANCE, January 1</u>	<u>434,658</u>	<u>434,658</u>	
<u>FUND BALANCE, December 31</u>	<u>401,262</u>	<u>518,671</u>	

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

LAS ANIMAS COUNTY, COLORADO
 JAIL CAPITAL PROJECTS FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET (GAAP BASIS) AND ACTUAL
 Year Ended December 31, 2011

	<u>Budgeted Amounts</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
<u>Revenue</u>	<u>Original & Final</u>		
Sales Tax	-	-	-
Miscellaneous	-	50	50
<u>Total Revenues</u>	-	50	50
<u>Expenditures</u>			
Operating Supplies	-	-	-
Equipment & Fixtures	-	-	-
Maintenance & Repairs	200,000	-	200,000
Capital Outlay	-	-	-
<u>Total Expenditures</u>	200,000	-	200,000
<u>Revenues Over (Under) Expenditures</u>	(200,000)	50	
<u>Other Financing Sources (Uses)</u>			
Transfers In (Out)	-	(200,000)	(200,000)
<u>Net Change in Fund Balance</u>	(200,000)	(199,950)	
<u>Fund Balance, January 1</u>	<u>313,615</u>	<u>382,087</u>	
<u>Fund Balance, December 31</u>	<u>113,615</u>	<u>182,137</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.

LOCAL HIGHWAY FINANCE REPORT	City or County: Las Animas County
	YEAR ENDING : December 2011

This Information From The Records Of (example - City of _ or County of _) County of Las Animas	Prepared By: Leeann Fabec Phone: (719) 845-2562
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I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway disbursements:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	203,448
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	1,827,224
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	374,251
3. Other local imposts (from page 2)	102	c. Other	18,502
4. Miscellaneous local receipts (from page 2)	611,105	d. Total (a. through c.)	392,753
5. Transfers from toll facilities		4. General administration & miscellaneous	655,194
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	
a. Bonds - Original Issues		6. Total (1 through 5)	3,078,619
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	
7. Total (1 through 6)	611,207	b. Redemption	
B. Private Contributions		c. Total (a. + b.)	0
C. Receipts from State government (from page 2)	3,454,749	2. Notes:	
D. Receipts from Federal Government (from page 2)	31,664	a. Interest	
E. Total receipts (A.7 + B + C + D)	4,097,620	b. Redemption	
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	0
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total disbursements (A.6 + B.3 + C + D)	3,078,619

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

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

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	3,226,230	4,097,620	3,078,619	4,245,231	0

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT

STATE:
Colorado
YEAR ENDING (mm/yy):
December 2011

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments	102	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	35,550
5. Specific Ownership &/or Other		g. Other Misc. Receipts	46,767
6. Total (1. through 5.)	0	h. Other	528,788
c. Total (a. + b.)	102	i. Total (a. through h.)	611,105
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	2,964,833	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	8,775
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	58,897	d. Federal Transit Admin	
d. Other (Specify) - DOLA Grant		e. U.S. Corps of Engineers	
e. Other (Specify)	431,019	f. Other Federal	22,889
f. Total (a. through e.)	489,916	g. Total (a. through f.)	31,664
4. Total (1. + 2. + 3.f)	3,454,749	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)
A.1. Capital outlay:			
a. Right-Of-Way Costs			0
b. Engineering Costs			0
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements			0
(3). System Preservation		203,448	203,448
(4). System Enhancement & Operation			0
(5). Total Construction (1) + (2) + (3) + (4)	0	203,448	203,448
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	203,448	203,448
			(Carry forward to page 1)

Notes and Comments:

Item C.3(e) Severance Tax	431,019	Item D.2(f) Energy Impact Grant (mineral Taylor Bankhead Tenant)	22,782 107
		Total	22,889

LAS ANIMAS COUNTY DEPARTMENT OF HUMAN SERVICES
REQUIRED SUPPLEMENTAL INFORMATION (RSI)
DECEMBER 31, 2011

CATEGORY	A COUNTY EBT AUTHORIZATIONS	B COUNTY SHARE OF AUTHORIZATIONS	C WARRANT ISSUE ISSUED BY COUNTY DEPT	A + C = D TOTAL COUNTY WARRANT ISSUE & AUTHORIZATIONS	B + C = E TOTAL COUNTY DEPT EXPENDITURES
Colorado Works					
Administration	\$ -		\$ 231,567.51	\$ 231,567.51	\$ 231,567.51
Non-ADM - Client Payment	\$ -		\$ 3,431.10	\$ 3,431.10	\$ 3,431.10
EBT (Non ADM)	\$ 579,186.38			\$ 579,186.38	\$ -
Total Colorado Works	\$ 579,186.38		\$ 234,998.61	\$ 814,184.99	\$ 234,998.61
Child Care					
EBT / MOE	\$ 147,472.73			\$ 147,472.73	\$ -
Administration	\$ -		\$ 78,231.65	\$ 78,231.65	\$ 78,231.65
Quality Grants	\$ -		\$ -	\$ -	\$ -
Total Child Care	\$ 147,472.73		\$ 78,231.65	\$ 225,704.38	\$ 78,231.65
Child Welfare					
Administration 100%			\$ 98,591.39	\$ 98,591.39	\$ 98,591.39
Administration 80/20%			\$ 509,354.60	\$ 509,354.60	\$ 509,354.60
CHRP	\$ 45,194.30			\$ 45,194.30	\$ -
RTC				\$ -	\$ -
Res Mental Health	\$ 206,556.47			\$ 206,556.47	\$ -
Foster Care OOH	\$ 319,262.59			\$ 319,262.59	\$ -
Related Child Care	\$ 19,553.44			\$ 19,553.44	\$ -
SubAdopt	\$ 135,552.01			\$ 135,552.01	\$ -
Relative Guardianship	\$ 11,241.92			\$ 11,241.92	\$ -
Total Child Welfare	\$ 737,360.73		\$ 607,945.99	\$ 1,345,306.72	\$ 607,945.99
Total County Administration			\$ 606,027.81	\$ 606,027.81	\$ 606,027.81
Core Services					
Mental Health	\$ 4,885.32			\$ 4,885.32	\$ -
ADAD	\$ 19,272.96			\$ 19,272.96	\$ -
Special Economic Asst	\$ 1,889.09			\$ 1,864.09	\$ -
Core Other EBT/EFT	\$ 13,210.00			\$ 13,210.00	\$ -
Core Other - 100%			\$ 76,274.76	\$ 76,274.76	\$ 76,274.76
Core 80/20%			\$ 169,953.62	\$ 169,953.62	\$ 169,953.62
Total Core Services	\$ 39,257.37		\$ 246,228.38	\$ 285,460.75	\$ 246,228.38
				\$ -	\$ -
Total Child Support Enforce			\$ 232,603.54	\$ 232,603.54	\$ 232,603.54
Total LEAP	\$ 659,926.06		\$ 53,716.85	\$ 713,642.91	\$ 53,716.85
Total Aid to Needy Disable	\$ 104,218.63			\$ 104,218.63	\$ -
Total A.N.D. HCA	\$ 13,017.88			\$ 13,017.88	\$ -
Total O.A.P. HCA	\$ 18,600.00			\$ 18,600.00	\$ -
Total Old Age Pension	\$ 371,285.80			\$ 371,285.80	\$ -
Total Food Assist Fraud	\$ -		\$ 33,453.17	\$ 33,453.17	\$ 33,453.17
Total FA Benefits & Collec	\$ 4,202,069.04			\$ 4,202,069.04	\$ -
Total DoD Funds	\$ -		\$ 4,011.00	\$ 4,011.00	\$ 4,011.00
				\$ -	\$ -
Total Chaffee Indep Living			\$ 23,934.67	\$ 23,934.67	\$ 23,934.67

**LAS ANIMAS COUNTY DEPARTMENT OF HUMAN SERVICES
REQUIRED SUPPLEMENTAL INFORMATION (RSI)
DECEMBER 31, 2011**

CATEGORY	A COUNTY EBT AUTHORIZATIONS	B COUNTY SHARE OF AUTHORIZATIONS	C WARRANT ISSUE ISSUED BY COUNTY DEPT	A + C = D TOTAL COUNTY WARRANT ISSUE & AUTHORIZATIONS	B + C = E TOTAL COUNTY DEPT EXPENDITURES
Total Co Wide Cost Alloc			\$ -	\$ -	\$ -
Medicaid Transportation			\$ 98,452.21	\$ 98,452.21	\$ 98,452.21
Single Entry Point			\$ 552,008.92	\$ 552,008.92	\$ 552,008.92
Other Local Sources					
General Assistance			\$ 3,123.27	\$ 3,123.27	\$ 3,123.27
Commodities			\$ 1,393.51	\$ 1,393.51	\$ 1,393.51
Total Other Sources			\$ 4,516.78	\$ 4,516.78	\$ 4,516.78
IV-E Revenue SB-80					
Non-ADM - Client Payment			\$ -	\$ -	\$ -
Parental Fees SB-94					
Non-ADM - Client Payment			\$ 2,439.55	\$ 2,439.55	\$ 2,439.55
				\$ -	\$ -

\$ 9,552,486.54

**LAS ANIMAS COUNTY DEPARTMENT OF HUMAN SERVICES
REQUIRED SUPPLEMENTAL INFORMATION (RSI)
DECEMBER 31, 2011
EXPENDITURES**

E X P L A N A T I O N R E C A P				
PROGRAM	STATE	LACDHS	DIFFERENCE	EXPLANATION
Colorado Works				
EBT (Non ADM)	\$ 582,617.48	\$ 579,186.38	\$ 3,431.10	
Refunds (see page 4)	\$ (6,730.54)		\$ (6,730.54)	
	\$ 575,886.94	\$ 579,186.38	\$ (3,299.44)	
Admin	\$ 231,562.18	\$ 234,998.61	\$ (3,436.43)	
Total Colorado Works	\$ 807,449.12	\$ 814,184.99	\$ (6,735.87)	state collect refund + \$5.33from a
Child Care				
CC Direct	\$ 147,472.73	\$ 147,472.73	\$ -	
Administration	\$ 78,211.49	\$ 78,231.65	\$ (20.16)	O/S'10-23.26-'11 +31.73+11.69
Quality Grants	\$ -	\$ -	\$ -	
Total Child Care	\$ 225,684.22	\$ 225,704.38	\$ (20.16)	OK
Child Welfare				
Administration 100%	\$ 100,348.13	\$ 98,591.39	\$ 1,756.74	state reallocated costs from 100% \$1,770.97; O/S '10-49.70 +'11 63.93
Administration 80/20%	\$ 503,393.76	\$ 509,354.60	\$ (5,960.84)	state reallocated costs from 100% \$1,770.97; O/S '10-1,417.92 +'11 55
CHRP	\$ 45,194.30	\$ 45,194.30	\$ -	
RES Mental Health	\$ 206,556.47	\$ 206,556.47	\$ -	
Foster Care OOH	\$ 319,262.59	\$ 319,262.59	\$ -	
Related Child Care	\$ 19,941.95	\$ 19,553.44	\$ 388.51	2010 Adj. made in 2011
SubAdopt	\$ 135,552.01	\$ 135,552.01	\$ -	
Relative Guardianship	\$ 11,241.92	\$ 11,241.92	\$ -	
Total Child Welfare	\$ 1,341,491.13	\$ 1,345,306.72	(\$3,815.59)	OK
				\$15.94 auditor's adj.
Total Co Administration +	\$ 553,137.98	\$ 610,038.81	\$ (56,900.83)	-\$1,852.74 N/R refund not reported
Non-Allocated	\$ 10,533.48		\$ 10,533.48	
Non-Allocated	\$ 41,915.59		\$ 41,915.59	-235.92 CSE ARRA; 1,167 Medical + 4,011 DoD Funds
Total	\$ 605,587.05	\$ 610,038.81	\$ (4,451.76)	'10 O/S -2,541.72+'11 7,225.54
Core Services				
Special Economic Asst	\$ 1,889.09	\$ 1,864.09	\$ 25.00	SEA \$25.00 pd.cyma not trails; sh
Mental Health	\$ 3,995.00			\$85.00 adj made; can't adj due to c
ADAD	\$ 19,272.96		\$ 37,368.28	of SFY11
Core Other EBT/EFT	\$ 14,100.32	\$ 37,368.28		
Core Other - 100%	\$ 84,129.23	\$ 76,274.76	\$ 7,854.47	O/S'10-41.38 O/S'11 +103.51
Core 80/20%	\$ 161,988.08	\$ 169,953.62	\$ (7,965.54)	O/S'10-54.04 O/S'11 +102.9;SEA -2
Total Core Services	\$ 285,374.68	\$ 285,460.75	(\$86.07)	OK
Child Support Enforce				
Erron Disbursements	\$ 227,534.60	\$ 232,603.54	\$ (5,068.94)	O/S'10- \$848.51 O/S'11 +\$2,522.61
OTC	\$ (2,196.31)		\$ (2,196.31)	\$235.92+\$5,921.07 (otc)
OTC	\$ 112,053.13	\$ 112,053.13	\$ -	
Total Child Support Enforc	\$ 337,391.42	\$ 344,656.67	\$ (7,265.25)	
LEAP EBT				
	\$ 659,926.06	\$ 659,926.06	\$ 0.00	
LEAP ADMIN	\$ 53,696.48	\$ 53,716.85	\$ (20.37)	unemployment
Total	\$ 713,622.54	\$ 713,642.91	\$ (20.37)	

LAS ANIMAS COUNTY DEPARTMENT OF HUMAN SERVICES
 REQUIRED SUPPLEMENTAL INFORMATION (RSI)
 DECEMBER 31, 2011
 EXPENDITURES

E X P L A N A T I O N R E C A P				
PROGRAM	STATE	LACDHS	DIFFERENCE	EXPLANATION
Total Aid to Needy Disable	\$ 104,218.63	\$ 104,218.63	\$ -	OK
Total HCA	\$ 31,617.88	\$ 31,617.88	\$ -	OK
Total Old Age Pension	\$ 371,285.80	\$ 371,285.80	\$ -	OK
Old Age Pension Admin	\$ 14,397.23		\$ 14,397.23	
Total F A Fraud	\$ 33,446.23	\$ 33,453.17	(\$6.94) /S '10-13.36+'11 20.1	OK
Total FA Benefits & Collec	\$ 4,202,069.04	\$ 4,202,069.04	\$ -	OK
Chafee Independent Living	\$ 19,725.44	\$ 23,934.67	\$ (4,209.23)	O/S '10-\$4200.00+'11 9.2320.60
Co Wd Cost Alloc Pass Th	\$ 151,363.46	\$ -	\$ 151,363.46	
Total Program Settlement	\$ 9,244,723.87	\$ 9,105,574.42	\$ 139,149.45	
CSE Retained Collections	\$ (154,711.65)		\$ (154,711.65)	
Audit Adj. Colo. Works	\$ (42,780.00)		\$ (42,780.00)	OK
Total Other Settlement CFI	\$ (197,491.65)	\$ -	\$ (197,491.65)	OK
Total Settlement CFMS	\$ 9,047,232.22	\$ 9,105,574.42	\$ (58,342.20)	
SEP	\$ 550,845.10	\$ 552,008.92	\$ (1,163.82)	O/S '10-\$158.26+'11 1,200.28+adj
Medicaid Transportation	\$ 101,037.16	\$ 98,452.21	\$ 2,584.95	O/S '10-\$9,955.72+'11 7,370.77
Other:			\$ -	
Other - Break Room	\$ 1,420.13		\$ 1,420.13	
Other Local Sources:				
General Assistance	\$ 3,476.50	\$ 3,123.27	\$ 353.23	
Commodities	\$ 1,393.51	\$ 1,393.51	\$ -	
Parental Fees SB-94	\$ 2,439.55	\$ 2,439.55	\$ -	O/S '10 -53.23;\$300 refund not rec

0 TOTAL EXPENDITURES \$ 9,707,844.17 \$ 9,762,991.88 \$ (55,147.71)

**LAS ANIMAS COUNTY DEPARTMENT OF HUMAN SERVICES
REQUIRED SUPPLEMENTAL INFORMATION (RSI)
DECEMBER 31, 2008
REVENUE**

E X P L A N A T I O N R E C A P				
PROGRAM	STATE	LACDHS	DIFFERENCE	EXPLANATION
Colorado Works				
Administration	\$ 200,805.11	\$ 660,020.61	\$ (459,215.50)	
EBT (Non ADM)	\$ 500,864.02		\$ 500,864.02	
Refunds (see page 3)				
Total Colorado Works	\$ 701,669.13	\$ 660,020.61	\$ 41,648.52	Colo Works audit adj \$42,780
Child Care				
CC Direct	\$ 120,889.85			
Administration	\$ 62,569.17	\$ 183,459.02		
Quality Grants				
Total Child Care	\$ 183,459.02	\$ 183,459.02	\$ -	OK
Child Welfare				
Administration 100%	\$ 100,348.13	\$ 100,348.13	\$ -	
Administration 80/20%	\$ 402,715.11	\$ 402,715.11	\$ -	
CHRP	\$ 36,155.46	\$ 36,155.46	\$ -	
RES Mental Health	\$ 164,247.89	\$ 164,247.89	\$ -	Diff CW Retained Collections show
Foster Care OOH	\$ 255,410.10	\$ 249,419.83	\$ 5,990.27	\$5,932.98; \$57.35
Related Child Care	\$ 15,953.58	\$ 15,565.07	\$ 388.51	2010 Adj. made in 2011
SubAdopt	\$ 108,565.61	\$ 108,565.61	\$ -	
Relative Guardianship	\$ 10,045.82	\$ 10,045.82	\$ -	
Total Child Welfare	\$ 1,093,441.70	\$ 1,087,062.92	\$ 6,378.78	OK
Total Co Administration + Non-Allocated Programs	\$ 441,028.46	\$ 483,179.97	\$ (42,151.51)	
	\$ 41,915.59		\$ 41,915.59	
Total	\$ 482,944.05	\$ 483,179.97	\$ (235.92)	CSE ARRA \$235.92 recouped
Core Services				
Special Economic Asst	\$ 1,889.09		\$ 1,889.09	
Mental Health	\$ 3,995.00		\$ 3,995.00	
ADAD	\$ 19,272.96		\$ 19,272.96	
Core Other EBT/EFT	\$ 14,100.32		\$ 14,100.32	
Core Other - 100%	\$ 84,129.23	\$ 123,386.60	\$ (39,257.37)	
Core 80/20%	\$ 129,590.52	\$ 129,590.52	\$ -	
Total Core Services	\$ 252,977.12	\$ 252,977.12	\$ -	OK
Child Support Enforce	\$ 161,641.36	\$ 161,641.36	\$ -	
Total LEAP	\$ 713,622.54	\$ 713,622.54	\$ -	OK
Total Aid to Needy Disable	\$ 83,374.92	\$ 83,374.92	\$ -	OK
A.N.D. HCA	\$ 11,437.00	\$ 11,437.00	\$ -	OK
O.A.P. HCA	\$ 18,600.00	\$ 18,600.00	\$ -	OK
TOTAL HCA	\$ 30,037.00	\$ 30,037.00	\$ -	
Total Old Age Pension	\$ 385,683.03	\$ 385,683.03	\$ -	OK
DoD Funds		\$ 4,011.00	\$ (4,011.00)	Included in Reg. Admin Non Alloc.
Total F A Fraud	\$ 25,945.80	\$ 25,945.80	\$ -	OK

LAS ANIMAS COUNTY DEPARTMENT OF HUMAN SERVICES
 REQUIRED SUPPLEMENTAL INFORMATION (RSI)
 DECEMBER 31, 2008
 REVENUE

E X P L A N A T I O N R E C A P				
PROGRAM	STATE	LACDHS	DIFFERENCE	EXPLANATION
Total FA Benefits & Collec	\$ 4,202,069.04	\$ 4,202,069.04	\$ -	OK
Chafee Independent Living	\$ 19,725.43	\$ 19,725.43	\$ -	OK
County Only	\$ -	\$ -	\$ -	OK
Co Wd Cost Alloc Pass Th	\$ 49,974.12	\$ -	\$ 49,974.12	OK
Total Program Settlement	\$ 8,386,564.26	\$ 8,292,809.76	\$ 93,754.50	
CSE Retained	\$ 30,942.33	\$ 36,875.31	\$ (5,932.98)	In CW retained collections
Total State CSE Incentives	\$ 16,767.75	\$ 16,757.75	\$ 10.00	OK
Total State Prog Incentive	\$ 1,281.02	\$ 1,281.02	\$ -	OK
Total Federal CSE Incentiv	\$ -	\$ -	\$ -	OK
Total Federal Prog Incenti	\$ 1,952.80	\$ 1,952.80	\$ -	OK
Total Other CFMS	\$ 50,943.90	\$ 56,866.88	\$ (5,922.98)	OK
		\$ -	\$ -	OK
Single Entry Point	\$ 550,845.10	\$ 550,845.10		
NR STATE FY PAYBACK	\$ -	\$ -		
Total	\$ 550,845.10	\$ 550,845.10	\$ -	OK
Other Local Sources				
General Assistance	\$ -		\$ -	
Medicaid Transportation	\$ 101,037.16	\$ 91,081.44	\$ 9,955.72	O/S '10 A/P
HCA Administration	\$ -	\$ 11,428.98	\$ (11,428.98)	OK
Commodities	\$ -	\$ 2,210.52	\$ (2,210.52)	OK
IV-E Revenue SB-80	\$ -		\$ -	OK
Parental Fees SB-94	\$ 2,439.55	\$ 2,439.55	\$ -	OK
Miscellaneous		\$ 500.00	\$ (500.00)	Sale of old phone system
Total Not Settled in CFMS	\$ 654,321.81	\$ 644,366.09	\$ 9,955.72	
Grand Total	\$ 9,091,829.97	\$ 8,994,042.73	\$ 97,787.24	

SINGLE AUDIT SECTION

164 E. MAIN
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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

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

We have audited 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, 2011, which collectively comprise Las Animas County's basic financial statements and have issued our report thereon dated September 28, 2012. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Las Animas County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Las Animas County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Las Animas County's internal control over financial reporting.

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.

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Las Animas County's financial statements are free of 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*.

This report is intended solely for the information and use of management, the Board of County Commissioners, others within the entity, and federal awarding agencies and is not intended and should not be used by anyone other than these specified parties.

Dyer, Waller & Co., PC.

September 28, 2012

164 E. MAIN
TRINIDAD, COLORADO 81082
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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE
WITH OMB CIRCULAR A-133**

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

Compliance

We have audited the compliance of Las Animas County, with the types of compliance requirements described in the *U.S. Office of Management and Budget (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, 2011. 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. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Las Animas County's management. Our responsibility is to express an opinion on Las Animas County's compliance based on our audit.

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. Our audit does not provide a legal determination on Las Animas County's compliance with those requirements.

In our opinion, Las Animas County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2011.

This reissued report is replacing the original Single Audit Report for the year ended December 31, 2011, issued on September 28, 2012. We originally audited Las Animas County as a low risk auditee, however, it was determined that the County did not qualify as a low risk auditee due to the December 31, 2010 SF-SAC form not being filed timely with the U.S. Census Bureau. We subsequently audited an additional program in order to meet the 50% of federal funds audit requirement for entities that do not qualify as a low risk auditee. We audited the 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 the following additional major federal program for the year ended December 31, 2011.

- TANF (CFDA # 93.558)

Internal Control Over Compliance

Management of Las Animas County, is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Las Animas County's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Las Animas County's internal control over compliance.

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

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 deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, the Board of Directors, others within the entity, federal awarding agencies, and pass through entities and is not intended to be and should not be used by anyone other than these specified parties.

Dixon, Waller & Co., Inc.

December 17, 2012

LAS ANIMAS COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2011

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

Title XIX Medicaid	(CFDA # 93.778)
LEAP	(CFDA # 93.568)
Single Entry Point	(CFDA # 93.778)
TANF	(CFDA # 93.558)

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 2011

Findings – GAGAS

None.

LAS ANIMAS COUNTY, COLORADO
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 Year Ended December 31, 2011

<u>Federal Grantor/Pass through Grantor/Program TITLE</u>	<u>CFDA Number</u>	<u>Expenditures Amount</u>
<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	13,395
Title IV-E Foster Care	93.658	243,164
Title XX Block Grant	93.667	106,738
Title XIX Medicaid	93.778	123,635
Title IV-D Administration	93.563	141,282
LEAP	93.568	713,623
Title IV-E Adoption	93.659	73,352
TANF	93.558	722,177
CCDF	93.596	136,069
IV-E Ind. Living	93.674	19,725
<u>(Passed through State Department of Health Care Policy and Finance)</u>		
Single Entry Point	93.778	280,240
<u>U.S. Department of Agriculture</u>		
<u>(Pass through State Department of Human Services)</u>		
TEFAP Commodities	10.569	33,495
TEFAP Admin	10.568	<u>2,211</u>
<u>Totals</u>		<u>2,609,106</u>

LAS ANIMAS COUNTY, COLORADO
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended December 31, 2011

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

\$149,593 of Single Entry Point monies were passed through to the Huerfano County during 2011. 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).