

cPa DIXON, WALLER & CO., INC.

LAS ANIMAS COUNTY, COLORADO

FINANCIAL STATEMENTS

DECEMBER 31, 2018

DIXON, WALLER & CO., INC.

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FINANCIAL STATEMENTS
DECEMBER 31, 2018

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FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Las Animas County, as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Las Animas County, as of December 31, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages i through vii and 35 through 39 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2019, on our consideration of Las Animas County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Las Animas County's internal control over financial reporting and compliance.


June 30, 2019

MANAGEMENT'S DISCUSSION AND ANALYSIS

LAS ANIMAS COUNTY, COLORADO Management's Discussion and Analysis

Management of Las Animas County offers readers of the County's annual financial report this discussion and analysis of financial activities for the fiscal year ended December 31, 2018. We encourage readers to consider the information presented here in conjunction with the County's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The County's total combined net position for government and business-type activities were \$46,153,027 at December 30, 2018.
- During the year, \$23,469,155 was generated by taxes, grants and other forms of revenue in all government funds, which left a \$2,474,237 increase compared to 2017.
- As of December 31, 2018, The County's governmental funds reported combined ending fund balances of \$9,805,653, an increase of \$1,060,106 in comparison with the prior year. Of the ending fund balance, \$387,000 is reserved for emergencies.
- As of December 31, 2018, unreserved/unassigned fund balance for the general fund was \$3,713,102 alternatively, 58% of total general fund expenditures.
- In the general fund, the actual revenues \$7,529,224 were 3% higher than what was budgeted, while actual expenditures \$6,356,978 were 7.3% lower than budget. Which left the excess of revenues over expenditures was \$1,172,246, however because of (\$700,000) other finance uses resulted in an increase in fund balance of \$472,246.
- County Revenues in other governmental funds increased by \$2,474,237 or 11.8% higher than the previous year of 2017, while expenditures also increased by 310,595 or 1.4% higher than expenditures for 2017.

Overview of the Financial Statements

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GOVERNMENT WIDE FINANCIAL ANALYSIS

Net Position may serve over time as a useful indicator of a government’s financial position. In the case of Las Animas County, assets exceeded liabilities by \$46,153,027 as of December 31, 2018.

Of the County’s total net position, 80.6%, is reflected in capital assets investments (e.g. land, buildings, roads, bridges, equipment), less any related debt used to acquire assets that are still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County’s investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

LAS ANIMAS COUNTY’S NET POSITION

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Net Position (page iii)						
Capital Assets, not depreciated	\$451,433	\$470,261	\$0	\$193,904	\$451,433	\$664,165
Capital Assets, being deprec (net)	\$28,373,139	\$33,573,429	\$0	\$8,562,659	\$28,373,139	\$42,136,088
Total Capital Assets	\$28,824,572	\$34,043,690	\$0	\$8,756,563	\$28,824,572	\$42,800,253
Current & Other Assets	\$17,438,141	\$13,714,411	\$101,865	\$48,487	\$17,540,006	\$13,762,898
Total Assets	\$46,262,713	\$47,758,101	\$101,865	\$8,805,050	\$46,364,578	\$56,563,151
Long-term Liabilities Outstanding	\$0	\$0	\$0	\$0	\$0	\$0
Other Liabilities	\$3,122,535	\$2,732,611	\$238,492	\$132,653	\$3,361,027	\$2,865,264
Total Liabilities	\$3,122,535	\$2,732,611	\$238,492	\$132,653	\$3,361,027	\$2,865,264
Deferred Inflows of Resources	\$5,227,536	\$3,212,371	\$0	\$0	\$5,227,536	\$3,212,371
Net Position:						
Net Investment in						
Capital Assets	\$28,493,685	\$33,455,531	\$8,377,012	\$8,756,564	\$36,870,697	\$42,212,095
Restricted	\$6,040,776	\$5,392,896	\$0	\$0	\$6,040,776	\$5,392,896
Unrestricted (Deficit)	\$3,378,181	\$2,964,692	(\$136,627)	(\$84,166)	\$3,241,554	\$2,880,526
Total Net Position	\$37,912,642	\$41,813,119	\$8,240,385	\$8,672,398	\$46,153,027	\$50,485,517

The decrease in net position from 2017 to 2018 is due primarily loss of capital assets and depreciation expense. Infrastructure accounted for \$20,428,315, after depreciation, of total net position. A portion of the County's net position, represents resources that are subject to external restriction on how they may be used. The remaining unrestricted net position, \$3,241,554 has increased 12.5% from 2017

In addition, the remaining may be used to meet the government's ongoing obligations to citizens and creditors. As of December 31, 2018, the County is able to report positive balances in all three categories of total net position, both for the government as a whole, as well as for its separate governmental and business-type activities.

Changes in Net Position – The County's total revenues are \$23,705,085. Of this total, 30.7% is general revenue, i.e. taxes, intergovernmental revenue, interest income, etc.; 64.6% is from state programs and grants; and 4.7% relates to charges for services.

The total cost of all programs and services was \$27,297,180. The two largest portions are 38.9%, for social services and 34.8% for the various capital projects throughout the county including roads, bridges, and building construction. The resulting change in net position was a negative (4,332,490). Both the governmental activities programs and the Airport Proprietary Fund realized a decrease in net position for 2018.

Analysis of the County's Operations – The table below provides a summary of Las Animas County's operations for 2018. In governmental activities, net position decreased in the amount of (\$3,900,477). In business-type activities, net position decreased by (\$432,013).

LAS ANIMAS COUNTY'S CHANGES IN NET POSITION

Changes in Net Position (page iv)	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Revenues						
Program Revenues						
Charges for Services	\$883,880	\$796,060	\$218,817	\$218,728	\$1,102,697	\$1,014,788
Operating Grants & Contributions	\$14,137,699	\$12,906,895	\$89,565	\$0	\$14,227,264	\$12,906,895
Capital Grants & Contributions	\$1,080,899	\$1,631,277	\$0	\$0	\$1,080,899	\$1,631,277
General Revenues					\$0	\$0
Property Taxes	\$4,013,578	\$3,738,287	\$0	\$0	\$4,013,578	\$3,738,287
Specific Ownership Taxes	\$492,484	\$540,858	\$0	\$0	\$492,484	\$540,858
Sales Taxes	\$1,744,134	\$3,628	\$0	\$0	\$1,744,134	\$3,628
Sale of Assets	\$0	\$0	\$0	\$0	\$0	\$0
Intergovernmental (Not Specific Restrict)	\$173,112	\$478,134	\$0	\$0	\$173,112	\$478,134
Legal Settlement Jail Renov	\$0	\$0	\$0	\$0	\$0	\$0
Insurance Proceeds	\$689,652	\$660,703	\$0	\$0	\$689,652	\$660,703
Interest Revenue	\$81,768	\$72,958	\$0	\$0	\$81,768	\$72,958
Other Revenues	\$99,497	\$166,118	\$0	\$0	\$99,497	\$166,118
Transfers In / (Out)	\$0	\$0	\$0	\$0	\$0	\$0
Total Revenues	\$23,396,703	\$20,994,918	\$308,382	\$218,728	\$23,705,085	\$21,213,646
Expenses						
General Government	\$3,637,424	\$3,423,833	\$0	\$0	\$3,637,424	\$3,423,833
Public Safety	\$2,400,427	\$2,236,545	\$0	\$0	\$2,400,427	\$2,236,545
Health & Environment	\$208,099	\$173,416	\$0	\$0	\$208,099	\$173,416
Auxiliary Services	\$170,472	\$150,836	\$0	\$0	\$170,472	\$150,836
Intergovernmental	\$627,333	\$248,991	\$0	\$0	\$627,333	\$248,991
Parks and Recreation	\$117,266	\$5,115	\$0	\$0	\$117,266	\$5,115
Road, Bridges & Capital Outlay	\$9,507,016	\$10,661,401	\$0	\$0	\$9,507,016	\$10,661,401
Social Services	\$10,612,291	\$10,107,305	\$0	\$0	\$10,612,291	\$10,107,305
Debt Services	\$16,852	\$21,744	\$0	\$0	\$16,852	\$21,744
Airport	\$0	\$0	\$740,395	\$570,087	\$740,395	\$570,087
Total Expenses	\$27,297,180	\$27,029,186	\$740,395	\$570,087	\$28,037,575	\$27,599,273
10 Increase / (Decrease) in Net Position	(\$3,900,477)	(\$6,034,268)	(\$432,013)	(\$351,359)	(\$4,332,490)	(\$6,385,627)
Net Position -- January 1- Restated	\$41,813,119	\$48,361,465	\$8,672,398	\$9,023,757	\$50,485,517	\$57,385,222
Prior Year Adjustment	\$0	(\$514,078)	\$0	\$0	\$0	(\$514,078)
Net Position -- January 1, restated	\$41,813,119	\$47,847,387	\$8,672,398	\$9,023,757	\$50,485,517	\$56,871,144
Net Position -- December 31	\$37,912,642	\$41,813,119	\$8,240,385	\$8,672,398	\$46,153,027	\$50,485,517

CAPITAL ASSETS

CAPITAL ASSETS AT YEAR END Net of Accumulated Depreciation

Capital Assets Net of Accum Dprec	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Land	\$451,433	\$470,261	\$117,304	\$117,304	\$568,737	\$587,565
Water Rights	\$0	\$0	\$76,600	\$76,600	\$76,600	\$76,600
Construction in Progress	\$0	\$0	\$0	\$0	\$0	\$0
Infrastructure	\$20,428,315	\$24,591,718	\$0	\$0	\$20,428,315	\$24,591,718
Structure & Improvements	\$7,012,173	\$7,775,728	\$7,824,823	\$8,164,305	\$14,836,996	\$15,940,033
Equipment	\$932,651	\$1,205,983	\$358,284	\$398,354	\$1,290,935	\$1,604,337
Total Capital Assets (net)	\$28,824,572	\$34,043,690	\$8,377,011	\$8,756,563	\$37,201,583	\$42,800,253

During fiscal year 2018, Las Animas County added \$331,547 and \$134,666 capital assets were retired, including infrastructure, equipment, buildings, and vehicles. After depreciation, the total value of all assets is \$37,201,583. The County depreciates capital assets, except land and water rights, using the straight-line depreciation method in addition, a predetermined useful life of the asset.

LONG-TERM DEBT

LONG TERM DEBT AT YEAR END

Long Term Debt	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Sales Tax revenue Bonds	\$0	\$0	\$0	\$0	\$0	\$0
Notes Payable	\$0	\$0	\$0	\$0	\$0	\$0
Contract Agreement	\$0	\$118,794	\$0	\$0	\$0	\$118,794
Capital Lease Obligations	\$330,887	\$469,365	\$0	\$0	\$330,887	\$469,365
Compensated Absences	\$386,696	\$387,959	\$0	\$0	\$386,696	\$387,959
Total Long-Term Debt	\$717,583	\$976,118	\$0	\$0	\$717,583	\$976,118

Total long-term debt obligations of the County decreased by \$258,535 from 2017 to 2018. The amount owed to employees for compensated absences decreased by 0.3% in 2018. Compensated absences include accrued annual leave and sick leave due to employees of the general fund, road & bridge fund, and the department of social (human) services fund upon their separation from employment with the county.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Assessed valuation of taxable properties used for the 2019 budget preparation increased by \$6,762,060, or 2%. A Ballot Question (1B) approved by voters of Las Animas County in November 2005 which allowed the county to freeze the mill levy at that year's level of 9.357 mills for a five-year period expired at the end of 2010. Beginning with the 2011 budget year, Las Animas County was again required to adhere to any revenue restrictions as it pertains to the assessment of property taxes. November 2017 Ballot question (1C) approved by voters of Las Animas County which allowed the county to retain and spend all revenues in 2018 and each year after without raising the tax rate above the current level of 9.357 mills. General fund spending in 2019 is projected to increase by \$400,077 or 6% above what was actually spent in 2018, and general fund revenue is expected to decrease by \$772,169 or 11% lower from what was actually realized in 2018. Revenues and expenditures in the general fund and road and bridge fund may fluctuate accordingly with the county's receipt of any capital improvement grants and awards.

REQUESTS FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the County's finances. If you have questions about this report or need additional financial information, please contact the County Finance Director at 200 E. First Street, Trinidad, Colorado 81082, or by calling (719) 845-2564.

BASIC FINANCIAL STATEMENTS

LAS ANIMAS COUNTY, COLORADO
STATEMENT OF NET POSITION
December 31, 2018

<u>ASSETS</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Cash	11,997,866	-	11,997,866
Receivables (Net, if Applicable, of Allowance for Uncollectibles):			
Accounts	992,970	2,076	995,046
Accrued Interest	9,519	-	9,519
Accrued Revenue	971,706	76,065	1,047,771
Property Tax	3,279,097	-	3,279,097
Interfund Receivable	147,291	-	147,291
Due From Other Governments	17,259	-	17,259
Inventories	22,433	23,724	46,157
Prepaid Insurance	-	-	-
Fixed Assets (Net)	<u>28,824,572</u>	<u>8,377,012</u>	<u>37,201,584</u>
<u>Total Assets</u>	<u>46,262,713</u>	<u>8,478,877</u>	<u>54,741,590</u>
 <u>DEFERRED OUTFLOWS OF RESOURCES</u>	 <u>-</u>	 <u>-</u>	 <u>-</u>
 <u>LIABILITIES</u>			
Interfund Payable	-	147,291	147,291
Unearned Grant Payments	468,568	-	468,568
Accounts Payable	650,510	88,333	738,843
Accrued Wages & Benefits Payable	92,032	2,268	94,300
Other Liabilities	10,869	600	11,469
Due to Other Governments	1,182,973	-	1,182,973
Noncurrent Liabilities:			
Due Within One Year	148,297	-	148,297
Due in More than One Year	182,590	-	182,590
Compensated Absences Payable	<u>386,696</u>	<u>-</u>	<u>386,696</u>
<u>Total Liabilities</u>	<u>3,122,535</u>	<u>238,492</u>	<u>3,361,027</u>
 <u>DEFERRED INFLOWS OF RESOURCES</u>			
Property Tax	3,279,097	-	3,279,097
Sales Tax	<u>1,948,439</u>	<u>-</u>	<u>1,948,439</u>
<u>Total Deferred Inflows of Resources</u>	<u>5,227,536</u>	<u>-</u>	<u>5,227,536</u>
 <u>NET POSITION</u>			
Net Investment in Capital Assets	28,493,685	8,377,012	36,870,697
Restricted for:			
Capital Projects	1,477,406	-	1,477,406
Public Safety	581,351	-	581,351
Roads and Bridges	3,342,696	-	3,342,696
Parks and Recreation	252,323	-	252,323
Tabor Reserve	387,000	-	387,000
Unrestricted (Deficit)	<u>3,378,181</u>	<u>(136,627)</u>	<u>3,241,554</u>
<u>Total Net Position</u>	<u>37,912,642</u>	<u>8,240,385</u>	<u>46,153,027</u>

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

LAS ANIMAS COUNTY, COLORADO
STATEMENT OF ACTIVITIES
Year Ended December 31, 2018

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Governmental Activities	Business Type Activities	Total
Governmental Activities							
General Government	3,637,424	760,241	30,946	-	(2,846,237)	-	(2,846,237)
Public Safety	2,400,427	123,639	110,397	-	(2,166,391)	-	(2,166,391)
Health & Environment	208,099	-	-	-	(208,099)	-	(208,099)
Auxiliary Services	170,472	-	-	-	(170,472)	-	(170,472)
Intergovernmental	627,333	-	-	-	(627,333)	-	(627,333)
Parks and Recreation	117,266	-	52,100	-	(65,166)	-	(65,166)
Roads, Bridges and Capital Outlay	9,507,016	-	3,910,229	1,080,899	(4,515,888)	-	(4,515,888)
Social Services	10,612,291	-	10,034,027	-	(578,264)	-	(578,264)
Debt Service Interest	16,852	-	-	-	(16,852)	-	(16,852)
Total Governmental Activities	27,297,180	883,880	14,137,699	1,080,899	(11,194,702)	-	(11,194,702)
BUSINESS TYPE ACTIVITIES							
Airport	740,395	218,817	89,565	-	-	(432,013)	(432,013)
Total Business Type Activities	740,395	218,817	89,565	-	-	(432,013)	(432,013)
Total Primary Government	28,037,575	1,102,697	14,227,264	1,080,899	(11,194,702)	(432,013)	(11,626,715)
General Revenues:							
Property Taxes					4,013,578	-	4,013,578
Specific Ownership Taxes					492,484	-	492,484
Sales Taxes					1,744,134	-	1,744,134
Intergovernmental Not Specifically Restricted					173,112	-	173,112
Insurance Proceeds					689,652	-	689,652
Interest Revenue					81,768	-	81,768
Other Revenues					99,497	-	99,497
Transfers In (Out)					-	-	-
Total General Revenues & Transfers					7,294,225	-	7,294,225
Change in Net Position					(3,900,477)	(432,013)	(4,332,490)
Net Position – Beginning					41,813,119	8,672,398	50,485,517
Net Position – Ending					37,912,642	8,240,385	46,153,027

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

LAS ANIMAS COUNTY, COLORADO
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2018

	Special Revenue			Other Governmental Funds	Total Governmental Funds	
	General	Road & Bridge	Public Welfare			Capital Expenditure
ASSETS:						
Cash and Equivalents	5,325,718	2,566,874	1,645,910	1,339,425	1,119,939	11,997,866
Receivables (Net, of Allowance where Applicable)						
Accounts	625,128	186,792	9,402	171,648	-	992,970
Accrued Revenue	57,556	790,605	123,545	-	-	971,706
Accrued Interest	9,519	-	-	-	-	9,519
Property Taxes	3,279,097	-	-	122,192	-	3,401,289
Inventory	-	22,433	-	-	-	22,433
Due from Other Funds	165,550	-	-	485	-	166,035
Due from Other Governments	17,259	-	-	-	-	17,259
<u>Total Assets</u>	<u>9,479,827</u>	<u>3,566,704</u>	<u>1,778,857</u>	<u>1,633,750</u>	<u>1,119,939</u>	<u>17,579,077</u>
<u>Deferred Outflows of Resources</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES:						
Liabilities:						
Accounts Payable	133,294	138,510	76,548	294,259	7,899	650,510
Accrued Salaries Payable	18,410	63,065	10,557	-	-	92,032
Due to Other Funds	485	-	-	18,259	-	18,744
Due to Other Governments	-	-	1,182,973	-	-	1,182,973
Liabilities Payable from Restricted Assets	-	-	-	-	-	-
Other Payables	-	-	10,869	-	-	10,869
Unearned Grant Payments	-	-	468,568	-	-	468,568
<u>Total Liabilities</u>	<u>152,189</u>	<u>201,575</u>	<u>1,749,515</u>	<u>312,518</u>	<u>7,899</u>	<u>2,423,696</u>
Deferred Inflows of Resources						
Property Tax	3,279,097	-	-	-	-	3,279,097
Sales Tax	1,948,439	-	-	-	-	1,948,439
<u>Total Deferred Inflows of Resources</u>	<u>5,227,536</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,227,536</u>
Fund Balances:						
Nonspendable:						
Inventories	-	22,433	-	-	-	22,433
Prepaid Expense	-	-	-	-	-	-
Restricted:						
Emergencies	387,000	-	-	-	-	387,000
Roads & Bridges	-	3,342,696	-	-	-	3,342,696
Capital Outlay	-	-	-	1,199,040	278,366	1,477,406
Parks and Recreation	-	-	-	-	252,323	252,323
Public Safety	-	-	-	-	581,351	581,351
Committed:						
Unanticipated Obligations	367,163	-	-	-	-	367,163
Assigned:						
Social Services	-	-	29,342	-	-	29,342
Unassigned:	3,345,939	-	-	-	-	3,345,939
<u>Total Fund Balances</u>	<u>4,100,102</u>	<u>3,365,129</u>	<u>29,342</u>	<u>1,199,040</u>	<u>1,112,040</u>	<u>9,805,653</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>9,479,827</u>	<u>3,566,704</u>	<u>1,778,857</u>	<u>1,511,558</u>	<u>1,119,939</u>	<u>17,456,885</u>

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

LAS ANIMAS COUNTY, COLORADO
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
December 31, 2018

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

<u>Total Fund Balance – Governmental Funds</u>	9,805,653
Capital Assets used in governmental activities are not considered current financial resources and, therefore, not reported in the governmental funds.	127,101,887
Accumulated depreciation is not recognized in the governmental funds because capital assets are expensed at the time of acquisition.	(98,277,315)
Long-Term Liabilities for Compensated Absences of \$386,696 and Capital Lease and Contract Payable of \$330,887 are not due and payable in the current period and, therefore, not reported in the governmental funds.	<u>(717,583)</u>
<u>GOVERNMENTAL ACTIVITIES NET POSITION</u>	<u>37,912,642</u>

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

LAS ANIMAS COUNTY, COLORADO
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended December 31, 2018

	Special Revenue			Other Governmental Funds	Total Governmental Funds	
	General	Road & Bridge	Public Welfare			Capital Expenditure
REVENUES:						
Taxes	5,449,476	-	598,913	199,604	-	6,247,993
Licenses & Permits	2,950	-	-	-	-	2,950
Intergovernmental Revenues	400,137	4,700,834	10,034,027	290,294	52,100	15,477,392
Charges for Services	830,522	-	-	-	-	830,522
Interest Revenues	80,264	-	-	-	1,503	81,767
Miscellaneous Revenues	<u>765,875</u>	<u>35,146</u>	<u>-</u>	<u>13,401</u>	<u>14,109</u>	<u>828,531</u>
<u>Total Revenues</u>	<u>7,529,224</u>	<u>4,735,980</u>	<u>10,632,940</u>	<u>503,299</u>	<u>67,712</u>	<u>23,469,155</u>
EXPENDITURES						
General Government	3,255,611	-	-	6,278	-	3,261,889
Public Safety	2,071,752	-	-	-	47,028	2,118,780
Health Services	208,099	-	-	-	-	208,099
Auxiliary Services	114,869	-	-	-	-	114,869
Intergovernmental	627,333	-	-	-	-	627,333
Parks and Recreation	-	-	-	-	117,266	117,266
Roads, Bridges & Capital Outlay	-	4,765,831	-	436,054	-	5,201,885
Social Services	-	-	10,603,598	-	-	10,603,598
Debt Service	<u>79,314</u>	<u>-</u>	<u>-</u>	<u>76,016</u>	<u>-</u>	<u>155,330</u>
<u>Total Expenditures</u>	<u>6,356,978</u>	<u>4,765,831</u>	<u>10,603,598</u>	<u>518,348</u>	<u>164,294</u>	<u>22,409,049</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES						
	<u>1,172,246</u>	<u>(29,851)</u>	<u>29,342</u>	<u>(15,049)</u>	<u>(96,582)</u>	<u>1,060,106</u>
OTHER FINANCING SOURCES (USES)						
Contract Proceeds	-	-	-	-	-	-
Operating Transfers In (Out)	<u>(700,000)</u>	<u>700,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Total Other Financing Sources (Uses)</u>	<u>(700,000)</u>	<u>700,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGES IN FUND BALANCES	472,246	670,149	29,342	(15,049)	(96,582)	1,060,106
FUND BALANCES-Beginning	<u>3,627,856</u>	<u>2,694,980</u>	<u>-</u>	<u>1,214,089</u>	<u>1,208,622</u>	<u>8,745,547</u>
FUND BALANCES-Ending	<u>4,100,102</u>	<u>3,365,129</u>	<u>29,342</u>	<u>1,199,040</u>	<u>1,112,040</u>	<u>9,805,653</u>

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

LAS ANIMAS COUNTY, COLORADO
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCES OF GOVERNMENT FUNDS TO THE STATEMENT OF ACTIVITIES
 Year Ended December 31, 2018

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

Net Change in Fund Balances – Total Governmental Funds 1,060,106

Governmental Funds report capital outlays as expenditures. However, in the statement of activities, assets with an initial, individual cost of more than \$5,000 are capitalized and the cost is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.

Capital outlays more than \$5,000	331,547	
Loss on disposal of capital assets	(72,452)	
Depreciation expense	<u>(5,478,213)</u>	(5,219,118)

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

Repayment of Debt Principal		257,272
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Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, the adjustments to these expenses are not reported as expenditures in governmental funds.

Compensated Absences		<u>1,263</u>
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GOVERNMENTAL ACTIVITIES CHANGE IN NET POSITION (3,900,477)

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

LAS ANIMAS COUNTY, COLORADO
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2018

	Business-Type Activities <u>Enterprise Fund</u> <u>Airport Fund</u>
<u>ASSETS</u>	
<u>Current Assets</u>	
Cash and Equivalents	-
Accounts Receivable	2,076
Grants Receivable	76,065
Inventories	23,724
Due From Other Funds	18,259
Prepaid Insurance	-
<u>Total Current Assets</u>	<u>120,124</u>
 <u>CAPITAL ASSETS</u>	
Land	117,304
Infrastructure	10,521,060
Building	278,638
Equipment	743,677
Water Rights	76,600
Less Accumulated Depreciation	<u>(3,360,267)</u>
<u>Total Capital Assets, Net of Accumulated Depreciation</u>	<u>8,377,012</u>
 <u>Total Assets</u>	 <u>8,497,136</u>
 <u>DEFERRED OUTFLOW OF RESOURCES</u>	
-	
 <u>LIABILITIES AND NET POSITION</u>	
<u>Current Liabilities</u>	
Due To Other Funds	165,550
Accounts Payable	88,333
Accrued Salaries Payable	2,268
Deposits	600
Unearned Grant Payments	-
<u>Total Current Liabilities</u>	<u>256,751</u>
 <u>DEFERRED INFLOW OF RESOURCES</u>	
-	
 <u>NET POSITION</u>	
Net Investment in Capital Assets	8,377,012
Unrestricted (Deficit)	<u>(136,627)</u>
 <u>TOTAL NET POSITION</u>	 <u>8,240,385</u>

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

LAS ANIMAS COUNTY, COLORADO
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
Year Ended December 31, 2018

	<u>Business Type Activities</u> <u>Enterprise Funds</u> <u>Airport Fund</u>
<u>OPERATING REVENUES</u>	
Operating Revenue	218,817
<u>Total Revenues</u>	<u>218,817</u>
<u>OPERATING EXPENSES</u>	
Salaries	44,710
Employee Benefits	12,821
Cost of Sales	159,064
Public Utility Service	13,759
Office Expense & Supplies	12,356
Depreciation	379,552
Contractual Agreements & Leases	87,417
Telephone	2,739
Maintenance	13,872
Insurance	14,105
Bad Debt	-
<u>Total Operating Expenses</u>	<u>740,395</u>
<u>OPERATING INCOME (LOSS) BEFORE OTHER SOURCES</u>	<u>(521,578)</u>
<u>NON OPERATING REVENUES (EXPENSES)</u>	
Grants	89,565
Transfers In	-
<u>Total Non Operating Revenues (Expenses)</u>	<u>89,565</u>
<u>INCOME BEFORE CAPITAL CONTRIBUTIONS</u>	<u>(432,013)</u>
<u>CAPITAL CONTRIBUTIONS – EQUIPMENT PURCHASE</u>	<u>-</u>
<u>CHANGE IN NET POSITION</u>	<u>(432,013)</u>
<u>TOTAL NET POSITION, Beginning</u>	<u>8,672,398</u>
<u>TOTAL NET POSITION, Ending</u>	<u>8,240,385</u>

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

LAS ANIMAS COUNTY, COLORADO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended December 31, 2018

	<u>Business Type Activities</u> <u>Enterprise Funds</u> <u>Airport Fund</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>	
Receipts from Customers & Users	221,401
Payments for Salaries and Benefits	(56,306)
Payments to Vendors – Supplies and Services	<u>(214,104)</u>
<u>NET CASH PROVIDED (USED) BY OPERATIONS</u>	<u>(49,009)</u>
<u>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</u>	
Grant Revenue	13,500
Operating Transfers In	-
Due To Other Funds	<u>35,509</u>
<u>NET CASH PROVIDED BY NON-CAPITAL FINANCING ACTIVITIES</u>	<u>49,009</u>
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>	
Non-Financed Purchase of Property & Equipment	-
Capital Grant	<u>-</u>
<u>NET CASH PROVIDED BY (USED FOR) IN CAPITAL AND RELATED FINANCING ACTIVITIES</u>	<u>-</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>	
Other Revenue	<u>-</u>
<u>NET CASH PROVIDED BY INVESTING ACTIVITIES</u>	<u>-</u>
<u>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</u>	<u>-</u>
<u>CASH AND CASH EQUIVALENTS – Beginning</u>	<u>-</u>
<u>CASH AND CASH EQUIVALENTS – Ending</u>	<u>-</u>
<u>RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES</u>	
Operating Income (Loss)	(521,578)
Non Cash Items in Operations:	
Depreciation	379,552
(Increase) Decrease in Inventory	1,844
(Increase) Decrease in Receivables/Accruals	2,584
Increase (Decrease) in Payables/Accruals	<u>88,589</u>
<u>NET CASH PROVIDED (USED FOR) OPERATING ACTIVITIES</u>	<u>(49,009)</u>
<u>NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES</u>	
Cash Paid for Interest Expense	-
Cash Paid for Income Taxes	<u>-</u>
<u>TOTAL NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES</u>	<u>-</u>

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

LAS ANIMAS COUNTY, COLORADO
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
December 31, 2018

	<u>County Treasurer</u>	<u>Agency Funds County Clerk & Recorder</u>	<u>Public Trustee</u>	<u>Total Agency Funds</u>
<u>ASSETS</u>				
Cash and Equivalents	1,612,661	110,522	32,743	1,755,926
Due From Others	-	-	-	-
<u>Total Assets</u>	<u>1,612,661</u>	<u>110,522</u>	<u>32,743</u>	<u>1,755,926</u>
<u>LIABILITIES</u>				
Accounts Payable	-	-	-	-
Due To Others	-	-	17,259	17,259
Deposits Held for Others	<u>1,612,661</u>	<u>110,522</u>	<u>2,784</u>	<u>1,725,967</u>
<u>Total Liabilities</u>	<u>1,612,661</u>	<u>110,522</u>	<u>20,043</u>	<u>1,743,226</u>
<u>NET POSITION</u>	<u>-</u>	<u>-</u>	<u>12,700</u>	<u>12,700</u>

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1 THE FINANCIAL REPORTING ENTITY

Reporting Entity

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

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

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

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

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

Other Related Entity

Public Trustee

The Public Trustee is a State statutorily mandated position, appointed by the Board of County Commissioners, but whose financial transactions are independent of the County. However, all expenditures and associated funding transactions relating to the operations of the County Office of the Public Trustee are included in the General Fund, except those required to be accounted for in an Agency Fund.

Intergovernmental Agreements

The County has entered into the following intergovernmental agreements:

LAS ANIMAS COUNTY, COLORADO
 NOTES TO FINANCIAL STATEMENTS
 For the Fiscal Year Ended December 31, 2018

NOTE 1 THE FINANCIAL REPORTING ENTITY (Continued)

Intergovernmental Agreements (Continued)

Huerfano/Las Animas Counties Health Department

The Health Department operates a two county district health department. The counties appoint a seven member board and the board hires the health officer.

The governing board approves the operating budget and presents it to the County Commissioners for their approval. The County Commissioners then approve the amount of contributions each county will make to the Health Department for the ensuing year. In 2018, the allocation of budgeted expenditures was 70% for a total expenditure to the County of \$208,098.

Office of the District Attorney-Third Judicial District

The County is included in a two county judicial district which provides prosecution and other legal services to the counties in the district. In 2018, the total expenditure for the County was \$494,000.

Las Animas County E-911

Las Animas County E-911's sole purpose is to provide emergency telephone service to county residents. Initial grants received for the purchase of required equipment are in the name of Las Animas County. The County also appoints a portion of the governing Board of Directors. In 2018, the total expenditure for the County was \$111,157.

Condensed audited financial statement information as of December 31, 2017, is presented for the Health Department, the Third Judicial District and Las Animas County E-911.

Statement of Net Position

	<u>Health Department</u>	<u>Third Judicial District</u>	<u>Las Animas County E-911</u>
<u>ASSETS</u>	<u>843,920</u>	<u>35,858</u>	<u>750,991</u>
<u>LIABILITIES</u>	74,994	31,492	358,517
<u>NET POSITION</u>	<u>768,926</u>	<u>4,366</u>	<u>392,474</u>
<u>TOTAL LIABILITIES & NET POSITION</u>	<u>843,920</u>	<u>35,858</u>	<u>750,991</u>

Statement of Activities

<u>REVENUES</u>	1,401,262	709,382	220,665
<u>EXPENSES</u>	<u>1,239,936</u>	<u>741,571</u>	<u>279,160</u>
<u>REVENUES OVER (UNDER) EXPENDITURES</u>	<u>161,326</u>	<u>(32,189)</u>	<u>(58,495)</u>

NOTE 1 THE FINANCIAL REPORTING ENTITY (Continued)

Intergovernmental Agreements (Continued)

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

Government-Wide Financial Statements

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

The statement of activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the County and for each function of the County's governmental activities. Direct expenses are those that are specifically associated with a program or function and; therefore, are clearly identifiable to a particular function. Program revenues include 1) charges paid by the recipients of goods or services offered by the programs and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented instead as general revenues.

Fund Financial Statements

The fund financial statements provide information about the County's funds, including fiduciary funds and blended component units. Separate statements for each fund category – *governmental*, *proprietary and fiduciary* – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are separately aggregated and reported as nonmajor funds.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Basis of Presentation (Continued)

Fund Financial Statements (Continued)

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

The County reports the following major governmental funds:

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

The County reports the following major enterprise fund:

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

The County reports the following additional fund types:

- *The Special Revenue Funds* are used to account for specific revenues that are legally restricted to expenditure for particular purposes.
- *The Capital Projects Funds* account for financial resources created by the issuance of bonded indebtedness and are used for major capital projects.
- *Fiduciary Funds* account for assets held by the County in a trustee capacity or as an agent on behalf of others.

The agency funds are custodial in nature and do not present results of operations or a measurement focus. Agency funds are accounted for using the accrual basis of accounting. Those funds are used to account for assets that the county holds for others in an agency capacity. The County's agency funds include the Treasurer's office, Clerk's office and Public Trustee.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Accounting

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

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

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

C. Non-Current Governmental Assets/Liabilities

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

D. Cash and Cash Equivalents

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

LAS ANIMAS COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2018

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Investments

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

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

F. Inventories

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

G. Property Taxes

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

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

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

H. Capital Assets

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Capital Assets (Continued)

The estimated useful lives are as follows:

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

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

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

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

I. Compensated Absences

County Union Employees

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

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

County Non-Union Employees

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

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

LAS ANIMAS COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2018

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. Compensated Absences (Continued)

At December 31, 2018, the County has a liability for accrued sick leave and vacation payable of \$386,696.

A summary of compensated absences is presented as follows:

General County Government	\$ 215,797
Social Services	<u>\$ 170,899</u>
Total	<u>\$ 386,696</u>

Compensated absences for general county government is payable upon separation.

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

J. Interfund Transactions

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

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

K. Estimates

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

L. Budgets and Budgetary Accounting

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

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. Budgets and Budgetary Accounting (Continued)

4. The County Commissioners approve all budget transfers or revisions.
5. Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds, Capital Projects Fund, and Enterprise Funds.
6. Budgets for the General, Special Revenue, Capital Projects Fund, and Enterprise Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgets are not prepared for the Fiduciary Funds.

M. Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are prepared in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the General Fund, Special Revenue Funds, Capital Projects Fund, and Enterprise Funds. Outstanding encumbrances lapse at the end of the year.

N. GASB Statement No. 54

The Government Accounting Standards Board (GASB) has issued Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions (GASB 54). This statement defines the different types of fund balances that a governmental entity must use for financial reporting purposes.

GASB 54 requires the fund balance amounts to be properly reported within one of the fund balance categories list below.

1. Nonspendable such as fund balances associated with inventories, prepaids, long-term loans and notes receivable, and property held for resale (unless the proceeds are restricted, committed, or assigned).
2. Restricted fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.
3. Committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the County Commissioners (the County's highest level of decision-making authority).
4. Assigned fund balance classification is intended to be used by the government for specific purposes that do not meet the criteria to be classified as restricted or committed.
5. Unassigned fund balance is the residual classification for the government's general fund and includes all spendable amounts not contained in the other classifications.

LAS ANIMAS COUNTY, COLORADO
 NOTES TO FINANCIAL STATEMENTS
 For the Fiscal Year Ended December 31, 2018

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N. GASB Statement No. 54 (Continued)

Fund Balance Classification Policies and Procedures

Committed Fund Balance Policy:

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

Assigned Fund Balance Policy:

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

Order of Fund Balance Spending Policy

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

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

Fund Balance Classification by Fund:

	<u>General</u>	<u>Special Revenue Funds</u>			<u>Other</u>	<u>Total</u>
		<u>Road & Bridge</u>	<u>Public Welfare</u>	<u>Capital Expenditure</u>	<u>Governmental Fund</u>	<u>Governmental Funds</u>
<u>Nonspendable:</u>						
Inventories	-	22,433	-	-	-	22,433
Prepaid Expenses	-	-	-	-	-	-
<u>Restricted:</u>						
Emergencies	387,000	-	-	-	-	387,000
Road and Bridge	-	3,342,696	-	-	-	3,342,696
Capital Outlay	-	-	-	1,199,040	278,366	1,477,406
Parks & Recreation	-	-	-	-	252,323	252,323
Public Safety	-	-	-	-	581,351	581,351
Social Services	-	-	-	-	-	-
<u>Committed:</u>						
Unanticipated Obligations	367,163	-	-	-	-	367,163
<u>Assigned:</u>						
Social Services	-	-	29,342	-	-	29,342
Public Works	-	-	-	-	-	-
<u>Unassigned:</u>	<u>3,345,939</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,345,939</u>
<u>Total Fund Balances</u>	<u>4,100,102</u>	<u>3,365,129</u>	<u>29,342</u>	<u>1,199,040</u>	<u>1,112,040</u>	<u>9,805,653</u>

LAS ANIMAS COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2018

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N. GASB Statement No. 54 (Continued)

Fund Balance Classification Policies and Procedures (Continued)

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

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

NOTE 3 RECEIVABLES

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

	<u>General Fund</u>	<u>Road and Bridge Fund</u>	<u>Public Welfare Fund</u>	<u>Capital Expenditure Fund</u>	<u>Nonmajor Fund</u>	<u>Total Governmental Activities</u>
<u>Receivables-</u>						
<u>Governmental Activities</u>						
Accounts Receivables	625,128	186,792	12,402	171,648	-	995,970
Accrued Interest	9,519	-	-	-	-	9,519
Accrued Revenue	57,556	790,605	-	-	-	848,161
Accounts (Social Services)	-	-	2,773,143	-	-	2,773,143
Due From Other Governments	-	-	123,545	-	-	123,545
Property Tax	<u>3,279,097</u>	-	-	-	-	<u>3,279,097</u>
<u>Gross Receivables</u>	<u>3,971,300</u>	<u>977,397</u>	<u>2,909,090</u>	<u>171,648</u>	-	<u>8,029,435</u>
Less: Allowance for Uncollectibles	-	-	(2,776,143)	-	-	(2,776,143)
<u>Deferred Inflows</u>						
Property Tax	<u>(3,279,097)</u>	-	-	-	-	<u>(3,279,097)</u>
<u>Total Receivables</u>	<u>692,203</u>	<u>977,397</u>	<u>132,947</u>	<u>171,648</u>	<u>-</u>	<u>1,974,195</u>
<u>Airport Fund</u>						
<u>Receivables-</u>						
<u>Business-Type Activities</u>						
Accounts Receivables		2,076				
Accrued Revenue		76,065				
Other		-				
<u>Gross Receivables</u>		<u>78,141</u>				
Less: Allowance for Uncollectibles		-				
<u>Total Receivables</u>		<u>78,141</u>				

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

LAS ANIMAS COUNTY, COLORADO
 NOTES TO FINANCIAL STATEMENTS
 For the Fiscal Year Ended December 31, 2018

NOTE 3 RECEIVABLES (Continued)

At December 31, 2018, the various components of unearned revenue or deferred inflows were as follows:

	<u>Unavailable</u>	<u>Unearned</u>
<u>Governmental Activities:</u>		
<u>Major Funds:</u>		
Grant drawdowns prior to meeting all eligibility requirements	-	468,568
Property Taxes	3,279,097	-
<u>Nonmajor Funds:</u>		
Grant drawdowns prior to meeting all eligibility requirements	-	-
<u>Total Governmental Activities</u>	<u>3,279,097</u>	<u>468,568</u>
<u>Business-Type Activities:</u>	-	-

NOTE 4 DEFINED CONTRIBUTION PLAN

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

Employees contribute 3% of their salary to the plan with an equal amount contributed by the County. Vesting occurs at the rate of 20% per year. County contributions for, and earnings forfeited by, employees who leave employment before fully vesting are returned to the County. Forfeitures were \$2,252 during 2018 and pension expense was \$45,251. The County had no outstanding liability for this plan at year end.

NOTE 5 DEFERRED COMPENSATION PLAN

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

LAS ANIMAS COUNTY, COLORADO
 NOTES TO FINANCIAL STATEMENTS
 For the Fiscal Year Ended December 31, 2018

NOTE 5 DEFERRED COMPENSATION PLAN (Continued)

In 2001, the County adopted an amendment to its Deferred Compensation Plan with CCOERA. The adoption of the amendment was due to recent changes in the Internal Revenue Code. Specifically the amendment states that all amounts deferred under this plan, all property and rights purchased with such amounts, and all income attributable to such amounts, property or rights shall, until made available to the participant or beneficiary, be held in the Colorado County Officials and Employees Retirement Association Deferred Compensation Plan Trust for the exclusive benefit of participants and their beneficiaries. Colorado County officials and Employees Retirement Association is trustee of the trust.

Eligible voluntary employee contributions were \$1,200 for 2018.

NOTE 6 RISK MANAGEMENT

County Workers' Compensation Pool

The County is exposed to various risks of loss related to injuries of employees while on the job. In 1986, the County joined together with other Counties in the State of Colorado to form the County Workers' Compensation Pool (CWCP), a public entity risk pool currently operating as a common risk management and insurance program for member counties. The County pays an annual contribution to CWCP for its workers' compensation insurance coverage. The intergovernmental agreement of formation of CWCP provides that the pool will be financially self-sustaining through member contributions and additional assessments, if necessary, and the Pool will purchase excess insurance through commercial companies for members' claims in excess of a specified self-insured retention, which is determined each policy year.

Summary audited financial information as of December 31, 2018 follows:

Assets	<u>43,968,355</u>
Liabilities	27,334,419
Fund Equity	<u>16,633,936</u>
	<u>43,968,355</u>
Revenues	11,248,059
Expenses	<u>11,625,868</u>
	(377,809)
Net Investment Income	913,640
Gain On Commutation	<u> -</u>
Net Income (Loss)	<u>535,831</u>

LAS ANIMAS COUNTY, COLORADO
 NOTES TO FINANCIAL STATEMENTS
 For the Fiscal Year Ended December 31, 2018

NOTE 6 RISK MANAGEMENT (Continued)

Colorado Counties Casualty and Property Pool

The County is exposed to various risks of loss related to property and casualty losses. During 1986, the County was unable to obtain property and liability insurance at a cost it considered to be economically justifiable. Therefore, the County jointed together with other Counties in the State of Colorado to form the Colorado Counties Casualty and Property Pool (CAPP) for its property and casualty insurance coverage. The intergovernmental agreement of formation of CAPP provides that the pool will be financially self-sustaining through member contributions and additional assessments, if necessary, and the Pool will purchase excess insurance through commercial companies for members' claims in excess of a specified self-insured retention, which is determined each policy year.

Summary audited financial information as of December 31, 2018 follows:

Assets	<u>23,016,375</u>
Liabilities	9,646,756
Fund Equity	<u>13,369,619</u>
	<u>23,016,375</u>
Revenues	6,703,439
Expenses	<u>6,642,862</u>
Net Income (Loss)	<u>60,577</u>

County Health Pool

Since 1999, the County has been a member of the County Health Pool (CHP) which is administered by County Technical Services, Inc. The CHP provides medical, dental, vision and life insurance benefits to more than 5,300 employees of 37 local government agencies. CHP is the only county-owned health plan provider in Colorado with benefits, contribution rates, and coverages determined by representatives from member counties. The CHP board meets every other month to discuss the industry, plan changes, coverages and renewal, as well as vote on appeals. In 2018, the county contribution for CHP coverage for each employee was \$651 per month which paid for the employee's medical and life insurance as well as dental and vision coverage for the entire family.

Summary audited financial information as of December 31, 2018 follows:

Assets	<u>17,526,284</u>
Liabilities	6,207,103
Net Position	<u>11,319,181</u>
	<u>17,526,284</u>
Revenues	58,683,712
Expenses	<u>57,679,883</u>
Increase (Decrease) in Net Position	<u>1,003,829</u>

LAS ANIMAS COUNTY, COLORADO
 NOTES TO FINANCIAL STATEMENTS
 For the Fiscal Year Ended December 31, 2018

NOTE 7 INTERFUND TRANSACTIONS

Interfund Receivables/Payables

Individual Fund Interfund Receivable and Payable balances at December 31, 2018 were as follows:

	<u>Due From</u>	<u>Due To</u>	<u>Repayment Period</u>	<u>Purpose</u>
<u>Governmental Activities:</u>				
General Fund	165,550	485	Within 1 Year	Operational
Public Welfare Fund	-	-	Within 1 Year	Operational
Capital Expenditure	485	18,259	Within 1 Year	Capital Outlay
Other Governmental Funds	-	-	Within 1 Year	Operational
 <u>Business Type Activities:</u>				
Airport	<u>18,259</u>	<u>165,550</u>	Within 1 Year	Operational / Capital Outlay
	<u>184,294</u>	<u>184,294</u>		

Transfers

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

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
Major Funds:		
General	-	700,000
Road & Bridge	700,000	-
Public Welfare	-	-
Capital Expenditures	-	-
Other Governmental	100,000	100,000
Airport Fund	<u>-</u>	<u>-</u>
Total	<u>800,000</u>	<u>800,000</u>

LAS ANIMAS COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2018

NOTE 8 CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2018 was as follows:

	Balance January 1, 2018	Increases	Decreases	Adjustments	Balance December 31, 2018
GOVERNMENTAL ACTIVITIES:					
<u>Capital Assets, Not Being</u>					
<u> Depreciated:</u>					
Land	470,261	-	18,828	-	451,433
<u>Total Capital Assets Not</u>					
<u> Being Depreciated</u>	470,261	-	18,828	-	451,433
<u>Capital Assets, Being Depreciated:</u>					
Infrastructure	91,186,867	189,188	-	-	91,376,055
Structures & Improvements	21,109,580	65,350	134,666	-	21,040,264
Equipment	14,157,126	77,009	-	-	14,234,135
<u>Total Capital Assets, Being</u>					
<u> Depreciated</u>	126,453,573	331,547	134,666	-	126,650,454
<u>Less Accumulated Depreciation for:</u>					
Infrastructure	66,595,149	4,352,591	-	-	70,947,740
Structures & Improvements	13,333,852	775,281	81,042	-	14,028,091
Equipment	12,951,143	350,341	-	-	13,301,484
<u>Total Accumulated Depreciation</u>	92,880,144	5,478,213	81,042	-	98,277,315
<u>Total Capital Assets, Being</u>					
<u> Depreciated, Net</u>	33,573,429	(5,146,666)	53,624	-	28,373,139
<u>Governmental Activities Capital</u>					
<u> Assets, Net</u>	34,043,690	(5,146,666)	72,452	-	28,824,572
BUSINESS-TYPE ACTIVITIES					
<u>Capital Assets, Not Being Depreciated:</u>					
Land	117,304	-	-	-	117,304
Water Rights	76,600	-	-	-	76,600
Construction in Progress	-	-	-	-	-
<u>Total Capital Assets, Not Being</u>					
<u> Depreciated</u>	193,904	-	-	-	193,904
<u>Capital Assets, Being Depreciated</u>					
Structures & Improvements	10,799,697	-	-	-	10,799,697
Equipment	743,677	-	-	-	743,677
<u>Total Capital Assets, Being</u>					
<u> Depreciated</u>	11,543,374	-	-	-	11,543,374
<u>Less Accumulated Depreciation for:</u>					
Structures & Improvements	2,635,392	339,482	-	-	2,974,874
Equipment	345,323	40,070	-	-	385,393
<u>Total Accumulated Depreciation</u>	2,980,715	379,552	-	-	3,360,267
<u>Total Capital Assets, Being</u>					
<u> Depreciated, Net</u>	8,562,659	(379,552)	-	-	8,183,107
<u>Business-Type Activities Capital</u>					
<u> Assets, Net</u>	8,756,563	(379,552)	-	-	8,377,011

LAS ANIMAS COUNTY, COLORADO
 NOTES TO FINANCIAL STATEMENTS
 For the Fiscal Year Ended December 31, 2018

NOTE 8 CAPITAL ASSETS (Continued)

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental Activities:

General Government	632,723
Public Safety	281,647
Auxiliary Services	55,603
Roads and Bridges	4,494,319
Public Welfare	<u>13,921</u>
<u>Total Depreciation Expense – Governmental Activities</u>	<u>5,478,213</u>

Business-Type Activities

Airport	<u>379,552</u>
<u>Total Depreciation Expenses – Business-Type Function</u>	<u>379,552</u>

NOTE 9 LONG-TERM DEBT

Long-term liabilities at December 31, 2018 consisted of the following:

	<u>Balance</u> <u>01-01-18</u>	<u>Additions</u> <u>Accretions</u>	<u>Retirements</u>	<u>Balance</u> <u>12-31-18</u>	<u>Amounts Due</u> <u>Within One Year</u>
<u>Governmental Activities</u>					
Capital Lease Obligations	469,365	-	138,478	330,887	148,297
Contract Agreement	118,794	-	118,794	-	-
Compensated Absences (Note 2)	<u>387,959</u>	<u>2,990</u>	<u>4,253</u>	<u>386,696</u>	-
<u>Total Governmental</u> <u>Activities – Long Term</u> <u>Liabilities</u>	<u>976,118</u>	<u>2,990</u>	<u>261,525</u>	<u>717,583</u>	<u>148,297</u>

Lease Purchases and Contract Payable:

Terms and Transactions of Lease Agreements are as follows:

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

<u>Description</u>	<u>Cost</u>	<u>Interest</u> <u>Rate</u>	<u>Monthly/Annual</u> <u>Payments</u>	<u>Number of</u> <u>Payments</u>	<u>First Payment</u> <u>Date</u>
Energy Retrofit	535,525	4.05%	\$3,819 - \$4,327	120 Months	6/22/2011
Computer System	297,330	3.38%	\$79,314	5 1/2 Years	1/1/2016

LAS ANIMAS COUNTY, COLORADO
 NOTES TO FINANCIAL STATEMENTS
 For the Fiscal Year Ended December 31, 2018

NOTE 9 LONG-TERM DEBT (continued)

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

Energy Retrofit:	<u>Year</u>	<u>Annual Payment</u>	<u>Principal</u>	<u>Interest</u>
	2019	80,577	71,589	8,988
	2020	85,412	79,467	5,945
	2021	90,537	87,967	2,570
	2022	<u>15,233</u>	<u>15,156</u>	<u>77</u>
		271,759	<u>254,179</u>	<u>17,580</u>
Less Amount Representing Interest Present Value of Future Minimum Lease Payments		<u>(17,580)</u>		
		<u>254,179</u>		
Computer System:	<u>Year</u>	<u>Annual Payment</u>	<u>Principal</u>	<u>Interest</u>
	2019	<u>79,314</u>	<u>76,708</u>	<u>2,606</u>
		79,314	<u>76,708</u>	<u>2,606</u>
Less Amount Representing Interest Present Value of Future Minimum Lease Payments		<u>(2,606)</u>		
		<u>76,708</u>		
<u>Total Lease Purchase as of 12/31/2018</u>		<u>330,887</u>		

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

	<u>Year</u>	<u>Annual Payment</u>	<u>Principal</u>	<u>Interest</u>
	2019	159,891	148,297	11,594
	2020	85,412	79,467	5,945
	2021	90,537	87,967	2,570
	2022	<u>15,233</u>	<u>15,156</u>	<u>77</u>
		351,073	<u>330,887</u>	<u>20,186</u>
Less Amount Representing Interest Present Value of Future Minimum Lease Payments		<u>(20,186)</u>		
		<u>330,887</u>		

NOTE 10 NET POSITION/FUND BALANCES

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

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

As of December 31, 2018, restricted fund balance for emergencies is described below:

- *Emergencies* – Cash and investments of approximately \$387,000 are available as Emergency Reserves as required by Article X, Section 20 of the Constitution of the State of Colorado (See Note 12).

NOTE 11 HOSPITAL LAND AND BUILDINGS

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

LAS ANIMAS COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2018

NOTE 12 CONTINGENCIES - TAX, SPENDING AND DEBT LIMITATIONS

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

Enterprises, defined as government-owned businesses authorized to issue revenue bonds and receiving less than 10% of annual revenue in grants from all state and local governments combined, are excluded from the provisions of TABOR.

The initial base for local government spending and revenue limits is 1992 Fiscal Year Spending. Future spending and revenue limits are determined based on the prior year's Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue.

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 1% of Fiscal Year Spending (excluding bonded debt service) in 1993, 2% in 1995 and 3% thereafter. Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

TABOR requires, with certain exceptions, voters approval prior to imposing new taxes, increasing a tax rate, increasing a mill levy above that for the prior year, extending an expiring tax, or implementing a tax policy change directly causing a net tax revenue gain to any local government.

On November 1, 2005, the registered voters approved a ballot resolution authorizing Las Animas County to accept, retain, and spend, for use as the board of County Commissioners deem appropriate, the full proceeds and revenues received from any and all grants awarded to Las Animas County, from any source, in the year 2006 and each year thereafter without affecting property tax revenues collected by Las Animas County.

On November 7, 2017, the registered voters approved a ballot resolution authorizing Las Animas County to receive, retain, and spend in the year 2018 and each subsequent year, all revenues, including investment income, it receives from its mill levy, without raising the tax rate above the current level of 9.357 mills, as a voter-approved revenue change without limitation or condition under article X, section 20 of the Colorado Constitution (TABOR) or any other law.

Except for bond refinancing at lower interest rates or adding employees to existing pension plans, TABOR specifically prohibits the creation of multiple-fiscal year debt or other financial obligations without voter approval or without irrevocably pledging present cash reserves for all future payments.

The County's management believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of the provisions, including the interpretation of how to calculate Fiscal Year Spending Limits (and qualification as an Enterprise) will require judicial interpretation.

LAS ANIMAS COUNTY, COLORADO
 NOTES TO FINANCIAL STATEMENTS
 For the Fiscal Year Ended December 31, 2018

NOTE 13 LITIGATION

As of December 31, 2018, the County was involved in various claims in which no formal lawsuit has been filed. An evaluation as to outcome was not possible as of the audit date.

NOTE 14 COMMITMENTS AND CONTINGENCIES

Grants

The County recognizes as revenue grant monies received as reimbursement for costs incurred in certain Federal and State programs it administers. Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the Federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the County expects such amounts, if any, to be immaterial.

Deferred Sales Tax

During 2018, the County collected sales tax in excess of the original ballot estimated amount. The ballot question allowed for the County to keep any excess amounts, however, the County has chosen to defer allocating these amounts until current pending cases have been decided.

NOTE 15 CASH AND INVESTMENTS

The County's cash at year-end consisted of deposits in financial institutions and was entirely covered by federal depository insurance or by collateral held by the financial institutions as their agent in the County's name. Collateral is held under provisions of the Public Deposit Protection Act of 1975. This act requires pledged collateral to be clearly identified as security for public deposits and it requires that the pledging financial institution certify to the secured governmental unit that it is secured and indicate the location of the collateral. In the event of default or insolvency on the part of the pledging financial institution, the custodian will surrender the collateral to the state bank commissioner. A breakdown of cash deposits and certificates of deposit follows:

At December 31, 2018, the County's bank balance and corresponding carrying balance were as follows:

	<u>Bank Balance</u>	<u>Carrying Balance</u>
Insured FDIC	750,000	750,000
Uninsured, Collateralized Under the Public Deposit Protection Act of the State of Colorado	12,951,219	13,002,344
Cash on Hand	-	1,448
<u>Total Cash and Deposits</u>	<u>13,701,219</u>	<u>13,753,792</u>
<u>Recap</u>		
Cash	6,312,603	
Certificates of Deposit	5,685,263	
Cash – Agency Fund	<u>1,755,926</u>	
<u>Total</u>	<u>13,753,792</u>	

As presented above, deposits with a bank balance of \$12,951,219 and a carrying balance of \$13,002,344 as of December 31, 2018 are uninsured, are exposed to custodial risk, and are collateralized with securities held by the pledging financial institution.

LAS ANIMAS COUNTY, COLORADO
 NOTES TO FINANCIAL STATEMENTS
 For the Fiscal Year Ended December 31, 2018

NOTE 16 RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

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

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

	<u>Interfund Transfer In</u>	<u>Interfund Transfer Out</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	-	700,000	-	485
Capital Expenditure Fund	-	-	485	-
Road and Bridge Fund	700,000	-	-	-
Public Welfare	-	-	-	-
Non Major Funds	<u>100,000</u>	<u>100,000</u>	<u>-</u>	<u>-</u>
	<u>800,000</u>	<u>800,000</u>	<u>485</u>	<u>485</u>

NOTE 17 COMPLIANCE WITH BUDGET LAWS

The actual expense/expenditures of the following funds exceeded their budget and may be in violation of Colorado Budget Law:

Airport Proprietary Fund	405,472
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REQUIRED SUPPLEMENTARY INFORMATION

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

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

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

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

LAS ANIMAS COUNTY, COLORADO
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
Year Ended December 31, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance-
	<u>Original</u>	<u>Final</u>		Favorable (Unfavorable)
<u>REVENUES</u>				
Taxes	4,780,200	4,780,200	5,449,476	669,276
Licenses and Permits	3,000	3,000	2,950	(50)
Intergovernmental Revenue	949,341	949,341	400,137	(549,204)
Charges for Services	784,000	784,000	830,522	46,522
Interest Revenues	55,000	55,000	80,264	25,264
Miscellaneous Revenue	<u>724,790</u>	<u>724,790</u>	<u>765,875</u>	<u>41,085</u>
<u>TOTAL REVENUE</u>	<u>7,296,331</u>	<u>7,296,331</u>	<u>7,529,224</u>	<u>232,893</u>
<u>EXPENDITURES</u>				
General Government	3,780,473	3,780,473	3,255,611	524,862
Public Safety	2,215,872	2,215,872	2,071,752	144,120
Health Services	208,099	208,099	208,099	-
Auxiliary Services	83,498	83,498	114,869	(31,371)
Intergovernmental	530,450	530,450	627,333	(96,883)
Debt Service	-	-	79,314	(79,314)
<u>TOTAL EXPENDITURES</u>	<u>6,818,392</u>	<u>6,818,392</u>	<u>6,356,978</u>	<u>461,414</u>
<u>REVENUES OVER (UNDER) EXPENDITURE</u>	<u>477,939</u>	<u>477,939</u>	<u>1,172,246</u>	
<u>OTHER FINANCING SOURCES (USES)</u>				
Lease Purchase Proceeds	-	-	-	-
Operating Transfers In (Out)	<u>(700,000)</u>	<u>(700,000)</u>	<u>(700,000)</u>	<u>-</u>
<u>Total Other Financing Sources (Uses)</u>	<u>(700,000)</u>	<u>(700,000)</u>	<u>(700,000)</u>	<u>-</u>
<u>TOTAL REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</u>	<u>(222,061)</u>	<u>(222,061)</u>	<u>472,246</u>	
<u>FUND BALANCE, Beginning</u>	<u>3,606,611</u>	<u>3,606,611</u>	<u>3,627,856</u>	
<u>FUND BALANCE, Ending</u>	<u>3,384,550</u>	<u>3,384,550</u>	<u>4,100,102</u>	

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

LAS ANIMAS COUNTY, COLORADO
SPECIAL REVENUE FUND - ROAD AND BRIDGE FUND
SCHEDULE OF REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
Year Ended December 31, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance- Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		
REVENUE				
<u>Property Tax Revenue</u>				
Delinquent Property Taxes	-	-	24	24
<u>Total</u>	-	-	24	24
<u>Intergovernmental Revenue</u>				
Highway Users Tax	2,723,431	2,723,431	3,215,344	491,913
Energy Impact Grant	1,073,208	1,073,208	790,605	(282,603)
Mineral Lease Rights	-	-	20,974	20,974
Forest Service	-	-	-	-
M.V. Registration	40,000	40,000	36,297	(3,703)
HUTF Faster (SB 09-108)	600,000	600,000	552,560	(47,440)
Taylor Grazing Act & Bankhead Jones	300	300	173	(127)
Severance Tax	65,000	65,000	105,832	40,832
<u>Total</u>	<u>4,501,939</u>	<u>4,501,939</u>	<u>4,721,785</u>	<u>219,846</u>
<u>Miscellaneous Revenue</u>				
Miscellaneous	25,500	25,500	14,171	(11,329)
<u>Total</u>	<u>25,500</u>	<u>25,500</u>	<u>14,171</u>	<u>(11,329)</u>
TOTAL REVENUE	<u>4,527,439</u>	<u>4,527,439</u>	<u>4,735,980</u>	<u>208,541</u>
EXPENDITURES				
Salaries	1,335,354	1,335,354	1,386,972	(51,618)
Retirement & Fringe Benefits	568,598	568,598	445,288	123,310
Office Supplies	8,500	8,500	3,895	4,605
Operating Supplies	546,500	546,500	492,497	54,003
Repairs & Maintenance Road Equipment	920,700	920,700	506,032	414,668
Insurance and Bonds	121,000	121,000	120,773	227
Public Utility Service	91,000	91,000	82,008	8,992
Capital Outlay	-	-	2,086	(2,086)
Road Construction	2,100,000	2,100,000	1,702,161	397,839
Weed Expense	15,000	15,000	-	15,000
Radio/Communication	45,000	45,000	13,468	31,532
Telephone & Postage	12,700	12,700	6,326	6,374
Lease Purchase Principal	-	-	-	-
Lease Purchase Interest	-	-	-	-
Miscellaneous	13,000	13,000	4,325	8,675
TOTAL EXPENDITURES	<u>5,777,352</u>	<u>5,777,352</u>	<u>4,765,831</u>	<u>1,011,521</u>
REVENUES OVER (UNDER) EXPENDITURES	(1,249,913)	(1,249,913)	(29,851)	
OTHER FINANCING SOURCES (USES)				
Transfers In	700,000	700,000	700,000	-
TOTAL REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(549,913)	(549,913)	670,149	
FUND BALANCE, Beginning	<u>2,200,000</u>	<u>2,200,000</u>	<u>2,694,980</u>	
FUND BALANCE, Ending	<u>1,650,087</u>	<u>1,650,087</u>	<u>3,365,129</u>	

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

LAS ANIMAS COUNTY, COLORADO
SPECIAL REVENUE FUND - PUBLIC WELFARE FUND
SCHEDULE OF REVENUE, EXPENDITURES AND
CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
Year Ended December 31, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
<u>Intergovernmental Revenues</u>				
Aid to the Needy	-	-	114,786	
Child Care	-	-	408,451	
Child Support	-	-	358,464	
State and Federal Incentives	-	-	4,557	
Colorado Works	-	-	771,841	
Child Welfare Services	-	-	1,409,019	
SB-80	-	-	400	
SB-94	-	-	2,148	
ICMI	-	-	49,157	
Core Services	-	-	355,241	
Food Assistance Program	-	-	4,490,465	
HCBS	-	-	20,855	
HCA	-	-	5,569	
L.E.A.P.	-	-	631,255	
Medicaid Transportation	-	-	227,724	
Old Age Pension	-	-	450,514	
County Administration	-	-	616,665	
Adult Protection	-	-	78,838	
Single Entry Point	-	-	600,017	
Medicaid Incentives	-	-	17,715	
Medicaid Administration Incentives	-	-	19,259	
<u>TOTAL REVENUES</u>	<u>10,749,345</u>	<u>10,749,345</u>	<u>10,632,940</u>	<u>(116,405)</u>

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

LAS ANIMAS COUNTY, COLORADO
SPECIAL REVENUE FUND - PUBLIC WELFARE FUND
SCHEDULE OF REVENUE, EXPENDITURES AND
CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
Year Ended December 31, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance-</u>
	<u>Original</u>	<u>Final</u>		<u>Favorable</u> <u>(Unfavorable)</u>
<u>EXPENDITURES</u>				
Aid to the Needy	142,000	142,000	114,786	27,214
Child Care	273,709	273,709	408,451	(134,742)
Child Support	226,508	226,508	358,464	(131,956)
State and Federal Incentives	-	-	4,557	(4,557)
Colorado Works	995,169	995,169	771,841	223,328
Child Welfare Services	1,325,733	1,325,733	1,409,019	(83,286)
SB-80	-	-	400	(400)
SB-94	-	-	2,148	(2,148)
ICMI	-	-	49,157	(49,157)
Core Services	244,805	244,805	355,241	(110,436)
Food Assistance Program	4,651,300	4,651,300	4,490,465	160,835
HCBS	-	-	20,855	(20,855)
HCA	18,750	18,750	5,569	13,181
L.E.A.P.	685,191	685,191	631,255	53,936
Medicaid Transportation	164,000	164,000	227,724	(63,724)
Old Age Pension	430,000	430,000	450,514	(20,514)
County Administration	834,171	834,171	616,665	217,506
Adult Protection	62,280	62,280	78,838	(16,558)
Single Entry Point	695,729	695,729	600,017	95,712
Medicaid Incentives	-	-	7,632	(7,632)
Medicaid Administration Incentives	-	-	-	-
<u>TOTAL EXPENDITURES</u>	<u>10,749,345</u>	<u>10,749,345</u>	<u>10,603,598</u>	<u>145,747</u>
<u>REVENUES OVER (UNDER) EXPENDITURES</u>	-	-	29,342	
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfer In (Out)	-	-	-	-
<u>TOTAL REVENUES AND OTHER SOURCES</u> <u>OVER (UNDER) EXPENDITURES AND OTHER</u> <u>USES</u>	-	-	29,342	
<u>FUND BALANCE, Beginning</u>	-	-	-	
<u>FUND BALANCE, Ending</u>	-	-	<u>29,342</u>	

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

LAS ANIMAS COUNTY, COLORADO
SPECIAL REVENUE FUND
CAPITAL EXPENDITURE FUND
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
Year Ended December 31, 2018

	Budgeted Amounts		Actual	Variance- Favorable (Unfavorable)
	Original	Final		
<u>REVENUES</u>				
Taxes	189,778	189,778	199,604	9,826
Intergovernmental	2,215,000	2,215,000	290,294	(1,924,706)
Other Revenue	-	-	13,401	13,401
<u>Total Revenues</u>	<u>2,404,778</u>	<u>2,404,778</u>	<u>503,299</u>	<u>(1,901,479)</u>
<u>EXPENDITURES</u>				
Capital Outlay	2,868,794	2,868,794	436,054	2,432,740
Other	76,016	76,016	82,294	(6,278)
<u>Total Expenditures</u>	<u>2,944,810</u>	<u>2,944,810</u>	<u>518,348</u>	<u>2,426,462</u>
<u>REVENUE OVER (UNDER) EXPENDITURES</u>	<u>(540,032)</u>	<u>(540,032)</u>	<u>(15,049)</u>	
<u>OTHER FINANCING SOURCES (USES)</u>				
Contract Proceeds	-	-	-	-
Transfer In (Out)	-	-	-	-
<u>Total Other Financing Sources (Uses)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>TOTAL REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</u>	<u>(540,032)</u>	<u>(540,032)</u>	<u>(15,049)</u>	
<u>FUND BALANCE, Beginning</u>	<u>1,226,623</u>	<u>1,226,623</u>	<u>1,214,089</u>	
<u>FUND BALANCE, Ending</u>	<u>686,591</u>	<u>686,591</u>	<u>1,199,040</u>	

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

Proprietary Fund – Business Type Activities

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

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

NON MAJOR GOVERNMENTAL FUNDS

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

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

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

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

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

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

LAS ANIMAS COUNTY, COLORADO
 AIRPORT – PROPRIETARY FUND
 SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
 BUDGET (GAAP BASIS) AND ACTUAL
 Year Ended December 31, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance-
	<u>Original</u>	<u>Final</u>		Favorable (Unfavorable)
<u>OPERATING REVENUES</u>				
Fuel Sales	192,000	192,000	186,657	(5,343)
Hangar Rental	17,000	17,000	28,210	11,210
Other Revenues	<u>2,500</u>	<u>2,500</u>	<u>3,950</u>	<u>1,450</u>
<u>Total Operating Revenues</u>	<u>211,500</u>	<u>211,500</u>	<u>218,817</u>	<u>7,317</u>
<u>OPERATING EXPENSES</u>				
Salaries	28,080	28,080	44,710	(16,630)
Employee Benefits	10,803	10,803	12,821	(2,018)
Cost of Sales	120,000	120,000	159,064	(39,064)
Public Utility Service	10,000	10,000	13,759	(3,759)
Office Expense & Supplies	1,000	1,000	12,356	(11,356)
Depreciation	136,000	136,000	379,552	(243,552)
Contractual Agreements & Leases	2,500	2,500	87,417	(84,917)
Telephone	1,800	1,800	2,739	(939)
Maintenance	5,000	5,000	13,872	(8,872)
Insurance	14,040	14,040	14,105	(65)
Other	<u>5,700</u>	<u>5,700</u>	<u>-</u>	<u>5,700</u>
<u>Total Operating Expenses</u>	<u>334,923</u>	<u>334,923</u>	<u>740,395</u>	<u>(405,472)</u>
<u>OPERATING INCOME (LOSS) BEFORE</u>				
<u>OTHER SOURCES</u>				
	<u>(123,423)</u>	<u>(123,423)</u>	<u>(521,578)</u>	
<u>NON OPERATING REVENUES</u>				
<u>(EXPENSES)</u>				
Grants Revenue	-	-	89,565	(89,565)
Transfers In	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Total Non Operating Revenues</u>			<u>89,565</u>	<u>(89,565)</u>
<u>(Expenses)</u>	<u>-</u>	<u>-</u>	<u>89,565</u>	<u>(89,565)</u>
<u>CHANGES IN NET POSITION</u>				
	<u>(123,423)</u>	<u>(123,423)</u>	<u>(432,013)</u>	
<u>NET POSITION, Beginning</u>				
	<u>8,897,481</u>	<u>8,897,481</u>	<u>8,672,398</u>	
<u>NET POSITION, Ending</u>				
	<u>8,774,058</u>	<u>8,774,058</u>	<u>8,240,385</u>	

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

LAS ANIMAS COUNTY, COLORADO
 COMBINING BALANCE SHEET
 NON MAJOR GOVERNMENTAL FUNDS
 December 31, 2018

	<u>Special Revenue Fund</u>			<u>Capital Projects Fund</u>	<u>Total Non-Major Governmental Funds</u>
	<u>Jail Facility</u>	<u>Conservation Trust</u>	<u>LEAF & DUI</u>	<u>Jail Improvement</u>	
<u>ASSETS</u>					
Cash and Equivalents	547,327	260,222	34,024	278,366	1,119,939
Accounts Receivable	-	-	-	-	-
Due From Other Funds	-	-	-	-	-
<u>Total Assets</u>	<u>547,327</u>	<u>260,222</u>	<u>34,024</u>	<u>278,366</u>	<u>1,119,939</u>
<u>LIABILITIES AND FUND EQUITY</u>					
<u>Liabilities</u>					
Accounts Payable	-	7,899	-	-	7,899
<u>Total Liabilities</u>	<u>-</u>	<u>7,899</u>	<u>-</u>	<u>-</u>	<u>7,899</u>
<u>Fund Balances:</u>					
<u>Nonspendable:</u>					
Inventories	-	-	-	-	-
Prepaid Expense	-	-	-	-	-
<u>Restricted:</u>					
Emergencies	-	-	-	-	-
Roads and Bridges	-	-	-	-	-
Capital Outlay	-	-	-	278,366	278,366
Parks and Recreation	-	252,323	-	-	252,323
Public Safety	547,327	-	34,024	-	581,351
<u>Committed:</u>					
Unanticipated Obligations	-	-	-	-	-
<u>Assigned:</u>					
Roads and Bridges	-	-	-	-	-
Capital Outlay	-	-	-	-	-
Public Works	-	-	-	-	-
<u>Unassigned:</u>					
Total Fund Balances	<u>547,327</u>	<u>252,323</u>	<u>34,024</u>	<u>278,366</u>	<u>1,112,040</u>
<u>TOTAL LIABILITIES AND FUND BALANCES</u>					
	<u>547,327</u>	<u>260,222</u>	<u>34,024</u>	<u>278,366</u>	<u>1,119,939</u>

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

LAS ANIMAS COUNTY, COLORADO
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 NON MAJOR GOVERNMENTAL FUNDS
 Year Ended December 31, 2018

	<u>Special Revenue Fund</u>			<u>Capital Projects Fund</u>	<u>Total Non-Major Governmental Funds</u>
	<u>Jail Facility</u>	<u>Conservation Trust</u>	<u>LEAF & DUI</u>	<u>Jail Improvement</u>	
<u>REVENUES</u>					
Taxes	-	-	-	-	-
Intergovernmental Revenues	-	52,100	-	-	52,100
Other Revenues	-	<u>13,512</u>	<u>2,100</u>	-	<u>15,612</u>
<u>Total Revenues</u>	<u>-</u>	<u>65,612</u>	<u>2,100</u>	<u>-</u>	<u>67,712</u>
<u>EXPENDITURES</u>					
Capital Outlay	-	117,266	-	-	117,266
Social Services	-	-	-	-	-
Public Safety	-	-	-	47,028	47,028
Debt Service	-	-	-	-	-
Other	-	-	-	-	-
<u>Total Expenditures</u>	<u>-</u>	<u>117,266</u>	<u>-</u>	<u>47,028</u>	<u>164,294</u>
<u>REVENUES OVER (UNDER) EXPENDITURES</u>					
	<u>-</u>	<u>(51,654)</u>	<u>2,100</u>	<u>(47,028)</u>	<u>(96,582)</u>
<u>OTHER FINANCING SOURCES (USES)</u>					
Capital Lease Proceeds	-	-	-	-	-
Operating Transfers In (Out)	(100,000)	-	-	100,000	-
<u>Total Other Financing Sources (Uses)</u>	<u>(100,000)</u>	<u>-</u>	<u>-</u>	<u>100,000</u>	<u>-</u>
<u>TOTAL REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</u>					
	(100,000)	(51,654)	2,100	52,972	(96,582)
<u>FUND BALANCE, Beginning</u>	<u>647,327</u>	<u>303,977</u>	<u>31,924</u>	<u>225,394</u>	<u>1,208,622</u>
<u>FUND BALANCE, Ending</u>	<u>547,327</u>	<u>252,323</u>	<u>34,024</u>	<u>278,366</u>	<u>1,112,040</u>

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

LAS ANIMAS COUNTY, COLORADO
SPECIAL REVENUE FUND
JAIL FACILITY FUND
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
Year Ended December 31, 2018

	<u>Budgeted Amounts</u> <u>Original & Final</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
<u>REVENUE</u>			
State Tax Revenue	-	-	-
Other	<u>-</u>	<u>-</u>	<u>-</u>
<u>Total Revenues</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>EXPENDITURES</u>			
Other	<u>-</u>	<u>-</u>	<u>-</u>
<u>Total Expenditures</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>REVENUES OVER (UNDER) EXPENDITURES</u>	-	-	
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers (Out)	<u>(150,000)</u>	<u>(100,000)</u>	<u>50,000</u>
<u>REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</u>	(150,000)	(100,000)	
<u>FUND BALANCE, Beginning</u>	<u>647,326</u>	<u>647,327</u>	
<u>FUND BALANCE, Ending</u>	<u>497,326</u>	<u>547,327</u>	

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

LAS ANIMAS COUNTY, COLORADO
SPECIAL REVENUE FUND
CONSERVATION TRUST FUND
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
Year Ended December 31, 2018

	<u>Budgeted Amounts</u> <u>Original & Final</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
<u>REVENUE</u>			
Intergovernmental - Lottery	49,000	52,100	3,100
Other Revenue	-	<u>13,512</u>	<u>13,512</u>
<u>Total Revenues</u>	<u>-</u>	<u>65,612</u>	<u>16,612</u>
<u>EXPENDITURES</u>			
Capital Outlay	243,500	117,266	126,234
Other	-	-	-
<u>Total Expenditures</u>	<u>243,500</u>	<u>117,266</u>	<u>126,234</u>
<u>REVENUES OVER (UNDER) EXPENDITURES</u>	(194,500)	(51,654)	
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers (Out)	-	-	-
<u>REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</u>	(194,500)	(51,654)	
<u>FUND BALANCE, Beginning</u>	<u>294,478</u>	<u>303,977</u>	
<u>FUND BALANCE, Ending</u>	<u>99,978</u>	<u>252,323</u>	

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

LAS ANIMAS COUNTY, COLORADO
SPECIAL REVENUE FUND
LEAF AND DUI FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
Year Ended December 31, 2018

	<u>Budgeted Amounts</u> <u>Original & Final</u>	<u>Actual</u>	<u>Variance- Favorable</u> <u>(Unfavorable)</u>
<u>REVENUE</u>			
DUI Fees	2,500	2,100	(400)
<u>Total Revenues</u>	<u>2,500</u>	<u>2,100</u>	<u>(400)</u>
<u>EXPENDITURES</u>			
Miscellaneous	10,000	-	10,000
<u>Total Expenditures</u>	<u>10,000</u>	<u>-</u>	<u>10,000</u>
<u>REVENUES OVER (UNDER) EXPENDITURES</u>	(7,500)	2,100	
<u>FUND BALANCE, Beginning</u>	<u>31,173</u>	<u>31,924</u>	
<u>FUND BALANCE, Ending</u>	<u>23,673</u>	<u>34,024</u>	

The accompanying notes are an integral part of these financial statements

LAS ANIMAS COUNTY, COLORADO
 JAIL - CAPITAL PROJECTS FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET (GAAP BASIS) AND ACTUAL
 Year Ended December 31, 2018

	<u>Budgeted Amounts</u> <u>Original & Final</u>	<u>Actual</u>	Variance- Favorable (Unfavorable)
<u>Revenue</u>			
Miscellaneous	-	-	-
<u>Total Revenues</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Expenditures</u>			
Capital Outlay	-	47,028	(47,028)
Maintenance & Repairs	150,000	-	150,000
<u>Total Expenditures</u>	<u>150,000</u>	<u>47,028</u>	<u>102,972</u>
<u>Revenues Over (Under) Expenditures</u>	<u>(150,000)</u>	<u>(47,028)</u>	
<u>Other Financing Sources (Uses)</u>			
Transfers In (Out)	150,000	100,000	(50,000)
<u>Total Other Financing Sources (Uses)</u>	<u>150,000</u>	<u>100,000</u>	<u>(50,000)</u>
<u>Net Change in Fund Balance</u>	-	52,972	
<u>Fund Balance, Beginning</u>	<u>201,276</u>	<u>225,394</u>	
<u>Fund Balance, Ending</u>	<u>201,276</u>	<u>278,366</u>	

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

OTHER SCHEDULES

Steps for printing your content and returning to 'Edit Mode

1. Click Ctrl + A on a Windows machine or Command + A on a Mac to select all data.
2. Right-click your mouse and select Print.
3. Confirm that print settings are correct - make sure "selection only" isn't checked.
4. Print hard copy or to PDF.
5. Click "Edit Mode" to return to modifying your data.
6. Remember to click "Save" to save any changes.

ANNUAL HIGHWAY FINANCE REPORT - CY18

Email address: kristee.coberly@lasanimascounty.org

City/County: Las Animas County

II - RECEIPTS FOR ROAD AND STREET PURPOSES

Please no commas or dollar signs for the input

A. Receipts from local sources

2. General Fund Appropriations:	\$	0.00
3. Other local imposts: <i>from A.3. 'Total' below</i>	\$	24.00
4. Miscellaneous local receipts: <i>from A.4. 'Total' below</i>	\$	735,145.00
5. Transfers from toll facilities	\$	0.00
6. Proceeds of sale of bonds and notes		
a. Bonds - Original Issues:	\$	0.00
b. Bonds - Refunding Issues:	\$	0.00
c. Notes:	\$	0.00

	SubTotal:	\$	735,169.00
--	-----------	----	------------

B. Private Contributions	\$	0.00
--------------------------	----	------

II - RECEIPTS FOR ROAD AND STREET PURPOSES (Detail)

Please no commas or dollar signs for the input

A.3. Other local imposts

a. Property Taxes and Assessments	\$	24.00
b. Other Local Imposts		
1. Sales Taxes:	\$	0.00
2. Infrastructure and Impact Fees:	\$	0.00
3. Liens:	\$	0.00
4. Licenses:	\$	0.00
5. Specific Ownership and/or Other:	\$	0.00
Total: (a + b) carried to 'Other local imposts' above		\$ 24.00

A.4. Miscellaneous local receipts

Please no commas or dollar signs for the input

a. Interest on Investments:	\$	0.00
b. Traffic fines & Penalties:	\$	0.00
c. Parking Garage Fees:	\$	0.00
d. Parking Meter Fees:	\$	0.00
e. Sale of Surplus Property:	\$	0.00
f. Charges for Services:	\$	0.00
g. Other Misc. Receipts:	\$	20,974.00
h. Other:	\$	714,171.00
Total: (a through h) carried to 'Misc local receipts' above		\$ 735,145.00

C. Receipts from State Government

Please no commas or dollar signs for the input

1. Highway User Taxes:	\$	3,767,904.00
3. Other State funds:		
c. Motor Vehicle Registrations:	\$	36,297.00
d. Other (Specify):		
Comments: Severance Tax	\$	105,832.00
e. Other (Specify):		
Comments: EIAF Grant	\$	790,605.00
Total: (1+3c,d,e)		\$ 4,700,638.00

D. Receipts from Federal Government

Please no commas or dollar signs for the input -48-

2. Other Federal Agencies

a. Forest Service:	\$	0.00
b. FEMA:	\$	0.00
c. HUD:	\$	0.00
d. Federal Transit Administration:	\$	0.00
e. U.S. Corp of Engineers	\$	0.00
f. Other Federal:	\$	172.00
Total: (2a-f)		\$ 172.00

III - DISBURSEMENTS FOR ROAD AND STREET PURPOSES

Please no commas or dollar signs for the input

A. Local highway disbursements

1. Capital outlay: <i>(from A.1.d. 'Total Capital Outlay' below)</i>	\$	1,567,598.00
2. Maintenance:	\$	2,001,381.00
3. Road and street services		
a. Traffic control operations:	\$	0.00
b. Snow and ice removal:	\$	500,345.00
c. Other:	\$	0.00
4. General administration & miscellaneous	\$	696,507.00
5. Highway law enforcement and safety	\$	0.00
Total: (A.1-5)		\$ 4,765,831.00

Please no commas or dollar signs for the input

B. Debt service on local obligations

1. Bonds		
a. Interest	\$	0.00
b. Redemption	\$	0.00
2. Notes		
a. Interest	\$	0.00
b. Redemption	\$	0.00
SubTotal: (1+2)		\$ 0.00

Please no commas or dollar signs for the input -49-

C. Payments to State for Highways:	\$	0.00
-------------------------------------------	----	------

D. Payments to Toll Facilities: \$ 0.00

Total Disbursements: (A+B+C+D) \$ 4,765,831.00

Please no commas or dollar signs for the input

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

Please no commas or dollar signs for the input

	A. ON NATIONAL HIGHWAY SYSTEM	B. OFF NATIONAL HIGHWAY SYSTEM	C. TOTAL
A.1. Capital Outlay			
a. Right-Of-Way Costs:	\$ 0.00	\$ 0.00	\$ 0.00
b. Engineering Costs:	\$ 0.00	\$ 0.00	\$ 0.00
c. Construction			
1. New Facilities:	\$ 0.00	\$ 0.00	\$ 0.00
2. Capacity Improvements:	\$ 0.00	\$ 0.00	\$ 0.00
3. System Preservation:	\$ 0.00	\$ 0.00	\$ 0.00
4. System Enhancement:	\$ 0.00	\$ 1,567,598.00	\$ 1,567,598.00
5. Total Construction:			\$ 1,567,598.00
d. Total Capital Outlay: (Lines A.1.a. + 1.b. + 1.c.5)			\$ 1,567,598.00

IV. LOCAL HIGHWAY DEBT STATUS

Please no commas or dollar signs for the input

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

V - LOCAL ROAD AND STREET FUND BALANCE

Please no commas or dollar signs for the input

A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
\$ 2,694,980.00	\$ 5,435,979.00	\$ 4,765,831.00	\$ 3,365,128.00	\$ 0.00

Notes & Comments:

A4.g - Mineral Lease Rights

Please enter your name: Kristee Coberly

Please provide a telephone number where you may be reached: 719-845-2564

Please click on the "Save" button before viewing the data in a print format.

**LAS ANIMAS COUNTY DEPARTMENT OF HUMAN SERVICES
REQUIRED SUPPLEMENTAL INFORMATION (RSI)
December, 2018**

CATEGORY	A COUNTY EBT AUTHORIZATIONS	B COUNTY SHARE OF AUTHORIZATIONS	C WARRANT ISSUE ISSUED BY COUNTY DEPT	A + C = D TOTAL COUNTY WARRANT ISSUE & AUTHORIZATIONS	B + C = E TOTAL COUNTY DEPT EXPENDITURES
Colorado Works					
Administration	\$ -		\$ 125,301.56	\$ 125,301.56	\$ 125,301.56
Non-ADM - Client Payment	\$ 363.23			\$ 363.23	\$ -
EBT (Non ADM)	\$ 647,036.51			\$ 647,036.51	\$ -
Total Colorado Works			\$ 125,301.56	\$ 772,701.30	\$ 125,301.56
Child Care					
EBT / MOE	\$ 367,694.29			\$ 367,694.29	\$ -
Administration	\$ -		\$ 40,756.74	\$ 40,756.74	\$ 40,756.74
Quality Grants	\$ -		\$ -	\$ -	\$ -
Total Child Care	\$ 367,694.29		\$ 40,756.74	\$ 408,451.03	\$ 40,756.74
Child Welfare					
Administration 100%			\$ 111,956.95	\$ 111,956.95	\$ 111,956.95
Administration 80/20%			\$ 371,501.63	\$ 371,501.63	\$ 371,501.63
CHRP				\$ -	\$ -
RTC				\$ -	\$ -
Res Mental Health	\$ 58,007.09			\$ 58,007.09	\$ -
Foster Care OOH	\$ 472,635.48			\$ 472,635.48	\$ -
Related Child Care	\$ 43,183.10			\$ 43,183.10	\$ -
SubAdopt	\$ 262,637.17			\$ 262,637.17	\$ -
Relative Guardianship	\$ 40,628.15			\$ 40,628.15	
Case Services	\$ 3,720.25			\$ 3,720.25	
Total Child Welfare	\$ 880,811.24		\$ 483,458.58	\$ 1,364,269.82	\$ 483,458.58
Total County Administration			\$ 852,611.80	\$ 852,611.80	\$ 852,611.80
Core Services					
Mental Health	\$ 2,762.50			\$ 2,762.50	\$ -
ADAD	\$ 7,066.76			\$ 7,066.76	\$ -
Special Economic Asst					\$ -
Core Other EBT/EFT	\$ 523.00			\$ 523.00	\$ -
Core Other - 100%			\$ 183,209.56	\$ 183,209.56	\$ 183,209.56
Core 80/20%			\$ 161,678.82	\$ 161,678.82	\$ 161,678.82
Total Core Services	\$ 10,352.26		\$ 344,888.38	\$ 355,240.64	\$ 344,888.38
				\$ -	\$ -
Total Child Support Enforce			\$ 227,526.34	\$ 227,526.34	\$ 227,526.34
Total LEAP	\$ 604,223.63		\$ 27,476.74	\$ 631,700.37	\$ 27,476.74
Total Aid to Needy Disabled	\$ 114,785.79			\$ 114,785.79	\$ -
Total A.N.D. HCA				\$ -	\$ -
Total O.A.P. HCA	\$ 13,516.84			\$ 13,516.84	\$ -
Total SSI - HCA	\$ 5,569.00			\$ 5,569.00	
Total Old Age Pension	\$ 429,159.24			\$ 429,159.24	\$ -
Total Food Assist Fraud					
Total FA Benefits & Collect	\$ 4,490,464.53			\$ 4,490,464.53	\$ -
Total DoD Funds	\$ -			\$ -	\$ -
Total Chaffee Indep Living				\$ -	\$ -
				\$ -	\$ -

REQUIRED SUPPLEMENTAL INFORMATION (RSI)
December, 2018

CATEGORY	A COUNTY EBT AUTHORIZATIONS	B COUNTY SHARE OF AUTHORIZATIONS	C WARRANT ISSUE ISSUED BY COUNTY DEPT	A + C = D TOTAL COUNTY WARRANT ISSUE & AUTHORIZATIONS	B + C = E TOTAL COUNTY DEPT EXPENDITURES
Total Co Wide Cost Alloc			\$ -	\$ -	\$ -
Medicaid Transportation			\$ 227,723.54	\$ 227,723.54	\$ 227,723.54
Single Entry Point			\$ 600,016.80	\$ 600,016.80	\$ 600,016.80
Other Local Sources					
General Assistance			\$ 3,391.73	\$ 3,391.73	\$ 3,391.73
Commodities			\$ 1,165.56	\$ 1,165.56	\$ 1,165.56
Total Other Sources			\$ 4,557.29	\$ 4,557.29	\$ 4,557.29
IV-E Revenue SB-80 Non-ADM - Client Payment			\$ 400.00	\$ 400.00	\$ 400.00
Parental Fees SB-94 Non-ADM - Client Payment			\$ 2,058.41	\$ 2,058.41	\$ 2,058.41
Workload Study			\$ 46,885.70	\$ 46,885.70	\$ 46,885.70
IV-E Waiver Kinship Support			\$ 13,323.54	\$ 13,323.54	\$ 13,323.54
IV-E Waiver Roundtable				\$ -	\$ -
Adult Protection			\$ 82,737.92	\$ 82,737.92	\$ 82,737.92

\$ 10,560,561.98

SINGLE AUDIT SECTION

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

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Las Animas County as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise Las Animas County's basic financial statements, and have issued our report thereon dated June 30, 2019.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Sifton, Waller & Co., Inc.

June 30, 2019

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

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

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

Report on Compliance for Each Major Federal Program

We have audited Las Animas County's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Las Animas County's major federal programs for the year ended December 31, 2018. Las Animas County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, Las Animas County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2018.

Report on Internal Control Over Compliance

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

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

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

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

DeJoy, Waller + Co, Inc.

June 30, 2019

LAS ANIMAS COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2018

SUMMARY OF AUDITOR'S RESULTS:

Report

An unmodified report has been issued on the financial statements of Las Animas County.

Internal Control – Financial Statements

No conditions were disclosed by the audit that are considered to be a material weakness. No significant deficiencies not considered a material weakness were identified.

Noncompliance – Financial Statements

No instances of noncompliance in amounts material to the financial statements of Las Animas County were disclosed by the audit.

Internal Control – Federal Awards

No conditions were disclosed by the audit that are considered to be a material weakness. No significant deficiencies not considered a material weakness were identified.

Report on Compliance – Major Programs

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

Audit Findings

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

Major Programs

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

Dollar Threshold to Distinguish Type A and Type B Programs

\$750,000

Qualification as low-risk auditee

Las Animas County did not qualify as a low risk auditee for 2018.

Findings – GAGAS

None.

LAS ANIMAS COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2018

SUMMARY OF AUDITOR'S RESULTS: (continued)

Findings – Federal Awards

NONE

LAS ANIMAS COUNTY, COLORADO
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
Year Ended December 31, 2018

NONE

LAS ANIMAS COUNTY, COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended December 31, 2018

Federal Grantor/Program or Cluster Title	Federal CFDA Number	Pass Through Grantor	Federal Expenditures	Pass Through to Other Entity
Services to Indian Children, Elderly and Families-Cluster				
Department of Health and Human Services				
Child Care and Development Block Grant (477 Cluster – Version 2)				
Child Care and Development Block Grant (477 Cluster – Version 2)	93.575	State Dept. of Human Services	205,232	
Child Care Mandatory and Matching Funds of the Child Care and Development Fund (477 Cluster – Version 2)	93.596	State Dept. of Human Services	<u>56,025</u>	
<i>Total Department of Health and Human Services</i>			<u>261,257</u>	
Total Services to Indian Children, Elderly And Families – Cluster			<u>261,257</u>	
Other Programs				
Department of Homeland Security				
Emergency Management Performance Grants	97.042		<u>10,000</u>	
<i>Total Department of Homeland Security</i>			<u>10,000</u>	
United States Department of Justice				
Bulletproof Vest Partnership Program	16.607		<u>548</u>	
<i>Total United States Department of Justice</i>			<u>548</u>	
Department of Transportation				
Airport Improvement Program	20.106		38,987	
DOT National Priority Safety Program	20.616	Colorado Dept. of Transportation	<u>9,170</u>	
<i>Total Department of Transportation</i>			<u>48,157</u>	
Total Other Programs			<u>58,705</u>	
Department of Health and Human Services				
Guardianship Assistance	93.090	State Dept. of Human Services	7,913	
Adoption and Legal Guardianship Incentive Payments	93.603	State Dept. of Human Services	784	
Temporary Assistance for Needy Families	93.558	State Dept. of Human Services	673,076	
Child Support Enforcement	93.563	State Dept. of Human Services	194,879	
Low-Income Home Energy Assistance	93.568	State Dept. of Human Services	488,422	
Stephanie Tubbs Jones Child Welfare Services Program	93.645	State Dept. of Human Services	15,673	
Foster Care – Title IV-E	93.658	State Dept. of Human Services	296,752	
Adoption Assistance	93.659	State Dept. of Human Services	116,604	
Social Services Block Grant	93.667	State Dept. of Human Services	54,858	
Medical Assistance Program	93.778	State Dept. of Human Services	257,880	
Medical Assistance Program	93.778	State Dept. of Health Care Policy and Finance	<u>300,009</u>	<u>79,925</u>
<i>Total Medical Assistance Program</i>			<u>557,889</u>	<u>79,925</u>
Total Department of Health and Human Services			<u>2,406,850</u>	
United States Department of Agriculture				
USDA Supplemental Nutrition Assistance Program	10.551	State Dept. of Human Services	1,095	
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	State Dept. of Human Services	149,349	
Emergency Food Assistance Program (Food Commodities)	10.569	Care & Share, Inc.	<u>13,444</u>	
Total United States Department of Agriculture			<u>163,888</u>	
Total Expenditures of Federal Awards			<u>2,890,700</u>	<u>79,925</u>

The accompanying notes are an integral part of this schedule.

LAS ANIMAS COUNTY, COLORADO
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended December 31, 2018

NOTE 1 Basis of Presentation

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

NOTE 2 Non-Cash Assistance

a) Food Distribution

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

b) Electronic Benefits Transfer

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

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

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

NOTE 3 Single Entry Point Program

\$79,925 of Single Entry Point federal monies were passed through to Huerfano County during 2018. The cash basis of accounting was used to recognize the pass through of these program monies.

NOTE 4 Food Assistance – SNAP

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

NOTE 5 Indirect Costs

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