

cPa DIXON, WALLER & CO., INC.

LAS ANIMAS COUNTY, COLORADO

FINANCIAL STATEMENTS

DECEMBER 31, 2016

DIXON, WALLER & CO., INC.

TABLE OF CONTENTS

LAS ANIMAS COUNTY, COLORADO
FINANCIAL STATEMENTS
DECEMBER 31, 2016

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

	<u>Page</u>
Notes to Basic Financial Statements.....	14-35

REQUIRED SUPPLEMENTARY INFORMATION - BUDGETARY COMPARISONS

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

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

COMBINING AND INDIVIDUAL FUND STATEMENTS AND OTHER SCHEDULES

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

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

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

OTHER SCHEDULES

Counties, Cities and Towns Annual Statement of Receipts and Expenditures for Roads, Bridges and Streets.....	48-51
Schedule of Authorization, Expenditures, and Total Expenditures	52-53

SINGLE AUDIT SECTION

Independent Auditor's Report on Internal Control Over Financial Reporting
and on Compliance and Other Matters Based on an Audit of Financial
Statements Performed in Accordance with *Government Auditing Standards* 54-55

Independent Auditor's Report on Compliance for each Major Program and on
Internal Control over Compliance Required by Uniform Guidance 56-57

Schedule of Findings and Questioned Costs 58-59

Summary Schedule of Prior Audit Findings..... 60

Schedule of Expenditures of Federal Awards 61

Notes to Schedule of Expenditures of Federal Awards..... 62

FINANCIAL SECTION

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

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Las Animas County, as of and for the year ended December 31, 2016, 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, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages i through vi and 36 through 40 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

The disclosure on EBT authorizations, warrant expenditures and total expenditures on page 52-53 is not a required part of the basic financial statements but is supplementary information required by the Colorado Department of Human Services. We have applied certain limited procedures which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2017, 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.

June 30, 2017

MANAGEMENT'S DISCUSSION AND ANALYSIS

LAS ANIMAS COUNTY, COLORADO Management's Discussion and Analysis

Management of Las Animas County offers readers of the County's annual financial report this discussion and analysis of financial activities for the fiscal year ended December 31, 2016. 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 \$57,392,293 at December 30, 2016.
- During the year, the County's governmental funds were \$2,952,791 more than the \$23,903,783 generated by taxes, grants and other forms of revenue in all government funds.
- As of December 31, 2016, The County's governmental funds reported combined ending fund balances of \$10,370,232, a decrease of \$2,952,791 in comparison with the prior year. Of the ending fund balance, \$312,5000 is reserved for emergencies.
- As of December 31, 2016, unreserved/unassigned fund balance for the general fund was \$3,271,224 alternatively, 54% of total general fund expenditures.
- In the general fund, the actual revenues (\$6,695,013) were 2.68% higher than what was budgeted while actual expenditures (\$6,111,279) were 4.4% lower than budget. Which left the excess of revenues over expenditures was \$583,734, however because of (\$655,123) other finance uses resulted in a decrease in fund balance of (\$71,389).
- County Revenues in other governmental funds increased by \$1,999,857 or 9.1% higher than they had been in the previous year of 2015, while expenditures increased by \$3,943,842 or 17.3% higher than expenditures for 2015.

Overview of the Financial Statements

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GOVERNMENT WIDE FINANCIAL ANALYSIS

Net Position may serve over time as a useful indicator of a government’s financial position. In the case of Las Animas County, assets exceeded liabilities by \$57,392,293 as of December 31, 2016.

Of the County’s total net position, 84.3%, is reflected in capital assets investments (e.g. land, buildings, roads, bridges, equipment), less any related debt used to acquire assets that are still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County’s investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

LAS ANIMAS COUNTY’S NET POSITION

Net Position (page iii)	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Capital Assets, not depreciated	\$470,261	\$470,261	\$7,535,359	\$313,498	\$8,005,620	\$783,759
Capital Assets, being deprec (net)	\$38,784,153	\$35,854,142	\$1,602,237	\$1,702,395	\$40,386,390	\$37,556,537
Total Capital Assets	\$39,254,414	\$36,324,403	\$9,137,596	\$2,015,893	\$48,392,010	\$38,340,296
Current & Other Assets	\$15,603,478	\$18,188,451	\$30,058	\$51,891	\$15,633,536	\$18,240,342
Total Assets	\$54,857,892	\$54,512,854	\$9,167,654	\$2,067,784	\$64,025,546	\$56,580,638
Long-term Liabilities Outstanding	\$0	\$0	\$0	\$0	\$0	\$0
Other Liabilities	\$3,402,247	\$2,387,489	\$143,897	\$65,040	\$3,546,144	\$2,452,529
Total Liabilities	\$3,402,247	\$2,387,489	\$143,897	\$65,040	\$3,546,144	\$2,452,529
Deferred Inflows of Resources	\$3,087,109	\$3,801,026	\$0	\$0	\$3,087,109	\$3,801,026
Net Position:						
Net Investment in						
Capital Assets	\$38,418,177	\$35,451,931	\$9,137,596	\$2,015,892	\$47,555,773	\$37,467,823
Restricted	\$7,099,008	\$10,076,910	\$0	\$0	\$7,099,008	\$10,076,910
Unrestricted (Deficit)	\$2,851,351	\$2,795,498	(\$113,839)	(\$13,149)	\$2,737,512	\$2,782,349
Total Net Position	\$48,368,536	\$48,324,339	\$9,023,757	\$2,002,743	\$57,392,293	\$50,327,082

The increase in net position from 2015 to 2016 is due primarily capital asset (Airport Runway Project. etc.). Infrastructure accounted for \$28,841,315, after depreciation, of total net position. A portion of the County’s net position, represents resources that are subject to external restriction on how they may be used. The remaining unrestricted net position, \$2,737,512 is down 2% from 2015

In addition, the remaining may be used to meet the government’s ongoing obligations to citizens and creditors.

As of December 31, 2016, 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 \$30,783,441. Of this total, 20.16% is general revenue, i.e. taxes, intergovernmental revenue, interest income, etc.; 75.86% is from state programs and grants; and 3.98% relates to charges for services.

The total cost of all programs and services was \$23,718,230. The two largest portions are 40.64%, for social services and 30.12% for the various capital projects throughout the county including roads, bridges, and building construction. The resulting change in net position was a positive 7,065,211. Both the governmental activities programs and the Airport Proprietary Fund realized an increase in net position for 2016.

Analysis of the County’s Operations – The table below provides a summary of Las Animas County’s operations for 2016. In governmental activities, net position increased in the amount of \$44,197. In business-type activities, net position increased by \$7,065,211.

LAS ANIMAS COUNTY’S CHANGES IN NET POSITION

Changes in Net Position (page iv)	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Revenues						
Program Revenues						
Charges for Services	\$1,093,806	\$713,627	\$130,253	\$327,501	\$1,224,059	\$1,041,128
Operating Grants & Contributions	\$13,140,790	\$12,880,773	\$0	\$0	\$13,140,790	\$12,880,773
Capital Grants & Contributions	\$3,462,425	\$1,993,425	\$6,749,405	\$117,748	\$10,211,830	\$2,111,173
General Revenues					\$0	\$0
Property Taxes	\$3,713,185	\$3,639,256	\$0	\$0	\$3,713,185	\$3,639,256
Specific Ownership Taxes	\$596,209	\$667,438	\$0	\$0	\$596,209	\$667,438
Sales Taxes	\$200	\$30	\$0	\$0	\$200	\$30
Sale of Assets	\$0	\$0	\$0	\$0	\$0	\$0
Intergovernmental (Not Specific Restrict)	\$856,973	\$1,310,572	\$0	\$0	\$856,973	\$1,310,572
Legal Settlement Jail Renov	\$0	\$0	\$0	\$0	\$0	\$0
Insurance Proceeds	\$709,191	\$560,972	\$0	\$0	\$709,191	\$560,972
Interest Revenue	\$56,760	\$60,479	\$0	\$0	\$56,760	\$60,479
Other Revenues	\$274,244	\$77,354	\$0	\$0	\$274,244	\$77,354
Transfers In / (Out)	(\$486,331)	(\$17,790)	\$486,331	\$17,790	\$0	\$0
Total Revenues	\$23,417,452	\$21,886,136	\$7,365,989	\$463,039	\$30,783,441	\$22,349,175
Expenses						
General Government	\$3,617,198	\$3,922,575	\$0	\$0	\$3,617,198	\$3,922,575
Public Safety	\$2,278,943	\$2,328,899	\$0	\$0	\$2,278,943	\$2,328,899
Health & Environment	\$216,740	\$216,770	\$0	\$0	\$216,740	\$216,770
Auxiliary Services	\$69,811	\$201,603	\$0	\$0	\$69,811	\$201,603
Intergovernmental	\$372,737	\$374,110	\$0	\$0	\$372,737	\$374,110
Parks and Recreation	\$5,998	\$6,543	\$0	\$0	\$5,998	\$6,543
Road, Bridges & Capital Outlay	\$7,144,076	\$10,055,415	\$0	\$0	\$7,144,076	\$10,055,415
Social Services	\$9,638,671	\$10,143,740	\$0	\$0	\$9,638,671	\$10,143,740
Debt Services	\$29,081	\$28,518	\$0	\$0	\$29,081	\$28,518
Airport	\$0	\$0	\$344,975	\$440,741	\$344,975	\$440,741
Total Expenses	\$23,373,255	\$27,278,173	\$344,975	\$440,741	\$23,718,230	\$27,718,914
Increase / (Decrease) in Net Position	\$44,197	(\$5,392,037)	\$7,021,014	\$22,298	\$7,065,211	(\$5,369,739)
Net Position -- January 1	\$48,324,339	\$53,716,376	\$2,002,743	\$1,980,445	\$50,327,082	\$55,696,821
Prior Year Adjustment			\$0	\$0	\$0	\$0
Net Position -- January 1, restated	\$48,324,339	\$53,716,376	\$2,002,743	\$1,980,445	\$50,327,082	\$55,696,821
Net Position -- December 31	\$48,368,536	\$48,324,339	\$9,023,757	\$2,002,743	\$57,392,293	\$50,327,082

CAPITAL ASSETS

CAPITAL ASSETS AT YEAR END Net of Accumulated Depreciation

Capital Assets Net of Accum Dprec	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
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	\$7,341,455	\$119,594	\$7,341,455	\$119,594
Infrastructure	\$28,841,315	\$25,828,179	\$0	\$0	\$28,841,315	\$25,828,179
Structure & Improvements	\$8,364,671	\$8,445,484	\$1,171,090	\$1,274,616	\$9,535,761	\$9,720,100
Equipment	\$1,578,167	\$1,580,479	\$431,147	\$427,779	\$2,009,314	\$2,008,258
Total Capital Assets (net)	\$39,254,414	\$36,324,403	\$9,137,596	\$2,015,893	\$48,392,010	\$38,340,296

During fiscal year 2016, Las Animas County added \$16,007,965 and \$0 capital assets were retired, including infrastructure, equipment, buildings, and vehicles. After depreciation, the total value of all assets is \$48,392,010. 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	
	2016	2015	2016	2015	2016	2015
Sales Tax revenue Bonds	\$0	\$0	\$0	\$0	\$0	\$0
Notes Payable	\$0	\$0	\$0	\$0	\$0	\$0
Contract Agreement	\$237,589	\$0	\$0	\$0	\$237,589	\$0
Capital Lease Obligations	\$598,648	\$872,472	\$0	\$0	\$598,648	\$872,472
Compensated Absences	\$419,873	\$450,615	\$0	\$0	\$419,873	\$450,615
Total Long-Term Debt	\$1,256,110	\$1,323,087	\$0	\$0	\$1,256,110	\$1,323,087

Total long-term debt obligations of the County decreased by \$36,235 from 2015 to 2016. The amount owed to employees for compensated absences decreased by 6.8% in 2016. 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 2017 budget preparation decreased by \$107,343,490, or 24.6%. A Ballot Question (1B) approved by voters of Las Animas County in November 2005 which allowed the county to freeze the mill levy at that year's level of 9.357 mills for a five-year period expired at the end of 2010. Beginning with the 2011 budget year, Las Animas County was again required to adhere to any revenue restrictions as it pertains to the assessment of property taxes. Due to the decrease in valuation, the mill levy will remain at 9.357 in 2016 in conformance with TABOR. General fund spending in 2017 is projected to decrease by \$802,022 (15.1%) under what was actually spent in 2016, and general fund revenue is expected to decrease by \$1,385,756 (26.1%) from what was actually realized in 2016. 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, 2016

<u>ASSETS</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Cash	7,523,970	-	7,523,970
Receivables (Net, if Applicable, of Allowance for Uncollectibles):			
Accounts	424,374	2,036	426,410
Accrued Interest	6,207	-	6,207
Accrued Revenue	4,241,945	-	4,241,945
Property Tax	3,087,109	-	3,087,109
Interfund Receivable	141,904	-	141,904
Due from Other Governments	177,969	-	177,969
Inventories	-	28,022	28,022
Prepaid Insurance	-	-	-
Fixed Assets (Net)	<u>39,254,414</u>	<u>9,137,596</u>	<u>48,392,010</u>
<u>Total Assets</u>	<u>54,857,892</u>	<u>9,167,654</u>	<u>64,025,546</u>
 <u>DEFERRED OUTFLOWS OF RESOURCES</u>	 <u>-</u>	 <u>-</u>	 <u>-</u>
 <u>LIABILITIES</u>			
Interfund Payable	-	141,904	141,904
Unearned Grant Payments	278,825	-	278,825
Accounts Payable	1,526,537	1,141	1,527,678
Accrued Wages & Benefits Payable	54,442	852	55,294
Liabilities Agency Funds	20,161	-	20,161
Other Liabilities	12,060	-	12,060
Due to Other Governments	254,112	-	254,112
Noncurrent Liabilities:			
Due Within One Year	248,078	-	248,078
Due in More than One Year	588,159	-	588,159
Compensated Absences Payable	<u>419,873</u>	<u>-</u>	<u>419,873</u>
<u>Total Liabilities</u>	<u>3,402,247</u>	<u>143,897</u>	<u>3,546,144</u>
 <u>DEFERRED INFLOWS OF RESOURCES</u>			
Property Tax	<u>3,087,109</u>	<u>-</u>	<u>3,087,109</u>
 <u>NET POSITION</u>			
Net Investment in Capital Assets	38,418,177	9,137,596	47,555,773
Restricted for:			
Capital Projects	1,634,199	-	1,634,199
Public Safety	777,998	-	777,998
Roads and Bridges	3,602,754	-	3,602,754
Social Services	514,078	-	514,078
Parks and Recreation	257,479	-	257,479
Tabor Reserve	312,500	-	312,500
Unrestricted (Deficit)	<u>2,851,351</u>	<u>(113,839)</u>	<u>2,737,512</u>
<u>Total Net Position</u>	<u>48,368,536</u>	<u>9,023,757</u>	<u>57,392,293</u>

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

LAS ANIMAS COUNTY, COLORADO
STATEMENT OF ACTIVITIES
Year Ended December 31, 2016

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Governmental Activities	Business Type Activities	Total
Governmental Activities							
General Government	3,617,198	1,019,265	-	-	(2,597,933)	-	(2,597,933)
Public Safety	2,278,943	74,541	79,371	-	(2,125,031)	-	(2,125,031)
Health & Environment	216,740	-	-	-	(216,740)	-	(216,740)
Auxiliary Services	69,811	-	-	-	(69,811)	-	(69,811)
Intergovernmental	372,737	-	-	-	(372,737)	-	(372,737)
Parks and Recreation	5,998	-	56,333	-	50,335	-	50,335
Roads, Bridges and Capital Outlay	7,144,076	-	3,226,892	3,462,425	(454,759)	-	(454,759)
Social Services	9,638,671	-	9,778,194	-	139,523	-	139,523
Debt Service Interest	29,081	-	-	-	(29,081)	-	(29,081)
Total Governmental Activities	23,373,255	1,093,806	13,140,790	3,462,425	(5,676,234)	-	(5,676,234)
BUSINESS TYPE ACTIVITIES							
Airport	344,975	130,253	-	6,749,405	-	6,534,683	6,534,683
Total Business Type Activities	344,975	130,253	-	6,749,405	-	6,534,683	6,534,683
Total Primary Government	23,718,230	1,224,059	13,140,790	10,211,830	(5,676,234)	6,534,683	858,449
General Revenues:							
Property Taxes					3,713,185	-	3,713,185
Specific Ownership Taxes					596,209	-	596,209
Sales Taxes					200	-	200
Intergovernmental Not Specifically Restricted					856,973	-	856,973
Insurance Proceeds					709,191	-	709,191
Interest Revenue					56,760	-	56,760
Other Revenues					274,244	-	274,244
Transfers In (Out)					(486,331)	486,331	-
Total General Revenues & Transfers					5,720,431	486,331	6,206,762
Changes in Net Position					44,197	7,021,014	7,065,211
Net Position – Beginning					48,324,339	2,002,743	50,327,082
Net Position – Ending					48,368,536	9,023,757	57,392,293

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

LAS ANIMAS COUNTY, COLORADO
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2016

	Special Revenue				Other Governmental Funds	Total Governmental Funds
	General	Road & Bridge	Public Welfare	Capital Expenditure		
ASSETS:						
Cash and Equivalents	2,825,873	2,610,249	772,052	-	1,315,796	7,523,970
Receivables (Net, of Allowance where Applicable)						
Accounts	129,515	249,032	8,961	36,866	-	424,374
Accrued Revenue	49,505	964,300	-	3,228,140	-	4,241,945
Accrued Interest	6,207	-	-	-	-	6,207
Property Taxes	2,758,094	-	246,761	82,254	-	3,087,109
Inventory	-	-	-	-	-	-
Due from Other Funds	885,590	-	205,123	485	957	1,092,155
Due from Other Governments	-	-	177,969	-	-	177,969
<u>Total Assets</u>	<u>6,654,784</u>	<u>3,823,581</u>	<u>1,410,866</u>	<u>3,347,745</u>	<u>1,316,753</u>	<u>16,553,729</u>
<u>Deferred Outflows of Resources</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES:						
Liabilities:						
Accounts Payable	100,062	172,782	84,869	1,168,824	-	1,526,537
Accrued Salaries Payable	6,397	48,045	-	-	-	54,442
Due to Other Funds	206,507	-	-	743,744	-	950,251
Due to Other Governments	-	-	254,112	-	-	254,112
Liabilities Payable from Restricted Assets	-	-	20,161	-	-	20,161
Other Payables	-	-	12,060	-	-	12,060
Unearned Grant Payments	-	-	278,825	-	-	278,825
<u>Total Liabilities</u>	<u>312,966</u>	<u>220,827</u>	<u>650,027</u>	<u>1,912,568</u>	<u>-</u>	<u>3,096,388</u>
<u>Deferred Inflows of Resources</u>						
Property Tax	2,758,094	-	246,761	82,254	-	3,087,109
Fund Balances:						
Nonspendable:						
Inventories	-	-	-	-	-	-
Prepaid Expense	-	-	-	-	-	-
Restricted:						
Emergencies	312,500	-	-	-	-	312,500
Roads & Bridges	-	3,602,754	-	-	-	3,602,754
Capital Outlay	-	-	-	1,352,923	281,276	1,634,199
Parks and Recreation	-	-	-	-	257,479	257,479
Public Safety	-	-	-	-	777,998	777,998
Social Services	-	-	514,078	-	-	514,078
Committed:						
Unanticipated Obligations	259,723	-	-	-	-	259,723
Assigned:						
Social Services	-	-	-	-	-	-
Public Works	-	-	-	-	-	-
Unassigned:	3,011,501	-	-	-	-	3,011,501
<u>Total Fund Balances</u>	<u>3,583,724</u>	<u>3,602,754</u>	<u>514,078</u>	<u>1,352,923</u>	<u>1,316,753</u>	<u>10,370,232</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
	<u>6,654,784</u>	<u>3,823,581</u>	<u>1,410,866</u>	<u>3,347,745</u>	<u>1,316,753</u>	<u>16,553,729</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, 2016

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

<u>Total Fund Balance – Governmental Funds</u>	10,370,232
Capital Assets used in governmental activities are not considered current financial resources and, therefore, not reported in the governmental funds.	126,871,057
Accumulated depreciation is not recognized in the governmental funds because capital assets are expensed at the time of acquisition.	(87,616,643)
Long-Term Liabilities for Compensated Absences of \$419,873 and Capital Lease and Contract Payable of \$836,237 are not due and payable in the current period and, therefore, not reported in the governmental funds.	<u>(1,256,110)</u>
<u>GOVERNMENTAL ACTIVITIES NET POSITION</u>	<u>48,368,536</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, 2016

	Special Revenue			Other Governmental Funds	Total Governmental Funds	
	General	Road & Bridge	Public Welfare			Capital Expenditure
REVENUES:						
Taxes	3,791,088	126	375,835	125,175	200	4,292,424
Licenses & Permits	2,784	-	-	-	-	2,784
Intergovernmental Revenues	990,169	6,836,823	9,692,957	-	56,333	17,576,282
Charges for Services	863,292	-	-	-	-	863,292
Interest Revenues	56,760	-	-	-	-	56,760
Miscellaneous Revenues	990,920	106,802	-	6	14,513	1,112,241
<u>Total Revenues</u>	<u>6,695,013</u>	<u>6,943,751</u>	<u>10,068,792</u>	<u>125,181</u>	<u>71,046</u>	<u>23,903,783</u>
EXPENDITURES						
General Government	3,294,804	-	-	-	-	3,294,804
Public Safety	1,976,943	-	-	-	203,762	2,180,705
Health Services	216,740	-	-	-	-	216,740
Auxiliary Services	134,259	-	-	-	-	134,259
Intergovernmental	372,737	-	-	-	-	372,737
Parks and Recreation	-	-	-	-	5,998	5,998
Roads, Bridges & Capital Outlay	-	8,807,855	-	1,147,342	-	9,955,197
Social Services	-	-	10,144,487	-	-	10,144,487
Debt Service	115,796	89,723	-	220,350	29,732	455,601
<u>Total Expenditures</u>	<u>6,111,279</u>	<u>8,897,578</u>	<u>10,144,487</u>	<u>1,367,692</u>	<u>239,492</u>	<u>26,760,528</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES						
	583,734	(1,953,827)	(75,695)	(1,242,511)	(168,446)	(2,856,745)
OTHER FINANCING SOURCES (USES)						
Contract Proceeds	-	-	-	390,285	-	390,285
Operating Transfers In (Out)	(655,123)	450,000	205,123	(358,389)	(127,942)	(486,331)
<u>Total Other Financing Sources (Uses)</u>	<u>(655,123)</u>	<u>450,000</u>	<u>205,123</u>	<u>31,896</u>	<u>(127,942)</u>	<u>(96,046)</u>
NET CHANGES IN FUND BALANCES	(71,389)	(1,503,827)	129,428	(1,210,615)	(296,388)	(2,952,791)
FUND BALANCES-Beginning	3,655,113	5,106,581	384,650	2,563,538	1,613,141	13,323,023
FUND BALANCES-Ending	3,583,724	3,602,754	514,078	1,352,923	1,316,753	10,370,232

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, 2016

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

Net Change in Fund Balances – Total Governmental Funds (2,952,791)

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. 8,786,104

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

	Contract Proceeds	(390,285)	
	Repayment of Debt Principal	<u>426,520</u>	36,235

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

	Compensated Absences	<u>30,742</u>	30,742
--	----------------------	---------------	--------

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. (5,856,093)

GOVERNMENTAL ACTIVITIES CHANGE IN NET POSITION 44,197

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

LAS ANIMAS COUNTY, COLORADO
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2016

	<u>Business-Type Activities</u>	
	<u>Enterprise Fund</u>	<u>Airport Fund</u>
<u>ASSETS</u>		
<u>Current Assets</u>		
Cash and Equivalents	-	
Accounts Receivable	2,036	
Inventories	28,022	
Due From Other Funds	18,259	
Prepaid Insurance	-	
<u>Total Current Assets</u>	<u>48,317</u>	
 <u>CAPITAL ASSETS</u>		
Land	117,304	
Land Improvements	3,179,604	
Building	278,638	
Equipment	743,677	
Construction in Progress	7,341,455	
Water Rights	<u>76,600</u>	
	11,737,278	
Less Accumulated Depreciation	<u>(2,599,682)</u>	
<u>Total Capital Assets, Net of Accumulated Depreciation</u>	<u>9,137,596</u>	
 <u>Total Assets</u>	 <u>9,185,913</u>	
 <u>DEFERRED OUTFLOW OF RESOURCES</u>		
	-	
 <u>LIABILITIES AND NET POSITION</u>		
<u>Current Liabilities</u>		
Due To Other Funds	160,163	
Accounts Payable	1,141	
Accrued Salaries Payable	852	
Unearned Grant Payments	-	
<u>Total Current Liabilities</u>	<u>162,156</u>	
 <u>DEFERRED INFLOW OF RESOURCES</u>		
	-	
 <u>NET POSITION</u>		
Net Investment in Capital Assets	9,137,596	
Unrestricted (Deficit)	<u>(113,839)</u>	
 <u>TOTAL NET POSITION</u>	 <u>9,023,757</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, 2016

	<u>Business Type Activities</u> <u>Enterprise Funds</u> <u>Airport Fund</u>
<u>OPERATING REVENUES</u>	
Operating Revenue	130,253
<u>Total Revenues</u>	<u>130,253</u>
<u>OPERATING EXPENSES</u>	
Salaries	70,079
Employee Benefits	14,463
Cost of Sales	81,850
Public Utility Service	10,370
Office Expense & Supplies	8,314
Depreciation	136,327
Contractual Agreements & Leases	2,760
Telephone	1,673
Maintenance	5,452
Insurance	13,687
Bad Debt	-
<u>Total Operating Expenses</u>	<u>344,975</u>
<u>OPERATING INCOME (LOSS) BEFORE OTHER SOURCES</u>	<u>(214,722)</u>
<u>NON OPERATING REVENUES (EXPENSES)</u>	
Grants	6,749,405
Transfers In	486,331
<u>Total Non Operating Revenues (Expenses)</u>	<u>7,235,736</u>
<u>INCOME BEFORE CAPITAL CONTRIBUTIONS</u>	7,021,014
<u>CAPITAL CONTRIBUTIONS – EQUIPMENT PURCHASE</u>	<u>-</u>
<u>CHANGE IN NET POSITION</u>	7,021,014
<u>TOTAL NET POSITION, Beginning</u>	<u>2,002,743</u>
<u>TOTAL NET POSITION, Ending</u>	<u>9,023,757</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, 2016

	<u>Business Type Activities</u> <u>Enterprise Funds</u> <u>Airport Fund</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>	
Receipts from Customers & Users	132,984
Payments for Salaries and Benefits	(83,634)
Payments to Vendors – Supplies and Services	<u>(127,180)</u>
<u>NET CASH PROVIDED (USED) BY OPERATIONS</u>	<u>(77,830)</u>
<u>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</u>	
Grant Revenue	-
Operating Transfers In	486,331
Due To Other Funds	<u>100,125</u>
<u>NET CASH PROVIDED BY NON-CAPITAL FINANCING ACTIVITIES</u>	<u>586,456</u>
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>	
Non-Financed Purchase of Property & Equipment	(7,258,031)
Capital Grant	<u>6,749,405</u>
<u>NET CASH PROVIDED BY (USED FOR) IN CAPITAL AND RELATED FINANCING ACTIVITIES</u>	<u>(508,626)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>	
Other Revenue	<u>-</u>
<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)	(214,722)
Non Cash Items in Operations:	
Depreciation	136,327
(Increase) Decrease in Inventory	(1,452)
(Increase) Decrease in Receivables/Accruals	2,731
Increase (Decrease) in Payables/Accruals	<u>(714)</u>
<u>NET CASH PROVIDED (USED FOR) OPERATING ACTIVITIES</u>	<u>(77,830)</u>
<u>NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES</u>	
Cash Paid for Interest Expense	-
Cash Paid for Income Taxes	<u>-</u>
<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, 2016

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash and Equivalents	<u>836,066</u>
<u>Total Assets</u>	<u>836,066</u>
<u>LIABILITIES</u>	
Deposits Held for Others	<u>836,066</u>
<u>Total Liabilities</u>	<u>836,066</u>
<u>NET POSITION</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, 2016

	<u>Agency Funds</u>
<u>ADDITIONS</u>	
Receipts	13,218,444
<u>DEDUCTIONS</u>	
Disbursements	<u>13,250,189</u>
<u>CHANGES IN DEPOSITS HELD FOR OTHERS</u>	(31,745)
<u>DEPOSITS HELD FOR OTHERS – Beginning of Year</u>	<u>867,811</u>
<u>DEPOSITS HELD FOR OTHERS – End of Year</u>	<u>836,066</u>

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

NOTES TO FINANCIAL STATEMENTS

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, 2016

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 2016, the allocation of budgeted expenditures was 70% for a total expenditure to the County of \$216,740.

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, 2016, is presented for the Health Department and Las Animas County E-911 and as of December 31, 2015 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>667,048</u>	<u>95,836</u>	<u>450,969</u>
<u>LIABILITIES</u>	59,448	514,039	-
<u>NET POSITION</u>	<u>607,600</u>	<u>(418,203)</u>	<u>450,969</u>
<u>TOTAL LIABILITIES & NET POSITION</u>	<u>667,048</u>	<u>95,836</u>	<u>450,969</u>

Statement of Activities

<u>REVENUES</u>	1,220,988	611,322	224,425
<u>EXPENSES</u>	1,128,890	593,446	248,524
<u>REVENUES OVER (UNDER) EXPENDITURES</u>	<u>92,098</u>	<u>17,876</u>	<u>(24,099)</u>

NOTE 1 THE FINANCIAL REPORTING ENTITY (Continued)

Intergovernmental Agreements (Continued)

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

Government-Wide Financial Statements

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

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, 2016

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.

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, 2016

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, 2016

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. Compensated Absences (Continued)

At December 31, 2016, the County has a liability for accrued sick leave and vacation payable of \$419,873.

A summary of compensated absences is presented as follows:

General County Government	\$ 239,970
Social Services	<u>\$ 179,903</u>
Total	<u>\$ 419,873</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.

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, 2016

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>Special Revenue Funds</u>			Other	Total	
	<u>General</u>	<u>Road & Bridge</u>	<u>Public Welfare</u>	<u>Capital Expenditure</u>	<u>Governmental Fund</u>	<u>Governmental Funds</u>
<u>Nonspendable:</u>						
Inventories	-	-	-	-	-	-
Prepaid Expenses	-	-	-	-	-	-
<u>Restricted:</u>						
Emergencies	312,500	-	-	-	-	312,500
Road and Bridge	-	3,602,754	-	-	-	3,602,754
Capital Outlay	-	-	-	1,352,923	281,276	1,634,199
Parks & Recreation	-	-	-	-	257,479	257,479
Public Safety	-	-	-	-	777,998	777,998
Social Services	-	-	514,078	-	-	514,078
<u>Committed:</u>						
Unanticipated Obligations	259,723	-	-	-	-	259,723
<u>Assigned:</u>						
Social Services	-	-	-	-	-	-
Public Works	-	-	-	-	-	-
<u>Unassigned:</u>	<u>3,011,501</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,011,501</u>
<u>Total Fund Balances</u>	<u>3,583,724</u>	<u>3,602,754</u>	<u>514,078</u>	<u>1,352,923</u>	<u>1,316,753</u>	<u>10,370,232</u>

LAS ANIMAS COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2016

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	129,515	249,032	8,961	36,866	-	424,374
Interest	6,207	-	-	-	-	6,207
Accrued Revenue	49,505	964,300	-	3,228,140	-	4,241,945
Accounts (Social Services)	-	-	2,852,437	-	-	2,852,437
Property Tax	<u>2,758,094</u>	<u>-</u>	<u>246,761</u>	<u>82,254</u>	<u>-</u>	<u>3,087,109</u>
<u>Gross Receivables</u>	<u>2,943,321</u>	<u>1,213,332</u>	<u>3,108,159</u>	<u>3,347,260</u>	<u>-</u>	<u>10,612,072</u>
Less: Allowance for						
Uncollectibles	-	-	(2,852,437)	-	-	(2,852,437)
Deferred Inflows-						
Property Taxes	<u>(2,758,094)</u>	<u>-</u>	<u>(246,761)</u>	<u>(82,254)</u>	<u>-</u>	<u>(3,087,109)</u>
<u>Total Receivables</u>	<u>185,227</u>	<u>1,213,332</u>	<u>8,961</u>	<u>3,265,006</u>	<u>-</u>	<u>4,672,526</u>

Airport Fund

<u>Receivables-</u>	
<u>Business-Type Activities</u>	
Accounts	2,036
Interest	-
Other	-
<u>Gross Receivables</u>	<u>2,036</u>
Less: Allowance for	
Uncollectibles	-
<u>Total Receivables</u>	<u>2,036</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, 2016

NOTE 3 RECEIVABLES (Continued)

At December 31, 2016, 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	-	278,825
<u>Nonmajor Funds:</u>		
Grant drawdowns prior to meeting all eligibility requirements	-	-
<u>Total Governmental Activities</u>	<u>-</u>	<u>278,825</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 \$3,299 during 2016 and pension expense was \$45,062. 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, 2016

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 \$17,055 for 2016.

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, 2016 follows:

Assets	<u>41,463,122</u>
Liabilities	22,425,987
Fund Equity	<u>19,037,135</u>
	<u>41,463,122</u>
Revenues	10,419,406
Expenses	<u>8,548,795</u>
	1,870,611
Net Investment Income	886,134
Gain On Commutation	<u>-</u>
Net Income (Loss)	<u>2,756,745</u>

LAS ANIMAS COUNTY, COLORADO
 NOTES TO FINANCIAL STATEMENTS
 For the Fiscal Year Ended December 31, 2016

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, 2016 follows:

Assets	<u>25,380,003</u>
Liabilities	9,842,724
Fund Equity	<u>15,537,279</u>
	<u>25,380,003</u>
Revenues	6,644,912
Expenses	<u>7,499,233</u>
Net Income (Loss)	<u>(854,321)</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 2016, 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, 2016 follows:

Assets	<u>14,779,010</u>
Liabilities	6,012,640
Net Position	<u>8,766,370</u>
	<u>14,779,010</u>
Revenues	56,632,652
Expenses	<u>54,578,519</u>
Increase (Decrease) in Net Position	<u>2,054,133</u>

LAS ANIMAS COUNTY, COLORADO
 NOTES TO FINANCIAL STATEMENTS
 For the Fiscal Year Ended December 31, 2016

NOTE 7 INTERFUND TRANSACTIONS

Interfund Receivables/Payables

Individual Fund Interfund Receivable and Payable balances at December 31, 2016 were as follows:

	<u>Due From</u>	<u>Due To</u>	<u>Repayment Period</u>	<u>Purpose</u>
<u>Governmental Activities:</u>				
General Fund	885,590	206,507	Within 1 Year	Operational
Public Welfare Fund	205,123	-	Within 1 Year	Operational
Capital Expenditure	485	743,744	Within 1 Year	Capital Outlay
Other Governmental Funds	957	-	Within 1 Year	Operational
 <u>Business Type Activities:</u>				
Airport	<u>18,259</u>	<u>160,163</u>	Within 1 Year	Operational / Capital Outlay
	<u>1,110,414</u>	<u>1,110,414</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	-	655,123
Road & Bridge	450,000	-
Public Welfare	205,123	-
Capital Expenditures	-	358,389
Other Governmental	-	127,942
Airport Fund	<u>486,331</u>	<u>-</u>
Total	<u>1,141,454</u>	<u>1,141,454</u>

LAS ANIMAS COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2016

NOTE 8 CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2016 was as follows:

	Balance January 1, 2016	Adjustment	Additions	Retirements	Balance December 31, 2016
<u>GOVERNMENTAL ACTIVITIES:</u>					
<u>Capital Assets, Not Being</u>					
<u> Depreciated:</u>					
Land	470,261	-	-	-	470,261
Total Capital Assets Not					
 Being Depreciated	470,261	-	-	-	470,261
<u>Capital Assets, Being Depreciated:</u>					
Infrastructure	83,701,942	-	7,403,445	-	91,105,387
Structures & Improvements	20,223,551	-	700,686	-	20,924,237
Equipment	13,689,199	-	681,973	-	14,371,172
Total Capital Assets, Being					
 Depreciated	117,614,692	-	8,786,104	-	126,400,796
<u>Less Accumulated Depreciation for:</u>					
Infrastructure	57,873,763	-	4,390,309	-	62,264,072
Structures & Improvements	11,778,067	-	781,499	-	12,559,566
Equipment	12,108,720	-	684,285	-	12,793,005
Total Accumulated Depreciation	81,760,550	-	5,856,093	-	87,616,643
Total Capital Assets, Being					
 Depreciated, Net	35,854,142	-	2,930,011	-	38,784,153
Governmental Activities Capital					
 Assets, Net	36,324,403	-	2,930,011	-	39,254,414
<u>BUSINESS-TYPE ACTIVITIES</u>					
<u>Capital Assets, Not Being Depreciated:</u>					
Land	117,304	-	-	-	117,304
Water Rights	76,600	-	-	-	76,600
Construction in Progress	119,594	-	7,221,861	-	7,341,455
Total Capital Assets, Not Being					
 Depreciated	313,498	-	7,221,861	-	7,535,359
<u>Capital Assets, Being Depreciated</u>					
Structures & Improvements	3,458,242	-	-	-	3,458,242
Equipment	707,507	-	36,170	-	743,677
Total Capital Assets, Being					
 Depreciated	4,165,749	-	36,170	-	4,201,919
<u>Less Accumulated Depreciation for:</u>					
Structures & Improvements	2,183,627	-	103,525	-	2,287,152
Equipment	279,728	-	32,802	-	312,530
Total Accumulated Depreciation	2,463,355	-	136,327	-	2,599,682
Total Capital Assets, Being					
 Depreciated, Net	1,702,394	-	(100,157)	-	1,602,237
Business-Type Activities Capital					
 Assets, Net	2,015,892	-	7,121,704	-	9,137,596

LAS ANIMAS COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2016

NOTE 8 CAPITAL ASSETS (Continued)

Depreciation Expense was Charged to Governmental Functions as Follows:

General Government	742,521
Public Safety	319,633
Auxiliary Services	69,492
Roads and Bridges	4,678,918
Public Welfare	<u>45,529</u>
<u>Total Depreciation Expense – Governmental Functions</u>	<u>5,856,093</u>

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

Airport	<u>136,327</u>
<u>Total Depreciation Expenses – Business-Type Function</u>	<u>136,327</u>

NOTE 9 LONG-TERM DEBT

Long-term liabilities at December 31, 2016 consisted of the following:

	<u>Balance</u> <u>01-01-16</u>	<u>Additions</u> <u>Accretions</u>	<u>Retirements</u>	<u>Balance</u> <u>12-31-16</u>	<u>Amounts Due</u> <u>Within One Year</u>
<u>Governmental Activities</u>					
Capital Lease Obligations	872,472	-	273,824	598,648	129,283
Contract Agreement	-	390,285	152,696	237,589	118,795
Compensated Absences (Note 2)	<u>450,615</u>	<u>-</u>	<u>30,742</u>	<u>419,873</u>	<u>-</u>
<u>Total Governmental</u> <u>Activities – Long Term</u> <u>Liabilities</u>	<u>1,323,087</u>	<u>390,285</u>	<u>457,262</u>	<u>1,256,110</u>	<u>248,078</u>

LAS ANIMAS COUNTY, COLORADO
 NOTES TO FINANCIAL STATEMENTS
 For the Fiscal Year Ended December 31, 2016

NOTE 9 LONG-TERM DEBT (continued)

Lease Purchases and Contract Payable:

Terms and Transactions of Lease Agreements are as follows:

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

<u>Description</u>	<u>Cost</u>	<u>Interest 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
Computer System	297,330	3.38%	79,314	5 ½ Years	1/1/2016

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

Pictometry International Corp	390,285	0.00%	152,696-118,475	3 Years	3/30/2016
-------------------------------	---------	-------	-----------------	---------	-----------

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

	<u>Year</u>	<u>Annual Payment</u>	<u>Principal</u>	<u>Interest</u>
Energy Retrofit:	2017	71,713	57,533	14,180
	2018	76,016	64,290	11,726
	2019	80,577	71,589	8,988
	2020	85,412	79,467	5,945
	2021	90,537	87,967	2,570
	2022	<u>15,233</u>	<u>15,156</u>	<u>77</u>
		419,488	<u>376,002</u>	<u>43,486</u>
Less Amount Representing Interest Present Value of Future Minimum Lease Payments		<u>(43,486)</u>		
		<u>376,002</u>		
Computer System:	2017	79,314	71,750	7,564
	2018	79,314	74,188	5,126
	2019	<u>79,314</u>	<u>76,708</u>	<u>2,606</u>
		237,942	<u>222,646</u>	<u>15,296</u>
Less Amount Representing Interest Present Value of Future Minimum Lease Payments		<u>(15,296)</u>		
		<u>222,646</u>		
<u>Total Lease Purchase as of 12/31/2016</u>			<u>598,648</u>	

LAS ANIMAS COUNTY, COLORADO
 NOTES TO FINANCIAL STATEMENTS
 For the Fiscal Year Ended December 31, 2016

NOTE 9 LONG-TERM DEBT (continued)

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

	<u>Year</u>	<u>Annual Payment</u>	<u>Principal</u>	<u>Interest</u>
Pictometry - Imagery:	2017	118,795	118,795	-
	2018	<u>118,794</u>	<u>118,794</u>	-
		237,589	<u>237,589</u>	<u>-</u>
Less Amount Representing Interest Present Value of Future Minimum Lease Payments		<u>-</u>		
		<u>237,589</u>		
<u>Total Contract Payable as of 12/31/2016</u>		<u>237,589</u>		

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

	<u>Year</u>	<u>Annual Payment</u>	<u>Principal</u>	<u>Interest</u>
	2017	269,822	248,078	21,744
	2018	274,124	257,272	16,852
	2019	159,891	148,297	11,594
	2020	85,412	79,467	5,945
	2021	90,537	87,967	2,570
	2022	<u>15,233</u>	<u>15,156</u>	<u>77</u>
		895,019	<u>836,237</u>	<u>58,782</u>
Less Amount Representing Interest Present Value of Future Minimum Lease Payments		<u>(58,782)</u>		
		<u>836,237</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, 2016, \$510,000 of bonds outstanding are considered defeased.

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, 2016, restricted fund balance for emergencies is described below:

- *Emergencies* – Cash and investments of approximately \$312,500 are available as Emergency Reserves as required by Article X, Section 20 of the Constitution of the State of Colorado (See Note 12).

NOTE 11 HOSPITAL LAND AND BUILDINGS

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

NOTE 12 CONTINGENCIES - TAX, SPENDING AND DEBT LIMITATIONS

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

LAS ANIMAS COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2016

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, 2016, the County was involved in various claims in which no formal lawsuit has been filed. An evaluation as to outcome was not possible as of the audit date. The County is involved in the appeal of one lawsuit which was originally dismissed in favor of the County. The appeal is currently pending.

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, 2016

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, 2016, the County's bank balance and corresponding carrying balance were as follows:

	<u>Bank Balance</u>	<u>Carrying Balance</u>
Insured FDIC	750,000	750,000
Uninsured, Collateralized Under the Public Deposit Protection Act of the State of Colorado	8,308,334	7,609,536
Cash on Hand	-	500
<u>Total Cash and Deposits</u>	<u>9,058,334</u>	<u>8,360,036</u>
<u>Recap</u>		
Cash	1,946,967	
Certificates of Deposit	5,577,003	
Cash – Agency Fund	836,066	
<u>Total</u>	<u>8,360,036</u>	

As presented above, deposits with a bank balance of \$8,308,334 and a carrying balance of \$7,609,536 as of December 31, 2016 are uninsured, are exposed to custodial risk, and are collateralized with securities held by the pledging financial institution.

NOTE 16 RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

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

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

	<u>Interfund Transfer In</u>	<u>Interfund Transfer Out</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	-	655,123	725,427	206,507
Capital Expenditure Fund	127,942	-	485	725,485
Road and Bridge Fund	450,000	-	-	-
Public Welfare	205,123	-	205,123	-
Non Major Funds	-	127,942	957	-
	<u>783,065</u>	<u>783,065</u>	<u>931,992</u>	<u>931,992</u>

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, 2016

	<u>Budgeted</u> <u>Amounts</u>	<u>Actual</u>	<u>Variance-</u> <u>Favorable</u> <u>(Unfavorable)</u>
	<u>Original & Final</u>	<u>Actual</u>	<u>(Unfavorable)</u>
<u>REVENUES</u>			
Taxes	3,846,880	3,791,088	(55,792)
Licenses and Permits	4,700	2,784	(1,916)
Intergovernmental Revenue	1,088,554	990,169	(98,385)
Charges for Services	685,800	863,292	177,492
Interest Revenues	75,000	56,760	(18,240)
Miscellaneous Revenue	<u>814,419</u>	<u>990,920</u>	<u>176,501</u>
<u>TOTAL REVENUE</u>	<u>6,515,353</u>	<u>6,695,013</u>	<u>179,660</u>
<u>EXPENDITURES</u>			
General Government	3,669,268	3,294,804	374,464
Public Safety	1,956,661	1,976,943	(20,282)
Health Services	216,770	216,740	30
Auxiliary Services	124,083	134,259	(10,176)
Intergovernmental	375,272	372,737	2,535
Debt Service	<u>36,483</u>	<u>115,796</u>	<u>(79,313)</u>
<u>TOTAL EXPENDITURES</u>	<u>6,378,537</u>	<u>6,111,279</u>	<u>267,258</u>
<u>REVENUES OVER (UNDER) EXPENDITURES</u>	<u>136,816</u>	<u>583,734</u>	
<u>OTHER FINANCING SOURCES (USES)</u>			
Lease Purchase Proceeds	-	-	-
Operating Transfers In (Out)	<u>(450,000)</u>	<u>(655,123)</u>	<u>(205,123)</u>
<u>Total Other Financing Sources (Uses)</u>	<u>(450,000)</u>	<u>(655,123)</u>	<u>(205,123)</u>
<u>TOTAL REVENUES AND OTHER SOURCES OVER</u> <u>(UNDER) EXPENDITURES AND OTHER USES</u>	<u>(313,184)</u>	<u>(71,389)</u>	
<u>FUND BALANCE, Beginning</u>	<u>3,865,121</u>	<u>3,655,113</u>	
<u>FUND BALANCE, Ending</u>	<u>3,551,937</u>	<u>3,583,724</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, 2016

	<u>Budgeted Amounts</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
	<u>Original & Final</u>	<u>Actual</u>	<u>(Unfavorable)</u>
REVENUE			
<u>Property Tax Revenue</u>			
Delinquent Property Taxes	-	126	126
Total	-	126	126
<u>Intergovernmental Revenue</u>			
Highway Users Tax	2,556,680	2,625,035	68,355
Energy Impact Grant	3,212,500	3,462,425	249,925
Mineral Lease Rights	42,000	15,696	(26,304)
Forest Service	9,000	-	(9,000)
M.V. Registration	50,000	17,169	(32,831)
Noxious Weed	-	7,874	7,874
HUTF Faster (SB 09-108)	425,000	601,857	176,857
Taylor Grazing Act & Bankhead Jones	300	196	(104)
Severance Tax	380,000	106,571	(273,429)
Total	<u>6,675,480</u>	<u>6,836,823</u>	<u>161,343</u>
<u>Miscellaneous Revenue</u>			
Miscellaneous	15,000	106,802	91,802
Total	<u>15,000</u>	<u>106,802</u>	<u>91,802</u>
TOTAL REVENUE	<u>6,690,480</u>	<u>6,943,751</u>	<u>253,271</u>
EXPENDITURES			
Salaries	1,612,503	1,478,123	134,380
Retirement & Fringe Benefits	494,205	442,537	51,668
Office Supplies	7,500	2,310	5,190
Operating Supplies	945,500	560,855	384,645
Repairs & Maintenance Road Equipment	335,000	280,507	54,493
Insurance and Bonds	180,000	100,879	79,121
Public Utility Service	89,000	68,270	20,730
Capital Outlay	163,500	76,978	86,522
Road Construction	6,366,000	5,763,999	602,001
Weed Expense	15,000	8,970	6,030
Radio/Communication	30,000	8,073	21,927
Telephone & Postage	12,700	9,576	3,124
Lease Purchase Principal	-	87,121	(87,121)
Lease Purchase Interest	-	2,602	(2,602)
Miscellaneous	24,700	6,778	17,922
TOTAL EXPENDITURES	<u>10,275,608</u>	<u>8,897,578</u>	<u>1,378,030</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(3,585,128)</u>	<u>(1,953,827)</u>	
OTHER FINANCING SOURCES (USES)			
Transfers In	450,000	450,000	-
TOTAL REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	<u>(3,135,128)</u>	<u>(1,503,827)</u>	
FUND BALANCE, Beginning	<u>4,521,264</u>	<u>5,106,581</u>	
FUND BALANCE, Ending	<u>1,386,136</u>	<u>3,602,754</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, 2016

	<u>Budgeted Amounts</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
<u>REVENUE</u>	<u>Original & Final</u>		
<u>Intergovernmental Revenues</u>			
Administration	-	463,455	(10,261,539)
Adult Protection	-	42,036	42,036
Infant Toddler Grant	-	132,940	132,940
Food Stamp Fraud	-	13,885	13,885
Core Services	-	195,208	195,208
LEAP	-	538,699	538,699
AID to Needy Disabled	-	98,521	98,521
Child Care	-	210,659	210,659
Child Welfare	-	1,027,507	1,027,507
Hotline Implementation	-	367	367
Workload Study	-	31,662	31,662
Child Support Enforcement	-	126,102	126,102
Old Age Pension Administration	-	411,912	411,912
Home Care Allowance	-	30,017	30,017
Medicaid Transportation	-	131,065	131,065
Program Incentives	-	53,111	53,111
CW SB 94	-	14,829	14,829
Single Entry Point	-	608,620	608,620
Single Entry Point Excess Revenue	-	129,631	129,631
Colorado Works	-	777,594	777,594
Food Stamp Benefits	-	4,609,803	4,609,803
CSE Retained	-	38,564	38,564
Miscellaneous Revenue	-	63	63
<u>Total Intergovernmental Revenue</u>	<u>10,724,994</u>	<u>9,686,250</u>	<u>(1,038,744)</u>
<u>Tax Revenues</u>			
Property Taxes	327,269	321,748	(5,521)
Senior/Veteran Tax	-	3,189	3,189
Delinquent Property Taxes	-	890	890
Specific Ownership Taxes	47,000	50,008	3,008
<u>Total Tax Revenues</u>	<u>374,269</u>	<u>375,835</u>	<u>1,566</u>
<u>Other Revenues</u>			
Food Commodity	-	6,707	6,707
<u>Total Other Revenues</u>	<u>-</u>	<u>6,707</u>	<u>6,707</u>
<u>TOTAL REVENUES</u>	<u>11,099,263</u>	<u>10,068,792</u>	<u>(1,030,471)</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, 2016

	<u>Budgeted Amounts</u> <u>Original & Final</u>	<u>Actual</u>	Variance- Favorable (Unfavorable)
<u>EXPENDITURES</u>			
Administration	554,740	378,033	176,707
Adult Protection	56,877	52,031	4,846
Infant Toddler Grant	-	132,940	(132,940)
Colorado Works	1,089,327	894,743	194,584
Core Services	241,818	212,155	29,663
Single Entry Point	599,044	608,600	(9,556)
Child Care	403,798	241,483	162,315
Child Welfare	1,509,862	1,311,534	198,328
Child Support Enforcement	-	225,152	(225,152)
Home Care Allowance	12,500	16,718	(4,218)
Food Stamp Fraud	26,347	17,482	8,865
LEAP	1,295,635	539,240	756,395
Old Age Pension	481,200	411,912	69,288
Medicaid Transportation	123,000	136,762	(13,762)
Enhanced Medicaid	-	218,973	(218,973)
Food Stamp Benefits	4,350,000	4,609,803	(259,803)
Aid to Needy Disabled	132,000	123,152	8,848
Food Commodity Expense	-	5,091	(5,091)
County/SEP HCA	-	8,080	(8,080)
General Assistance	-	603	(603)
<u>TOTAL EXPENDITURES</u>	<u>10,876,148</u>	<u>10,144,487</u>	<u>731,661</u>
<u>REVENUES OVER (UNDER) EXPENDITURES</u>	223,115	(75,695)	
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfer In (Out)	-	205,123	<u>205,123</u>
<u>TOTAL REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</u>	223,115	129,428	
<u>FUND BALANCE, Beginning</u>	<u>146,412</u>	<u>384,650</u>	
<u>FUND BALANCE, Ending</u>	<u>369,527</u>	<u>514,078</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, 2016

	<u>Budgeted Amounts</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
	<u>Original & Final</u>		
<u>REVENUES</u>			
Taxes	127,583	125,175	(2,408)
Local Revenue	-	6	6
Intergovernmental	<u>4,750,000</u>	<u>-</u>	<u>(4,750,000)</u>
<u>Total Revenues</u>	<u>4,877,583</u>	<u>125,181</u>	<u>(4,752,402)</u>
<u>EXPENDITURES</u>			
Capital Outlay	6,450,000	1,087,706	5,362,294
Debt Service:			
Principal	-	203,979	(203,979)
Interest	-	16,371	(16,371)
Other	<u>3,000</u>	<u>59,636</u>	<u>(56,636)</u>
<u>Total Expenditures</u>	<u>6,453,000</u>	<u>1,367,692</u>	<u>5,085,308</u>
<u>REVENUE OVER (UNDER) EXPENDITURES</u>	(1,575,417)	(1,242,511)	
<u>OTHER FINANCING SOURCES (USES)</u>			
Contract Proceeds	-	390,285	390,285
Transfer In (Out)	<u>200,000</u>	<u>(358,389)</u>	<u>(558,389)</u>
<u>Total Other Financing Sources (Uses)</u>	<u>200,000</u>	<u>31,896</u>	<u>(168,104)</u>
<u>TOTAL REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</u>			
	(1,375,417)	(1,210,615)	
<u>FUND BALANCE, Beginning</u>	<u>2,529,737</u>	<u>2,563,538</u>	
<u>FUND BALANCE, Ending</u>	<u>1,154,320</u>	<u>1,352,923</u>	

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

Proprietary Fund – Business Type Activities

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

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

NON MAJOR GOVERNMENTAL FUNDS

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

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

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

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

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

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

LAS ANIMAS COUNTY, COLORADO
 AIRPORT – PROPRIETARY FUND
 SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
 BUDGET (GAAP BASIS) AND ACTUAL
 Year Ended December 31, 2016

	Budgeted Amounts Original & Final	Actual	Variance- Favorable (Unfavorable)
<u>OPERATING REVENUES</u>			
Fuel Sales	300,000	113,039	(186,961)
Hangar Rental	30,000	15,385	(14,615)
Other Revenues	<u>38,445</u>	<u>1,829</u>	<u>(36,616)</u>
<u>Total Operating Revenues</u>	<u>368,445</u>	<u>130,253</u>	<u>(238,192)</u>
<u>OPERATING EXPENSES</u>			
Salaries	57,600	70,079	(12,479)
Employee Benefits	13,945	14,463	(518)
Cost of Sales	200,000	81,850	118,150
Contractual Agreements	-	2,760	(2,760)
Depreciation	136,000	136,327	(327)
Insurance	13,500	13,687	(187)
Operating Supplies	10,000	4,426	5,574
Office Supplies & Expense	28,400	3,254	25,146
Utilities	12,000	10,370	1,630
Travel & Transportation Expense	-	634	(634)
Telephone	3,000	1,673	1,327
Maintenance	<u>30,000</u>	<u>5,452</u>	<u>24,548</u>
<u>Total Operating Expenses</u>	<u>504,445</u>	<u>344,975</u>	<u>159,470</u>
<u>OPERATING INCOME (LOSS) BEFORE OTHER SOURCES</u>	<u>(136,000)</u>	<u>(214,722)</u>	
<u>NON OPERATING REVENUES (EXPENSES)</u>			
Grants Revenue	-	6,749,405	6,749,405
Transfers In	-	486,331	486,331
<u>Total Non Operating Revenues (Expenses)</u>	<u>-</u>	<u>7,235,736</u>	<u>7,235,736</u>
<u>CHANGES IN NET POSITION</u>	<u>(136,000)</u>	<u>7,021,014</u>	
<u>NET POSITION, Beginning</u>	<u>172,626</u>	<u>2,002,743</u>	
<u>NET POSITION, Ending</u>	<u>36,626</u>	<u>9,023,757</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, 2016

	Special Revenue Fund			Capital Projects Fund	Total Non-Major Governmental Funds
	Jail Facility	Conservation Trust	LEAF & DUI	Jail Improvement	
<u>ASSETS</u>					
Cash and Equivalents	747,326	256,522	30,672	281,276	1,315,796
Accounts Receivable	-	-	-	-	-
Due From Other Funds	-	957	-	-	957
<u>Total Assets</u>	<u>747,326</u>	<u>257,479</u>	<u>30,672</u>	<u>281,276</u>	<u>1,316,753</u>
<u>LIABILITIES AND FUND EQUITY</u>					
<u>Liabilities</u>					
Accounts Payable	-	-	-	-	-
<u>Total Liabilities</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Fund Balances:</u>					
Nonspendable:					
Inventories	-	-	-	-	-
Prepaid Expense	-	-	-	-	-
Restricted:					
Emergencies	-	-	-	-	-
Roads and Bridges	-	-	-	-	-
Capital Outlay	-	-	-	281,276	281,276
Parks and Recreation	-	257,479	-	-	257,479
Public Safety	747,326	-	30,672	-	777,998
Committed:					
Unanticipated Obligations	-	-	-	-	-
Assigned:					
Roads and Bridges	-	-	-	-	-
Capital Outlay	-	-	-	-	-
Public Works	-	-	-	-	-
Unassigned:					
<u>Total Fund Balances</u>	<u>747,326</u>	<u>257,479</u>	<u>30,672</u>	<u>281,276</u>	<u>1,316,753</u>
 <u>TOTAL LIABILITIES AND FUND BALANCES</u>					
	<u>747,326</u>	<u>257,479</u>	<u>30,672</u>	<u>281,276</u>	<u>1,316,753</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, 2016

	<u>Special Revenue Fund</u>			<u>Capital Projects Fund</u>	<u>Total Non-Major Governmental Funds</u>
	<u>Jail Facility</u>	<u>Conservation Trust</u>	<u>LEAF & DUI</u>	<u>Jail Improvement</u>	
REVENUES					
Taxes	200	-	-	-	200
Intergovernmental Revenues	-	56,333	-	-	56,333
Other Revenues	-	1,461	2,497	10,555	14,513
<u>Total Revenues</u>	<u>200</u>	<u>57,794</u>	<u>2,497</u>	<u>10,555</u>	<u>71,046</u>
EXPENDITURES					
Capital Outlay	-	5,998	-	198,604	204,602
Social Services	-	-	-	-	-
Public Safety	-	-	56	5,102	5,158
Debt Service	-	-	-	29,732	29,732
Other	-	-	-	-	-
<u>Total Expenditures</u>	<u>-</u>	<u>5,998</u>	<u>56</u>	<u>233,438</u>	<u>239,492</u>
REVENUES OVER (UNDER) EXPENDITURES					
	<u>200</u>	<u>51,796</u>	<u>2,441</u>	<u>(222,883)</u>	<u>(168,446)</u>
OTHER FINANCING SOURCES (USES)					
Capital Lease Proceeds	-	-	-	-	-
Operating Transfers In (Out)	(300,000)	(127,942)	-	300,000	(127,942)
<u>Total Other Financing Sources (Uses)</u>	<u>(300,000)</u>	<u>(127,942)</u>	<u>-</u>	<u>300,000</u>	<u>(127,942)</u>
TOTAL REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES					
	(299,800)	(76,146)	2,441	77,117	(296,388)
<u>FUND BALANCE, Beginning</u>	<u>1,047,126</u>	<u>333,625</u>	<u>28,231</u>	<u>204,159</u>	<u>1,613,141</u>
<u>FUND BALANCE, Ending</u>	<u>747,326</u>	<u>257,479</u>	<u>30,672</u>	<u>281,276</u>	<u>1,316,753</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, 2016

	<u>Budgeted Amounts</u> <u>Original & Final</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
<u>REVENUE</u>			
State Tax Revenue	-	200	200
<u>Total Revenues</u>	-	200	200
<u>EXPENDITURES</u>			
Other	-	-	-
<u>Total Expenditures</u>	-	-	-
<u>REVENUES OVER (UNDER) EXPENDITURES</u>	-	200	
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers (Out)	(300,000)	(300,000)	-
<u>REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</u>	(300,000)	(299,800)	
<u>FUND BALANCE, Beginning</u>	<u>1,167,096</u>	<u>1,047,126</u>	
<u>FUND BALANCE, Ending</u>	<u>867,096</u>	<u>747,326</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, 2016

	<u>Budgeted Amounts</u> <u>Original & Final</u>	<u>Actual</u>	Variance- Favorable <u>(Unfavorable)</u>
<u>REVENUE</u>			
Intergovernmental - Lottery	55,000	56,333	1,333
Interest Revenue	<u>-</u>	<u>1,461</u>	<u>1,461</u>
<u>Total Revenues</u>	<u>55,000</u>	<u>57,794</u>	<u>2,794</u>
<u>EXPENDITURES</u>			
Capital Outlay	200,000	5,998	194,002
Other	<u>1,000</u>	<u>-</u>	<u>1,000</u>
<u>Total Expenditures</u>	<u>201,000</u>	<u>5,998</u>	<u>195,002</u>
<u>REVENUES OVER (UNDER) EXPENDITURES</u>	(146,000)	51,796	
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers (Out)	<u>-</u>	<u>(127,942)</u>	<u>(127,942)</u>
<u>REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</u>	(146,000)	(76,146)	
<u>FUND BALANCE, Beginning</u>	<u>290,139</u>	<u>333,625</u>	
<u>FUND BALANCE, Ending</u>	<u>144,139</u>	<u>257,479</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, 2016

	<u>Budgeted Amounts</u> <u>Original & Final</u>	<u>Actual</u>	Variance- Favorable (Unfavorable)
<u>REVENUE</u>			
DUI Fees	2,500	2,497	(3)
<u>Total Revenues</u>	<u>2,500</u>	<u>2,497</u>	<u>(3)</u>
<u>EXPENDITURES</u>			
Miscellaneous	10,000	56	9,944
<u>REVENUES OVER (UNDER) EXPENDITURES</u>			
	(7,500)	2,441	
<u>FUND BALANCE, Beginning</u>			
	26,863	28,231	
<u>FUND BALANCE, Ending</u>			
	<u>19,363</u>	<u>30,672</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, 2016

	<u>Budgeted Amounts</u> <u>Original & Final</u>	<u>Actual</u>	Variance- Favorable (Unfavorable)
<u>Revenue</u>			
Miscellaneous	-	10,555	10,555
<u>Total Revenues</u>	<u>-</u>	<u>10,555</u>	<u>10,555</u>
<u>Expenditures</u>			
Maintenance & Repairs	300,000	5,102	294,898
Capital Outlay	-	198,604	(198,604)
Debt Service:			
Principal	29,733	28,870	863
Interest	<u>-</u>	<u>862</u>	<u>(862)</u>
<u>Total Expenditures</u>	<u>329,733</u>	<u>233,438</u>	<u>96,295</u>
<u>Revenues Over (Under) Expenditures</u>	(329,733)	(222,883)	
<u>Other Financing Sources (Uses)</u>			
Transfers In (Out)	<u>300,000</u>	<u>300,000</u>	<u>-</u>
<u>Total Other Financing Sources (Uses)</u>	<u>300,000</u>	<u>300,000</u>	<u>-</u>
<u>Net Change in Fund Balance</u>	(29,733)	77,117	
<u>Fund Balance, Beginning</u>	<u>120,610</u>	<u>204,159</u>	
<u>Fund Balance, Ending</u>	<u>90,877</u>	<u>281,276</u>	

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

OTHER SCHEDULES

Calendar Year 2016

LOCAL HIGHWAY FINANCE REPORT

COUNTY/CITY:Las Animas County

II - RECEIPTS FOR ROAD AND STREET PURPOSES

A. Receipts from local sources

2. General Fund Appropriations:	\$	0.00
3. Other local imposts: <i>from A.3. Total' below)</i>	\$	126.00
4. Miscellaneous local receipts: <i>from A.4. Total' below)</i>	\$	572,498.00
5. Transfers from toll facilities	\$	0.00
6. Proceeds of sale of bonds and notes		
a. Bonds - Original Issues:	\$	0.00
b. Bonds - Refunding Issues:	\$	0.00
c. Notes:	\$	0.00
		<hr/>
SubTotal:	\$	572,624.00
B. Private Contributions	\$	0.00

II - RECEIPTS FOR ROAD AND STREET PURPOSES (Detail)

A.3. Other local imposts

a. Property Taxes and Assessments	\$	126.00
b. Other Local Imposts		
1. Sales Taxes:	\$	0.00
2. Infrastructure and Impact Fees:	\$	0.00
3. Liens:	\$	0.00
4. Licenses:	\$	0.00
5. Specific Ownership and/or Other:	\$	0.00
		<hr/>
Total: <i>(a + b) carried to 'Other local imposts' above)</i>	\$	126.00

A.4. Miscellaneous local receipts

a. Interest on Investments:	\$	0.00
b. Traffic fines & Penalties:	\$	0.00
c. Parking Garage Fees:	\$	0.00
d. Parking Meter Fees:	\$	0.00
e. Sale of Surplus Property:	\$	0.00
f. Charges for Services:	\$	0.00
g. Other Misc. Receipts:	\$	15,696.00
h. Other:	\$	556,802.00
		<hr/>
Total: <i>(a through h) carried to 'Misc local receipts' above)</i>	\$	572,498.00

C. Receipts from State Government

1. Highway User Taxes:	\$	3,226,892.00
3. Other State funds:		
c. Motor Vehicle Registrations:	\$	17,169.00
d. Other:		
Comments: Severance Tax	\$	106,571.00
e. Other:		
Comments: EIAF Grants & Noxious Weeds	\$	3,470,299.00
Total: (1+3c,d,e)	\$	<u>6,820,931.00</u>

D. Receipts from Federal Government

2. Other Federal Agencies		
a. Forest Service:	\$	0.00
b. FEMA:	\$	0.00
c. HUD:	\$	0.00
d. Federal Transit Administration:	\$	0.00
e. U.S. Corp of Engineers	\$	0.00
f. Other Federal:	\$	196.00
Total: (2a-f)	\$	<u>196.00</u>

III - DISBURSEMENTS FOR ROAD AND STREET PURPOSES**A. Local highway disbursements**

1. Capital outlay: (from A.1.d. Total Capital Outlay below)	\$	5,718,481.00
2. Maintenance:	\$	1,915,774.00
3. Road and street services		
a. Traffic control operations:	\$	0.00
b. Snow and ice removal:	\$	478,943.00
c. Other:	\$	8,970.00
4. General administration & miscellaneous	\$	775,410.00
5. Highway law enforcement and safety	\$	0.00
Total: (A.1-5)	\$	<u>8,897,578.00</u>

III - DISBURSEMENTS FOR ROAD AND STREET PURPOSES - (Detail)

	A. ON NATIONAL HIGHWAY SYSTEM	B. OFF NATIONAL HIGHWAY SYSTEM	C. TOTAL
A.1. Capital Outlay			
a. Right-Of-Way Costs:	\$ 0.00	\$ 0.00	\$ 0.00
b. Engineering Costs:	\$ 0.00	\$ 0.00	\$ 0.00
c. Construction			
1. New Facilities:	\$ 0.00	\$ 0.00	\$ 0.00
2. Capacity Improvements:	\$ 0.00	\$ 0.00	\$ 0.00
3. System Preservation:	\$ 0.00	\$ 0.00	\$ 0.00
4. System Enhancement:	\$ 0.00	\$ 5,718,481.00	\$ 5,718,481.00
5. Total Construction:			\$ 5,718,481.00
d. Total Capital Outlay: <i>(Lines A.1.a. + 1.b. + 1.c.5)</i>			\$ 5,718,481.00

IV. LOCAL HIGHWAY DEBT STATUS

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

V - LOCAL ROAD AND STREET FUND BALANCE

A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
\$ 5,106,581.00	\$ 7,393,751.00	\$ 8,897,578.00	\$ 3,602,754.00	\$ 0.00

Notes & Comments:
undefined

Date Submitted: 05/23/2017

B. Debt service on local obligations

1. Bonds

a. Interest	\$	0.00
b. Redemption	\$	0.00

2. Notes

a. Interest	\$	0.00
b. Redemption	\$	0.00

SubTotal: (1+2)	\$	0.00
-----------------	----	------

C. Payments to State for Highways:

\$	0.00
----	------

D. Payments to Toll Facilities:

\$	0.00
----	------

Total Disbursements: (A+B+C+D)	\$	8,897,578.00
--------------------------------	----	--------------

Schedule of Authorization, Expenditures, and Total Expenditures

LAS ANIMAS COUNTY DEPARTMENT OF HUMAN SERVICES
 REQUIRED SUPPLEMENTAL INFORMATION (RSI)
 DECEMBER 31, 2016

CATEGORY	A COUNTY EBT AUTHORIZATIONS	B COUNTY SHARE OF AUTHORIZATIONS	C WARRANT ISSUE ISSUED BY COUNTY DEPT	A + C = D TOTAL COUNTY WARRANT ISSUE & AUTHORIZATIONS	B + C = E TOTAL COUNTY DEPT EXPENDITURES
Colorado Works					
Administration	\$ -		\$ 122,947.97	\$ 122,947.97	\$ 122,947.97
Non-ADM - Client Payment	\$ 100.00			\$ 100.00	\$ -
EBT (Non ADM)	\$ 741,748.58			\$ 741,748.58	\$ -
Total Colorado Works	\$ 741,848.58		\$ 122,947.97	\$ 864,796.55	\$ 122,947.97
Child Care					
EBT / MOE	\$ 194,676.24			\$ 194,676.24	\$ -
Administration	\$ -		\$ 41,055.85	\$ 41,055.85	\$ 41,055.85
Quality Grants	\$ -		\$ -	\$ -	\$ -
Total Child Care	\$ 194,676.24		\$ 41,055.85	\$ 235,732.09	\$ 41,055.85
Child Welfare					
Administration 100%			\$ 106,974.35	\$ 106,974.35	\$ 106,974.35
Administration 80/20%			\$ 333,376.31	\$ 333,376.31	\$ 333,376.31
CHRP				\$ -	\$ -
RTC				\$ -	\$ -
Res Mental Health	\$ 12,032.97			\$ 12,032.97	\$ -
Foster Care OOH	\$ 483,312.47			\$ 483,312.47	\$ -
Related Child Care	\$ 34,509.83			\$ 34,509.83	\$ -
SubAdopt	\$ 166,288.17			\$ 166,288.17	\$ -
Relative Guardianship				\$ -	
Case Services	\$ 9,665.41			\$ 9,665.41	
Total Child Welfare	\$ 705,808.85		\$ 440,350.66	\$ 1,146,159.51	\$ 440,350.66
Total County Administration			\$ 783,771.41	\$ 783,771.41	\$ 783,771.41
Core Services					
Mental Health	\$ 3,243.75			\$ 3,243.75	\$ -
ADAD	\$ 19,272.96			\$ 19,272.96	\$ -
Special Economic Asst	\$ 4,173.79			\$ 4,173.79	\$ -
Core Other EBT/EFT	\$ 3,510.00			\$ 3,510.00	\$ -
Core Other - 100%			\$ 181,954.85	\$ 181,954.85	\$ 181,954.85
Core 80/20%				\$ -	\$ -
Total Core Services	\$ 30,200.50		\$ 181,954.85	\$ 212,155.35	\$ 181,954.85
				\$ -	\$ -
Total Child Support Enforce			\$ 223,721.86	\$ 223,721.86	\$ 223,721.86
Total LEAP	\$ 497,714.15		\$ 41,525.74	\$ 539,239.89	\$ 41,525.74
Total Aid to Needy Disabled	\$ 123,151.81			\$ 123,151.81	\$ -
Total A.N.D. HCA				\$ -	\$ -
Total O.A.P. HCA	\$ 10,563.50			\$ 10,563.50	\$ -
Total SSI - HCA	\$ 6,154.56			\$ 6,154.56	
Total Old Age Pension	\$ 405,849.49			\$ 405,849.49	\$ -
Total Food Assist Fraud			\$ 17,482.33	\$ 17,482.33	\$ 17,482.33
Total FA Benefits & Collect	\$ 4,609,802.89			\$ 4,609,802.89	\$ -
Total DoD Funds	\$ -			\$ -	\$ -
				\$ -	\$ -
Total Chaffee Indep Living				\$ -	\$ -

Schedule of Authorization, Expenditures, and Total Expenditures

LAS ANIMAS COUNTY DEPARTMENT OF HUMAN SERVICES
 REQUIRED SUPPLEMENTAL INFORMATION (RSI)
 DECEMBER 31, 2016

CATEGORY	A COUNTY EBT AUTHORIZATIONS	B COUNTY SHARE OF AUTHORIZATIONS	C WARRANT ISSUE ISSUED BY COUNTY DEPT	A + C = D TOTAL COUNTY WARRANT ISSUE & AUTHORIZATIONS	B + C = E TOTAL COUNTY DEPT EXPENDITURES
Total Co Wide Cost Alloc			\$ -	\$ -	\$ -
Medicaid Transportation			\$ 136,761.68	\$ 136,761.68	\$ 136,761.68
Single Entry Point			\$ 608,599.70	\$ 608,599.70	\$ 608,599.70
Other Local Sources					
General Assistance			\$ 602.76	\$ 602.76	\$ 602.76
Commodities			\$ 5,091.42	\$ 5,091.42	\$ 5,091.42
Total Other Sources			\$ 5,694.18	\$ 5,694.18	\$ 5,694.18
IV-E Revenue SB-80 Non-ADM - Client Payment			\$ -	\$ -	\$ -
Parental Fees SB-94 Non-ADM - Client Payment				\$ -	\$ -
Workload Study			\$ 32,961.20	\$ 32,961.20	\$ 32,961.20
IV-E Waiver Kinship Support			\$ 10,652.14	\$ 10,652.14	\$ 10,652.14
IV-E Waiver Roundtable			\$ 270.60	\$ 270.60	\$ 270.60
Hotline Implementation			\$ 367.08	\$ 367.08	\$ 367.08

\$ 9,973,520.74

SINGLE AUDIT SECTION

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

**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, 2016, and the related notes to the financial statements, which collectively comprise Las Animas County's basic financial statements, and have issued our report thereon dated June 30, 2017.

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.

Duran, Waller & Co., P.C.

June 30, 2017

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

**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, 2016. 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, 2016.

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., Inc.

June 30, 2017

LAS ANIMAS COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2016

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)
Airport Improvement	(CFDA# 20.106)

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 2016.

Findings – GAGAS

None.

LAS ANIMAS COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2016

SUMMARY OF AUDITOR'S RESULTS: (continued)

Findings – Federal Awards

NONE

LAS ANIMAS COUNTY, COLORADO
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
Year Ended December 31, 2016

NONE

LAS ANIMAS COUNTY, COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended December 31, 2016

<u>Federal Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass Through Grantor and Number</u>	<u>Federal Expenditures</u>	<u>Pass Through to Other Entity</u>
CCDF Cluster-Cluster				
Department of Health and Human Services				
Child Care and Development Block Grant				
Child Care and Development Block Grant	93.575	State Dept. of Human Services	72,589	
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	State Dept. of Human Services	<u>83,651</u>	
Total Department of Health and Human Services			<u>156,240</u>	
Total CCDF Cluster-Cluster			<u>156,240</u>	
Other Programs				
Department of Homeland Security				
Homeland Security Grant Program				
Homeland Security Grant Program	97.067	County of Pueblo, Colorado	27,241	
Homeland Security Grant Program	97.067	City of Trinidad, Colorado	<u>2,624</u>	
Total Department of Homeland Security			<u>29,865</u>	
Department of Transportation				
Airport Improvement Program	20.106		<u>6,497,179</u>	
Total Department of Transportation			<u>6,497,179</u>	
Department of Health and Human Services				
Guardianship Assistance	93.090	State Dept. of Human Services	<u>1,172</u>	
Temporary Assistance for Needy Families	93.558	State Dept. of Human Services	<u>767,024</u>	
Child Support Enforcement	93.563	State Dept. of Human Services	<u>106,695</u>	
Low-Income Home Energy Assistance	93.568	State Dept. of Human Services	<u>488,873</u>	
Stephanie Tubbs Jones Child Welfare Services	93.645	State Dept. of Human Services	<u>9,271</u>	
Foster Care – Title IV-E	93.658	State Dept. of Human Services	<u>303,971</u>	
Adoption Assistance	93.659	State Dept. of Human Services	<u>82,777</u>	
Social Services Block Grant	93.667	State Dept. of Human Services	<u>93,777</u>	
Medical Assistance Program: Medical Assistance Program	93.778	State Dept. of Human Services	216,987	
Medical Assistance Program	93.778	State Dept. of Health Care		
Medical Assistance Program		Policy and Finance	<u>304,310</u>	177,106
Total Medical Assistance Program			<u>521,297</u>	177,106
Total Department of Health and Human Services			<u>2,374,857</u>	177,106
United States Department of Agriculture				
Supplemental Nutrition Assistance Program	10.561	State Dept. of Human Services	<u>136,582</u>	
Emergency Food Assistance Program (Food Commodities)	10.569	State Dept. of Human Services	<u>61,698</u>	
Total United States Department of Agriculture			<u>198,280</u>	
Total Other Programs			<u>9,100,181</u>	
<u>Total Expenditures of Federal Awards</u>			<u>9,256,421</u>	<u>177,106</u>

The accompanying notes are an integral part of this schedule.

LAS ANIMAS COUNTY, COLORADO
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended December 31, 2016

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

\$177,106 of Single Entry Point monies were passed through to the Huerfano County during 2016. The cash basis of accounting was used to recognize the pass through of these program monies.

NOTE 4 Food Assistance – SNAP

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

NOTE 5 Indirect Costs

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