

SAGUACHE COUNTY, COLORADO

FINANCIAL STATEMENTS

December 31, 2013



Wall,
Smith,
Bateman Inc.
Certified Public Accountants

SAGUACHE COUNTY, COLORADO
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INDEPENDENT AUDITORS' REPORT



Wall,
Smith,
Bateman Inc.

To the Board of County Commissioners
Saguache County, Colorado

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 Saguache County, Colorado, as of and for the year ended December 31, 2013, 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.

Auditors' 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 auditors' 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.

Certified Public Accountants

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Basis for Qualified Opinion on the Governmental Activities and the General Fund

We were unable to obtain sufficient appropriate audit evidence about the valuation of the due to other governments recorded in the governmental activities and the General Fund relating to specific ownership tax collection and distribution errors explained in Note 7 to the basic financial statements.

Qualified Opinion

In our opinion, except for the effects of the matter described in the "Basis for Qualified Opinion on the governmental activities and the General Fund" paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and the General Fund of the County, as of December 31, 2013, and the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business -type activities, each major fund other than the General Fund, and the aggregate remaining fund information of the County, as of December 31, 2013, 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.

Emphasis of Matter

As discussed in Note 15 to the financial statements, the County erroneously recorded specific ownership tax as clerk fee revenue in the General Fund in prior years. Beginning net position and fund balance have been restated in the governmental activities and General Fund accordingly.

Other Matters

Required Supplementary Information

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on pages 30-32 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 the County's basic financial statements. The combining nonmajor fund financial schedules and the Local Highway Finance Report are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

The combining nonmajor fund financial schedules, the schedule of expenditures of federal awards, and the Local Highway Finance Report 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 nonmajor fund financial schedules, the schedule of expenditures of federal awards, and the Local Highway Finance Report are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 3, 2014 on our consideration of the 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 the County's internal control over financial reporting and compliance.



Wall, Smith, Bateman Inc.
Alamosa, Colorado

September 3, 2014

SAGUACHE COUNTY, COLORADO

BASIC FINANCIAL STATEMENTS

SAGUACHE COUNTY, COLORADO

STATEMENT OF NET POSITION

December 31, 2013

	Primary Government		TOTAL
	Governmental Activities	Business-Type Activities	
ASSETS			
Current Assets:			
Cash and Cash Equivalents	\$ 390,254	\$ 130,459	\$ 520,713
Investments	3,688,011	-	3,688,011
Accounts Receivable	-	20	20
Property Taxes Receivable	1,580,343	-	1,580,343
Due from Other Governments	398,426	-	398,426
Inventory	207,382	-	207,382
Total Current Assets	<u>6,264,416</u>	<u>130,479</u>	<u>6,394,895</u>
Noncurrent Assets:			
Capital Assets:			
Land	231,693	52,000	283,693
Buildings, net	2,066,518	338,295	2,404,813
Vehicles & Heavy Equipment, net	2,928,346	-	2,928,346
Equipment, net	158,830	-	158,830
Infrastructure, net	733,819	-	733,819
Total Noncurrent Assets	<u>6,119,206</u>	<u>390,295</u>	<u>6,350,671</u>
TOTAL ASSETS	<u>12,383,622</u>	<u>520,774</u>	<u>12,745,566</u>
LIABILITIES			
Current Liabilities:			
Accounts Payable	109,215	1,259	110,474
Accrued Payroll	16,320	-	16,320
Due to Other Governments	459,051	-	459,051
Security Deposits	-	4,912	4,912
Unearned Revenue	14,374	-	14,374
Compensated Absences (current portion)	3,782	-	3,782
Notes Payable (current portion)	57,976	21,292	79,268
Total Current Liabilities	<u>660,718</u>	<u>27,463</u>	<u>688,181</u>
Noncurrent Liabilities:			
Notes Payable	185,472	414,082	599,554
Closure and Post Closure Costs	357,880	-	357,880
Compensated Absences	166,962	-	166,962
Total Noncurrent Liabilities	<u>710,314</u>	<u>414,082</u>	<u>1,124,396</u>
TOTAL LIABILITIES	<u>1,371,032</u>	<u>441,545</u>	<u>1,812,577</u>
DEFERRED INFLOWS OF RESOURCES - CURRENT			
Unearned Revenue - Property Tax	1,580,343	-	1,580,343
NET POSITION			
Net Investment in Capital Assets	5,517,878	(45,079)	5,472,799
Restricted for TABOR	250,000	-	250,000
Unrestricted	3,664,369	124,308	3,788,677
TOTAL NET POSITION	<u>\$ 9,432,247</u>	<u>\$ 79,229</u>	<u>\$ 9,511,476</u>

The accompanying notes are an integral part of this financial statement.

SAGUACHE COUNTY, COLORADO
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2013

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
Primary Government:							
Governmental Activities:							
General Government	\$ 3,418,356	\$ 432,884	\$ 76,919	\$ 131,081	\$ (2,777,472)	\$ -	\$ (2,777,472)
Public Safety	1,194,020	128,875	86,656	-	(978,489)	-	(978,489)
Health and Welfare	4,768,821	282,155	4,257,496	-	(229,170)	-	(229,170)
Public Works	3,224,646	84,740	3,778,035	5,400	643,529	-	643,529
Culture and Recreation	159,235	-	37,192	-	(122,043)	-	(122,043)
Interest on Long-Term Debt	10,955	-	-	-	(10,955)	-	(10,955)
Total Governmental Activities	12,776,033	928,654	8,236,298	136,481	(3,474,600)	-	(3,474,600)
Business-Type Activities:							
Housing Authority	194,575	192,892	-	-	-	(1,683)	(1,683)
Total Business-Type Activities	194,575	192,892	-	-	-	(1,683)	(1,683)
Total Primary Government	\$ 12,970,608	\$ 1,121,546	\$ 8,236,298	\$ 136,481	(3,474,600)	(1,683)	(3,476,283)
General Revenues:							
Taxes:							
General Property Taxes - Net					1,487,411	-	1,487,411
Sales Taxes					278,787	-	278,787
Other Taxes					260,736	-	260,736
Payment in Lieu of Taxes					797,037	-	797,037
Interest on Investments					16,947	284	17,231
Miscellaneous					109,532	5,000	114,532
Total General Revenues					2,950,450	5,284	2,955,734
Change in Net Position					(524,150)	3,601	(520,549)
Net Position - Beginning					10,128,048	75,628	10,203,676
Prior Period Adjustment					(171,651)	-	(171,651)
Net Position - Ending					\$ 9,432,247	\$ 79,229	\$ 9,511,476

The accompanying notes are an integral part of this financial statement.

SAGUACHE COUNTY, COLORADO
GOVERNMENTAL FUNDS
BALANCE SHEET
December 31, 2013

	GENERAL FUND	ROAD AND BRIDGE FUND	SOCIAL SERVICES FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS					
Cash and Investments	\$ 1,733,738	\$ 1,843,561	\$ 278,590	\$ 222,376	\$ 4,078,265
Property Taxes Receivable	1,320,343	-	260,000	-	1,580,343
Due from Other Funds	322	-	-	24,270	24,592
Due from Other Governments	159,240	140,589	62,835	35,762	398,426
Inventory	-	207,382	-	-	207,382
TOTAL ASSETS	\$ 3,213,643	\$ 2,191,532	\$ 601,425	\$ 282,408	\$ 6,289,008
LIABILITIES AND FUND BALANCE					
LIABILITIES					
Accounts Payable	\$ 39,140	\$ 71,272	\$ 4,388	\$ 10,735	\$ 125,535
Due to Other Funds	10,494	276	8,776	5,046	24,592
Due to Other Governments	459,051	-	-	-	459,051
Unearned Grant Revenue	-	-	-	14,374	14,374
TOTAL LIABILITIES	508,685	71,548	13,164	30,155	623,552
DEFERRED INFLOWS OF RESOURCES					
Unearned Revenue - Property Tax	1,320,343	-	260,000	-	1,580,343
FUND BALANCE					
Nonspendable					
Inventory	-	207,382	-	-	207,382
Restricted					
Tabor	250,000	-	-	-	250,000
Assigned					
Highway and Streets	-	1,912,602	-	-	1,912,602
Health and Welfare	-	-	328,261	49,162	377,423
Culture and Recreation	-	-	-	107,323	107,323
Emergency Services	-	-	-	39,121	39,121
Renewable Energy	-	-	-	55,271	55,271
Telecommunications	-	-	-	1,376	1,376
Designated for Subsequent Years	73,916	-	-	-	73,916
Unassigned	1,060,699	-	-	-	1,060,699
TOTAL FUND BALANCE	1,384,615	2,119,984	328,261	252,253	4,085,113
TOTAL LIABILITIES AND FUND BALANCE	\$ 3,213,643	\$ 2,191,532	\$ 601,425	\$ 282,408	\$ 6,289,008

6 The accompanying notes are an integral part of this financial statement.

SAGUACHE COUNTY, COLORADO
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO THE STATEMENT OF NET POSITION
December 31, 2013

Total governmental fund balances		\$ 4,085,113
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		6,119,206
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Compensated Absences	\$ (170,744)	
Landfill Closure and Post-Closure Costs	(357,880)	
Capital Lease Payable	(243,448)	
		(772,072)
Net position of governmental activities		\$ 9,432,247

The accompanying notes are an integral part of this financial statement.

SAGUACHE COUNTY, COLORADO
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
For the Year Ended December 31, 2013

	GENERAL FUND	ROAD AND BRIDGE FUND	SOCIAL SERVICES FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES					
Taxes	\$ 1,466,613	\$ 3	\$ 266,644	\$ 293,674	\$ 2,026,934
Intergovernmental Revenue	2,172,506	2,711,469	4,058,701	236,650	9,179,326
Licenses and Permits	59,983	34,079	-	-	94,062
Interest on Deposits	16,931	-	16	-	16,947
Charges for Services	732,415	75,500	-	281,492	1,089,407
Miscellaneous	56,661	41,198	-	11,673	109,532
TOTAL REVENUES	4,505,109	2,862,249	4,325,361	823,489	12,516,208
EXPENDITURES					
Current Expenditures:					
General Government	3,439,042	-	-	500	3,439,542
Public Safety	1,038,171	-	-	116,750	1,154,921
Health and Welfare	4,220	-	4,286,905	513,980	4,805,105
Public Works	35,400	2,791,101	-	126,300	2,952,801
Culture and Recreation	-	-	-	159,235	159,235
Capital Outlay	22,169	667,630	-	-	689,799
Debt Service	-	67,107	-	-	67,107
TOTAL EXPENDITURES	4,539,002	3,525,838	4,286,905	916,765	13,268,510
Excess (deficiency) of revenues over expenditures	(33,893)	(663,589)	38,456	(93,276)	(752,302)
OTHER FINANCING SOURCES (USES)					
Transfers In	-	-	-	57,000	57,000
Transfers Out	(57,000)	-	-	-	(57,000)
Captial Lease Proceeds	-	299,600	-	-	299,600
TOTAL OTHER FINANCING SOURCES (USES)	(57,000)	299,600	-	57,000	299,600
Net Change in Fund Balance	(90,893)	(363,989)	38,456	(36,276)	(452,702)
Fund Balance at Beginning of Year as Previously Stated	1,647,159	2,483,973	289,805	288,529	4,709,466
Prior Period Adjustment	(171,651)	-	-	-	(171,651)
Fund Balance at Beginning of Year, Restated	1,475,508	2,483,973	289,805	288,529	4,537,815
Fund Balance at End of Year	\$ 1,384,615	\$ 2,119,984	\$ 328,261	\$ 252,253	\$ 4,085,113

8 The accompanying notes are an integral part of this financial statement.

SAGUACHE COUNTY, COLORADO
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2013

Net change in fund balances - total governmental funds \$ (452,702)

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

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 activity in capital assets in the current period.

Fixed asset additions	\$	750,028	
Loss on disposal of fixed assets		(7,235)	
Depreciation expense		(560,836)	
		181,957	181,957

Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. Repayment of principal include:

Capital Lease Payments		56,152	
Capital Lease Proceeds		(299,600)	
		(243,448)	(243,448)

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

Compensated Absences		(5,060)	
Landfill Closure and Post-Closure Costs		(4,897)	
		(9,957)	(9,957)

Change in net position of governmental funds \$ (524,150)

SAGUACHE COUNTY, COLORADO
PROPRIETARY FUND TYPES
STATEMENT OF NET POSITION
December 31, 2013

	Business-type Activities
	HOUSING AUTHORITY
ASSETS	
Current Assets:	
Cash and Cash Equivalents	\$ 130,459
Accounts Receivable	20
Total Current Assets	130,479
Noncurrent Assets:	
Capital Assets:	
Land	52,000
Buildings and Improvements, net	338,295
Total Noncurrent Assets	390,295
TOTAL ASSETS	520,774
LIABILITIES	
Current Liabilities:	
Accounts Payable	1,259
Security Deposit	4,912
Notes Payable (current portion)	21,292
Total Current Liabilities	27,463
Noncurrent Liabilities:	
Notes Payable	414,082
Total Noncurrent Liabilities	414,082
TOTAL LIABILITIES	441,545
NET POSITION	
Net Investment in Capital Assets	(45,079)
Unrestricted	124,308
TOTAL NET POSITION	\$ 79,229

The accompanying notes are an integral part of this financial statement.

SAGUACHE COUNTY, COLORADO
PROPRIETARY FUND TYPES
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION
For the Year Ended December 31, 2013

	Business-type Activities
	HOUSING AUTHORITY
OPERATING REVENUES	
Rent from Tenants and HUD Operating Subsidy	\$ 192,892
Miscellaneous	5,000
	197,892
Total Charges for Services	197,892
Total operating revenues	197,892
OPERATING EXPENSES	
Administrative	79,388
Utilities	54,146
Operating and Maintenance	11,601
Insurance	6,330
Depreciation Expense	27,183
	178,648
Total operating expenses	178,648
Operating Income (Loss)	19,244
NONOPERATING REVENUES (EXPENSES)	
Interest on Investments	284
Interest Expense	(15,927)
	(15,643)
Total Nonoperating Revenues (Expenses)	(15,643)
Changes in Net Position	3,601
Net Position, Beginning of Year	75,628
Net Position, End of Year	\$ 79,229

The accompanying notes are an integral part of this financial statement.

SAGUACHE COUNTY, COLORADO
PROPRIETARY FUND TYPES
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2013

	Business-type Activities
	HOUSING AUTHORITY
Cash flows from operating activities:	
Cash received from tenants and others	\$ 105,019
Cash received from HUD operating subsidy	92,853
Cash paid to employees for services	(79,388)
Cash paid to suppliers and service providers	(70,818)
	47,666
Net cash provided (used) by operating activities:	47,666
Cash flows from noncapital financing activities:	-
Cash flows from capital and related financing activities:	
Payment of note principal and interest	(36,154)
	(36,154)
Net cash provided (used) by capital and related financing activities	(36,154)
Cash flows from investing activities:	
Interest received	284
	284
Net cash provided (used) by investing activities	284
Increase (decrease) in cash and investments	11,796
Cash and cash equivalents, Beginning of the Year	118,663
Cash and cash equivalents, End of the Year	\$ 130,459
Operating income (loss)	\$ 19,244
Adjustments to reconcile net income to net cash provided (used) by operating activities	
Depreciation	27,183
(Increase) Decrease in Accounts Receivable	(20)
Increase (Decrease) in Accounts Payable	1,259
	28,422
Total adjustments	28,422
Net cash provided (used) by operating activities	\$ 47,666

The accompanying notes are an integral part of this financial statement.

SAGUACHE COUNTY, COLORADO
FIDUCIARY FUND TYPES
STATEMENT OF NET POSITION
December 31, 2013

	PUBLIC TRUSTEE	COUNTY TREASURER	COUNTY CLERK	SHERIFF'S TRUST	TOTAL AGENCY FUNDS
ASSETS					
Cash and Cash Equivalents	\$ 11,645	\$ 1,211,629	\$ 32,614	\$ 5,557	\$ 1,261,445
TOTAL ASSETS	\$ 11,645	\$ 1,211,629	\$ 32,614	\$ 5,557	\$ 1,261,445
LIABILITIES					
Due to Other Governments	\$ -	\$ 1,211,629	\$ -	\$ -	\$ 1,211,629
Deposits held in Trust	11,645	-	32,614	5,557	49,816
TOTAL LIABILITIES	\$ 11,645	\$ 1,211,629	\$ 32,614	\$ 5,557	\$ 1,261,445

The accompanying notes are an integral part of this financial statement.

SAGUACHE COUNTY, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2013

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting policies of the County reflected in the accompanying financial statements conform to accounting principles generally accepted in the United States of America applicable to state and local governments. Accounting principles generally accepted in the United States of America for local governments are those promulgated by the Governmental Accounting Standards Board (GASB) in *Governmental Accounting and Financial Reporting Standards*.

REPORTING ENTITY

Primary Government

Saguache County is a political subdivision organized under the statutes of the State of Colorado. The County is governed by a three-member Board of County Commissioners (the Board). Each commissioner is elected at-large by the voters of the County to represent one of the three separate districts and must reside in the district for which he or she is elected. There are also six other elected officials - assessor, clerk and recorder, coroner, sheriff, district attorney, and treasurer. The treasurer is also the County Public Trustee.

The County provides a wide range of services to its residents including, general administration, public safety, highways and streets, health and social services, public improvements, planning, zoning, airport, predatory animal and weed control.

Component Units

The County's combined financial statements include the accounts of all County operations. The criteria for including organizations as component units within the County's reporting entity, as set forth in Section 2100 of GASB's *Codification of Governmental Accounting and Financial Reporting Standards*, include whether:

- § The organization is legally separate (can sue and be sued in their own name)
- § The County holds the corporate powers of the organization
- § The County appoints a voting majority of the organization's board
- § The County is able to impose its will on the organization
- § The organization has the potential to impose a financial benefit/burden on the County
- § There is fiscal dependency by the organization on the County
- § The organization is financially accountable to the County
- § The organization receives or holds funds that are for the benefit of the County; and the County has access to a majority of the funds held; and the funds that are accessible are also significant to the County

The Saguache County Housing Authority (the Authority) is administered and governed by the Saguache County Commissioners. The Authority is blended into the County's financial statements as an Enterprise Fund.

GOVERNMENT -WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements include a statement of net position and a statement of activities. Government-wide statements report information on all of the activities of the County and its component units, except for County fiduciary activity. The effect of interfund transfers has been removed from the government-wide statements but continues to be reflected on the fund statements. Mainly taxes and intergovernmental revenues support governmental activities.

SAGUACHE COUNTY, COLORADO
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The statement of activities reflects the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include:

- § Charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and
- § Grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included in program revenues are reported as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the fiduciary funds are excluded from the government-wide financial statements. Major individual governmental and proprietary funds are reported as separate columns in the fund financial statements.

MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

The government-wide 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 when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants are recognized as revenue when all applicable eligibility requirements imposed by the provider are met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 60 days of the end of the current fiscal 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.

Sales and use taxes, other taxes, charges for services, intergovernmental revenues, and interest are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the County.

The County reports the following major governmental funds:

- § The *General Fund* is the general operating fund of the County. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- § The *Road and Bridge Fund* is used to account for the maintenance and improvements of streets and highways. The sources of funds include highway users fees and other revenue sources.
- § The *Social Services Fund* is used to account for the operations of social programs; i.e. Temporary Aid to Needy Families, Old Age Pension, Aid to the Blind, Aid to the Needy and Disabled, among others. Financing is provided by grants, allotments, and property tax revenue.

SAGUACHE COUNTY, COLORADO
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Proprietary fund financial statements are used to account for activities, which are similar to those often found in the private sector. The measurement focus is based upon determination of net income, financial position, and cash flows. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. All other revenues and expenses are reported as non-operating.

§ The *Housing Authority Fund* is reported as an enterprise fund. The principal operating revenue of the Housing Authority Fund are monthly unit rental fees charged to tenants.

Fiduciary fund financial statements consist of the Trust and Agency Fund established to record transactions relating to assets held by the County in a trustee capacity or as an agent for individuals, governmental entities, and non-public organizations. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regards to interfund activities, payables, and receivables. All internal balances in the Statement of Net Position have been eliminated.

ASSETS, LIABILITIES , DEFERRED INFLOWS OF RESOURCES , AND NET POSITION/FUND BALANCE

Cash

The County's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments

All investments, if any, are recorded at fair market value.

Property Taxes

Property taxes attach as an enforceable lien on property as of January 1 each year. The taxes are payable in two installments on February 28 and June 15 or in full on April 30. The County Treasurer bills and collects all property taxes for the County. Property tax revenue is recognized by the County to the extent it results in a current receivable. The 2013 property tax levy due January 1, 2014 has been recorded in the financial statements as a receivable and a corresponding deferred inflow of resources in the financial statements.

Inventories

Inventory is valued at the lower of cost (last-in, first-out) or market. Inventory in the Road and Bridge Fund consists of expendable supplies held for use. Reported inventories are equally offset by a fund balance reserve, which indicates that they do not constitute "available spendable resources" even though they are a component of net current assets. Inventory policy on government-wide statements is consistent with fund statements.

Capital Assets

Capital Assets, which include land, buildings and improvements, equipment, construction in progress, and infrastructure assets (e.g. roads, bridges, sidewalks, underground pipe, traffic signals, and similar items), are reported in the applicable governmental activities columns in the government-wide financial statements. The County defines capital assets as assets with an initial, individual cost of more than \$5,000. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

SAGUACHE COUNTY, COLORADO
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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. Capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Building and Improvements	7 – 40
Vehicles and Equipment	5 – 15
Infrastructure	25 – 40

Compensated Absences

Annual leave may be accrued to the maximum of:

Under 5 years	144 hours
5 but less than 10 years	168 hours
10 – 15 or (20) years	192 hours

Upon separation from the County, an employee shall be paid for the amount of annual leave that he/she has accrued, subject to the limitation above. All vacation leave pay is accrued when incurred in the government-wide financial statements. A liability is reported in governmental funds only if they have matured, for example as a result of employee resignations or retirements.

Interest Capitalization

Interest costs are capitalized when proceeds are used to finance the construction of assets. Interest earned on proceeds of tax-exempt borrowing arrangements restricted to the acquisition of qualifying assets is offset against interest costs in determining the amount to be capitalized. There was no interest capitalized in 2013.

Unearned Revenue

Revenues on grants, which are restricted by the grant document for specific purposes, are recognized as revenue only after eligible grant costs have been incurred. Grant funds received in excess of grant expenditures are recorded as unearned revenues.

Deferred Inflows of Resources

In addition to liabilities, the statement of net position reports a separate section of deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future periods and will not be recognized as an inflow of resources (revenue) until that time.

Net Position

Net position represents the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources. Net position is displayed in the following three components:

- § *Net investment in capital assets* – consists of capital assets, net accumulated depreciation, reduced by the outstanding balances of any borrowings that are attributable to the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt should be included in this component of net position.
- § *Restricted* – consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Restricted assets consist of assets that have limitations imposed on their use either through the enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

SAGUACHE COUNTY, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
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- § *Unrestricted* – consists of the net amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted components of net position.

Fund Balance

Fund balances are reported based on the extent to which the County is bound to honor constraints for the specific purpose on which amounts in the fund can be spent. Fund balances are now classified in one of the five categories:

- § *Nonspendable Fund Balance* - are amounts that cannot be spent because they are not in spendable form- such as inventory and prepaid expenses .
- § *Restricted Fund Balance* - are restricted when constraints placed on the use of resources are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.
- § *Committed Fund Balance* - are amounts that can only be used for specific purposes as a result of constraints imposed by the Board of County Commissioners , the highest level of decision making authority, through resolution or ordinance. Committed amounts cannot be used for any other purpose unless the Board removes those constraints by taking the same type of action. Committed fund balances differ from restricted balances because the constraints on their use do not come from outside parties, constitutional provisions, or enabling legislation.
- § *Assigned Fund Balance* - are amounts a government intends to use for a specific purpose; intent can be expressed by the Board of County Commissioners or by an official or body to which the governing body delegates the authority.
- § *Unassigned Fund Balance* - are amounts that are available for any purpose; these amounts are reported only in the General Fund.

When an expenditure is incurred for purposes for which both restricted and unrestricted net position/ fund balance is available, the County considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, and unassigned fund balances are available, the County considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board of County Commissioners has provided otherwise in its commitment or assignment actions.

Encumbrances

The County does not record purchase orders in the accounting system until invoices are ready for payment. Unfulfilled purchase commitments outstanding at the end of the budget year are rebudgeted in the succeeding year.

Use of Estimates

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

Reclassifications

Certain amounts in 2012 have been reclassified to conform to the 2013 financial statement presentation.

SAGUACHE COUNTY, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2013

New Accounting Pronouncements

During 2013, the County adopted the provision of GASB Statement No. 61, *The Financial Reporting Entity; Omnibus - an amendment of GASB Statements No. 14 and No. 34*. Those requirements result in financial reporting entity financial statements being more relevant by improving the guidance for including, presenting, and disclosing information about components and equity interest transactions of a financial reporting entity.

NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgets and Budgetary Accounting

Saguache County follows the procedures set forth in the Colorado Local Government Budget Law when preparing the annual budget for each fund. Budget procedures include:

- § Preparation of budget documents by administrative staff, which shall be submitted to the Board no later than October 15 of each year.
- § Publication of a notice stating that the budget is available for public inspection.
- § Discussion of the budget in a meeting open to the public.
- § Adoption of the budget in a public meeting by appropriate resolution, no later than December 31.

Formal budgetary integration is employed as a management control device for all funds of the County. All budgets are adopted on a basis consistent with U.S. generally accepted accounting principles (GAAP), with the exception of the enterprise funds which budget capital outlay versus depreciation expenses.

The total expenditures for each fund cannot exceed the budgeted amount unless a supplemental appropriation is adopted. The Board of County Commissioners adopted supplemental appropriations during 2013. All budget amounts presented in the accompanying supplementary information reflect the original budget and the final amended budget.

Stewardship

Expenditures in the following funds exceeded appropriations during 2013. This may be a violation of Colorado State Statutes.

	Excess
General Fund	878,501
Tourism Fund	2,170
Puerto Del Norte Haciendas	3,787
	\$ 884,458

SAGUACHE COUNTY, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2013

NOTE 3 CASH, DEPOSITS, AND INVESTMENTS

A summary of cash, deposits, and investments for the County are as follow:

Cash on Hand	\$ 1,250
Cash Deposited with Banks	1,780,908
Less: amounts related to Trust & Agency Fund	(1,261,445)
	520,713
Investments	3,688,011
	\$ 4,208,724

Cash and Deposits

Colorado State Statutes and the County Treasurer’s investment policy govern the County's deposits of cash. The statutes specify eligible depositories for public cash deposits, which must be Colorado institutions and must maintain federal insurance (FDIC) on deposits held.

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized in accordance with the PDPA. PDPA allows the institution to create a single collateral pool for all public funds to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to the aggregate uninsured deposits.

Custodial Credit Risk – Deposits

The County’s investment policy addresses custodial credit risk. At December 31, 2013, \$1,641,876 was exposed to custodial credit risk. Those deposits exposed to credit risk are collateralized with securities held by the pledging financial institutions through PDPA.

Investments

The County’s investment policy and Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local government entities may invest. They include:

- § 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
- § Repurchase agreements
- § Money market funds
- § Guaranteed investments contracts
- § Corporate or bank debt issued by eligible corporations or banks

SAGUACHE COUNTY, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
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Custodial Credit Risk - Investments

The County's investment policy calls for investment diversification within the portfolio to avoid unreasonable risks inherent in over investing in specific instruments, individual financial institutions, or maturities. The policy allows for the investment in local government investment pools. As of December 31, 2013, the local government investment pools (C-SAFE and ColoTrust) in which the County had invested were rated AAAM by Standard & Poor's.

<u>Investment Type</u>		<u>Moody's Rating</u>	<u>Fair Value</u>	<u>Up to 120 Days</u>	<u>121 Days to 5 Years</u>
Fixed Income					
Federal Farm Credit Bank	10%	AAA	\$ 366,225	\$ -	\$ 366,225
Federal Home Loan Bank	3%	AAA	95,721	-	95,721
Federal Home Loan Mortgage Corp	3%	AAA	110,777	-	110,777
Federal National Mortgage Assoc	0%	AAA	13,250	-	13,250
Certificate of Deposit	3%	unrated	99,485	-	99,485
			<u>685,458</u>	<u>\$ -</u>	<u>\$ 685,458</u>
Money Market Funds (unrated)	1%	\$ 22,149			
C-SAFE	15%	560,446			
ColoTrust	66%	<u>2,419,958</u>			
			<u>3,002,553</u>		
			<u>\$ 3,688,011</u>		

Interest Rate Risk

Colorado Revised Statutes and the County's investment policy limit investment maturities to five years or less from the date of purchase. This limit on investment maturities is a means of limiting exposure to fair values arising from increasing interest rates.

The Colorado Government Liquid Asset Trust (ColoTrust), is an investment vehicle established for local government entities in Colorado pursuant to Part 7 of Article 75 of Title 24 of the Colorado Revised Statutes, to pool surplus funds for investment purposes. ColoTrust operates similarly to a money market fund and each share is equal in value to \$1.00. The fair value of the position in the pool is the same as the value of the pool shares. The designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. Substantially, all securities owned by the pool are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by the pool. Investments of the pools consist of U.S. Treasury bills, notes and note strips and repurchase agreements collateralized by U.S. Treasury Notes.

The Colorado Surplus Asset Fund Trust (C-SAFE) operates similarly to ColoTrust whereby the County acquires and redeems shares of the common law trusts as authorized by state statutes. The custodian's internal records identify the investments owned by the pool. Investments of the pool consist of U.S. Treasury bills, notes and note strips and repurchase agreements collateralized by U.S. Treasury notes.

SAGUACHE COUNTY, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
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NOTE 4 PROPERTY TAXES RECEIVABLE

At December 31, 2013, the County had an estimated property tax receivable divided among the funds as follows:

General Fund	\$	1,320,343
Public Welfare Fund		260,000
	\$	1,580,343

NOTE 5 INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The County reports interfund balances between many of its funds. The balances result from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. Interfund balances are generally expected to be repaid within one year of the financial statement date.

Interfund receivable and payable balances at December 31, 2013, were as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Road and Bridge	\$ 276
General Fund	Nonmajor Fund	46
Nonmajor Funds	General Fund	10,494
Nonmajor Fund	Social Services Fund	8,776
Nonmajor Fund	Nonmajor Fund	5,000
		\$ 24,592

Interfund transfers for the year ended December 31, 2013, were as follows:

Transfer In	Transfer Out	Amount
Public Health Fund	General Fund	\$ 57,000
		\$ 57,000

These transfers were made to subsidize operations in the Public Health Fund.

SAGUACHE COUNTY, COLORADO
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December 31, 2013

NOTE 6 CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2013, was as follows:

	Balance 12/31/2012	Additions	Deletions	Balance 12/31/2013
<i>Governmental Activities:</i>				
Capital assets not being depreciated:				
Land	\$ 90,122	\$ 141,571	\$ -	\$ 231,693
Total capital assets not being depreciated	90,122	141,571	-	231,693
Capital assets being depreciated:				
Buildings and Improvements	8,430,639	-	-	8,430,639
Vehicles and Heavy Equipment	6,932,014	528,674	143,909	7,316,779
Equipment	340,377	79,783	-	420,160
Infrastructure	813,444	-	-	813,444
Total capital assets being depreciated	16,516,474	608,457	143,909	16,981,022
Less accumulated depreciation for:				
Buildings and Improvements	6,305,931	58,190	-	6,364,121
Vehicles and Equipment	4,092,342	432,765	136,674	4,388,433
Equipment	211,785	49,545	-	261,330
Infrastructure	59,289	20,336	-	79,625
Total accumulated depreciation	10,669,347	560,836	136,674	11,093,509
Total capital assets being depreciated, net	5,847,127	47,621	7,235	5,887,513
<i>Governmental Activities Capital Assets, net</i>	\$ 5,937,249	\$ 189,192	\$ 7,235	\$ 6,119,206
<i>Business-type Activities:</i>				
Capital assets not being depreciated:				
Land	\$ 52,000	\$ -	\$ -	\$ 52,000
Total capital assets not being depreciated	52,000	-	-	52,000
Capital assets being depreciated:				
Buildings and Improvements	1,105,535	-	-	1,105,535
Furniture and Equipment	66,636	-	-	66,636
Total capital assets being depreciated	1,172,171	-	-	1,172,171
Less accumulated depreciation for:				
Buildings and Improvements	740,057	27,183	-	767,240
Furniture and Equipment	66,636	-	-	66,636
Total accumulated depreciation	806,693	27,183	-	833,876
<i>Business-type Activities Capital Assets, net</i>	\$ 417,478	\$ (27,183)	\$ -	\$ 390,295

SAGUACHE COUNTY, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
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Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental Activities:	
General Government	\$ 27,170
Public Safety	48,550
Health and Welfare	11,042
Public Works	474,074
	\$ 560,836
Business-type Activities:	
Housing Authority	\$ 27,183

NOTE 7 DUE TO OTHER GOVERNMENTS

The due to other governments balance of \$459,051 relates to specific ownership tax that was erroneously recorded as clerk fee revenue in the General Fund for an undeterminable period of time. The County has approved the distribution of 2011, 2012, and 2013 Specific Ownership Tax Class A and Class F to the taxing entities excluding the school districts, in the amount of \$299,027. The County is currently in negotiations with the Colorado Department of Education for the school districts portion.

NOTE 8 LONG-TERM LIABILITIES

Changes in Long-term Liabilities

Long-term liability activity for the year ended December 31, 2013, were as follows:

	12/31/2012 Balance	Additions	Deletions	12/31/2013 Balance	Due Within One Year
<i>Governmental Activities:</i>					
Capital Lease	\$ -	\$ 299,600	\$ 56,152	\$ 243,448	\$ 57,976
Landfill Closure and Post-Closure	352,983	4,897	-	357,880	-
Compensated Absences	165,684	5,060	-	170,744	3,782
Total Governmental Activities	\$ 518,667	\$ 309,557	\$ 56,152	\$ 772,072	\$ 61,758
<i>Business-Type Activities:</i>					
DOLA-Division of Housing	\$ 278,589	\$ -	\$ 9,647	\$ 268,942	\$ 9,841
US Department of Agriculture					
Blue Waters Hacienda Project, 2004	59,363	-	10,059	49,304	10,893
Blue Waters Hacienda Project, 2005	117,649	-	521	117,128	558
Total Business-Type Activities	\$ 455,601	\$ -	\$ 20,227	\$ 435,374	\$ 21,292

SAGUACHE COUNTY, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2013

GOVERNMENTAL ACTIVITIES:

Capital Lease

The County entered into two capital lease agreements with Caterpillar Financial Services on January 13, 2013, in the amount of \$149,800 each, payable in 60 monthly installments of \$5,410, beginning January 2013, at 3.20% interest each, with final payments due in December 2017 of the outstanding principal balances. These leases were entered into for the purchase of two Caterpillar 140M2 motor graders. These assets are recorded in the fixed assets of the government-wide financial statements for a total of \$471,000, less accumulated depreciation of \$31,400 at December 31, 2013.

The annual debt service for the capital lease is as follows:

	Principal	Interest	Total
2014	\$ 57,976	\$ 6,945	\$ 64,921
2015	59,859	5,062	64,921
2016	61,802	3,118	64,920
2017	63,811	1,112	64,923
	\$ 243,448	\$ 16,237	\$ 259,685

Landfill Closure and Post-Closure Care Costs

State and Federal law require the County to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. The County uses the “Local Government Finance Test” as its financial mechanism to assure full payment of all closure, post closure, and if applicable, corrective action estimated costs. The estimated liability for landfill closure and post closure care costs represents the County’s total current estimate of such future costs, and is based on the estimated amount to be paid if all equipment, facilities, and services required to close, monitor and maintain the landfill were acquired as of December 31, 2013. As of December 31, 2013, the County estimated that existing landfill capacity was approximately 42% utilized (filled), and that the existing landfill was expected to be filled to capacity in fiscal year 2025. The aggregate liability of \$357,880 at December 31, 2013 is comprised of \$121,346 of estimated closure costs and \$236,534 of estimated post closure costs. However, the actual costs of closure and post closure may be higher, due to inflation, changes in technology, or changes in the landfill laws and regulations.

BUSINESS -TYPE ACTIVITIES:

Colorado Department of Local Affairs – Division of Housing

The Housing Authority has entered into a mortgage note payable with Colorado Department of Local Affairs – Division of Housing (DOH) to refinance the construction of two projects operated by the Housing Authority. The note has an original principal balance in the amount of \$341,000, maturing May 2033, payable in semi-annual blended payments of \$7,585 beginning November 30, 2003, and with a stated interest rate of 2% annum. The mortgage is secured by a deed of trust on the Housing Authority’s Puerto Del Norte Haciendas housing project, which is located in Saguache County.

The 2009 and 2010 payments were deferred due to cash flow shortages. Payments resumed in December 2011. The note maturity date was extended until December 2035.

SAGUACHE COUNTY, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
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United States Department of Agriculture

The Housing Authority has entered into a mortgage note payable with the United States Department of Agriculture (USDA), with an original principal amount of \$306,000, maturing September 2013, payable in blended monthly payments of \$1,077, and with a stated interest rate of 8%. The mortgage note was entered into to refinance the construction of two projects operated by the Housing Authority and is secured by a deed of trust on the Housing Authority's Blue Waters Haciendas housing project, which is located in Saguache County. This note was reamortized in October 2004. Monthly payments began in January 2005 with a maturity date of 2017.

The Housing Authority has entered into a mortgage note payable to the United States Department of Agriculture (USDA), with an original principal amount of \$118,592, maturing December 2054, payable in blended monthly payments of \$528, and with a stated interest rate of 6.75% per annum. The mortgage note was entered into to refinance the construction of two projects operated by the Housing Authority and is secured by a deed of trust on the Housing Authority's Blue Waters Haciendas housing project, which is located in Saguache County.

The annual debt service for the mortgage notes payable is as follows:

	Principal	Interest	Total
2014	\$ 21,292	\$ 13,171	\$ 34,463
2015	22,432	11,994	34,426
2016	23,655	10,837	34,492
2017	24,967	10,376	35,343
2018	11,386	10,119	21,505
2019-2023	61,069	46,456	107,525
2024-2028	68,784	38,741	107,525
2029-2033	77,837	29,688	107,525
2034-2038	41,913	20,098	62,011
2039-2043	17,244	14,426	31,670
2044-2048	24,144	7,527	31,671
2049-2053	33,805	527	34,332
2054	6,846	-	6,846
	\$ 435,374	\$ 213,960	\$ 649,334

NOTE 9 OPERATING LEASES

The County is committed under various cancellable leases for office equipment and software. These leases are considered for accounting purposes as operating leases. Lease expenses for the year totaled \$117,192.

SAGUACHE COUNTY, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2013

NOTE 10 EMPLOYEE BENEFITS

Pension Plans

The County provides a participatory salary deferral plan under Internal Revenue Code (IRC) section 401(k), a defined contribution plan, administered by Principal Financial Group, for all County employees over the age of 18 with more than six months of employment with the County. Participating employees may contribute, on a tax-deferred basis, any whole percentage 3% or more of their total pay each period to the Plan. Federal law limits the deferral amounts in any tax year. The County matches 100% of the first 4% contributed by each employee. The County's matching contributions vest with the employee over a 4-year period. Plan provisions and contribution requirements are established and may be amended by the Board of County Commissioners.

For the year ended December 31, 2013, total employee contributions to the Plan were \$79,188 and matching County contributions totaled \$66,362.

Cafeteria Plan

The County also offers its employees a cafeteria compensation plan organized under Section 125 of the Internal Revenue Code, which includes the following benefits: medical, disability, accident and/or term life insurance, and health expense reimbursement. No cost to the County is recognized, as the plan is a salary reduction plan.

Post-Employment Health Care Benefits

All County employees covered by COBRA insurance may continue their health insurance after a reduction in work hours or termination of employment. The County recognizes no cost for such coverage, as those electing to continue COBRA coverage must reimburse the County for 100% of their premium cost for the extended coverage period.

NOTE 11 COLORADO CONTRABAND FORFEITURE ACT

The County has reviewed financial activities in the Sheriff's Department for compliance with the above referenced act. There were no sales of contraband during the year ended December 31, 2013.

NOTE 12 TABOR AMENDMENT RESERVE

In November 1992, Colorado voters amended Article X of the Colorado Constitution by adding section 20; commonly known as the Taxpayer's Bill of Rights ("TABOR"). TABOR contains revenue, spending, tax and debt limitations that apply to the State of Colorado and local governments. TABOR requires, with certain exceptions, advance voter approval for any new tax, tax rate policy change directly causing a net tax revenue gain to any local government.

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 spending adjusted for inflation in the prior calendar year plus annual local growth. Fiscal year spending is generally defined as expenditures and reserve increases with certain exceptions. Revenue, if any, in excess of fiscal year spending limits must be refunded in the next fiscal year unless voters approve retention of such revenue.

Except for refinancing bonded debt at a lower interest rate or adding new employees to existing pension plans, TABOR requires advance voter approval for the creation of any multiple-fiscal year debt or other obligation unless adequate present cash reserves are pledged irrevocably and held for payments in all future fiscal years.

SAGUACHE COUNTY, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2013

TABOR also required local governments to establish emergency reserves to be used for declared emergencies only. Emergencies, as defined by TABOR, exclude economic conditions, revenue shortfalls, or salary or fringe benefit increases. These reserves are required to be 3% or more of fiscal year spending for fiscal years ending after December 31, 1995. Fiscal year spending excludes enterprise spending. The County has reserved a portion of the December 31, 2013 year-end balances in the General Fund for this purpose in the aggregate amount of \$250,000, which is the approximate required emergency reserve.

The County's management believes it is in compliance with the financial provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of its provisions, including the interpretation of how to calculate fiscal year spending limits, will require judicial interpretation.

The electorate of the County passed a referendum allowing the County to collect and expend the full revenues generated during 1997 and each subsequent year, from its existing tax rates, to receive and expand all sales and property revenues without regard to Article X, Section 20 of the Colorado Constitution of law. Approval of this question does not authorize any increase in property tax rates of any kind above the 1995 rates.

NOTE 13 RISK MANAGEMENT

Colorado Counties Casualty and Property Pool (CAPP)

The County is exposed to various risks of loss related to property and casualty losses. The County joined together with other counties in the State of Colorado to form the Colorado Counties Casualty and Property Pool (CAPP), 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 CAPP for its property and casualty insurance coverage. The inter-governmental 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 that is determined each policy year. There have been no significant reductions in insurance coverage. Settled claims from these risks have not exceeded insurance coverage for the current year or the three prior years.

At December 31, 2013, CAPP had assets of \$26,414,251, liabilities of \$9,495,033 (including \$7,083,319 reserved for losses and claims), and members' equity of \$16,919,218. The liability amount includes no long-term debt. Total revenues for the year ended December 31, 2013 amounted to \$6,784,711 and total expenses were \$5,663,444, resulting in net income before return of surplus of \$1,121,267.

Colorado Workers' Compensation Pool (CWCP)

The County is exposed to various risks of loss related to injuries of employees while on the job. The County has joined together with other counties in the State of Colorado to form the Colorado 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 that is determined each policy year. There have been no significant reductions in insurance coverage. Settled claims from these risks have not exceeded insurance coverage for the current year or the three prior years.

SAGUACHE COUNTY, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2013

At December 31, 2013, CWCP had assets of \$38,837,642 , liabilities of \$21,949,766 (including \$21,009,587 reserved for losses and claims) and members' equity of \$16,887,876 . The liability amount includes no long-term debt. Total revenues for the year ended December 31, 2013 amounted to \$11,043,303 , total expenses were \$7,586,753 , resulting in net income before return of surplus of \$3,456,550 .

NOTE 14 COMMITMENTS AND CONTINGENCIES

Grant Programs

The County participates in a number of federal and state grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The amount of expenditures, if any, which may be disallowed by the granting agencies cannot be determined at this time although the County expects any such amounts to be immaterial.

Litigation

The County is a party to various legal actions normally associated with governmental activities, the aggregate effect of which, in management's and legal counsel's opinion, would not be material to its financial statements.

Insurance Pools

The County is a member of the Colorado Counties Casualty and Property Pool (CAPP) and the Colorado Workers' Compensation Pool (CWCP). CAPP and CWCP have a legal obligation for claims against its members to the extent that funds are available in their annually established loss funds and amounts are available from insurance providers under excess specific and aggregate insurance contracts. Losses incurred in excess of loss funds are direct liabilities of the participating members. CAPP and CWCP have indicated that the amount of any excess losses would be billed to members in proportion to their contributions in the year such excess occurs. The ultimate liability to the County resulting from claims not covered by CAPP and CWCP is not presently determinable.

NOTE 15 CORRECTION OF AN ERROR

As described in Note 7, the County approved the distribution of specific ownership tax to taxing entities. A prior period adjustment was recorded to decrease beginning net position in the governmental activities and unassigned fund balance in the General Fund and increase due to other governments for \$171,651 as this amount relates to 2011 and 2012 collections.

SAGUACHE COUNTY, COLORADO

REQUIRED SUPPLEMENTARY INFORMATION

In addition to the basic financial statements, a budgetary comparison schedule is required for the General Fund and, if applicable, each of the County's major special revenue funds.

SAGUACHE COUNTY, COLORADO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended December 31, 2013

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE
				(NEGATIVE)
REVENUES				
Taxes	\$ 1,330,750	\$ 1,330,750	\$ 1,466,613	\$ 135,863
Intergovernmental Revenue	938,192	1,029,084	2,172,506	1,143,422
Licenses and Permits	52,200	52,200	59,983	7,783
Interest Revenue	4,500	4,500	16,931	12,431
Charges for Services	1,037,681	1,037,681	732,415	(305,266)
Miscellaneous	17,300	40,183	56,661	16,478
TOTAL REVENUES	3,380,623	3,494,398	4,505,109	1,010,711
EXPENDITURES				
General Government	2,154,245	2,492,573	3,439,042	(946,469)
Public Safety	1,146,922	1,106,828	1,038,171	68,657
Health and Welfare	10,000	10,000	4,220	5,780
Public Works	-	35,400	35,400	-
Capital Outlay	5,400	15,700	22,169	(6,469)
TOTAL BUDGETED EXPENDITURES	3,316,567	3,660,501	4,539,002	(878,501)
Excess (deficiency) of revenues over expenditures	64,056	(166,103)	(33,893)	132,210
OTHER FINANCING SOURCES (USES)				
Transfers Out	(24,602)	(57,000)	(57,000)	-
TOTAL OTHER FINANCING SOURCES (USES)	(24,602)	(57,000)	(57,000)	-
Net Change in Fund Balance	39,454	(223,103)	(90,893)	132,210
Fund Balance at Beginning of Year as Previously Stated	1,531,739	1,531,739	1,647,159	115,420
Prior Period Adjustment	-	-	(171,651)	(171,651)
Fund Balance at Beginning of Year, Restated	1,531,739	1,531,739	1,475,508	(56,231)
Fund Balance at End of Year	\$ 1,571,193	\$ 1,308,636	\$ 1,384,615	\$ 75,979

Notes to Required Supplementary Information

The basis of budgeting is the same as GAAP.
The schedule is presented on the GAAP basis.

SAGUACHE COUNTY, COLORADO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
ROAD AND BRIDGE FUND
For the Year Ended December 31, 2013

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FINAL BUDGET</u>
				<u>POSITIVE</u>
				<u>(NEGATIVE)</u>
REVENUES				
Taxes	\$ 7,000	\$ 7,000	\$ 3	\$ (6,997)
Intergovernmental Revenue	2,735,000	2,735,000	2,711,469	(23,531)
Charges for Services	35,000	35,000	75,500	40,500
License and Permits	27,000	27,000	34,079	7,079
Miscellaneous	39,700	39,700	41,198	1,498
TOTAL REVENUES	<u>2,843,700</u>	<u>2,843,700</u>	<u>2,862,249</u>	<u>18,549</u>
EXPENDITURES				
Public Works	3,094,613	2,981,119	2,791,101	190,018
Capital Outlay	486,185	587,981	667,630	(79,649)
Debt Service	50,000	61,698	67,107	(5,409)
TOTAL EXPENDITURES	<u>3,630,798</u>	<u>3,630,798</u>	<u>3,525,838</u>	<u>104,960</u>
Excess (deficiency) of revenues over expenditures	(787,098)	(787,098)	(663,589)	123,509
OTHER FINANCING SOURCES (USES)				
Capital Lease Proceeds	-	-	299,600	299,600
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>299,600</u>	<u>299,600</u>
Net Change in Fund Balance	(787,098)	(787,098)	(363,989)	423,109
Fund Balance at Beginning of Year	<u>2,963,575</u>	<u>2,963,575</u>	<u>2,483,973</u>	<u>(479,602)</u>
Fund Balance at End of Year	<u>\$ 2,176,477</u>	<u>\$ 2,176,477</u>	<u>\$ 2,119,984</u>	<u>\$ (56,493)</u>

Notes to Required Supplementary Information

The basis of budgeting is the same as GAAP.

The schedule is presented on the GAAP basis.

SAGUACHE COUNTY, COLORADO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
SOCIAL SERVICES FUND
For the Year Ended December 31, 2013

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE
				(NEGATIVE)
REVENUES				
Taxes	\$ 246,350	\$ 246,350	\$ 266,644	\$ 20,294
Intergovernmental Revenue	4,859,557	4,859,557	4,058,701	(800,856)
Interest Revenue	-	-	16	16
TOTAL REVENUES	5,105,907	5,105,907	4,325,361	(780,546)
EXPENDITURES				
Health and Welfare	5,105,907	5,105,907	4,286,905	819,002
TOTAL EXPENDITURES	5,105,907	5,105,907	4,286,905	819,002
Net Change in Fund Balance	-	-	38,456	38,456
Fund Balance at Beginning of Year	340,748	340,748	289,805	(50,943)
Fund Balance at End of Year	\$ 340,748	\$ 340,748	\$ 328,261	\$ (12,487)

Notes to Required Supplementary Information

The basis of budgeting is the same as GAAP.
The schedule is presented on the GAAP basis.

SAGUACHE COUNTY, COLORADO

SUPPLEMENTARY INFORMATION

The combining financial statements represent the second level of financial reporting for the County. These financial statements present more detailed information for the individual funds in a format that segregates information by fund type.

SAGUACHE COUNTY, COLORADO
NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

PUBLIC HEALTH FUND– This fund is used to account for multiple programs of providing health services to County residents. Financing is provided by grants and fees for services.

CONSERVATION TRUST FUND – This fund is used to account for the County share of the state lottery program. The monies may be expended only for the acquisition, development, and maintenance of parks, and other public recreational facilities.

SLV TV FUND – This fund is used to account for the operations of the telecommunications translator service.

TOURISM FUND – This fund is used to account for the County share of the lodging tax collected on each hotel/motel that is rented in Saguache County. The monies may be expended to promote Saguache County to tourists.

SALES TAX – EMERGENCY SERVICES FUND, SALES TAX – YOUTH AND SENIORS FUND, AND SALES TAX – RENEWABLE ENERGY FUND – These funds are used to account for the expenditure of County sales tax collected for emergency services, youth and senior activities, and renewable energy activities, respectively.

SAGUACHE COUNTY, COLORADO
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
December 31, 2013

NONMAJOR
SPECIAL REVENUE FUNDS

	PUBLIC HEALTH FUND	CONSERVATION TRUST FUND	SLV TV FUND	TOURISM FUND	SALES TAX- EMERGENCY SERVICES FUND	SALES TAX- YOUTH AND SENIORS FUND	SALES TAX- RENEWABLE ENERGY FUND	TOTAL NONMAJOR GOVERNMENTAL
ASSETS								
Cash and Cash Equivalents	\$ 23,934	\$ 32,948	\$ 1,376	\$ 36,217	\$ 44,167	\$ 32,118	\$ 51,616	\$ 222,376
Due from Other Funds	8,801	-	-	1,060	-	5,754	8,655	24,270
Due from Other Governments	35,762	-	-	-	-	-	-	35,762
TOTAL ASSETS	\$ 68,497	\$ 32,948	\$ 1,376	\$ 37,277	\$ 44,167	\$ 37,872	\$ 60,271	\$ 282,408
LIABILITIES AND FUND BALANCE								
LIABILITIES								
Accounts Payable	\$ 4,961	\$ -	\$ -	\$ 774	\$ -	\$ -	\$ 5,000	\$ 10,735
Due to Other Funds	-	-	-	-	5,046	-	-	5,046
Unearned Grant Revenue	14,374	-	-	-	-	-	-	14,374
TOTAL LIABILITIES	19,335	-	-	774	5,046	-	5,000	30,155
FUND BALANCE								
Assigned								
Health and Welfare	49,162	-	-	-	-	-	-	49,162
Culture and Recreation	-	32,948	-	36,503	-	37,872	-	107,323
Emergency Services	-	-	-	-	39,121	-	-	39,121
Renewable Energy	-	-	-	-	-	-	55,271	55,271
Telecommunications	-	-	1,376	-	-	-	-	1,376
TOTAL FUND BALANCE	49,162	32,948	1,376	36,503	39,121	37,872	55,271	252,253
TOTAL LIABILITIES AND FUND BALANCE	\$ 68,497	\$ 32,948	\$ 1,376	\$ 37,277	\$ 44,167	\$ 37,872	\$ 60,271	\$ 282,408

SAGUACHE COUNTY, COLORADO
NONMAJOR GOVERNMENTAL FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
For the Year Ended December 31, 2013

NONMAJOR
SPECIAL REVENUE FUNDS

	PUBLIC HEALTH FUND	CONSERVATION TRUST FUND	SLV TV FUND	TOURISM FUND	SALES TAX- EMERGENCY SERVICES FUND	SALES TAX- YOUTH AND SENIORS FUND	SALES TAX- RENEWABLE ENERGY FUND	TOTAL NONMAJOR GOVERNMENTAL
REVENUES								
Taxes	\$ -	\$ -	\$ -	\$ 14,887	\$ 91,187	\$ 91,187	\$ 96,413	\$ 293,674
Intergovernmental Revenue	199,458	37,192	-	-	-	-	-	236,650
Charges for Services	281,492	-	-	-	-	-	-	281,492
Miscellaneous	10,173	-	-	1,500	-	-	-	11,673
TOTAL REVENUES	491,123	37,192	-	16,387	91,187	91,187	96,413	823,489
EXPENDITURES								
Current Expenditures								
General Government	-	-	500	-	-	-	-	500
Public Safety	-	-	-	-	116,750	-	-	116,750
Health and Welfare	513,980	-	-	-	-	-	-	513,980
Public Works	-	-	-	-	-	-	126,300	126,300
Culture and Recreation	-	54,319	-	15,271	-	89,645	-	159,235
TOTAL EXPENDITURES	513,980	54,319	500	15,271	116,750	89,645	126,300	916,765
Excess (deficiency) of revenues over expenditures	(22,857)	(17,127)	(500)	1,116	(25,563)	1,542	(29,887)	(93,276)
OTHER FINANCING SOURCES (USES)								
Transfer In	57,000	-	-	-	-	-	-	57,000
TOTAL OTHER FINANCING SOURCES (USES)	57,000	-	-	-	-	-	-	57,000
Net Change in Fund Balance	34,143	(17,127)	(500)	1,116	(25,563)	1,542	(29,887)	(36,276)
Fund Balance at Beginning of Year	15,019	50,075	1,876	35,387	64,684	36,330	85,158	288,529
Fund Balance at End of Year	\$ 49,162	\$ 32,948	\$ 1,376	\$ 36,503	\$ 39,121	\$ 37,872	\$ 55,271	\$ 252,253

SAGUACHE COUNTY, COLORADO
ENTERPRISE FUND TYPES
COMBINING SCHEDULE OF NET POSITION
December 31, 2013

	HOUSING AUTHORITY		TOTAL ENTERPRISE FUND
	BLUE WATERS	PUERTO DEL NORTE HACIENDAS	
ASSETS			
Current Assets:			
Cash and Cash Equivalents	\$ 73,726	\$ 56,733	\$ 130,459
Accounts Receivable	20	-	20
Total Current Assets	73,746	56,733	130,479
Noncurrent Assets:			
Capital Assets:			
Land	36,000	16,000	52,000
Buildings and Improvements, net	82,689	255,606	338,295
Total Noncurrent Assets	118,689	271,606	390,295
TOTAL ASSETS	192,435	328,339	520,774
LIABILITIES			
Current Liabilities:			
Accounts Payable	-	1,259	1,259
Security Deposit	1,804	3,108	4,912
Notes Payable (current portion)	11,451	9,841	21,292
Total Current Liabilities	13,255	14,208	27,463
Noncurrent Liabilities:			
Notes Payable	154,981	259,101	414,082
Total Noncurrent Liabilities	154,981	259,101	414,082
TOTAL LIABILITIES	168,236	273,309	441,545
NET POSITION			
Net Investment in Capital Assets	(47,743)	2,664	(45,079)
Unrestricted	71,942	52,366	124,308
TOTAL NET POSITION	\$ 24,199	\$ 55,030	\$ 79,229

SAGUACHE COUNTY, COLORADO
ENTERPRISE FUND TYPES
COMBINING SCHEDULE OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION
For the Year Ended December 31, 2013

	HOUSING AUTHORITY		TOTAL ENTERPRISE FUND
	BLUE WATERS	PUERTO DEL NORTE HACIENDAS	
OPERATING REVENUES			
Rent from Tenants	\$ 27,233	\$ 72,806	\$ 100,039
HUD Operating Subsidy	86,315	6,538	92,853
Miscellaneous	3,074	1,926	5,000
Total operating revenues	116,622	81,270	197,892
OPERATING EXPENSES			
Administrative	51,866	27,522	79,388
Utilities	26,214	27,932	54,146
Operating and Maintenance	7,043	4,558	11,601
Insurance	2,783	3,547	6,330
Depreciation Expense	16,521	10,662	27,183
Total operating expenses	104,427	74,221	178,648
Operating Income (Loss)	12,195	7,049	19,244
NONOPERATING REVENUES (EXPENSES)			
Interest on Investments	159	125	284
Interest Expense	(10,403)	(5,524)	(15,927)
Total Nonoperating Revenues (Expenses)	(10,244)	(5,399)	(15,643)
Changes in Net Position	1,951	1,650	3,601
Net Position, Beginning of Year	22,248	53,380	75,628
Net Position, End of Year	\$ 24,199	\$ 55,030	\$ 79,229

SAGUACHE COUNTY, COLORADO
ENTERPRISE FUND TYPES
COMBINING SCHEDULE OF CASH FLOWS
For the Year Ended December 31, 2013

	HOUSING AUTHORITY		TOTAL ENTERPRISE FUND
	BLUE WATERS	PUERTO DEL NORTE HACIENDAS	
Cash flows from operating activities:			
Cash received from tenants and others	\$ 30,287	\$ 74,732	\$ 105,019
Cash received from HUD operating subsidy	86,315	6,538	92,853
Cash paid to employees for services	(51,866)	(27,522)	(79,388)
Cash paid to suppliers and service providers	(36,040)	(34,778)	(70,818)
Net cash provided (used) by operating activities:	<u>28,696</u>	<u>18,970</u>	<u>47,666</u>
Cash flows from noncapital financing activities:	<u>-</u>	<u>-</u>	<u>-</u>
Cash flows from capital and related financing activities:			
Payment of note principal and interest	(20,983)	(15,171)	(36,154)
Net cash provided (used) by capital and related financing activities	<u>(20,983)</u>	<u>(15,171)</u>	<u>(36,154)</u>
Cash flows from investing activities:			
Interest received	159	125	284
Net cash provided (used) by investing activities	<u>159</u>	<u>125</u>	<u>284</u>
Increase (decrease) in cash and investments	7,872	3,924	11,796
Cash and cash equivalents, Beginning of the Year	<u>65,854</u>	<u>52,809</u>	<u>118,663</u>
Cash and cash equivalents, End of the Year	<u>\$ 73,726</u>	<u>\$ 56,733</u>	<u>\$ 130,459</u>
Operating income (loss)	\$ 12,195	\$ 7,049	\$ 19,244
Adjustments to reconcile net income to net cash provided (used) by operating activities			
Depreciation	16,521	10,662	27,183
(Increase) Decrease in Accounts Receivable	(20)	-	(20)
Increase (Decrease) in Accounts Payable	-	1,259	1,259
Total adjustments	<u>16,501</u>	<u>11,921</u>	<u>28,422</u>
Net cash provided (used) by operating activities	<u>\$ 28,696</u>	<u>\$ 18,970</u>	<u>\$ 47,666</u>

SAGUACHE COUNTY, COLORADO
SCHEDULE OF EXPENDITURES AND TRANSFERS OUT
ALL NON-MAJOR GOVERNMENTAL FUNDS AND ALL PROPRIETARY FUNDS
BUDGET AND ACTUAL
For the Year Ended December 31, 2013

	<u>BUDGETED AMOUNTS</u>		<u>EXPENDITURES</u>	<u>ADJUSTMENTS</u>	<u>EXPENDITURES</u>	<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>REPORTED ON</u>	<u>TO BUDGETARY</u>	<u>ON THE</u>	<u>FINAL BUDGET</u>
			<u>THE GAAP</u>	<u>BASIS</u>	<u>BUDGETARY</u>	<u>POSITIVE</u>
			<u>BASIS</u>	<u>BASIS</u>	<u>BASIS</u>	<u>(NEGATIVE)</u>
Governmental Funds						
Non-major Governmental Funds						
Special Revenue Funds						
Public Health Fund	\$ 496,980	\$ 559,470	\$ 513,980	\$ -	\$ 513,980	\$ 45,490
Conservation Trust Fund	33,000	54,319	54,319	-	54,319	-
SLV TV Fund	500	500	500	-	500	-
Tourism Fund	11,000	13,101	15,271	-	15,271	(2,170)
Sales Tax - Emergency Services Fund	65,000	116,750	116,750	-	116,750	-
Sales Tax - Youth and Seniors Fund	55,000	89,645	89,645	-	89,645	-
Sales Tax - Renewable Energy Fund	60,000	126,300	126,300	-	126,300	-
Total Non-major Governmental Funds	<u>\$ 721,480</u>	<u>\$ 960,085</u>	<u>\$ 916,765</u>	<u>\$ -</u>	<u>\$ 916,765</u>	<u>\$ 43,320</u>
Proprietary Funds						
Enterprise Funds						
Blue Waters Housing Authority	\$ 114,428	\$ 114,428	\$ 114,830	\$ (16,521)	\$ 98,309	\$ 16,119
Puerto Del Norte Haciendas Housing Authority	80,093	80,093	79,745	(10,662)	69,083	11,010
Total Proprietary Funds	<u>\$ 194,521</u>	<u>\$ 194,521</u>	<u>\$ 194,575</u>	<u>\$ (27,183)</u>	<u>\$ 167,392</u>	<u>\$ 27,129</u>

Adjustments to budgetary basis include costs of capitalized assets and depreciation expense.

SAGUACHE COUNTY, COLORADO

OTHER SCHEDULES AND REPORTS

SAGUACHE COUNTY, COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended December 31, 2013

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/ PROGRAM OR CLUSTER TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	FEDERAL EXPENDITURES
U.S. DEPARTMENT OF AGRICULTURE			
<i>Rural Rental Housing Loans</i>			
Rural Rental Housing Loans			
Loan Funds	10.415		\$ 166,432
Interest Subsidy	10.415		3,635
Total <i>Rural Rental Housing Loans</i>			<u>170,067</u>
COLORADO DEPT. OF HUMAN SERVICES			
<i>SNAP Cluster</i>			
State Administrative Matching Grants for Supplemental Nutrition Assistance Program	10.561		60,059
<i>Food Distribution Cluster</i>			
Commodity Supplemental Food Program	10.565		31,499
Emergency Food Assistance Program (Administrative Costs)	10.569		4,919
Total <i>Food Distribution Cluster</i>			<u>36,418</u>
COLORADO DEPT. OF TREASURY			
<i>Forest Service Schools and Roads Cluster</i>			
Schools and Roads - Grants to States	10.665		
Title I and Title III Funds			
Direct Expenditures: Title III Funds			27,652
Passed to Subrecipients: Title I Funds			1,110,154
Total <i>Forest Service Schools and Roads Cluster</i>			<u>1,137,806</u>
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
COLORADO DEPT. OF HUMAN SERVICES			
<i>TANF Cluster</i>			
Temporary Assistance for Needy Families	93.558		221,715
Child Support Enforcement	93.563		78,201
Low-Income Home Energy Assistance	93.568		268,231
<i>CCDF Cluster</i>			
Child Care and Development Block Grant	93.575		(21,259)
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596		(1,263)
Total <i>CCDF Cluster</i>			<u>(22,522)</u>
Stephanie Tubbs Jones Child Welfare Services Program	93.645		3,634
Foster Care-Title IV-E	93.658		89,215
Adoption Assistance	93.659		24,534
Social Services Block Grant	93.667		78,269
<i>Medicaid Cluster</i>			
Medical Assistance Program	93.778		46,134

SAGUACHE COUNTY, COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended December 31, 2013

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/ PROGRAM OR CLUSTER TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	FEDERAL EXPENDITURES
COLORADO DEPT. OF PUBLIC HEALTH AND ENVIRONMENT			
Public Health Emergency Preparedness	93.069	EPR-HW3/4-HHS	21,674
Immunization Cooperative Agreements	93.268	IMM-KA2/3/KT3-HHS	4,490
PPHF 2012 - Prevention and Public Health Fund	93.539	IMM-KL2-HHS	4,285
Preventive Health and Health Services Block Grant	93.991	PRV-HC3-HHS	770
 U.S. DEPARTMENT OF HOMELAND SECURITY			
COLORADO DEPT. OF LOCAL AFFAIRS			
Emergency Management Performance Grants	97.042		9,560
 U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
COLORADO HOUSING AND FINANCE AUTHORITY			
<i>Section 8 Project-Based Cluster</i>			
Section 8 Housing Assistance Payments Program	14.195		86,315
 CENTER HOUSING AUTHORITY			
<i>Housing Voucher Cluster</i>			
Section 8 Housing Choice Vouchers	14.871		6,538
 U.S. DEPARTMENT OF JUSTICE			
COLORADO DIVISION OF CRIMINAL JUSTICE			
Violence Against Women Formula Grants	16.588		23,624
 FEDERAL GRANTOR AWARDS PASSED THROUGH THE STATE AND RIO GRANDE COUNTY:			
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
COLORADO DEPT. OF HEALTH CARE POLICY AND FINANCING			
<i>Medical Assistance Program (Medicaid Cluster)-</i>			
Healthy Communities	93.778		<u>3,638</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u><u>\$ 2,352,655</u></u>

SAGUACHE COUNTY, COLORADO
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended December 31, 2013

NOTE 1: BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of Saguache County, Colorado under programs of the federal government for the year ended December 31, 2013. The information in this Schedule is presented in accordance with the requirements of the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the Schedule presents only a selected portion of the operations of Saguache County, Colorado, it is not intended to and does not present the financial position, changes in net position or cash flows of Saguache County, Colorado.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-87, *State and Local Governments*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

**INDEPENDENT AUDITORS' 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**



Wall,
Smith,
Bateman Inc.

To the Board of County Commissioners
Saguache County, Colorado
Saguache, Colorado

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, business-type activities, each major fund, and the aggregate remaining fund information of Saguache County, Colorado (the County), as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated September 3, 2014.

Internal Control Over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified a certain deficiency in internal control that we consider to be a material weakness.

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. We consider the deficiency described in the accompanying schedule of findings and questioned costs to be a material weakness. Finding 2013-001.

Certified Public Accountants

700 Main Street, Suite 200 PO Box 809 Alamosa, CO 81101 | 719-589-3619 | f 719-589-5492 | www.wsbcpa.com

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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 an instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as Finding 2013-001.

County's Response to Findings

The County's response to the findings identified in our audit is described in the accompanying corrective action plan. The County's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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.



Wall, Smith, Bateman Inc.
Alamosa, Colorado

September 3, 2014

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



Wall,
Smith,
Bateman Inc.

To the Board of County Commissioners
Saguache County, Colorado
Saguache, Colorado

Report on Compliance for Each Major Federal Program

We have audited Saguache County, Colorado's (the County) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended December 31, 2013. The County's major federal programs are identified in the summary of auditors' 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.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the 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 the County's compliance.

Opinion on Each Major Federal Program

In our opinion, Saguache County, Colorado, 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, 2013.

Certified Public Accountants

700 Main Street, Suite 200 PO Box 809 Alamosa, CO 81101 | 719-589-3619 | f 719-589-5492 | www.wsbcpa.com

Report on Internal Control Over Compliance

Management of the 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 the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.



Wall, Smith, Bateman Inc.
Alamosa, Colorado

September 3, 2014

SAGUACHE COUNTY, COLORADO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2013

Section I – Summary of Auditors’ Results

Financial Statements

Type of auditors’ report issued: Modified

Internal control over financial reporting:

- § Material weakness(es) identified? X yes no
- § Significant deficiency(ies) identified that are **not** considered to be material weakness (es)? yes X none reported
- § Noncompliance material to financial statements noted? X yes no

Federal Awards

Internal control over major programs:

- § Material weakness(es) identified? yes X no
- § Significant deficiency(ies) identified that are **not** considered to be material weakness (es)? yes X none reported

Type of auditors’ report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133? yes X no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
10.665	Forest Service Schools and Roads Cluster
93.568	Low-Income Home Energy Assistance

Dollar threshold used to distinguish between type A and type B programs: \$300,000

Auditee qualified as a low-risk auditee? yes X no

SAGUACHE COUNTY, COLORADO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2013

Section II – Financial Statement Findings

**Finding 2013-001: Internal Control Over Financial Reporting and on Compliance
(Repeat of Finding 09-1, 10-1, 11-1, and 12-1)**

Type of finding: Internal Control (material weakness) and Compliance (material noncompliance)

Condition/Cause: The County does not have a complete system of internal control to prevent and detect financial misstatements.

Criteria: A system of internal controls includes the design, documentation, and monitoring of control activities over the application of accounting principles, antifraud programs, non-routine transactions, financial statement preparation and safeguarding of assets.

Effect: As a result of this condition the following areas were affected:

1. Specific ownership tax distributed to the County from the State of Colorado Department of Revenue was deposited into clerk's fees revenue in error for an undeterminable period of time. Specific ownership tax should be collected and provided to the treasurer to disburse to the appropriate taxing entities. This may be a violation of Colorado Revised Statute 42-3-107. (Material noncompliance)
2. We were unable to perform year end observations of the Road and Bridge Fund inventory. Alternative procedures were required to substantiate the inventory account balance at December 31, 2013.
3. The General Fund expenditures (including transfers) exceeded the adopted budget for the year ended December 31, 2013, by \$878,501, as described in Note 2. This may be a violation of Colorado Revised Statute 29-1-110. (Material noncompliance)
4. The County Clerk and Recorder's Office was unable to provide supporting documentation for 2011 and 2012 specific ownership tax receipts from the State of Colorado Department of Revenue that were significant to the 2013 audit. This may be a violation of Colorado Revised Statute 6-17-104, the Uniform Records Retention Act. (Material noncompliance)
5. Audit adjustments were proposed to properly state the General Fund, Road and Bridge Fund, Public Health Fund, and Housing Authority Fund in the County financial statements as of December 31, 2013, in accordance with generally accepted accounting principles.

Recommendation: The County should strengthen its internal controls with adopted policies and procedures to address specific ownership tax collections, performance of year end Road and Bridge inventory count, timely review of budget to actual statements to identify budget violations, formalize record retention schedules to comply with Colorado Revised Statutes, and reconcile year end account balances and record necessary adjustments when performing financial close and reporting at year end.

Management's Response: See corrective action plan.

Section III – Federal Award Findings and Questioned Costs

None

SAGUACHE COUNTY, COLORADO
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
Year Ended December 31, 2013

Section II – Financial Statement Findings

Finding 12-1: Internal Control Over Financial Reporting and on Compliance
(Repeat of Finding 09-1, 10-1, and 11-1)

Type of finding: Internal Control (material weakness) and compliance (material noncompliance)

Condition/Cause: The County does not have a complete system of internal control to prevent and detect financial misstatements.

Status: Partially Implemented. (See Finding 2013-001.)

Section III – Federal Award Findings and Questioned Costs

Finding 12-2: Low-Income Home Energy Assistance, CFDA No. 93.568
U.S. Department of Health and Human Services

Passed through Colorado Department of Human Services

Compliance Requirement: Eligibility

Grant No.: Not applicable

Type of finding: Internal Control Over Compliance (significant deficiency)

Condition: The County Department of Social Services does not have an adequate eligibility determination review process in place.

Status: Implemented



SAGUACHE COUNTY GOVERNMENT

501 Fourth Street • P. O. Box 100
Saguache, Colorado 81149

Phone: (719) 655-2231 • Fax: (719) 655-2635

CORRECTIVE ACTION PLAN

Oversight Agencies - U.S. Department of Agriculture
U.S. Department of Health and Human Services

Saguache County, Colorado respectfully submits the following corrective action plan for the year ended December 31, 2013.

Independent Accountants: Wall, Smith, Bateman Inc.
Certified Public Accountants
700 Main Street, Suite 200, P.O. Box 809
Alamosa, CO 81101

Audit period: Year ended December 31, 2013

The findings from the December 31, 2013 schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule. Section I of the schedule, Summary of Auditors' Results, does not include findings and is not addressed.

Section II – Financial Statement Findings

Finding 2013-001: Internal Control Over Financial Reporting and on Compliance (Repeat of Finding 09-1, 10-1, 11-1, and 12-1)

Type of finding: Internal Control (material weakness) and Compliance (material noncompliance)

Recommendation: The County should strengthen its internal controls with adopted policies and procedures to address specific ownership tax collections, performance of year end Road and Bridge inventory count, timely review of budget to actual statements to identify budget violations, formalize record retention schedules to comply with Colorado Revised Statutes, and reconcile year end account balances and record necessary adjustments when performing financial close and reporting at year end.

Action taken:


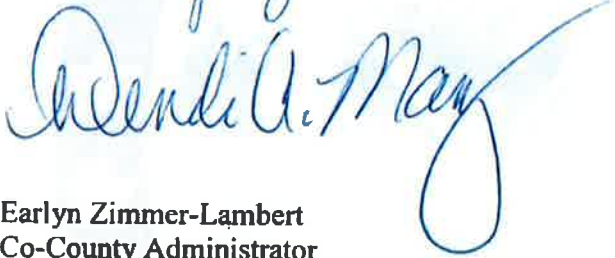
- 1) The County has made arrangement that the Class F Specific Ownership Tax collections will go directly to the Treasurer Office. The County will arrange to have policies drawn for the Class A SOT deposited with the Treasurer and reported for disbursement to agencies according to Colorado Revised Statutes by the year end of 2014. We will continue to strive to become into compliance with yearend procedures.
- 2) Road and Bridge will assure the inventory is done by or as close as possible of years end. Road and Bridge will also contact the audit firm for verification of the audit so that compliance issue will be met.
- 3) Over expenditures to General Fund have resulted due to Forest Reserve Revenue and expenses that come directly into the County. The county will work with the treasurer to record revenue and expenses so that entries can be made into the County financial system with budget resolutions to bring the county into compliance.
- 4) Effective June 1, 2014 it will be the policy of the Saguache County Clerk and Recorder's Office to adhere to and comply with all rules, statutes and laws regarding the retention and preservation of all

documentation, receipts and other materials relating to any financial or other such business or transactions as described within the Colorado Revised Statutes and the Uniform Records Retention Act, and any other policy or procedure adopted by the Clerk and Recorder office or the Saguache County government.

- 5) The County will reconcile year end account balances and record adjustment prior to year end as proposed by the audit consultants.

If the U.S Department of Agriculture and U.S. Department of Health and Human Services have questions regarding this plan, please call the responsible party listed below.

Sincerely yours,

Earlyn Zimmer-Lambert
Co-County Administrator
Saguache County, Colorado

Wendi Maez
Co-County Administrator
Saguache County, Colorado

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

LOCAL HIGHWAY FINANCE REPORT	City or County: Saguache County
YEAR ENDING : December 2013	
This Information From The Records Of (example - City of _ or County of County of Saguache)	Prepared By: Iris Garcia Phone: 719-655-2554

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

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway disbursements:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	487,834
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	2,538,854
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	25,978
2. General fund appropriations		b. Snow and ice removal	4,232
3. Other local imposts (from page 2)	9,243	c. Other	213,786
4. Miscellaneous local receipts (from page 2)	128,698	d. Total (a. through c.)	243,996
5. Transfers from toll facilities		4. General administration & miscellaneous	158,607
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	29,440
a. Bonds - Original Issues		6. Total (1 through 5)	3,458,731
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes	299,600	1. Bonds:	
d. Total (a. + b. + c.)	299,600	a. Interest	
7. Total (1 through 6)	437,541	b. Redemption	
B. Private Contributions		c. Total (a. + b.)	0
C. Receipts from State government (from page 2)	2,724,308	2. Notes:	
D. Receipts from Federal Government (from page 2)	0	a. Interest	10,955
E. Total receipts (A.7 + B + C + D)	3,161,849	b. Redemption	56,152
		c. Total (a. + b.)	67,107
		3. Total (1.c + 2.c)	67,107
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total disbursements (A.6 + B.3 + C + D)	3,525,838

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)				0
1. Bonds (Refunding Portion)				
B. Notes (Total)		299,600	56,152	243,448

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	2,483,973	3,161,849	3,525,838	2,119,984	0

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT

STATE:
Colorado
YEAR ENDING (mm/yy):
December 2013

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments		a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes	3	c. Parking Garage Fees	
2. Infrastructure & Impact Fees	9,240	d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	3,690
4. Licenses		f. Charges for Services	75,500
5. Specific Ownership &/or Other	0	g. Other Misc. Receipts	14,082
6. Total (1. through 5.)	9,243	h. Other	35,426
c. Total (a. + b.)	9,243	i. Total (a. through h.)	128,698
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	2,568,388	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	24,839	d. Federal Transit Admin	
d. Other (Specify) - DOLA Grant		e. U.S. Corps of Engineers	
e. Other CDOT Airport grant	131,081	f. Other Federal	
f. Total (a. through e.)	155,920	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	2,724,308	3. Total (1. + 2.g)	
			(Carry forward to page 1)

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs			0
b. Engineering Costs			0
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements			0
(3). System Preservation			0
(4). System Enhancement & Operation		487,834	487,834
(5). Total Construction (1) + (2) + (3) + (4)	0	487,834	487,834
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	487,834	487,834
			(Carry forward to page 1)

Notes and Comments: