

cPa DIXON, WALLER & CO., INC.

LAS ANIMAS COUNTY, COLORADO

AUDIT REPORT

DECEMBER 31, 2015

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

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December 31, 2015

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FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

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

**Report on the Financial Statements**

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

**Management's Responsibility for the Financial Statements**

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

**Auditor's Responsibility**

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

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

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

**Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Las Animas County, as of December 31, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Other Matters

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages i through vi and 37 through 41 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

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

The disclosure on EBT authorizations, warrant expenditures and total expenditures on page 51-52 is not a required part of the basic financial statements but is supplementary information required by the Colorado Department of Human Services. We have applied certain limited procedures which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated September 12, 2016, on our consideration of Las Animas County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Las Animas County's internal control over financial reporting and compliance.

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

September 12, 2016

## 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, 2015. We encourage readers to consider the information presented here in conjunction with the County's financial statements, which follow this section.

### FINANCIAL HIGHLIGHTS

- The County's total combined net position for government and business-type activities were \$50,327,082 at December 30, 2015.
- During the year, the County's governmental fund expenses were \$633,220 more than the \$21,903,926 generated by taxes, grants and other forms of revenue in all government funds.
- As of December 31, 2015, The County's governmental funds reported combined ending fund balances of \$13,323,023, a decrease of \$633,220 in comparison with the prior year. Of the ending fund balance, \$409,000 is reserved for emergencies.
- As of December 31, 2015, unreserved/unassigned fund balance for the general fund was \$3,655,113 alternatively, 58% of total general fund expenditures.
- In the general fund, the actual revenues (\$6,006,681) were 1.5% lower than what was budgeted while actual expenditures (\$6,331,320) were 0.9% lower than budget. This resulted in a decrease in fund balance of \$324,639.
- Revenues in the County's governmental funds increased by \$259,219 or 1.2% higher than they had been in the previous year of 2014, while expenditures increased by \$902,591 or 4.1% higher than expenditures for 2014.

### Overview of the Financial Statements

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

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

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

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

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

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

**Fund financial statements** – A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Las Animas County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

**Governmental funds:** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on current sources and uses of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The County maintains 10 governmental funds. Information is presented separately in the Governmental Fund Balance Sheet and in the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund, Road & Bridge Fund, Public Welfare Fund (human services), and other governmental funds including Capital Expenditures, and Conservation Trust.

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

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

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

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

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

Notes to the financial statements – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 14 to 36 of this report.

## GOVERNMENT WIDE FINANCIAL ANALYSIS

Net Position may serve over time as a useful indicator of a government’s financial position. In the case of Las Animas County, assets exceeded liabilities by \$50,327,082 as of December 31, 2015.

Of the County’s total net position, 76.2%, is reflected in capital assets investments (e.g. land, buildings, roads, bridges, equipment), less any related debt used to acquire assets that are still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County’s investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

### LAS ANIMAS COUNTY’S NET POSITION

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
<b>Net Position (page iii)</b>						
Capital Assets, not depreciated	\$470,261	\$470,261	\$313,498	\$193,904	\$783,759	\$664,165
Capital Assets, being deprec (net)	\$35,854,142	\$40,494,720	\$1,702,395	\$1,811,348	\$37,556,537	\$42,306,068
<b>Total Capital Assets</b>	<b>\$36,324,403</b>	<b>\$40,964,981</b>	<b>\$2,015,893</b>	<b>\$2,005,252</b>	<b>\$38,340,296</b>	<b>\$42,970,233</b>
Current & Other Assets	\$18,188,451	\$14,645,218	\$51,891	\$64,500	\$18,240,342	\$14,709,718
<b>Total Assets</b>	<b>\$54,512,854</b>	<b>\$55,610,199</b>	<b>\$2,067,784</b>	<b>\$2,069,752</b>	<b>\$56,580,638</b>	<b>\$57,679,951</b>
Long-term Liabilities Outstanding	\$0	\$0	\$0	\$0	\$0	\$0
Other Liabilities	\$2,387,489	\$1,893,823	\$65,040	\$89,306	\$2,452,529	\$1,983,129
<b>Total Liabilities</b>	<b>\$2,387,489</b>	<b>\$1,893,823</b>	<b>\$65,040</b>	<b>\$89,306</b>	<b>\$2,452,529</b>	<b>\$1,983,129</b>
Deferred Inflows of Resources	\$3,801,026	\$0	\$0	\$0	\$3,801,026	\$0
<b>Net Position:</b>						
Net Investment in						
Capital Assets	\$35,451,931	\$40,199,855	\$2,015,892	\$2,005,251	\$37,467,823	\$42,205,106
Restricted	\$10,076,910	\$9,597,598	\$0	\$0	\$10,076,910	\$9,597,598
Unrestricted (Deficit)	\$2,795,498	\$3,918,923	(\$13,149)	(\$24,806)	\$2,782,349	\$3,894,117
<b>Total Net Position</b>	<b>\$48,324,339</b>	<b>\$53,716,376</b>	<b>\$2,002,743</b>	<b>\$1,980,445</b>	<b>\$50,327,082</b>	<b>\$55,696,821</b>

The decrease in net position from 2014 to 2015 is due primarily to depreciation of infrastructure (roads, bridges, etc.). Infrastructure accounted for \$25,828,179, after depreciation, of total net position. A portion of the County’s net position, 20%, represents resources that are subject to external restriction on how they may be used which is up from 17.2% the previous year. The remaining unrestricted net position, \$2,795,498 is down 28% from 2014

In addition, the remaining may be used to meet the government's ongoing obligations to citizens and creditors. As of December 31, 2015, the County is able to report positive balances in all three categories of total net position, both for the government as a whole, as well as for its separate governmental and business-type activities.

**Changes in Net Position** – The County's total revenues are \$22,349,175. Of this total, 28.3% is general revenue, i.e. taxes, intergovernmental revenue, interest income, etc.; 67.0% is from state programs and grants; and 4.7% relates to charges for services.

The total cost of all programs and services was \$27,718,914. The two largest portions are 36.6%, for social services and 36.3% for the various capital projects throughout the county including roads, bridges, and building construction. The resulting change in net position was a negative \$[5,369,739]. Both the governmental activities programs and the Airport Proprietary Fund realized a decrease in net position for 2015.

**Analysis of the County's Operations** – The table below provides a summary of Las Animas County's operations for 2015. In governmental activities, net position was reduced in the amount of \$5,392,037. In business-type activities, net position increased by \$22,298.

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

Changes in Net Position (page iv)	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
<b>Revenues</b>						
<b>Program Revenues</b>						
Charges for Services	\$713,627	\$708,423	\$327,501	\$351,558	\$1,041,128	\$1,059,981
Operating Grants & Contributions	\$12,880,773	\$12,072,665	\$0	\$0	\$12,880,773	\$12,072,665
Capital Grants & Contributions	\$1,993,425	\$2,186,614	\$117,748	\$362,712	\$2,111,173	\$2,549,326
<b>General Revenues</b>						
Property Taxes	\$3,639,256	\$3,575,426	\$0	\$0	\$3,639,256	\$3,575,426
Specific Ownership Taxes	\$667,438	\$600,080	\$0	\$0	\$667,438	\$600,080
Sales Taxes	\$30	\$310	\$0	\$0	\$30	\$310
Sale of Assets	\$0	\$0	\$0	\$0	\$0	\$0
Intergovernmental (Not Specific Restrict)	\$1,310,572	\$1,319,459	\$0	\$0	\$1,310,572	\$1,319,459
Legal Settlement Jail Renov	\$0	\$425,000	\$0	\$0	\$0	\$425,000
Insurance Proceeds	\$560,972	\$531,177	\$0	\$0	\$560,972	\$531,177
Interest Revenue	\$60,479	\$66,624	\$0	\$0	\$60,479	\$66,624
Other Revenues	\$77,354	\$157,156	\$0	\$0	\$77,354	\$157,156
Transfers In / (Out)	(\$17,790)	\$0	\$17,790	\$0	\$0	\$0
<b>Total Revenues</b>	<b>\$21,886,136</b>	<b>\$21,642,934</b>	<b>\$463,039</b>	<b>\$714,270</b>	<b>\$22,349,175</b>	<b>\$22,357,204</b>
<b>Expenses</b>						
General Government	\$3,922,575	\$3,894,761	\$0	\$0	\$3,922,575	\$3,894,761
Public Safety	\$2,328,899	\$2,539,336	\$0	\$0	\$2,328,899	\$2,539,336
Health & Environment	\$216,770	\$216,770	\$0	\$0	\$216,770	\$216,770
Auxiliary Services	\$201,603	\$219,044	\$0	\$0	\$201,603	\$219,044
Intergovernmental	\$374,110	\$373,879	\$0	\$0	\$374,110	\$373,879
Parks and Recreation	\$6,543	\$0	\$0	\$0	\$6,543	\$0
Road, Bridges & Capital Outlay	\$10,055,415	\$7,424,839	\$0	\$0	\$10,055,415	\$7,424,839
Social Services	\$10,143,740	\$9,368,527	\$0	\$0	\$10,143,740	\$9,368,527
Debt Services	\$28,518	\$36,353	\$0	\$0	\$28,518	\$36,353
Airport	\$0	\$0	\$440,741	\$541,644	\$440,741	\$541,644
<b>Total Expenses</b>	<b>\$27,278,173</b>	<b>\$24,073,509</b>	<b>\$440,741</b>	<b>\$541,644</b>	<b>\$27,718,914</b>	<b>\$24,615,153</b>
10						
Increase / (Decrease) in Net Position	(\$5,392,037)	(\$2,430,575)	\$22,298	\$172,626	(\$5,369,739)	(\$2,257,949)
Net Position -- January 1	\$53,716,376	\$56,146,951	\$1,980,445	\$1,807,819	\$55,696,821	\$57,954,770
Prior Year Adjustment			\$0	\$0	\$0	\$0
Net Position -- January 1, restated	\$53,716,376	\$56,146,951	\$1,980,445	\$1,807,819	\$55,696,821	\$57,954,770
Net Position -- December 31	\$48,324,339	\$53,716,376	\$2,002,743	\$1,980,445	\$50,327,082	\$55,696,821

## CAPITAL ASSETS

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

Capital Assets Net of Accum Dprec	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Land	\$470,261	\$470,261	\$117,304	\$117,304	\$587,565	\$587,565
Water Rights	\$0	\$0	\$76,600	\$76,600	\$76,600	\$76,600
Construction in Progress	\$0	\$0	\$119,594	\$0	\$119,594	\$0
Infrastructure	\$25,828,179	\$29,521,326	\$0	\$0	\$25,828,179	\$29,521,326
Structure & Improvements	\$8,445,484	\$9,264,551	\$1,274,616	\$1,354,384	\$9,720,100	\$10,618,935
Equipment	\$1,580,479	\$1,708,843	\$427,779	\$456,964	\$2,008,258	\$2,165,807
<b>Total Capital Assets (net)</b>	<b>\$36,324,403</b>	<b>\$40,964,981</b>	<b>\$2,015,893</b>	<b>\$2,005,252</b>	<b>\$38,340,296</b>	<b>\$42,970,233</b>

During fiscal year 2015, Las Animas County added \$1,175,217 and \$21,962 capital assets were retired, including infrastructure, equipment, buildings, and vehicles. After depreciation, the total value of all assets is \$38,340,296. The County depreciates capital assets, except land and water rights, using the straight-line depreciation method in addition, a predetermined useful life of the asset.

## LONG-TERM DEBT

### LONG TERM DEBT AT YEAR END

Long Term Debt	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Sales Tax revenue Bonds	\$0	\$0	\$0	\$0	\$0	\$0
Notes Payable	\$0	\$0	\$0	\$0	\$0	\$0
Capital Lease Obligations	\$872,472	\$765,126	\$0	\$0	\$872,472	\$765,126
Compensated Absences	\$450,615	\$439,722	\$0	\$0	\$450,615	\$439,722
<b>Total Long-Term Debt</b>	<b>\$1,323,087</b>	<b>\$1,204,848</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,323,087</b>	<b>\$1,204,848</b>

Total long-term debt obligations of the County increased by \$118,239 (net) from 2014 to 2015. The amount owed to employees for compensated absences increased by 2.5% in 2015. 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 2016 budget preparation increased by \$29,333,850, or 7.2%. A Ballot Question (1B) approved by voters of Las Animas County in November 2005 which allowed the county to freeze the mill levy at that year's level of 9.357 mills for a five-year period expired at the end of 2010. Beginning with the 2011 budget year, Las Animas County was again required to adhere to any revenue restrictions as it

pertains to the assessment of property taxes. Due to the increase in valuation, the mill levy will remain at 9.357 in 2015 in conformance with TABOR. General fund spending in 2016 is projected to decrease by \$317,983 (5.3%) under what was actually spent in 2015, and general fund revenue is expected to increase by \$6,656. (0.1%) from what was actually realized in 2015. Revenues and expenditures in the general fund and road and bridge fund may fluctuate accordingly with the county's receipt of any capital improvement grants and awards.

## **REQUESTS FOR INFORMATION**

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

## BASIC FINANCIAL STATEMENTS

LAS ANIMAS COUNTY, COLORADO  
STATEMENT OF NET POSITION  
December 31, 2015

<u>ASSETS</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Cash	7,441,262	-	7,441,262
Investments	5,519,471	-	5,519,471
Receivables (Net, if Applicable, of Allowance for Uncollectibles):			
Accounts	474,775	4,767	479,542
Accrued Interest	14,508	-	14,508
Accrued Revenue	751,468	-	751,468
Property Tax	3,801,026	-	3,801,026
Interfund Receivable	41,779	20,554	62,333
Due from Other Governments	106,220	-	106,220
Inventories	37,942	26,570	64,512
Prepaid Insurance	-	-	-
Fixed Assets (Net)	<u>36,324,403</u>	<u>2,015,892</u>	<u>38,340,295</u>
<u>Total Assets</u>	<u>54,512,854</u>	<u>2,067,783</u>	<u>56,580,637</u>
 <u>DEFERRED OUTFLOWS OF RESOURCES</u>	 <u>-</u>	 <u>-</u>	 <u>-</u>
 <u>LIABILITIES</u>			
Interfund Payable	-	62,333	62,333
Unearned Grant Payments	234,258	-	234,258
Accounts Payable	408,378	2,707	411,085
Accrued Wages & Benefits Payable	140,380	-	140,380
Liabilities Agency Funds	27,575	-	27,575
Other Liabilities	2,912	-	2,912
Due to Other Governments	250,899	-	250,899
Noncurrent Liabilities:			
Due Within One Year	273,824	-	273,824
Due in More than One Year	598,648	-	598,648
Compensated Absences Payable	450,615	-	450,615
<u>Total Liabilities</u>	<u>2,387,489</u>	<u>65,040</u>	<u>2,452,529</u>
 <u>DEFERRED INFLOWS OF RESOURCES</u>			
Property Tax	<u>3,801,026</u>	<u>-</u>	<u>3,801,026</u>
 <u>NET POSITION</u>			
Net Investment in Capital Assets	35,451,931	2,015,892	37,467,823
Restricted for:			
Capital Projects	2,767,697	-	2,767,697
Public Safety	1,075,357	-	1,075,357
Roads and Bridges	5,106,581	-	5,106,581
Social Services	384,650	-	384,650
Parks and Recreation	333,625	-	333,625
Tabor Reserve	409,000	-	409,000
Unrestricted (Deficit)	<u>2,795,498</u>	<u>(13,149)</u>	<u>2,782,349</u>
<u>Total Net Position</u>	<u>48,324,339</u>	<u>2,002,743</u>	<u>50,327,082</u>

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



LAS ANIMAS COUNTY, COLORADO  
STATEMENT OF ACTIVITIES  
Year Ended December 31, 2015

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Governmental Activities	Business Type Activities	Total
<b>Governmental Activities</b>							
General Government	3,922,575	637,943	-	-	(3,284,632)	-	(3,284,632)
Public Safety	2,328,899	75,684	24,333	-	(2,228,882)	-	(2,228,882)
Health & Environment	216,770	-	-	-	(216,770)	-	(216,770)
Auxiliary Services	201,603	-	-	-	(201,603)	-	(201,603)
Intergovernmental	374,110	-	-	-	(374,110)	-	(374,110)
Parks and Recreation	6,543	-	-	-	(6,543)	-	(6,543)
Roads, Bridges and Capital Outlay	10,055,415	-	3,196,245	1,993,425	(4,865,745)	-	(4,865,745)
Social Services	10,143,740	-	9,660,195	-	(483,545)	-	(483,545)
Debt Service Interest	28,518	-	-	-	(28,518)	-	(28,518)
<b>Total Governmental Activities</b>	<b>27,278,173</b>	<b>713,627</b>	<b>12,880,773</b>	<b>1,993,425</b>	<b>(11,690,348)</b>	<b>-</b>	<b>(11,690,348)</b>
<b>BUSINESS TYPE ACTIVITIES</b>							
Airport	440,741	327,501	-	117,748	-	4,508	4,508
<b>Total Business Type Activities</b>	<b>440,741</b>	<b>327,501</b>	<b>-</b>	<b>117,748</b>	<b>-</b>	<b>4,508</b>	<b>4,508</b>
<b>Total Primary Government</b>	<b>27,718,914</b>	<b>1,041,128</b>	<b>12,880,773</b>	<b>2,111,173</b>	<b>(11,690,348)</b>	<b>4,508</b>	<b>(11,685,840)</b>
<b>General Revenues:</b>							
Property Taxes					3,639,256	-	3,639,256
Specific Ownership Taxes					667,438	-	667,438
Sales Taxes					30	-	30
Intergovernmental Not Specifically Restricted					1,310,572	-	1,310,572
Insurance Proceeds					560,972	-	560,972
Interest Revenue					60,479	-	60,479
Other Revenues					77,354	-	77,354
Transfers In (Out)					(17,790)	17,790	-
<b>Total General Revenues &amp; Transfers</b>					<b>6,298,311</b>	<b>17,790</b>	<b>6,316,101</b>
<b>Changes in Net Position</b>					<b>(5,392,037)</b>	<b>22,298</b>	<b>(5,369,739)</b>
<b>Net Position – Beginning</b>					<b>53,716,376</b>	<b>1,980,445</b>	<b>55,696,821</b>
<b>Net Position – Ending</b>					<b>48,324,339</b>	<b>2,002,743</b>	<b>50,327,082</b>

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

LAS ANIMAS COUNTY, COLORADO  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
December 31, 2015

	Special Revenue				Other Governmental Funds	Total Governmental Funds
	General	Road & Bridge	Public Welfare	Capital Expenditure		
<b>ASSETS:</b>						
Cash	2,136,531	2,428,048	482,214	1,472,570	921,899	7,441,262
Investments	1,574,039	1,817,572	309,217	1,115,218	703,425	5,519,471
Receivables (Net, of Allowance where Applicable)						
Accounts	111,689	236,102	9,663	117,321	-	474,775
Accrued Revenue	-	751,468	-	-	-	751,468
Accrued Interest	14,508	-	-	-	-	14,508
Property Taxes	3,364,667	-	327,269	109,090	-	3,801,026
Inventory	-	37,942	-	-	-	37,942
Due from Other Funds	62,333	-	53,330	-	-	115,663
Due from Other Governments	-	-	106,220	-	-	106,220
<u>Total Assets</u>	<u>7,263,767</u>	<u>5,271,132</u>	<u>1,287,913</u>	<u>2,814,199</u>	<u>1,625,324</u>	<u>18,262,335</u>
Deferred Outflows of Resources	-	-	-	-	-	-
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES:</b>						
<b>Liabilities:</b>						
Accounts Payable	119,629	95,199	60,350	121,017	12,183	408,378
Accrued Salaries Payable	71,028	69,352	-	-	-	140,380
Due to Other Funds	53,330	-	-	20,554	-	73,884
Due to Other Governments	-	-	250,899	-	-	250,899
Liabilities Payable from Restricted Assets	-	-	27,575	-	-	27,575
Other Payables	-	-	2,912	-	-	2,912
Unearned Grant Payments	-	-	234,258	-	-	234,258
<u>Total Liabilities</u>	<u>243,987</u>	<u>164,551</u>	<u>575,994</u>	<u>141,571</u>	<u>12,183</u>	<u>1,138,286</u>
Deferred Inflows of Resources						
Property Tax	<u>3,364,667</u>	<u>-</u>	<u>327,269</u>	<u>109,090</u>	<u>-</u>	<u>3,801,026</u>
<b>Fund Balances:</b>						
Nonspendable:						
Inventories	-	-	-	-	-	-
Prepaid Expense	-	-	-	-	-	-
Restricted:						
Emergencies	409,000	-	-	-	-	409,000
Roads & Bridges	-	5,106,581	-	-	-	5,106,581
Capital Outlay	-	-	-	2,563,538	204,159	2,767,697
Parks and Recreation	-	-	-	-	333,625	333,625
Public Safety	-	-	-	-	1,075,357	1,075,357
Social Services	-	-	384,650	-	-	384,650
Committed:						
Unanticipated Obligations	448,202	-	-	-	-	448,202
Assigned:						
Social Services	-	-	-	-	-	-
Public Works	-	-	-	-	-	-
Unassigned:						
<u>Total Fund Balances</u>	<u>2,797,911</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,797,911</u>
<u>Total Liabilities, Deferred Inflows of Resources and Fund Balances</u>	<u>7,263,767</u>	<u>5,271,132</u>	<u>1,287,913</u>	<u>2,814,199</u>	<u>1,625,324</u>	<u>18,262,335</u>

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

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

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

<u>Total Fund Balance – Governmental Funds</u>	13,323,023
Capital Assets used in governmental activities are not considered current financial resources and, therefore, not reported in the governmental funds.	118,084,953
Accumulated depreciation is not recognized in the governmental funds because capital assets are expensed at the time of acquisition.	(81,760,550)
Long-Term Liabilities for Compensated Absences of \$450,615 and Capital Lease Payable of \$872,472 are not due and payable in the current period and, therefore, not reported in the governmental funds.	<u>(1,323,087)</u>
<u>GOVERNMENTAL ACTIVITIES NET POSITION</u>	<u>48,324,339</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, 2015

	Special Revenue			Other Governmental Funds	Total Governmental Funds	
	General	Road & Bridge	Public Welfare			Capital Expenditure
<u>REVENUES:</u>						
Taxes	3,716,910	42	352,674	117,655	30	4,187,311
Licenses & Permits	4,600	-	-	-	-	4,600
Intergovernmental Revenues	911,940	5,664,699	9,660,195	-	48,715	16,285,549
Charges for Services	624,359	-	-	-	-	624,359
Interest Revenues	60,479	-	-	-	-	60,479
Miscellaneous Revenues	<u>688,393</u>	<u>49,434</u>	<u>-</u>	<u>11</u>	<u>3,790</u>	<u>741,628</u>
<u>Total Revenues</u>	<u>6,006,681</u>	<u>5,714,175</u>	<u>10,012,869</u>	<u>117,666</u>	<u>52,535</u>	<u>21,903,926</u>
<u>EXPENDITURES</u>						
General Government	3,555,505	-	-	-	-	3,555,505
Public Safety	2,013,163	-	-	-	80,361	2,093,524
Health Services	216,770	-	-	-	-	216,770
Auxiliary Services	135,290	-	-	-	-	135,290
Intergovernmental	374,110	-	-	-	-	374,110
Parks and Recreation	-	-	-	-	6,543	6,543
Roads, Bridges & Capital Outlay	-	6,034,988	-	3,512	-	6,038,500
Social Services	-	-	10,177,942	-	-	10,177,942
Debt Service	<u>36,482</u>	<u>89,723</u>	<u>-</u>	<u>62,564</u>	<u>29,733</u>	<u>218,502</u>
<u>Total Expenditures</u>	<u>6,331,320</u>	<u>6,124,711</u>	<u>10,177,942</u>	<u>66,076</u>	<u>116,637</u>	<u>22,816,686</u>
<u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u>						
	<u>(324,639)</u>	<u>(410,536)</u>	<u>(165,073)</u>	<u>51,590</u>	<u>(64,102)</u>	<u>(912,760)</u>
<u>OTHER FINANCING SOURCES (USES)</u>						
Lease Purchase Proceeds	297,330	-	-	-	-	297,330
Operating Transfers In (Out)	<u>(503,330)</u>	<u>450,000</u>	<u>53,330</u>	<u>(17,790)</u>	<u>-</u>	<u>(17,790)</u>
<u>Total Other Financing Sources (Uses)</u>	<u>(206,000)</u>	<u>450,000</u>	<u>53,330</u>	<u>(17,790)</u>	<u>-</u>	<u>279,540</u>
<u>NET CHANGES IN FUND BALANCES</u>	<u>(530,639)</u>	<u>39,464</u>	<u>(111,743)</u>	<u>33,800</u>	<u>(64,102)</u>	<u>(633,220)</u>
<u>FUND BALANCES-Beginning</u>	<u>4,185,752</u>	<u>5,067,117</u>	<u>496,393</u>	<u>2,529,738</u>	<u>1,677,243</u>	<u>13,956,243</u>
<u>FUND BALANCES-Ending</u>	<u>3,655,113</u>	<u>5,106,581</u>	<u>384,650</u>	<u>2,563,538</u>	<u>1,613,141</u>	<u>13,323,023</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, 2015

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

Net Change in Fund Balances – Total Governmental Funds (633,220)

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. 1,055,623

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

	Lease Proceeds	(297,330)	
	Repayment of Debt Principal	<u>189,984</u>	(107,346)

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

	Compensated Absences	(10,893)	(10,893)
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Governmental funds report capital outlay as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. (5,696,201)

GOVERNMENTAL ACTIVITIES CHANGE IN NET POSITION (5,392,037)

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

LAS ANIMAS COUNTY, COLORADO  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
December 31, 2015

	<u>Business-Type Activities</u>	<u>Enterprise Fund</u>	<u>Airport Fund</u>
<u>ASSETS</u>			
<u>Current Assets</u>			
Cash		-	
Accounts Receivable		4,767	
Inventories		26,570	
Due From Other Funds		20,554	
Prepaid Insurance		-	
<u>Total Current Assets</u>		<u>51,891</u>	
 <u>CAPITAL ASSETS</u>			
Land		117,304	
Land Improvements		3,299,198	
Building		278,638	
Equipment		707,507	
Water Rights		<u>76,600</u>	
		4,479,247	
Less Accumulated Depreciation		<u>(2,463,355)</u>	
<u>Total Capital Assets, Net of Accumulated Depreciation</u>		<u>2,015,892</u>	
<u>Total Assets</u>		<u>2,067,783</u>	
 <u>DEFERRED OUTFLOW OF RESOURCES</u>			
		-	
 <u>LIABILITIES AND NET POSITION</u>			
<u>Current Liabilities</u>			
Due To Other Funds		62,333	
Accounts Payable		2,707	
Unearned Grant Payments		-	
<u>Total Current Liabilities</u>		<u>65,040</u>	
 <u>DEFERRED INFLOW OF RESOURCES</u>			
		-	
 <u>Net Position</u>			
Net Investment in Capital Assets		2,015,892	
Unrestricted (Deficit)		<u>(13,149)</u>	
 <u>TOTAL NET POSITION</u>			
		<u>2,002,743</u>	

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

LAS ANIMAS COUNTY, COLORADO  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
PROPRIETARY FUNDS  
Year Ended December 31, 2015

	<u>Business Type Activities</u>
	<u>Enterprise Funds</u>
	<u>Airport Fund</u>
<u>OPERATING REVENUES</u>	
Operating Revenue	327,501
<u>Total Revenues</u>	<u>327,501</u>
<u>OPERATING EXPENSES</u>	
Salaries	31,862
Employee Benefits	6,986
Cost of Sales	172,183
Public Utility Service	13,316
Office Expense & Supplies	7,523
Depreciation	136,161
Contractual Agreements & Leases	50,945
Telephone	1,565
Maintenance	6,753
Insurance	13,447
Bad Debt	-
<u>Total Operating Expenses</u>	<u>440,741</u>
 <u>OPERATING INCOME (LOSS) BEFORE OTHER SOURCES</u>	 <u>(113,240)</u>
<u>NON OPERATING REVENUES (EXPENSES)</u>	
Grants	117,748
Transfers In	17,790
<u>Total Non Operating Revenues (Expenses)</u>	<u>135,538</u>
 <u>INCOME BEFORE CAPITAL CONTRIBUTIONS</u>	 22,298
 <u>CAPITAL CONTRIBUTIONS – EQUIPMENT PURCHASE</u>	 <u>-</u>
 <u>CHANGE IN NET POSITION</u>	 22,298
 <u>TOTAL NET POSITION, January 1</u>	 <u>1,980,445</u>
 <u>TOTAL NET POSITION, December 31</u>	 <u>2,002,743</u>

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

LAS ANIMAS COUNTY, COLORADO  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
Year Ended December 31, 2015

	<u>Business Type Activities</u> <u>Enterprise Funds</u> <u>Airport Fund</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>	
Receipts from Customers & Users	340,995
Payments for Salaries and Benefits	(38,848)
Payments to Vendors – Supplies and Services	(250,609)
<u>NET CASH PROVIDED (USED) BY OPERATIONS</u>	<u>51,538</u>
<u>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</u>	
Grant Revenue	117,748
Operating Transfers In	17,790
Due To Other Funds	(40,274)
<u>NET CASH PROVIDED BY NON-CAPITAL FINANCING ACTIVITIES</u>	<u>95,264</u>
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>	
Non-Financed Purchase of Property & Equipment	(146,802)
Capital Contributions – Equipment Purchase	-
<u>NET CASH PROVIDED BY (USED FOR) IN CAPITAL AND RELATED FINANCING ACTIVITIES</u>	<u>(146,802)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>	
Other Revenue	-
<u>NET CASH PROVIDED BY INVESTING ACTIVITIES</u>	<u>-</u>
<u>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</u>	<u>-</u>
<u>CASH AND CASH EQUIVALENTS – Beginning</u>	<u>-</u>
<u>CASH AND CASH EQUIVALENTS – Ending</u>	<u>-</u>
<u>RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES</u>	
Operating Income (Loss)	(113,240)
Non Cash Items in Operations:	
Depreciation	136,161
(Increase) Decrease in Inventory	19,669
(Increase) Decrease in Receivables/Accruals	13,494
Increase (Decrease) in Payables/Accruals	(4,546)
<u>NET CASH PROVIDED (USED FOR) OPERATING ACTIVITIES</u>	<u>51,538</u>
<u>NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES</u>	
Cash Paid for Interest Expense	-
Cash Paid for Income Taxes	-
<u>TOTAL NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES</u>	<u>-</u>

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



LAS ANIMAS COUNTY, COLORADO  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
December 31, 2015

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	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	867,811
Investments	<u>-</u>
<u>Total Assets</u>	<u>867,811</u>
<u>LIABILITIES</u>	
Deposits Held for Others	<u>867,811</u>
<u>Total Liabilities</u>	<u>867,811</u>
<u>NET POSITION</u>	<u><u>-</u></u>

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

LAS ANIMAS COUNTY, COLORADO  
STATEMENT OF CHANGES IN FIDUCIARY DEPOSITS HELD FOR OTHERS  
FIDUCIARY FUNDS  
Year Ended December 31, 2015

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	<u>Agency Funds</u>
<u>ADDITIONS</u>	
Receipts	14,279,007
<u>DEDUCTIONS</u>	
Disbursements	<u>13,960,142</u>
<u>CHANGES IN DEPOSITS HELD FOR OTHERS</u>	318,865
<u>DEPOSITS HELD FOR OTHERS – Beginning of Year</u>	<u>548,946</u>
<u>DEPOSITS HELD FOR OTHERS – End of Year</u>	<u>867,811</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, 2015

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NOTE 1      THE FINANCIAL REPORTING ENTITY

Reporting Entity

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

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

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

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

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

Individual Component Unit Disclosures

Blended Component Units:

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

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

Intergovernmental Agreements

The County has entered into the following intergovernmental agreements:

LAS ANIMAS COUNTY, COLORADO  
NOTES TO FINANCIAL STATEMENTS  
For the Fiscal Year Ended December 31, 2015

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 2015, the allocation of budgeted expenditures was 70% for a total expenditure to the County of \$216,770.

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 2015, the total expenditure for the County was \$221,872.

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, 2015, is presented for the Health Department and Las Animas County E-911 and as of December 31, 2014 for the Third Judicial District

Statement of Net Position

	<u>Health Department</u>	<u>Third Judicial District</u>	<u>Las Animas County E-911</u>
<u>ASSETS</u>	<u>561,549</u>	<u>62,601</u>	<u>475,068</u>
<u>LIABILITIES</u>	46,047	68,012	-
<u>NET POSITION</u>	<u>515,502</u>	<u>(5,411)</u>	<u>475,068</u>
<u>TOTAL LIABILITIES &amp; NET POSITION</u>	<u>561,549</u>	<u>62,601</u>	<u>475,068</u>

Statement of Activities

<u>REVENUES</u>	1,162,969	688,186	233,396
<u>EXPENSES</u>	978,734	731,148	250,433
<u>REVENUES OVER (UNDER) EXPENDITURES</u>	<u>184,235</u>	<u>(42,962)</u>	<u>(17,037)</u>

LAS ANIMAS COUNTY, COLORADO  
NOTES TO FINANCIAL STATEMENTS  
For the Fiscal Year Ended December 31, 2015

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NOTE 1      THE FINANCIAL REPORTING ENTITY (Continued)

Intergovernmental Agreements (Continued)

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

NOTE 2      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

Government-Wide Financial Statements

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

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, 2015

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NOTE 2      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A.    Basis of Presentation (Continued)

Fund Financial Statements (Continued)

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

The County reports the following major governmental funds:

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

The County reports the following major enterprise fund:

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

The County reports the following additional fund types:

- *The Special Revenue Funds* are used to account for specific revenues that are legally restricted to expenditure for particular purposes.
- *The Capital Projects Funds* account for financial resources created by the issuance of bonded indebtedness and are used for major capital projects.
- *The Agency Funds* account for assets held by the County as an agent for various local governments.

LAS ANIMAS COUNTY, COLORADO  
NOTES TO FINANCIAL STATEMENTS  
For the Fiscal Year Ended December 31, 2015

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NOTE 2      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B.    Basis of Accounting

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

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

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

C.    Non-Current Governmental Assets/Liabilities

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

D.    Cash and Cash Equivalents

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



LAS ANIMAS COUNTY, COLORADO  
NOTES TO FINANCIAL STATEMENTS  
For the Fiscal Year Ended December 31, 2015

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NOTE 2      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E.    Investments

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

- Obligations of the United States and certain U.S. government agency securities
- Certain international agency securities
- General obligation and revenue bonds of U.S. Local government entities
- Bankers' acceptances of certain banks
- Commercial paper
- Local government investment pools
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts

F.    Inventories

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

G.    Property Taxes

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

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

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

H.    Capital Assets

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

LAS ANIMAS COUNTY, COLORADO  
NOTES TO FINANCIAL STATEMENTS  
For the Fiscal Year Ended December 31, 2015

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NOTE 2      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H.    Capital Assets (Continued)

The estimated useful lives are as follows:

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

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

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

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

I.    Compensated Absences

County Union Employees

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

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

County Non-Union Employees

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

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

LAS ANIMAS COUNTY, COLORADO  
NOTES TO FINANCIAL STATEMENTS  
For the Fiscal Year Ended December 31, 2015

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NOTE 2      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I.      Compensated Absences (Continued)

At December 31, 2015, the County has a liability for accrued sick leave and vacation payable of \$450,615.

A summary of compensated absences is presented as follows:

General County Government	\$ 263,259
Social Services	\$ 187,356
Total	<u>\$ 450,615</u>

Compensated absences for general county government is payable upon separation.

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

J.      Interfund Transactions

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

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

K.      Estimates

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

L.      Budgets and Budgetary Accounting

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

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

LAS ANIMAS COUNTY, COLORADO  
NOTES TO FINANCIAL STATEMENTS  
For the Fiscal Year Ended December 31, 2015

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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, 2015

**NOTE 2**    SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N.    GASB Statement No. 54 (Continued)

Fund Balance Classification Policies and Procedures

Committed Fund Balance Policy:

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

Assigned Fund Balance Policy:

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

Order of Fund Balance Spending Policy

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

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

Fund Balance Classification by Fund:

	<u>General</u>	<u>Special Revenue Funds</u>			<u>Other</u>	<u>Total</u>
		<u>Road &amp; Bridge</u>	<u>Public Welfare</u>	<u>Capital Expenditure</u>	<u>Governmental Fund</u>	<u>Governmental Funds</u>
<u>Nonspendable:</u>						
Inventories	-	-	-	-	-	-
Prepaid Expenses	-	-	-	-	-	-
<u>Restricted:</u>						
Emergencies	409,000	-	-	-	-	409,000
Road and Bridge	-	5,106,581	-	-	-	5,106,581
Capital Outlay	-	-	-	2,563,538	204,159	2,767,697
Parks & Recreation	-	-	-	-	333,625	333,625
Public Safety	-	-	-	-	1,075,357	1,075,357
Social Services	-	-	384,650	-	-	384,650
<u>Committed:</u>						
Unanticipated Obligations	448,202	-	-	-	-	448,202
<u>Assigned:</u>						
Social Services	-	-	-	-	-	-
Public Works	-	-	-	-	-	-
<u>Unassigned:</u>						
	2,797,911	-	-	-	-	2,797,911
<b>Total Fund Balances</b>	<u>3,655,113</u>	<u>5,106,581</u>	<u>384,650</u>	<u>2,563,538</u>	<u>1,613,141</u>	<u>13,323,023</u>

LAS ANIMAS COUNTY, COLORADO  
NOTES TO FINANCIAL STATEMENTS  
For the Fiscal Year Ended December 31, 2015

NOTE 2    SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N.    GASB Statement No. 54 (Continued)

Fund Balance Classification Policies and Procedures (Continued)

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

In addition to liabilities, the statement of financial position and the balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

NOTE 3    RECEIVABLES

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

	<u>General Fund</u>	<u>Road and Bridge Fund</u>	<u>Public Welfare Fund</u>	<u>Capital Expenditure Fund</u>	<u>Nonmajor Fund</u>	<u>Total Governmental Activities</u>
<u>Receivables-</u>						
<u>Governmental Activities</u>						
Accounts	111,689	236,102	9,663	117,321	-	474,775
Interest	14,508	-	-	-	-	14,508
Accrued Revenue	-	751,468	-	-	-	751,468
Accounts (Social Services)	-	-	2,834,060	-	-	2,834,060
Property Tax	<u>3,364,667</u>	-	<u>327,269</u>	<u>109,090</u>	-	<u>3,801,026</u>
<u>Gross Receivables</u>	<u>3,490,864</u>	<u>987,570</u>	<u>3,170,992</u>	<u>226,411</u>	-	<u>7,875,837</u>
Less: Allowance for						
Uncollectibles	-	-	(2,834,060)	-	-	(2,834,060)
Deferred Inflows-						
Property Taxes	<u>(3,364,667)</u>	-	<u>(327,269)</u>	<u>(109,090)</u>	-	-
<u>Total Receivables</u>	<u>126,197</u>	<u>987,570</u>	<u>9,663</u>	<u>117,321</u>	-	<u>5,041,777</u>

Airport Fund

<u>Receivables-</u>	
<u>Business-Type Activities</u>	
Accounts	4,767
Interest	-
Other	-
<u>Gross Receivables</u>	<u>4,767</u>
Less: Allowance for	
Uncollectibles	-
<u>Total Receivables</u>	<u>4,767</u>

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

LAS ANIMAS COUNTY, COLORADO  
 NOTES TO FINANCIAL STATEMENTS  
 For the Fiscal Year Ended December 31, 2015

NOTE 3      RECEIVABLES (Continued)

At December 31, 2015, the various components of unearned revenue or deferred inflows were as follows:

	<u>Unavailable</u>	<u>Unearned</u>
<u>Governmental Activities:</u>		
<u>Major Funds:</u>		
Grant drawdowns prior to meeting all eligibility requirements	-	234,258
<u>Nonmajor Funds:</u>		
Grant drawdowns prior to meeting all eligibility requirements	-	-
<u>Total Governmental Activities</u>	<u>-</u>	<u>234,258</u>
<u>Business-Type Activities:</u>	<u>-</u>	<u>-</u>

NOTE 4      DEFINED CONTRIBUTION PLAN

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

Employees contribute 3% of their salary to the plan with an equal amount contributed by the County. Vesting occurs at the rate of 20% per year. County contributions for, and earnings forfeited by, employees who leave employment before fully vesting are returned to the County. Forfeitures were \$4,500 during 2015 and pension expense was \$44,583. The County had no outstanding liability for this plan at year end.

NOTE 5      DEFERRED COMPENSATION PLAN

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

LAS ANIMAS COUNTY, COLORADO  
NOTES TO FINANCIAL STATEMENTS  
For the Fiscal Year Ended December 31, 2015

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 \$28,680 for 2015.

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, 2015 follows:

Assets	<u>40,563,732</u>
Liabilities	23,254,824
Fund Equity	<u>17,308,908</u>
	<u>40,563,732</u>
Revenues	9,915,444
Expenses	<u>8,685,101</u>
	1,230,343
Net Investment Income	99,020
Gain On Commutation	<u>          -</u>
Net Income (Loss)	<u>1,329,363</u>



LAS ANIMAS COUNTY, COLORADO  
NOTES TO FINANCIAL STATEMENTS  
For the Fiscal Year Ended December 31, 2015

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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, 2015 follows:

Assets	<u>25,221,523</u>
Liabilities	8,984,832
Fund Equity	<u>16,236,691</u>
	<u>25,221,523</u>
Revenues	6,173,444
Expenses	<u>7,034,337</u>
Net Income (Loss)	<u>(860,893)</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 2015, the county contribution for CHP coverage for each employee was \$651 per month which paid for the employee's medical and life insurance as well as dental and vision coverage for the entire family.

Summary audited financial information as of December 31, 2015 follows:

Assets	<u>12,686,373</u>
Liabilities	5,974,136
Net Position	<u>6,712,237</u>
	<u>12,686,373</u>
Revenues	54,512,194
Expenses	<u>52,613,142</u>
Increase (Decrease) in Net Position	<u>1,899,052</u>

LAS ANIMAS COUNTY, COLORADO  
NOTES TO FINANCIAL STATEMENTS  
For the Fiscal Year Ended December 31, 2015

NOTE 7      INTERFUND TRANSACTIONS

Interfund Receivables/Payables

Individual Fund Interfund Receivable and Payable balances at December 31, 2015 were as follows:

	<u>Due From</u>	<u>Due To</u>	<u>Repayment Period</u>	<u>Purpose</u>
Governmental Activities:				
General Fund	62,333	53,330	Within 1 Year	Operational
Public Welfare Fund	53,330	-	Within 1 Year	Operational
Capital Expenditure	-	20,554	Within 1 Year	Operational
Business Type Activities:				
Airport	<u>20,554</u>	<u>62,333</u>	Within 1 Year	Operational
	<u>136,217</u>	<u>136,217</u>		

Transfers

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

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
Major Funds:		
General	-	503,330
Road & Bridge	450,000	-
Public Welfare	53,330	-
Capital Expenditures	-	17,790
Airport Fund	<u>17,790</u>	<u>-</u>
Total	<u>521,120</u>	<u>521,120</u>

LAS ANIMAS COUNTY, COLORADO  
NOTES TO FINANCIAL STATEMENTS  
For the Fiscal Year Ended December 31, 2015

**NOTE 8    CAPITAL ASSETS**

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

	Balance January 1, 2015	<u>Adjustment</u>	<u>Additions</u>	<u>Retirements</u>	Balance December 31, 2015
<b><u>GOVERNMENTAL ACTIVITIES:</u></b>					
<b><u>Capital Assets, Not Being</u></b>					
<b><u>  Depreciated:</u></b>					
Land	470,261	-	-	-	470,261
<b>Total Capital Assets Not</b>					
<b>  Being Depreciated</b>	470,261	-	-	-	470,261
<b><u>Capital Assets, Being Depreciated:</u></b>					
Infrastructure	83,229,790	-	472,152	-	83,701,942
Structures & Improvements	20,160,119	-	63,432	-	20,223,551
Equipment	13,191,122	-	520,039	21,962	13,689,199
<b>Total Capital Assets, Being</b>					
<b>  Depreciated</b>	116,581,031	-	1,055,623	21,962	117,614,692
<b><u>Less Accumulated Depreciation for:</u></b>					
Infrastructure	53,708,464	-	4,165,299	-	57,873,763
Structures & Improvements	10,895,568	-	882,499	-	11,778,067
Equipment	11,482,279	-	648,403	21,962	12,108,720
<b>Total Accumulated Depreciation</b>	76,086,311	-	5,696,201	21,962	81,760,550
<b>Total Capital Assets, Being</b>					
<b>  Depreciated, Net</b>	40,494,720	-	(4,640,578)	-	35,854,142
<b>Governmental Activities Capital</b>					
<b>  Assets, Net</b>	40,964,981	-	(4,640,578)	-	36,324,403
<b><u>BUSINESS-TYPE ACTIVITIES</u></b>					
<b><u>Capital Assets, Not Being Depreciated:</u></b>					
Land	117,304	-	-	-	117,304
Water Rights	76,600	-	-	-	76,600
Construction in Progress	-	-	119,594	-	119,594
<b>Total Capital Assets, Not Being</b>					
<b>  Depreciated</b>	193,904	-	119,594	-	313,498
<b><u>Capital Assets, Being Depreciated</u></b>					
Structures & Improvements	3,431,034	-	27,208	-	3,458,242
Equipment	707,507	-	-	-	707,507
<b>Total Capital Assets, Being</b>					
<b>  Depreciated</b>	4,138,541	-	27,208	-	4,165,749
<b><u>Less Accumulated Depreciation for:</u></b>					
Structures & Improvements	2,076,651	-	106,976	-	2,183,627
Equipment	250,543	-	29,185	-	279,728
<b>Total Accumulated Depreciation</b>	2,327,194	-	136,161	-	2,463,355
<b>Total Capital Assets, Being</b>					
<b>  Depreciated, Net</b>	1,811,347	-	(108,953)	-	1,702,394
<b>Business-Type Activities Capital</b>					
<b>  Assets, Net</b>	2,005,251	-	10,641	-	2,015,892

LAS ANIMAS COUNTY, COLORADO  
NOTES TO FINANCIAL STATEMENTS  
For the Fiscal Year Ended December 31, 2015

NOTE 8      CAPITAL ASSETS (Continued)

Depreciation Expense was Charged to Governmental Functions as Follows:

General Government	712,826
Public Safety	286,827
Auxiliary Services	66,802
Roads and Bridges	4,584,217
Public Welfare	<u>45,529</u>

Total Depreciation Expense – Governmental Functions 5,696,201

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

Airport	<u>136,161</u>
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Total Depreciation Expenses – Business-Type Function 136,161

NOTE 9      LONG-TERM DEBT

Long-term liabilities at December 31, 2015 consisted of the following:

	<u>Balance</u> <u>01-01-15</u>	<u>Additions</u> <u>Accretions</u>	<u>Retirements</u>	<u>Balance</u> <u>12-31-15</u>	<u>Amounts Due</u> <u>Within One Year</u>
<u>Governmental Activities</u>					
Capital Lease Obligations	765,126	297,330	189,984	872,472	273,824
Compensated Absences (Note 2)	<u>439,722</u>	<u>21,541</u>	<u>10,648</u>	<u>450,615</u>	<u>—</u>
<u>Total Governmental</u> <u>Activities – Long Term</u> <u>Liabilities</u>	<u>1,204,848</u>	<u>318,871</u>	<u>200,632</u>	<u>1,323,087</u>	<u>273,824</u>

LAS ANIMAS COUNTY, COLORADO  
 NOTES TO FINANCIAL STATEMENTS  
 For the Fiscal Year Ended December 31, 2015

NOTE 9 LONG-TERM DEBT (continued)

Lease Purchases Payable:

Terms and transactions of Lease Agreements are as follows:

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

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

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

<u>Energy Retrofit:</u>	<u>Year</u>	<u>Annual Payment</u>	<u>Principal</u>	<u>Interest</u>
	2016	67,654	51,283	16,371
	2017	71,713	57,533	14,180
	2018	76,016	64,290	11,726
	2019	80,577	71,589	8,988
	2020	85,412	79,467	5,945
	2021	90,537	87,967	2,570
	2022	15,233	15,156	77
		487,142	427,285	59,857
Less Amount Representing Interest Present Value of Future Minimum Lease Payments		(59,857)		
		427,285		

<u>Computer System:</u>	<u>Year</u>	<u>Annual Payment</u>	<u>Principal</u>	<u>Interest</u>
	2016	36,483	31,866	4,617
		36,483	31,866	4,617
Less Amount Representing Interest Present Value of Future Minimum Lease Payments		(4,617)		
		31,866		

LAS ANIMAS COUNTY, COLORADO  
 NOTES TO FINANCIAL STATEMENTS  
 For the Fiscal Year Ended December 31, 2015

NOTE 9      LONG-TERM DEBT (continued)

Lease Purchases Payable:

Equipment:	<u>Year</u>	<u>Annual Payment</u>	<u>Principal</u>	<u>Interest</u>
	2016	119,456	115,991	3,465
		119,456	115,991	3,465
Less Amount Representing Interest Present Value of Future Minimum Lease Payments		(3,465)		
		<u>115,991</u>		

Computer System:	<u>Year</u>	<u>Annual Payment</u>	<u>Principal</u>	<u>Interest</u>
	2016	79,314	74,684	4,630
	2017	79,314	71,750	7,564
	2018	79,314	74,188	5,126
	2019	79,314	76,708	2,606
		317,256	297,330	19,926
Less Amount Representing Interest Present Value of Future Minimum Lease Payments		(19,926)		
		<u>297,330</u>		

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

	<u>Year</u>	<u>Annual Payment</u>	<u>Principal</u>	<u>Interest</u>
	2016	302,907	273,824	29,083
	2017	151,027	129,283	21,744
	2018	155,330	138,478	16,852
	2019	159,891	148,297	11,594
	2020	85,412	79,467	5,945
	2021	90,537	87,967	2,570
	2022	15,233	15,156	77
		960,337	872,472	87,865
Less Amount Representing Interest Present Value of Future Minimum Lease Payments		(87,865)		
		<u>872,472</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, 2015, \$995,000 of bonds outstanding are considered defeased.

LAS ANIMAS COUNTY, COLORADO  
NOTES TO FINANCIAL STATEMENTS  
For the Fiscal Year Ended December 31, 2015

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NOTE 10    NET POSITION/FUND BALANCES

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

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

As of December 31, 2015, restricted fund balance for emergencies is described below:

- *Emergencies* – Cash and investments of approximately \$409,000 are available as Emergency Reserves as required by Article X, Section 20 of the Constitution of the State of Colorado (See Note 12).

NOTE 11    HOSPITAL LAND AND BUILDINGS

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

NOTE 12    CONTINGENCIES - TAX, SPENDING AND DEBT LIMITATIONS

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

LAS ANIMAS COUNTY, COLORADO  
NOTES TO FINANCIAL STATEMENTS  
For the Fiscal Year Ended December 31, 2015

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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, 2015, the County was involved in various claims in which no formal lawsuit has been filed. An evaluation as to outcome was not possible as of the audit date.

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, 2015

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, 2015, the County's bank balance and corresponding carrying balance were as follows:

	<u>Bank Balance</u>	<u>Carrying Balance</u>
Insured FDIC	1,028,384	1,027,575
Uninsured, Collateralized Under the Public Deposit Protection Act of the State of Colorado	13,112,016	12,752,736
Cash on Hand	-	48,233
<u>Total Cash and Deposits</u>	<u>14,140,400</u>	<u>13,828,544</u>
 <u>Recap</u>		
Cash	7,441,262	
Certificates of Deposit	5,519,471	
Cash – Agency Fund	<u>867,811</u>	
<u>Total</u>	<u>13,828,544</u>	

As presented above, deposits with a bank balance of \$13,112,016 and a carrying balance of \$12,752,736 as of December 31, 2015 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
- 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

LAS ANIMAS COUNTY, COLORADO  
 NOTES TO FINANCIAL STATEMENTS  
 For the Fiscal Year Ended December 31, 2015

NOTE 15 CASH AND INVESTMENTS (Continued)

Investments (Continued)

As of December 31, 2015, 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>Non Pooled Investments</u>			
Certificates of Deposit	<u>5,519,471</u>	<u>5,519,471</u>	Unrated
	<u>5,519,471</u>	<u>5,519,471</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.

NOTE 16 RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

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

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

	<u>Interfund Transfer In</u>	<u>Interfund Transfer Out</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	-	503,330	-	53,330
Capital Expenditure Fund	-	-	-	-
Road and Bridge Fund	450,000	-	-	-
Public Welfare	53,330	-	53,330	-
Non Major Funds	-	-	-	-
	<u>503,330</u>	<u>503,330</u>	<u>53,330</u>	<u>53,330</u>

NOTE 17 COMPLIANCE WITH COLORADO LAW

The actual expenditures of the following fund exceeded the budgeted amounts and may be in violation of Colorado Budget Law:

<u>Fund</u>	<u>Amount</u>
Airport	14,241

ADDITIONAL REQUIRED SUPPLEMENTARY INFORMATION

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

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

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

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

LAS ANIMAS COUNTY, COLORADO  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET (GAAP BASIS) AND ACTUAL  
Year Ended December 31, 2015

	Budgeted Amounts <u>Original &amp; Final</u>	<u>Actual</u>	Variance- Favorable (Unfavorable)
<u>REVENUES</u>			
Taxes	3,840,188	3,716,910	(123,278)
Licenses and Permits	4,700	4,600	(100)
Intergovernmental Revenue	835,100	911,940	76,840
Charges for Services	632,800	624,359	(8,441)
Interest Revenues	75,000	60,479	(14,521)
Miscellaneous Revenue	<u>712,602</u>	<u>688,393</u>	<u>(24,209)</u>
<u>TOTAL REVENUE</u>	<u>6,100,390</u>	<u>6,006,681</u>	<u>(93,709)</u>
<u>EXPENDITURES</u>			
General Government	3,308,693	3,555,505	(246,812)
Public Safety	2,284,469	2,013,163	271,306
Health Services	216,770	216,770	-
Auxiliary Services	159,954	135,290	24,664
Intergovernmental	382,272	374,110	8,162
Debt Service	<u>36,483</u>	<u>36,482</u>	<u>1</u>
<u>TOTAL EXPENDITURES</u>	<u>6,388,641</u>	<u>6,331,320</u>	<u>57,321</u>
<u>REVENUES OVER (UNDER) EXPENDITURES</u>	<u>(288,251)</u>	<u>(324,639)</u>	
<u>OTHER FINANCING SOURCES (USES)</u>			
Lease Purchase Proceeds	-	297,330	297,330
Operating Transfers In (Out)	<u>(450,000)</u>	<u>(503,330)</u>	<u>(53,330)</u>
<u>Total Other Financing Sources (Uses)</u>	<u>(450,000)</u>	<u>(206,000)</u>	<u>244,000</u>
<u>TOTAL REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</u>	<u>(738,251)</u>	<u>(530,639)</u>	
<u>FUND BALANCE, Beginning</u>	<u>4,485,999</u>	<u>4,185,752</u>	
<u>FUND BALANCE, Ending</u>	<u>3,747,748</u>	<u>3,655,113</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, 2015

	<u>Budgeted Amounts</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
	<u>Original &amp; Final</u>	<u>Actual</u>	<u>(Unfavorable)</u>
<u>REVENUE</u>			
<u>Property Tax Revenue</u>			
Delinquent Property Taxes	-	42	42
Total	-	42	42
<u>Intergovernmental Revenue</u>			
Highway Users Tax	2,556,680	2,597,438	40,758
Energy Impact Grant	2,575,000	1,993,425	(581,575)
Oil & Gas Fees	4,500	-	(4,500)
Mineral Lease Rights	42,000	28,477	(13,523)
Forest Service	9,000	-	(9,000)
M.V. Registration	50,000	52,373	2,373
HUTF Faster (SB 09-108)	425,000	598,807	173,807
Taylor Grazing Act & Bankhead Jones	300	8,051	7,751
Severance Tax	380,000	386,128	6,128
Total	<u>6,042,480</u>	<u>5,664,699</u>	<u>(377,781)</u>
<u>Miscellaneous Revenue</u>			
Miscellaneous	15,000	49,434	34,434
Total	15,000	49,434	34,434
<u>TOTAL REVENUE</u>	<u>6,057,480</u>	<u>5,714,175</u>	<u>(343,305)</u>
<u>EXPENDITURES</u>			
Salaries	1,602,503	1,398,857	203,646
Retirement & Fringe Benefits	493,185	451,084	42,101
Office Supplies	7,500	4,794	2,706
Operating Supplies	967,500	535,776	431,724
Repairs & Maintenance Road Equipment	305,000	288,552	16,448
Insurance and Bonds	180,000	101,332	78,668
Public Utility Service	89,000	61,432	27,568
Capital Outlay	163,500	96,084	67,416
Road Construction	4,782,000	3,063,055	1,718,945
Weed Expense	15,000	-	15,000
Radio/Communication	30,000	3,428	26,572
Telephone & Postage	12,700	14,181	(1,481)
Lease Purchase Principal	-	84,594	(84,594)
Lease Purchase Interest	-	5,129	(5,129)
Miscellaneous	24,700	16,413	8,287
<u>TOTAL EXPENDITURES</u>	<u>8,672,588</u>	<u>6,124,711</u>	<u>2,547,877</u>
<u>REVENUES OVER (UNDER) EXPENDITURES</u>	<u>(2,615,108)</u>	<u>(410,536)</u>	
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers In	450,000	450,000	
<u>TOTAL REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</u>	<u>(2,165,108)</u>	<u>39,464</u>	
<u>FUND BALANCE, Beginning</u>	<u>4,862,679</u>	<u>5,067,117</u>	
<u>FUND BALANCE, Ending</u>	<u>2,697,571</u>	<u>5,106,581</u>	

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

LAS ANIMAS COUNTY, COLORADO  
SPECIAL REVENUE FUND - PUBLIC WELFARE FUND  
SCHEDULE OF REVENUE, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
BUDGET (GAAP BASIS) AND ACTUAL  
Year Ended December 31, 2015

	<u>Budgeted Amounts</u> <u>Original &amp; Final</u>	<u>Actual</u>	Variance- Favorable (Unfavorable)
<u>REVENUE</u>			
<u>Intergovernmental Revenues</u>			
Administration	-	487,657	-
Adult Protection	-	65,804	-
Infant Toddler Grant	-	162,527	-
Food Stamp Fraud	-	14,811	-
Core Services	-	124,666	-
LEAP	-	705,302	-
AID to Needy Disabled	-	112,953	-
Child Care	-	143,457	-
Child Welfare	-	1,120,732	-
Hotline Implementation	-	7,538	-
Workload Study	-	10,291	-
Child Support Enforcement	-	130,391	-
Old Age Pension Administration	-	531,571	-
Home Care Allowance	-	16,008	-
Medicaid Transportation	-	131,399	-
Program Incentives	-	62,613	-
CW SB 94	-	2,509	-
Single Entry Point	-	593,558	-
Single Entry Point Excess Revenue	-	58,237	-
Colorado Works	-	735,852	-
Food Stamp Benefits	-	4,399,967	-
CSE Retained	-	42,283	-
Miscellaneous Revenue	-	69	-
<u>Total Intergovernmental Revenue</u>	<u>10,079,703</u>	<u>9,660,195</u>	<u>(419,508)</u>
<u>Tax Revenues</u>			
Property Taxes	305,268	297,692	(7,576)
Senior/Veteran Tax	-	3,510	3,510
Delinquent Property Taxes	-	1,439	1,439
Specific Ownership Taxes	<u>40,000</u>	<u>50,033</u>	<u>10,033</u>
<u>Total Tax Revenues</u>	<u>345,268</u>	<u>352,674</u>	<u>7,406</u>
<u>TOTAL REVENUES</u>	<u>10,424,971</u>	<u>10,012,869</u>	<u>(412,102)</u>

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

LAS ANIMAS COUNTY, COLORADO  
SPECIAL REVENUE FUND - PUBLIC WELFARE FUND  
SCHEDULE OF REVENUE, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
BUDGET (GAAP BASIS) AND ACTUAL  
Year Ended December 31, 2015

	<u>Budgeted Amounts</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
	<u>Original &amp; Final</u>		
<u>EXPENDITURES</u>			
Administration	496,376	373,426	122,950
Adult Protection	78,473	82,850	(4,377)
Infant Toddler Grant	-	140,269	(140,269)
Colorado Works	1,206,601	862,152	344,449
Core Services	296,637	148,916	147,721
Single Entry Point	563,885	593,558	(29,673)
Child Care	409,823	177,184	232,639
Child Welfare	1,236,833	1,406,584	(169,751)
Child Support Enforcement	234,943	230,345	4,598
Home Care Allowance	35,000	13,534	21,466
Food Stamp Fraud	27,048	18,504	8,544
SB 94 County Only Expenses	-	2,509	(2,509)
LEAP	795,610	705,373	90,237
Old Age Pension	435,000	531,571	(96,571)
Medicaid Transportation	125,000	133,631	(8,631)
Enhanced Medicaid	-	211,079	(211,079)
Food Stamp Benefits	4,300,000	4,399,967	(99,967)
Aid to Needy Disabled	140,000	141,191	(1,191)
Food Commodity Expense	-	4,029	(4,029)
General Assistance	-	1,270	(1,270)
<u>TOTAL EXPENDITURES</u>	<u>10,381,229</u>	<u>10,177,942</u>	<u>203,287</u>
<u>REVENUES OVER (UNDER) EXPENDITURES</u>	<u>43,742</u>	<u>(165,073)</u>	
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfer In (Out)	-	53,330	<u>53,330</u>
<u>TOTAL REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</u>	<u>43,742</u>	<u>(111,743)</u>	
<u>FUND BALANCE, Beginning</u>	<u>635,413</u>	<u>496,393</u>	
<u>FUND BALANCE, Ending</u>	<u>679,155</u>	<u>384,650</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, 2015

	<u>Budgeted Amounts</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
	<u>Original &amp; Final</u>		
<u>REVENUES</u>			
Taxes	120,167	117,655	(2,512)
Local Revenue	-	11	11
<u>Total Revenues</u>	<u>120,167</u>	<u>117,666</u>	<u>(2,501)</u>
<u>EXPENDITURES</u>			
Capital Outlay	1,450,000	1,423	1,448,577
Debt Service:			
Principal	-	44,035	(44,035)
Interest	-	18,529	(18,529)
Other	<u>3,000</u>	<u>2,089</u>	<u>911</u>
<u>Total Expenditures</u>	<u>1,453,000</u>	<u>66,076</u>	<u>1,386,924</u>
<u>REVENUE OVER (UNDER) EXPENDITURES</u>	(1,332,833)	51,590	
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfer In (Out)	<u>200,000</u>	<u>(17,790)</u>	<u>(217,790)</u>
<u>Total Other Financing Sources (Uses)</u>	<u>200,000</u>	<u>(17,790)</u>	<u>(217,790)</u>
<u>TOTAL REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</u>	(1,132,833)	33,800	
<u>FUND BALANCE, Beginning</u>	<u>2,051,846</u>	<u>2,529,738</u>	
<u>FUND BALANCE, Ending</u>	<u>919,013</u>	<u>2,563,538</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 by financed or recovered primarily through user charges. Enterprise funds are considered major funds because of community interests in the activities and sources of funding supporting these operations.

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

### NON MAJOR GOVERNMENTAL FUNDS

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

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

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

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

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

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

LAS ANIMAS COUNTY, COLORADO  
 AIRPORT – PROPRIETARY FUND  
 SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
 BUDGET (GAAP BASIS) AND ACTUAL  
 Year Ended December 31, 2015

	<u>Budgeted Amounts</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
	<u>Original &amp; Final</u>	<u>Actual</u>	<u>(Unfavorable)</u>
<u>OPERATING REVENUES</u>			
Fuel Sales	370,000	293,837	(76,163)
Hangar Rental	30,000	20,425	(9,575)
Other Revenues	<u>26,500</u>	<u>13,239</u>	<u>(13,261)</u>
<u>Total Operating Revenues</u>	<u>426,500</u>	<u>327,501</u>	<u>(98,999)</u>
<u>OPERATING EXPENSES</u>			
Salaries	-	31,862	(31,862)
Employee Benefits	-	6,986	(6,986)
Cost of Sales	300,000	172,183	127,817
Contractual Agreements	72,000	50,945	21,055
Depreciation	-	136,161	(136,161)
Insurance	10,000	13,447	(3,447)
Operating Supplies	8,500	1,536	6,964
Office Supplies & Expense	5,000	5,987	(987)
Utilities	10,000	13,316	(3,316)
Telephone	1,500	1,565	(65)
Maintenance	<u>19,500</u>	<u>6,753</u>	<u>12,747</u>
<u>Total Operating Expenses</u>	<u>426,500</u>	<u>440,741</u>	<u>(14,241)</u>
<u>OPERATING INCOME (LOSS) BEFORE OTHER SOURCES</u>	<u>-</u>	<u>(113,240)</u>	
<u>NON OPERATING REVENUES (EXPENSES)</u>			
Grants Revenue	-	117,748	117,748
Transfers In	<u>-</u>	<u>17,790</u>	<u>17,790</u>
<u>Total Non Operating Revenues (Expenses)</u>	<u>-</u>	<u>135,538</u>	<u>135,538</u>
<u>CHANGES IN NET POSITION</u>	<u>-</u>	<u>22,298</u>	
<u>NET POSITION, Beginning</u>	<u>318,099</u>	<u>1,980,445</u>	
<u>NET POSITION, Ending</u>	<u>318,099</u>	<u>2,002,743</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, 2015

	<u>Special Revenue Fund</u>			<u>Capital Projects Fund</u>	<u>Total Non-Major Governmental Funds</u>
	<u>Jail Facility</u>	<u>Conservation Trust</u>	<u>LEAF &amp; DUI</u>	<u>Jail Improvement</u>	
<u>ASSETS</u>					
Cash	593,940	189,235	16,013	122,711	921,899
Investments	453,186	144,390	12,218	93,631	703,425
Accounts Receivables	-	-	-	-	-
<u>Total Assets</u>	<u>1,047,126</u>	<u>333,625</u>	<u>28,231</u>	<u>216,342</u>	<u>1,625,324</u>
<u>LIABILITIES AND FUND EQUITY</u>					
<u>Liabilities</u>					
Accounts Payable	-	-	-	12,183	12,183
<u>Total Liabilities</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,183</u>	<u>12,183</u>
<u>Fund Balances:</u>					
<u>Nonspendable:</u>					
Inventories	-	-	-	-	-
Prepaid Expense	-	-	-	-	-
<u>Restricted:</u>					
Emergencies	-	-	-	-	-
Roads and Bridges	-	-	-	-	-
Capital Outlay	-	-	-	204,159	204,159
Parks and Recreation	-	333,625	-	-	333,625
Public Safety	1,047,126	-	28,231	-	1,075,357
<u>Committed:</u>					
Unanticipated Obligations	-	-	-	-	-
<u>Assigned:</u>					
Roads and Bridges	-	-	-	-	-
Capital Outlay	-	-	-	-	-
Public Works	-	-	-	-	-
<u>Unassigned:</u>					
<u>Total Fund Balances</u>	<u>1,047,126</u>	<u>333,625</u>	<u>28,231</u>	<u>204,159</u>	<u>1,613,141</u>
<u>TOTAL LIABILITIES AND FUND BALANCES</u>	<u>1,047,126</u>	<u>333,625</u>	<u>28,231</u>	<u>216,342</u>	<u>1,625,324</u>

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

LAS ANIMAS COUNTY, COLORADO  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES  
 NON MAJOR GOVERNMENTAL FUNDS  
 Year Ended December 31, 2015

	<u>Special Revenue Fund</u>			<u>Capital Projects Fund</u>	<u>Total Non-Major Governmental Funds</u>
	<u>Jail Facility</u>	<u>Conservation Trust</u>	<u>LEAF &amp; DUI</u>	<u>Jail Improvement</u>	
<b><u>REVENUES</u></b>					
Taxes	30	-	-	-	30
Intergovernmental Revenues	-	48,715	-	-	48,715
Other Revenues	-	1,313	2,477	-	3,790
<u>Total Revenues</u>	<u>30</u>	<u>50,028</u>	<u>2,477</u>	<u>-</u>	<u>52,535</u>
<b><u>EXPENDITURES</u></b>					
Capital Outlay	-	-	-	-	-
Social Services	-	-	-	-	-
Public Safety	-	-	1,109	79,252	80,361
Debt Service	-	-	-	29,733	29,733
Other	-	6,543	-	-	6,543
<u>Total Expenditures</u>	<u>-</u>	<u>6,543</u>	<u>1,109</u>	<u>108,985</u>	<u>116,637</u>
<b><u>REVENUES OVER (UNDER) EXPENDITURES</u></b>					
	<u>30</u>	<u>43,485</u>	<u>1,368</u>	<u>(108,985)</u>	<u>(64,102)</u>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>					
Capital Lease Proceeds	-	-	-	-	-
Operating Transfers In (Out)	(120,000)	-	-	120,000	-
<u>Total Other Financing Sources (Uses)</u>	<u>(120,000)</u>	<u>-</u>	<u>-</u>	<u>120,000</u>	<u>-</u>
<b><u>TOTAL REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</u></b>					
	(119,970)	43,485	1,368	11,015	(64,102)
<u>FUND BALANCE, Beginning</u>	<u>1,167,096</u>	<u>290,140</u>	<u>26,863</u>	<u>193,144</u>	<u>1,677,243</u>
<u>FUND BALANCE, Ending</u>	<u>1,047,126</u>	<u>333,625</u>	<u>28,231</u>	<u>204,159</u>	<u>1,613,141</u>

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

LAS ANIMAS COUNTY, COLORADO  
SPECIAL REVENUE FUND  
JAIL FACILITY FUND  
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET (GAAP BASIS) AND ACTUAL  
Year Ended December 31, 2015

	<u>Budgeted Amounts</u> <u>Original &amp; Final</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
<u>REVENUE</u>			
State Tax Revenue	-	30	30
<u>Total Revenues</u>	<u>-</u>	<u>30</u>	<u>30</u>
<u>EXPENDITURES</u>			
Other	-	-	-
<u>Total Expenditures</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>REVENUES OVER (UNDER) EXPENDITURES</u>	-	30	
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers (Out)	(300,000)	(120,000)	180,000
<u>REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</u>	(300,000)	(119,970)	
<u>FUND BALANCE, Beginning</u>	1,298,790	1,167,096	
<u>FUND BALANCE, Ending</u>	<u>998,790</u>	<u>1,047,126</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, 2015

	<u>Budgeted Amounts</u> <u>Original &amp; Final</u>	<u>Actual</u>	Variance- Favorable (Unfavorable)
<u>REVENUE</u>			
Intergovernmental - Lottery	55,000	48,715	(6,285)
Interest Revenue	<u>-</u>	<u>1,313</u>	<u>1,313</u>
<u>Total Revenues</u>	<u>55,000</u>	<u>50,028</u>	<u>(4,972)</u>
<u>EXPENDITURES</u>			
Other	<u>1,000</u>	<u>6,543</u>	<u>(5,543)</u>
<u>Total Expenditures</u>	<u>1,000</u>	<u>6,543</u>	<u>(5,543)</u>
<u>REVENUES OVER (UNDER) EXPENDITURES</u>	54,000	43,485	
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers (Out)	<u>(200,000)</u>	<u>-</u>	<u>200,000</u>
<u>REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</u>	(146,000)	43,485	
<u>FUND BALANCE, Beginning</u>	<u>239,581</u>	<u>290,140</u>	
<u>FUND BALANCE, Ending</u>	<u>93,581</u>	<u>333,625</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, 2015

	<u>Budgeted Amounts</u> <u>Original &amp; Final</u>	<u>Actual</u>	Variance- Favorable (Unfavorable)
<u>REVENUE</u>			
DUI Fees	<u>2,500</u>	<u>2,477</u>	<u>(23)</u>
<u>Total Revenues</u>	<u>2,500</u>	<u>2,477</u>	<u>(23)</u>
<u>EXPENDITURES</u>			
Miscellaneous	<u>10,000</u>	<u>1,109</u>	<u>8,891</u>
<u>REVENUES OVER (UNDER) EXPENDITURES</u>	(7,500)	1,368	
<u>FUND BALANCE, Beginning</u>	<u>24,689</u>	<u>26,863</u>	
<u>FUND BALANCE, Ending</u>	<u>17,189</u>	<u>28,231</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, 2015

	<u>Budgeted Amounts</u> <u>Original &amp; Final</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
<u>Revenue</u>			
Miscellaneous	-	-	-
<u>Total Revenues</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Expenditures</u>			
Operating Supplies	-	814	(814)
Telephone	-	150	(150)
Equipment & Fixtures	-	7,175	(7,175)
Maintenance & Repairs	300,000	71,113	228,887
Debt Service:			
Principal	29,733	28,033	1,700
Interest	-	1,700	(1,700)
<u>Total Expenditures</u>	<u>329,733</u>	<u>108,985</u>	<u>220,748</u>
<u>Revenues Over (Under) Expenditures</u>	(329,733)	(108,985)	
<u>Other Financing Sources (Uses)</u>			
Transfers In (Out)	300,000	120,000	(180,000)
<u>Total Other Financing Sources (Uses)</u>	<u>300,000</u>	<u>120,000</u>	<u>(180,000)</u>
<u>Net Change in Fund Balance</u>	(29,733)	11,015	
<u>Fund Balance, Beginning</u>	<u>118,340</u>	<u>193,144</u>	
<u>Fund Balance, Ending</u>	<u>88,607</u>	<u>204,159</u>	

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



OTHER SCHEDULES

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

<b>LOCAL HIGHWAY FINANCE REPORT</b>	City or County: <b>LAS ANIMAS COUNTY</b>
	YEAR ENDING : December 2015
This Information From The Records Of (example - City of _ or County of _)	Prepared By: <b>KRISTEE COBERLY</b> Phone: <b>"(719) 845-2578</b>

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

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES		III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES	
ITEM	AMOUNT	ITEM	AMOUNT
<b>A. Receipts from local sources:</b>		<b>A. Local highway disbursements:</b>	
1. Local highway-user taxes		1. Capital outlay (from page 2)	3,151,372
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	1,772,455
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	443,114
3. Other local imposts (from page 2)	42	c. Other weeds	0
4. Miscellaneous local receipts (from page 2)	527,911	d. Total (a. through c.)	443,114
5. Transfers from toll facilities		4. General administration & miscellaneous	757,770
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	
a. Bonds - Original Issues		6. Total (1 through 5)	6,124,711
b. Bonds - Refunding Issues		<b>B. Debt service on local obligations:</b>	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	
7. Total (1 through 6)	527,953	b. Redemption	
<b>B. Private Contributions</b>		c. Total (a. + b.)	0
<b>C. Receipts from State government (from page 2)</b>	5,628,172	2. Notes:	
<b>D. Receipts from Federal Government (from page 2)</b>	8,051	a. Interest	
<b>E. Total receipts (A.7 + B + C + D)</b>	6,164,176	b. Redemption	
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	0
		<b>C. Payments to State for highways</b>	
		<b>D. Payments to toll facilities</b>	
		<b>E. Total disbursements (A.6 + B.3 + C + D)</b>	6,124,711

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

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

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

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	5,067,116	6,164,176	6,124,711	5,106,581	0

Notes and Comments:

**LOCAL HIGHWAY FINANCE REPORT**

STATE:  
Colorado  
YEAR ENDING (mm/yy):  
December 2015

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

ITEM	AMOUNT	ITEM	AMOUNT
<b>A.3. Other local imposts:</b>		<b>A.4. Miscellaneous local receipts:</b>	
a. Property Taxes and Assessments	42	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	
5. Specific Ownership &/or Other		g. Other Misc. Receipts	28,477
6. Total (1. through 5.)	0	h. Other	499,434
c. Total (a. + b.)	42	i. Total (a. through h.)	527,911
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
<b>C. Receipts from State Government</b>		<b>D. Receipts from Federal Government</b>	
1. Highway-user taxes	3,196,245	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	0
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	52,373	d. Federal Transit Admin	
d. Other (Specify) - Severance	386,129	e. U.S. Corps of Engineers	
e. Other (Specify)-	1,993,425	f. Other Federal - TAYOR	8,051
f. Total (a. through e.)	2,431,927	g. Total (a. through f.)	8,051
4. Total (1. + 2. + 3.f)	5,628,172	3. Total (1. + 2.g)	
			(Carry forward to page 1)

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

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
<b>A.1. Capital outlay:</b>			
a. Right-Of-Way Costs			0
b. Engineering Costs			0
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements			0
(3). System Preservation			0
(4). System Enhancement & Operation		3,151,372	3,151,372
(5). Total Construction (1) + (2) + (3) + (4)	0	3,151,372	3,151,372
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	3,151,372	3,151,372
			(Carry forward to page 1)

**Notes and Comments:**

C-3e. - DOLA -EIG 1,993,425  
D 2f - Taylor Bankhead Jones 8,051

**LAS ANIMAS COUNTY DEPARTMENT OF HUMAN SERVICES  
REQUIRED SUPPLEMENTAL INFORMATION (RSI)  
DECEMBER 31, 2015**

CATEGORY	A COUNTY EBT AUTHORIZATIONS	B COUNTY SHARE OF AUTHORIZATIONS	C WARRANT ISSUE ISSUED BY COUNTY DEPT	A + C = D TOTAL COUNTY WARRANT ISSUE & AUTHORIZATIONS	B + C = E TOTAL COUNTY DEPT EXPENDITURES
<b>Colorado Works</b>					
Administration	\$ -		\$ 152,332.04	\$ 152,332.04	\$ 152,332.04
Non-ADM - Client Payment	\$ -			\$ -	\$ -
EBT (Non ADM)	\$ 710,203.40			\$ 710,203.40	\$ -
<b>Total Colorado Works</b>	\$ 710,203.40		\$ 152,332.04	\$ 862,535.44	\$ 152,332.04
<b>Child Care</b>					
EBT / MOE	\$ 137,045.01			\$ 137,045.01	\$ -
Administration	\$ -		\$ 40,140.43	\$ 40,140.43	\$ 40,140.43
Quality Grants	\$ -		\$ -	\$ -	\$ -
<b>Total Child Care</b>	\$ 137,045.01		\$ 40,140.43	\$ 177,185.44	\$ 40,140.43
<b>Child Welfare</b>					
Administration 100%			\$ 105,443.88	\$ 105,443.88	\$ 105,443.88
Administration 80/20%			\$ 581,115.30	\$ 581,115.30	\$ 581,115.30
CHRP				\$ -	\$ -
RTC				\$ -	\$ -
Res Mental Health	\$ 6,614.34			\$ 6,614.34	\$ -
Foster Care OOH	\$ 490,506.87			\$ 490,506.87	\$ -
Related Child Care	\$ 62,349.52			\$ 62,349.52	\$ -
SubAdopt	\$ 116,529.80			\$ 116,529.80	\$ -
Relative Guardianship				\$ -	
Case Services	\$ 1,600.00			\$ 1,600.00	
<b>Total Child Welfare</b>	\$ 677,600.53		\$ 686,559.18	\$ 1,364,159.71	\$ 686,559.18
<b>Total County Administration</b>			\$ 771,326.15	\$ 771,326.15	\$ 771,326.15
<b>Core Services</b>					
Mental Health	\$ 4,671.25			\$ 4,671.25	\$ -
ADAD	\$ 19,272.96			\$ 19,272.96	\$ -
Special Economic Asst	\$ 7,249.82			\$ 6,070.19	\$ -
Core Other EBT/EFT	\$ 5,232.50			\$ 5,232.50	\$ -
Core Other - 100%			\$ 54,468.52	\$ 54,468.52	\$ 54,468.52
Core 80/20%			\$ 58,020.69	\$ 58,020.69	\$ 58,020.69
<b>Total Core Services</b>	\$ 36,426.53		\$ 112,489.21	\$ 147,736.11	\$ 112,489.21
				\$ -	\$ -
<b>Total Child Support Enforce</b>			\$ 232,002.65	\$ 232,002.65	\$ 232,002.65
<b>Total LEAP</b>	\$ 679,480.20		\$ 25,892.80	\$ 705,373.00	\$ 25,892.80
<b>Total Aid to Needy Disabled</b>	\$ 141,191.23			\$ 141,191.23	\$ -
<b>Total A.N.D. HCA</b>				\$ -	\$ -
<b>Total O.A.P. HCA</b>	\$ 10,690.15			\$ 10,690.15	\$ -
<b>Total SSI - HCA</b>	\$ 2,843.62			\$ 2,843.62	
<b>Total Old Age Pension</b>	\$ 526,783.92			\$ 526,783.92	\$ -
<b>Total Food Assist Fraud</b>	\$ -		\$ 18,504.03	\$ 18,504.03	\$ 18,504.03
<b>Total FA Benefits &amp; Collect</b>	\$ 4,399,966.87			\$ 4,399,966.87	\$ -
<b>Total DoD Funds</b>	\$ -			\$ -	\$ -
				\$ -	\$ -
<b>Total Chaffee Indep Living</b>				\$ -	\$ -

**LAS ANIMAS COUNTY DEPARTMENT OF HUMAN SERVICES  
REQUIRED SUPPLEMENTAL INFORMATION (RSI)  
DECEMBER 31, 2015**

<b>CATEGORY</b>	<b>A COUNTY EBT AUTHORIZATIONS</b>	<b>B COUNTY SHARE OF AUTHORIZATIONS</b>	<b>C WARRANT ISSUE ISSUED BY COUNTY DEPT</b>	<b>A + C = D TOTAL COUNTY WARRANT ISSUE &amp; AUTHORIZATIONS</b>	<b>B + C = E TOTAL COUNTY DEPT EXPENDITURES</b>
Total Co Wide Cost Alloc			\$ -	\$ -	\$ -
Medicaid Transportation			\$ 133,799.35	\$ 133,799.35	\$ 133,799.35
Single Entry Point			\$ 593,557.77	\$ 593,557.77	\$ 593,557.77
Other Local Sources					
General Assistance			\$ 1,269.95	\$ 1,269.95	\$ 1,269.95
Commodities			\$ 4,028.72	\$ 4,028.72	\$ 4,028.72
Total Other Sources			\$ 5,298.67	\$ 5,298.67	\$ 5,298.67
IV-E Revenue SB-80 Non-ADM - Client Payment			\$ -	\$ -	\$ -
Parental Fees SB-94 Non-ADM - Client Payment			\$ 2,508.56	\$ 2,508.56	\$ 2,508.56
Workload Study			\$ 11,571.70	\$ 11,571.70	\$ 11,571.70
IV-E Waiver Kinship Support			\$ 24,411.13	\$ 24,411.13	\$ 24,411.13
IV-E Waiver Roundtable			\$ -	\$ -	\$ -
Hotline Implementation			\$ 7,163.02	\$ 7,163.02	\$ 7,163.02

\$ 10,131,445.50

SINGLE AUDIT SECTION

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Las Animas County as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise Las Animas County's basic financial statements, and have issued our report thereon dated September 12, 2016.

**Internal Control Over Financial Reporting**

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

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

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

## Compliance and Other Matters

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

## Purpose of this Report

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

Dixon, Waller & Co., Inc.

September 12, 2016



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

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

**Report on Compliance for Each Major Federal Program**

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

**Management's Responsibility**

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

**Auditor's Responsibility**

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

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

## Opinion on Each Major Federal Program

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

## Report on Internal Control Over Compliance

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

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

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

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

*Dixon, Walker & Co., PC*

September 12, 2016

LAS ANIMAS COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended December 31, 2015

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**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**

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

**Major Programs**

Title XIX Medicaid	(CFDA # 93.778)
Single Entry Point	(CFDA # 93.778)
TEFAP Commodities	(CFDA# 10.569)

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

\$750,000

**Qualification as low-risk auditee**

Las Animas County did qualify as a low risk auditee for 2015.

**Findings – GAGAS**

None.

LAS ANIMAS COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended December 31, 2015

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

**Findings – Federal Awards**

NONE

LAS ANIMAS COUNTY, COLORADO  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
Year Ended December 31, 2015

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NONE

LAS ANIMAS COUNTY, COLORADO  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 Year Ended December 31, 2015

<u>Federal Grantor/Pass Through Grantor/Program Title</u>	<u>CFDA Number</u>	<u>Expenditures Amount</u>
<u>U.S. Department of Transportation</u>		
<u>(Direct Payment)</u>		
Airport Improvement Program	20.106	111,641
<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	6,755
Title IV-E Foster Care	93.658	352,315
Title XX Block Grant	93.667	47,356
Title XIX Medicaid	93.778	212,258
Title IV-D Administration	93.563	109,142
LEAP	93.568	656,278
Title IV-E Adoption	93.659	63,133
TANF	93.558	732,945
CCDF Discretionary	93.575	27,043
CCDF	93.596	69,771
IV-E Ind. Living	93.674	6,429
<u>(Passed through State Department of Health Care Policy and Finance)</u>		
Single Entry Point	93.778	296,779
<u>U.S. Department of Agriculture</u>		
<u>(Passed through State Department of Human Services)</u>		
TEFAP Commodities	10.569	<u>55,425</u>
<u>TOTALS</u>		<u>2,747,270</u>

LAS ANIMAS COUNTY, COLORADO  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year Ended December 31, 2015

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NOTE 1    Basis of Presentation

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

NOTE 2    Non-Cash Assistance

a) Food Distribution

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

b) Electronic Benefits Transfer

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

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

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

NOTE 3    Single Entry Point Program

\$162,432 of Single Entry Point monies were passed through to the Huerfano County during 2015. 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”.