

RIO GRANDE COUNTY, COLORADO

FINANCIAL STATEMENTS

December 31, 2012



Wall,
Smith,
Bateman Inc.
Certified Public Accountants

RIO GRANDE COUNTY, COLORADO
TABLE OF CONTENTS
December 31, 2012

	<u>PAGE</u>
Independent Auditors' Report	1
Management's Discussion and Analysis	4
Basic Financial Statements:	
Government -wide Financial Statements:	
Statement of Net Position	12
Statement of Activities	13
Governmental Fund Financial Statements:	
Balance Sheet	14
Reconciliation of Total Governmental Fund Balance s to the Statement of Net Position	15
Statement of Revenues, Expenditures, and Changes in Fund Balances	16
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	17
Fiduciary Fund Financial Statements :	
Statement of Net Position	18
Notes to the Basic Financial Statements	19
Required Supplementary Information :	
Schedules of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual General Fund and Major Special Revenue Funds:	
General Fund	34
Road and Bridge Fund	35
Social Services Fund	36
Other Supplementary Information :	
Combining Schedules of Nonmajor Governmental Funds:	38
Combining Balance Sheet	39
Combining Schedules of Revenues, Expenditures, and Changes in Fund Balances	40
Schedules of Expenditures and Transfers Out – Budget and Actual	41
Other Schedules and Reports:	
Schedule of Expenditures of Federal Awards	42
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	45
Independent Auditors' Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by OMB Circular A-133	47
Schedule of Findings and Questioned Costs	49
Local Highway Finance Report	50

INDEPENDENT AUDITORS' REPORT



To the Board of County Commissioners
Rio Grande County, Colorado
Del Norte, Colorado

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Rio Grande County, Colorado (the County), as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Certified Public Accountants

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the County, as of December 31, 2012, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matters

As described in Note 1 to the financial statements, in 2012 the County Department of Human Services began accounting for the federal and state revenue and expenditures processed by the State of Colorado through Electronic Benefit Transactions. Previously, County only revenues and expenditures were reported in the financial statements and a separate reconciliation was presented as supplementary information. Our opinion is not modified with respect to this matter.

As described in Note 1 to the financial statements, in 2012 the County adopted new accounting guidance, GASB Statement No. 65 *Items Previously Reported as Assets and Liabilities*. Our opinion is not modified with respect to this matter.

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 4-12 and 34-36 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining and individual nonmajor fund financial statements and the Local Highway Finance Report, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, the Local Highway Finance Report, 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 nonmajor fund financial statements, the Local Highway Finance Report, 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 20, 2013, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.



Wall, Smith, Bateman Inc.
Alamosa, Colorado

May 20, 2013

**Rio Grande County
Management's Discussion and Analysis
For the Year Ended December 31, 2012**

As management of Rio Grande County, we offer readers of County's financial statements this narrative overview and analysis of the financial activities of the County for the year ended December 31, 2012. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in the County's financial statements, which follow this section.

Financial Highlights

- λ The County's financial status remained basically the same over the course of the year ending December 31, 2012. Total net assets increased 1.9 percent disregarding the adjustments made for GASB 34 infrastructure reporting.
- λ General revenues, primarily taxes, account for approximately \$4,759,694 or 26.5 percent of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions, accounted for \$13,177,654 or 73.5 percent of total revenues of \$17,937,348.
- λ The County had \$17,032,966 in expenses related to governmental activities; only \$13,177,654 of these expenses was offset by program specific charges for services and grants.
- λ Outlays for capital assets were primarily comprised of an ATV maintenance vehicle for the Building & Maintenance Department, a new transport van for the Sheriff's Department, an utility truck and tractor for the Road & Bridge Department, a van and Smart Board for the Social Services Department and a pickup for the Weed Control District.
- λ Through an energy audit, the county entered into a Lease Purchase Agreement on November 20, 2012 with All American Investment Group, LLC in the amount of \$367,062 for the purchase and installation of energy efficient components in various county buildings. This is a ten-year agreement with the first payment being made in 2013.

Overview of the Financial Statements

This annual report consists of three parts: management's discussion and analysis, the basic financial statements, and supplementary information. The basic financial statements include:

- λ The first two statements are government-wide financial statements that provide both short-term and long-term information about the County's overall financial status.
- λ The remaining statements are fund financial statements that focus on individual parts of the County, reporting the county's operations in more detail than the government-wide statements.
- λ The governmental funds statements tell how basic services were financed in the short-term as well as what remains for future spending.
- λ Fiduciary funds statements provide information about the financial relationships in which the County acts solely as a trustee or agent for the benefit of others.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of supplementary information that further explains and supports the financial statements, and includes a comparison to the County's budget for the year.

Rio Grande County
Management's Discussion and Analysis (Continued)
For the Year Ended December 31, 2012

Government -wide Financial Statements

The government -wide financial statements are designed to provide readers 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 Rio Grande 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 whether the financial position of the County is improving or deteriorating. To assess the County's overall health, you need to consider additional non-financial factors such as changes in the County's property tax base and the condition of County buildings and other facilities.

The statement of activities presents information showing how the government'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, revenue and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes and earned but unused vacation leave).

Both of the government -wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities). Included in governmental activities are most of the County's basic services such as regular government operations such as law enforcement, tax assessment and collection, social service programs, highway maintenance and construction.

Fund Financial Statements

The fund financial statements provide more detailed information about the County's funds, focusing on its most significant or "major" funds, not the County as a whole. Funds are accounting devices the County uses to track specific sources of funding and spending on particular programs. The County, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The County's funds are divided into two categories: governmental funds and fiduciary funds. Governmental Funds are further divided into Governmental Activities which includes: General Government, Public Safety, Health and Welfare, Highways and Streets, Judicial, Auxiliary Services and Culture and Recreation.

Governmental Funds: All of the County's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) balances remaining at year-end which are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps determine financial resources that may be available in the near term to finance the County's programs. Because this information does not encompass the long-term focus of the government -wide statements, the reconciliations on Pages 15 and 17, explain the relationship (or differences) between them.

Rio Grande County maintains nine individual 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 (1) General Fund, (2) the Road and Bridge Fund, (3) the Social Services Fund, (4) the Capital Projects Fund, (5) Weed Control District Fund, (6) the Airport Fund, (7)

**Rio Grande County
Management's Discussion and Analysis (Continued)
For the Year Ended December 31, 2012**

the Conservation Trust Fund, (8) the Tourism Fund, and (9) the Public Health Agency Fund. Data from the Funds (4) through (9) are combined into a single, aggregated presentation.

Fiduciary Funds: Fiduciary funds are used to account for resources held for the benefit of parties outside the government. The County is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents supplementary information. Supplementary information includes combining statements mentioned earlier in connection with non-major governmental funds as well as budget-to-actual information for all funds as dictated by state law.

Government-wide Financial Analysis

Table 1 provides a summary of the County's net position at December 31, 2011, and 2012.

**Table 1
Condensed Statement of Net Position**

	Governmental Activities 2011	Governmental Activities 2012
Current and Other Assets	\$ 12,493,141	\$ 13,487,362
Noncurrent Assets	<u>40,680,723</u>	<u>40,738,135</u>
Total assets	<u>\$ 53,173,864</u>	<u>\$ 54,225,497</u>
Current liabilities	3,410,693	810,770
Noncurrent liabilities	<u>2,080,880</u>	<u>2,064,398</u>
Total liabilities	<u>\$ 5,491,573</u>	<u>\$ 2,875,168</u>
Deferred Inflows of Resources	\$ 0	\$ 2,763,656
Net position		
Net Investment in Capital Assets	\$ 38,698,299	\$ 38,742,524
Restricted	465,662	555,355
Unrestricted (Deficit)	<u>8,518,330</u>	<u>9,288,794</u>
Total net position at Dec. 31, 2011 & 2012	<u>\$ 47,682,291</u>	<u>\$ 48,586,673</u>

**Rio Grande County
Management's Discussion and Analysis (Continued)
For the Year Ended December 31, 2012**

Table 2 provides a summary of the changes in net position. Following Table 2 is a specific discussion related to overall revenues and expenses.

**Table 2
Changes in Net Assets from Operating Results**

	Governmental Activities 2011	Governmental Activities 2012
Revenues		
Program Revenues		
Charges for Services	\$ 798,227	\$ 825,022
Operating grants and contributions	5,500,442	11,789,192
Capital grants/restricted investment earnings	397,973	563,440
General revenues		
Taxes	4,149,845	3,953,666
Payment in Lieu of Taxes	682,924	744,087
Other	<u>187,899</u>	<u>61,941</u>
Total Revenues	<u>11,717,310</u>	<u>17,937,348</u>
Expenses		
General Government	2,715,125	2,856,431
Public Safety	2,153,125	2,203,738
Health and Welfare	2,964,388	9,080,161
Highways and Streets	2,186,659	2,436,794
Judicial	160,677	161,000
Auxiliary Services	58,969	58,225
Culture and recreation	132,845	148,601
Interest on Debt	<u>92,465</u>	<u>88,016</u>
Total Expenses	<u>10,464,253</u>	<u>17,032,966</u>
Increase (decrease) in net position	<u>\$ 1,253,057</u>	<u>\$ 904,382</u>
Ending Net Position	<u>\$47,682,291</u>	<u>\$48,586,673</u>

Property taxes, Sales Tax, and other taxes account for 26.2 percent (\$4,697,753) of the County's revenue. State Funding and Grants contributes \$12,352,632 or 68.9 percent of the funding. The remainder from fees charged for services and miscellaneous sources equals to \$886,963 or 4.9 percent of the funding revenue.

Governmental Activities

The County's expenses are distributed as follows:

General Government	16.8%
Public Safety	12.9%
Health and Welfare	53.3%
Highways and Streets	14.3%
Judicial	1.0%
Auxiliary Services	0.3%

**Rio Grande County
Management's Discussion and Analysis (Continued)
For the Year Ended December 31, 2012**

Culture and Recreation	0.9%
Interest on Debt	0.5%

Rio Grande County has a mill levy of 15.568. The County is not allowed to increase this mill levy without voter approval. All the government functions rely heavily on property tax dollars. Without being able to increase the mill levy revenue which has remained flat for the last several years, unappropriated funds has been used to balance parts of the budget. The major change that occurred within governmental activities as shown above was the increase in Health and Welfare which reflects the total expenditures for Social Service. In the 2011 audit, only the actual expenditure of county funds was reported. A slight increase was shown in General Government all the other programs with the exception of Interest on Debt which decline slightly. The largest increase was in Health and Welfare from 28.3% to 53.3% due to accounting of the state funding provided for the Social Services.

During 2012, Rio Grande County paid \$5,576,161.19 salaries and fringe benefits. The employees received a two-percent cost of living raise. Even with the cost of living raise, total wages and benefits were down by \$8,532.98 from 2011 due to elimination of several positions through grant completion , and various open positions.

The statement of activities provides the cost of program services and the related charges for services and grants offsetting those costs. Table 3 reflects each program's net cost (total cost less fees generated by the programs and intergovernmental aid provided for specific programs). The net cost shows the financial burden placed on the County's taxpayers by each of these programs.

**Table 3
Net Cost of Governmental Activities (in dollars)**

	Total Cost of Services	Net Cost of Services
General Government	\$ 2,856,431	\$ (1,368,479)
Public Safety	2,203,738	(1,754,383)
Health and Welfare	9,080,161	(481,968)
Highways and Streets	2,436,794	150,120
Judicial	161,000	(161,000)
Auxiliary Services	58,225	(56,625)
Culture and Recreation	148,601	(94,961)
Interest on Debt	<u>88,016</u>	<u>(88,016)</u>
Total	<u>\$17,032,966</u>	<u>\$ (3,855,312)</u>

λ Rio Grande County is the financial agent for the Homeland Security Grant for the San Luis Valley. These grants provide DTR communication equipment, training and exercises for all law enforcement, emergency medical and fire protection districts. During 2012, \$290,932 was expended down from \$311,460 in 2011. Federal funding for these grants are declining.

**Rio Grande County
Management's Discussion and Analysis (Continued)
For the Year Ended December 31, 2012**

- λ \$8,188,969 was received from the State of Colorado and Federal Government for the operation of the Social Services programs such as TANF, Child Welfare, OAP, Single Entry Point, Child Care, IV-D and Fraud programs.

Financial Analysis of the County's Funds

Information about the County's funds follows the government-wide statements. These funds are accounted for using the modified accrual basis of accounting. All governmental funds have total revenues of \$17,950,953 and expenditures of \$17,210,300. The net change in fund balance for the year was most significant in the Road & Bridge Fund with an increase of \$619,270. The General Fund decreased its fund balance by \$34,999. The following funds also increased their fund balances: Social Services Fund, \$88,426; Airport Fund, \$83,308; Public Health Fund, \$70,301; Tourism Fund, \$10,515; Weed District Fund, \$6,334; Conservation Trust Fund, \$14,386.

General Fund Budgetary Highlights

The County approved a budget in December, 2011, based on the needs of the various departments and the projected revenue. In December, 2012, the County revised the annual operating budget approved by the Board of County Commissioners in the prior year. The primary reasons for the Supplementary Budget were the receipt of various grants, the need for additional attorney time for the gas and oil regulations, and the increased expenditures for tourism promotion.

The actual expenditures were \$786,379 below the supplementary budget. The total revenues were \$373,164 under estimated. The net result was the expenditures were \$34,999 more than the revenues.

The fund balance as of December 31, 2012 was \$3,846,582, compared to \$3,881,581 as of December 31, 2011.

Road & Bridge Fund Highlights

Road & Bridge Fund ended 2012 with an increase of \$619,270 due to less snow removal, personnel savings and increased HUFT. Highway User's Fund Tax (HUFT) provided \$2,178,332 of the total actual revenue of \$2,743,547. The HUFT was up \$217,222 from 2011.

The fund balance as of December 31, 2012 was \$4,346,831 compared to \$3,727,561 as of December 31, 2011.

Social Service Fund Highlights

The Social Services Fund ended 2012 with an increase of \$88,426. Expenditures were \$1,853,678 less than projected. State funding sources were \$8,674, 459 which resulted in increasing the fund balance to \$740,891.

The fund balance as of December 31, 2012, was \$740,891 compared to \$652,465 as of December 31, 2011.

Non-Major Funds Highlights

Non-Major Funds include the Airport Fund, Conservation Trust Fund, Tourism Fund, Capital Projects Fund, Public Health Agency Fund, and the Rio Grande County Weed Control District. These funds

**Rio Grande County
Management's Discussion and Analysis (Continued)
For the Year Ended December 31, 2012**

realized a \$184,844 increase in fund balance during 2012. The Weed Control District Fund had an increase of \$6,334; the Tourism Fund of \$10,515; the Conservation Trust Fund, \$14,386; \$70,301 in the Public Health Agency Fund; and the Airport Fund, \$83,308.

As of December 31, 2012, the fund balances were as follows: Conservation Trust Fund - \$276,346; Tourism Fund - \$259,153; Capital Projects Fund - \$8,180; Public Health Agency Fund - \$261,222; Rio Grande County Weed Control Fund - \$195,489; and Airport Fund, \$139,827.

Capital Assets and Debt Administration

By the end of the fiscal year 2012, the County had \$1,771,920 of additional capital assets, which included building improvements, new road construction, one sheriff's vehicle, an utility truck and tractor for the Road & Bridge Fund, and an ATV for the building and maintenance department and a new pickup for the Weed Control District. There were deletions of \$69,615 of vehicles and equipment which gave net position before depreciation of \$67,189,277. The depreciation for 2012 was \$1,691,961, bringing the County's Net Capital Depreciation to \$27,446,848. This brings the Net Capital Assets to \$40,738,135.

**Table 4
Capital Assets**

	Governmental Activities	
	2011	2012
Land	\$ 433,301	\$ 433,301
Construction In Progress	0	562,405
Building & Site Improvements	5,323,843	5,191,330
Equipment & Vehicles	1,950,569	1,862,087
Infrastructure	<u>32,973,010</u>	<u>32,689,012</u>
Total	<u>\$40,680,723</u>	<u>\$40,738,135</u>

In order to finance the needed expansion of the County Jail, Rio Grande County entered into an annually renewable Lease Purchase Agreement with San Luis Valley Federal Bank. The bank issued \$2,500,000 for the purchase of the McCallister Building, the Annex, and two county shop buildings. The county is leasing the buildings back via the Lease Purchase Agreement at 4.5% interest. This agreement is for 20 years with an annual payment of \$191,328.27. The outstanding balance at December 31, 2012 and 2011 was \$1,857,108 and \$1,960,420 respectfully .

Through an energy audit, the County entered into a Lease Purchase Agreement on November 20, 2012 with All American Investment Group, LLC in the amount of \$376,062 for the purchase and installation of energy efficient components in various county buildings. The outstanding balance as of December 31, 2012 was \$116,888. The remaining funds will be drawn down and expended during 2013. This is a ten year agreement with the first payment being made in 2013.

**Rio Grande County
Management's Discussion and Analysis (Continued)
For the Year Ended December 31, 2012**

Factors Bearing on the County's Future

At the time these financial statements were prepared and audited, the County was aware of the following existing circumstances that could significantly affect its financial health in the future.

- λ Rio Grande County has seen a slight increase in assessed value.
- λ Sales tax decreased \$73,163 from 2011 to 2012 or 8.3%.
- λ Interest on investments increased \$36,018 from 2011 to 2012 (49.2%).
- λ With the economic climate in the State of Colorado and the United States, the County is continuing to watch closely the intergovernmental funding. During 2012, the County received \$6,433,742 more in state and federal funding. This is somewhat misleading since the total 2012 funding for Rio Grande County's Department of Social Services reflected the state's funding that was paid directly to the client. In 2011, only the funds paid to the County for direct county services were reported. The 2012 County Budget was funded by 73% Intergovernmental Revenues; with 22% from Property Tax, Sales Tax, Lodging Tax, and Specific Ownership Tax; and 5% from Other Local Revenue. Over the past three years, the county has continued to monitor closely the expenditures and revenues in order to respond timely to any shortfalls. 2012 ended in surplus funds due in part to increased HUFT and PILT, along with the State funding a larger percentage of the Social Services needs. The county continues to fight the trend of shifting costs from the State to the County.
- λ There continues to be pressure from citizens for more of the county roads to be paved. The Commissioners will continue to work on these requests as funds allow.

Contacting the County's Financial Management

This financial report is designed to provide the County's citizens, taxpayers, customers, and investors and creditors with a general overview of the County's finances and to demonstrate the County's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the County Administrator, 925 6th Street, Room 207, Del Norte, CO 81132.

RIO GRANDE COUNTY, COLORADO
BASIC FINANCIAL STATEMENTS

RIO GRANDE COUNTY, COLORADO
STATEMENT OF NET POSITION
December 31, 2012

	Primary Government
	Governmental
	Activities
ASSETS	
Current Assets:	
Cash and Investments	\$ 9,191,510
Accounts Receivable	55,560
Due from Other Governments	1,002,824
Property Taxes Receivable	2,763,656
Inventories	473,812
Total Current Assets	13,487,362
Noncurrent Assets:	
Capital Assets:	
Land	433,301
Construction in Progress	562,405
Buildings	7,715,250
Machinery and Equipment	6,610,910
Infrastructure	52,863,117
Less: Accumulated Depreciation/Depletion	(27,446,848)
Total Noncurrent Assets	40,738,135
TOTAL ASSETS	54,225,497
LIABILITIES	
Current Liabilities:	
Accounts Payable	147,998
Due to Other Governments	315,417
Unearned Grant Revenue	185,770
Accrued Interest Payable	21,615
Lease Purchase Agreement	135,055
Compensated Absences	4,915
Total Current Liabilities	810,770
Noncurrent Liabilities:	
Lease Purchase Agreement	1,838,941
Compensated Absences	225,457
Total Noncurrent Liabilities	2,064,398
TOTAL LIABILITIES	2,875,168
DEFERRED INFLOWS OF RESOURCES	
Unavailable Revenue - Property Tax	2,763,656
NET POSITION	
Net Investment in Capital Assets	38,742,524
Restricted for:	
TABOR	308,800
DSS Programs - SEP and CHRP	246,555
Unrestricted	9,288,794
TOTAL NET POSITION	\$ 48,586,673

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

RIO GRANDE COUNTY, COLORADO
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2012

Functions/Programs	Expenses	Program Revenues			Net (Expenses)
		Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Revenues and Changes in Net Position Primary Government
Primary Government:					
Governmental Activities:					
General government	\$ 2,852,974	\$ 603,090	\$ 441,607	\$ 443,255	\$ (1,365,022)
Public safety	2,203,738	50,097	279,073	120,185	(1,754,383)
Health and welfare	9,080,161	93,370	8,504,823	-	(481,968)
Highways and streets	2,436,794	77,505	2,509,409	-	150,120
Judicial	161,000	-	-	-	(161,000)
Auxiliary services	58,225	-	1,600	-	(56,625)
Culture and recreation	152,058	960	52,680	-	(98,418)
Interest on debt	88,016	-	-	-	(88,016)
Total Governmental Activities	\$ 17,032,966	\$ 825,022	\$ 11,789,192	\$ 563,440	\$ (3,855,312)
General Revenues:					
Taxes:					
General Property Taxes - Net					\$ 2,713,428
Sales Taxes					805,369
Other Taxes					434,869
Payment in Lieu of Taxes					744,087
Interest on Investments					18,297
Miscellaneous					43,644
Total General Revenues					4,759,694
Change in Net Position					904,382
Net Position - Beginning					47,682,291
Net Position - Ending					\$ 48,586,673

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

RIO GRANDE COUNTY, COLORADO
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2012

	<u>GENERAL FUND</u>	<u>ROAD AND BRIDGE FUND</u>	<u>SOCIAL SERVICES FUND</u>	<u>OTHER GOVERNMENTAL FUNDS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
ASSETS					
Cash and Investments	\$ 3,599,409	\$ 3,698,077	\$ 828,707	\$ 1,065,317	\$ 9,191,510
Accounts Receivable - Net	-	-	55,560	-	55,560
Property Taxes Receivable	1,826,000	340,000	433,308	164,348	2,763,656
Due From Other Governments	561,451	223,491	138,796	79,086	1,002,824
Inventory	-	473,812	-	-	473,812
TOTAL ASSETS	<u>\$ 5,986,860</u>	<u>\$ 4,735,380</u>	<u>\$ 1,456,371</u>	<u>\$ 1,308,751</u>	<u>\$ 13,487,362</u>
LIABILITIES					
Accounts Payable	\$ 79,408	\$ 48,549	\$ 15,855	\$ 4,186	\$ 147,998
Due to Other Governments	234,870	-	80,547	-	315,417
Unearned Revenue - Grants	-	-	185,770	-	185,770
TOTAL LIABILITIES	<u>314,278</u>	<u>48,549</u>	<u>282,172</u>	<u>4,186</u>	<u>649,185</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue - Property Tax	<u>1,826,000</u>	<u>340,000</u>	<u>433,308</u>	<u>164,348</u>	<u>2,763,656</u>
FUND BALANCE					
Nonspendable:					
Inventory	-	473,812	-	-	473,812
Restricted for:					
TABOR	140,000	85,000	67,000	16,800	308,800
DSS Programs - SEP and CHRP	-	-	246,555	-	246,555
Committed to:					
Capital Projects	-	-	-	8,180	8,180
Assigned to:					
Highways and Streets	-	3,788,019	-	-	3,788,019
Health and Welfare	-	-	427,336	253,222	680,558
Culture and Recreation	-	-	-	532,699	532,699
Weed Control	-	-	-	190,489	190,489
Astronaut Rominger Airport	-	-	-	138,827	138,827
Designated for subsequent years	671,558	-	-	-	671,558
Unassigned	<u>3,035,024</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,035,024</u>
TOTAL FUND BALANCE	<u>3,846,582</u>	<u>4,346,831</u>	<u>740,891</u>	<u>1,140,217</u>	<u>10,074,521</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	<u>\$ 5,986,860</u>	<u>\$ 4,735,380</u>	<u>\$ 1,456,371</u>	<u>\$ 1,308,751</u>	<u>\$ 13,487,362</u>

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

RIO GRANDE COUNTY, COLORADO
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO THE STATEMENT OF NET POSITION
December 31, 2012

Total governmental fund balances		\$ 10,074,521
<p>Amounts reported for governmental activities in the Statement of Net Position are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.</p>		40,738,135
<p>Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.</p>		
Lease Purchase Agreement	\$ (1,973,996)	
Compensated Absences	(230,372)	
Accrued Interest Payable	(21,615)	
	(2,225,983)	(2,225,983)
Net position of governmental activities		\$ 48,586,673

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

RIO GRANDE COUNTY, COLORADO
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2012

	<u>GENERAL FUND</u>	<u>ROAD AND BRIDGE FUND</u>	<u>SOCIAL SERVICES FUND</u>	<u>OTHER GOVERNMENTAL FUNDS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
REVENUES					
Taxes	\$ 2,857,439	\$ 327,620	\$ 485,490	\$ 283,117	\$ 3,953,666
Intergovernmental Revenue	1,702,172	2,282,494	8,188,969	869,554	13,043,189
Licenses and Permits	114,988	350	-	-	115,338
Investment Income	17,170	-	-	1,127	18,297
Charges for Services	485,031	109,017	-	94,495	688,543
Miscellaneous	81,203	24,066	-	26,651	131,920
TOTAL REVENUES	<u>5,258,003</u>	<u>2,743,547</u>	<u>8,674,459</u>	<u>1,274,944</u>	<u>17,950,953</u>
EXPENDITURES					
Current Expenditures:					
General Government	2,771,772	-	-	6,229	2,778,001
Public Safety	2,088,556	-	-	-	2,088,556
Judicial	161,000	-	-	-	161,000
Highways and Streets	-	1,970,523	-	-	1,970,523
Health and Welfare	4,522	-	8,586,033	468,062	9,058,617
Auxiliary Services	58,225	-	-	-	58,225
Culture and Recreation	29,246	-	-	125,971	155,217
Capital Outlay	105,241	153,754	-	489,838	748,833
Debt Service	191,328	-	-	-	191,328
TOTAL EXPENDITURES	<u>5,409,890</u>	<u>2,124,277</u>	<u>8,586,033</u>	<u>1,090,100</u>	<u>17,210,300</u>
Excess (deficiency) of revenues over expenditures	<u>(151,887)</u>	<u>619,270</u>	<u>88,426</u>	<u>184,844</u>	<u>740,653</u>
OTHER FINANCING SOURCES (USES)					
Loan Proceeds	116,888	-	-	-	116,888
TOTAL OTHER FINANCING SOURCES (USES)	<u>116,888</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>116,888</u>
Excess (deficiency) of revenues over expenditures and other sources (uses)	<u>(34,999)</u>	<u>619,270</u>	<u>88,426</u>	<u>184,844</u>	<u>857,541</u>
Fund Balance at beginning of year	<u>3,881,581</u>	<u>3,727,561</u>	<u>652,465</u>	<u>955,373</u>	<u>9,216,980</u>
Fund Balance at end of year	<u>\$ 3,846,582</u>	<u>\$ 4,346,831</u>	<u>\$ 740,891</u>	<u>\$ 1,140,217</u>	<u>\$ 10,074,521</u>

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

RIO GRANDE COUNTY, COLORADO
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2012

Net change in fund balances - total governmental funds \$ 857,541

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

Governmental funds report capital outlays as expenditures. However, in the Statement
of Activities the cost of those assets is allocated over their estimated useful lives and
reported as depreciation expense. This is the activity for the current period.

Fixed Asset Additions	\$ 1,771,920	
Fixed Asset Deletions Net of Accumulated Depreciation	(22,547)	
Depreciation Expense	<u>(1,691,961)</u>	57,412

Debt proceeds provide current financial resources to governmental funds, but issuing
debt increases long-term liabilities in the Statement of Net Position. Repayment of debt
principal is an expenditure in the governmental funds, but the repayment reduces long-
term liabilities in the Statement of Net Position. Debt activity is as follows:

Lease Proceeds	(116,888)	
Lease Payments	<u>103,312</u>	(13,576)

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

Compensated Absences	2,616	
Accrued Interest Payable Changes	<u>389</u>	<u>3,005</u>

Change in net position of governmental funds \$ 904,382

RIO GRANDE COUNTY, COLORADO
FIDUCIARY FUNDS
STATEMENT OF NET POSITION
December 31, 2012

	<u>AGENCY FUND</u>
ASSETS	
Cash and Cash Equivalents	<u>\$ 1,223,463</u>
TOTAL ASSETS	<u><u>\$ 1,223,463</u></u>
LIABILITIES	
Funds Held For Others	<u>\$ 1,223,463</u>
TOTAL LIABILITIES	<u><u>\$ 1,223,463</u></u>

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

RIO GRANDE COUNTY, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2012

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

REPORTING ENTITY

Primary Government

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

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

Component Units

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

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

Rio Grande County has operational responsibility and manages the Rio Grande County Weed Control District. The District is blended into the County's financial statements as a special revenue fund.

GOVERNMENT -WIDE AND FUND FINANCIAL STATEMENTS

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

RIO GRANDE COUNTY, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2012

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

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

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

MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants are recognized as revenue when all applicable eligibility requirements imposed by the provider are met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

The County reports the following major governmental funds:

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

RIO GRANDE COUNTY, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2012

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

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

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

Cash

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

Investments

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

Property Taxes

Property taxes attach as an enforceable lien on property as of January 1 each year. The taxes are payable in two installments on February 28 and June 15 or in full on April 30. The County Treasurer bills and collects all property taxes for the County. Property tax revenue is recognized by the County to the extent it results in a current receivable. The 2012 property tax levy due January 1, 2013, has been recorded in the financial statements as a receivable and a corresponding deferred inflow of resources in the financial statements.

Inventories

Inventory is valued at the lower of cost (last-in, first-out) or market. Inventory in the Road and Bridge Fund consists of expendable supplies held for use.

Capital Assets

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

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

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Building and Improvements	20 - 100
Vehicles and Equipment	5 - 50
Infrastructure	40

RIO GRANDE COUNTY, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2012

Compensated Absences

Annual leave may be accrued to the maximum of:

1st-10th year	21 days
11th-15th year	27 days
16th year and over	31 days

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

Unearned Revenue

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

Deferred Inflows

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

Encumbrances

The County does not record purchase orders in the accounting system until invoices are ready for payment. Unfulfilled purchase commitments outstanding at the end of the budget year are rebudgeted in the succeeding year. End of the year fund balance intended to be used in the succeeding year is reported as designated fund balance.

Net Position

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

- § *Net investment in capital assets* – consists of capital assets, net accumulated depreciation, reduced by the outstanding balances of any borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt should be included in this component of net position.
- § *Restricted* – consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Restricted assets consist of assets that have limitations imposed on their use either through the enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.
- § *Unrestricted* – consists of the net amount of assets, deferred outflows or resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted components of net position.

RIO GRANDE COUNTY, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2012

Fund Balance

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

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

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

Use of Estimates

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

Reclassifications

Certain amounts in 2011 have been reclassified to conform to the 2012 financial statement presentation.

Social Services Fund Accounting

The Colorado Department of Human Services requires reporting of 100% of the EBT authorizations plus expenditures made by the County. In 2012, the County began accounting for the federal and state revenue and related expenditures in the fund general ledger. Therefore, a separate schedule is no longer necessary.

RIO GRANDE COUNTY, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2012

New Accounting Pronouncements

During 2012, the County adopted the provisions of the following Governmental Accounting Standards Board (GASB) pronouncements:

GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position*, incorporates deferred outflows of resources and deferred inflows of resources, as defined by GASB Concepts Statement No. 4, into the definitions of the required components of the residual measure of net position, formerly net assets. This statement also provides a new statement of net position format to report all assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position. This statement affects the format and reporting of the balance sheet at the government-wide level and also at the fund level.

GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities.

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets and Budgetary Accounting

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

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

Formal budgetary integration is employed as a management control device for all funds of the County. All budgets are adopted on a basis consistent with U.S. generally accepted accounting principles (GAAP).

The total expenditures for each fund cannot exceed the budgeted amount unless a supplemental appropriation is adopted. The Board of County Commissioners adopted supplemental appropriations during 2012.

All budget amounts presented in the accompanying supplementary information reflect the original budget and the final amended budget.

NOTE 3 CASH, DEPOSITS, AND INVESTMENTS

A summary of Cash and Investments for the County are as follow:

Cash on Hand	\$ 729
Cash Deposited with Banks	3,511,401
Investments	6,902,843
	10,414,973
Total cash, deposits, and investments: (Book Balance)	10,414,973
Less: amounts related to Trust & Agency Fund	(1,223,463)
	\$ 9,191,510
Total cash, deposits, and investments on Statement of Net Position	

RIO GRANDE COUNTY, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2012

Cash and Deposits

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

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

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the County's deposits may not be returned to it. The County does not have a deposit policy for custodial credit risk. At December 31, 2012, \$2,671,206 was exposed to custodial credit risk. Deposits exposed to credit risk are collateralized with securities held by the pledging financial institutions through PDPA.

Investments

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

- § Obligations of the United States and certain U.S. government agency securities
- § Certain international agency securities
- § General obligation and revenue bonds of U.S. local government entities
- § Bankers' acceptances of certain banks
- § Commercial paper
- § Local government investment pools
- § Repurchase agreements
- § Money market funds
- § Guaranteed investments contracts
- § Corporate or bank debt issued by eligible corporations or banks

Custodial Credit Risk - Investments

The County's investment policy calls for investment diversification within the portfolio to avoid unreasonable risks inherent in over investing in specific instruments, individual financial institutions or maturities. The policy allows for the investment in local government investment pools. As of December 31, 2012, the local government investment pools (C-SAFE and ColoTrust) in which the County had invested were rated AAAM by Standard & Poor's.

RIO GRANDE COUNTY, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2012

<u>Investment Type</u>		<u>Moody's Rating</u>	<u>Fair Value</u>	<u>Up to 120 Days</u>	<u>121 Days to 5 Years</u>
Federal National Mortgage Association	13%	AAA	\$ 924,799	\$ 201,724	\$ 723,075
Federal Home Loan Bank	4%	AAA	287,428	-	287,428
Federal Farm Credit Bank	11%	AAA	756,564	-	756,564
Federal Home Loan Mortgage Group	4%	AAA	245,344	-	245,344
			<u>2,214,135</u>	<u>\$ 201,724</u>	<u>\$ 2,012,411</u>
Money Market Funds (unrated)	0%	\$ 21,941			
C-SAFE	0%	9,046			
ColoTrust	68%	<u>4,657,721</u>			
			<u>4,688,708</u>		
			<u>\$ 6,902,843</u>		

Interest Rate Risk

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

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

The Colorado Surplus Asset Fund Trust (C-SAFE) operates similarly to ColoTrust whereby the County acquires and redeems shares of the common law trusts as authorized by state statutes. Information on C-SAFE can be obtained at www.csafe.org.

RIO GRANDE COUNTY, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2012

NOTE 4 PROPERTY TAXES RECEIVABLE

At December 31, 2012, the County had an estimated property tax receivable divided among the funds as follows:

General Fund	\$ 1,826,000
Road and Bridge Fund	340,000
Social Services Fund	433,308
Public Health Fund	85,348
Pest Control Fund	79,000
	\$ 2,763,656
	\$ 2,763,656

NOTE 5 CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2012, was as follows:

	Balance 12/31/2011	Additions	Deletions	Balance 12/31/2012
GOVERNMENTAL ACTIVITIES				
Capital assets not being depreciated:				
Land	\$ 433,301	\$ -	\$ -	\$ 433,301
Construction in Progress	-	562,405	-	562,405
Total capital assets not being depreciated	433,301	562,405	-	995,706
Capital assets being depreciated:				
Buildings and Improvements	7,715,250	-	-	7,715,250
Vehicles and Equipment	6,464,836	215,689	69,615	6,610,910
Infrastructure	51,869,291	993,826	-	52,863,117
Total capital assets being depreciated	66,049,377	1,209,515	69,615	67,189,277
Less accumulated depreciation for:				
Buildings and Improvements	2,391,407	132,513	-	2,523,920
Vehicles and Equipment	4,545,173	250,718	47,068	4,748,823
Infrastructure	18,865,375	1,308,730	-	20,174,105
Total accumulated depreciation	25,801,955	1,691,961	47,068	27,446,848
Total capital assets being depreciated, net	40,247,422	(482,446)	22,547	39,742,429
GOVERNMENTAL ACTIVITIES				
CAPITAL ASSETS, NET	\$ 40,680,723	\$ 79,959	\$ 22,547	\$ 40,738,135

RIO GRANDE COUNTY, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2012

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

Governmental Activities:	
General Government	\$ 80,258
Public Safety	102,071
Health and Welfare	58,883
Highways and Streets	1,438,798
Culture and Recreation	<u>11,951</u>
	<u>\$ 1,691,961</u>

NOTE 6 OPERATING LEASES

The County has entered into operating lease arrangements for computer software and copy machines. Lease terms range from 36 to 60 months. Rental Expense for all operating leases for the year ended December 31, 2012, was approximately \$134,920.

NOTE 7 LONG-TERM LIABILITIES

Changes in Long-term Liabilities

Long-term liability activity for the year ended December 31, 2012, was as follows:

	12/31/2011			12/31/2012	Due Within
	<u>Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u>	<u>One Year</u>
GOVERNMENTAL ACTIVITIES:					
Lease Purchase Agreement	\$1,960,420	\$116,888	\$103,312	\$1,973,996	\$ 135,055
Compensated Absences	232,988	-	2,616	230,372	4,915
TOTAL GOVERNMENTAL ACTIVITIES	<u>\$2,193,408</u>	<u>\$116,888</u>	<u>\$105,928</u>	<u>\$2,204,368</u>	<u>\$ 139,970</u>

Lease Purchase Agreements

An annually renewable Lease Purchase Agreement, dated January 11, 2005, was entered into between San Luis Valley Federal Bank (the "Bank"), as lessor, and Rio Grande County (the "County"), as lessee. The bank issued \$2,500,000 to the County for the purchase of the McCallister Building, the Courthouse Annex, the Road and Bridge Shop Building, and the Road and Bridge Truck Garage. The County is leasing the building back via the Lease Purchase agreement at 4.50% interest. The County used the proceeds from the sale to construct and equip a new jail facility. Payments are due to the Bank in annual installments through October 2025, from the General Fund. The County can purchase the building back at any time for the Purchase Option Price included in the lease. The buildings are included in fixed assets at a cost of \$1,762,653 with accumulated depreciation of \$735,622. Principal balance at December 31, 2012, was \$1,857,108.

RIO GRANDE COUNTY, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2012

A Lease Purchase Agreement, dated November 20, 2012, was entered into between All American Investment Group, LLC, as lessor, and Rio Grande County (the "County"), as lessee, in the amount of \$367,062, with an interest rate of 2.50%. The County is drawing down the proceeds to purchase energy efficient components based on an energy efficient audit for the County buildings. Repayment will begin in April 2013 and quarterly thereafter from the General Fund. As of December 31, 2012 \$116,888 was advanced on the loan.

The annual debt service for the Lease Purchase Agreement s is as follows:

	PRINCIPAL	INTEREST	TOTAL
2013	\$ 135,055	\$ 91,673	\$ 226,728
2014	143,563	86,715	230,278
2015	149,935	80,893	230,828
2016	150,213	74,754	224,967
2017	128,746	62,583	191,329
2018-2022	736,025	220,617	956,642
2023-2025	530,459	48,030	578,489
	\$ 1,973,996	\$ 665,265	\$ 2,639,261

NOTE 8 RETIREMENT

Pension Plans

Rio Grande County participates in a defined contribution pension plan offered by Colorado County Officials and Employees Retirement Association (CCOERA). The County agrees to contribute a minimum of 4% and a maximum of 6% of the compensation of each employee. For 2012, the County contributed 4%. Each participant contributes an amount equal to the County's contribution. Participants may contribute an extra voluntary amount not to exceed 10% of their compensation. For the year ended December 31, 2012, employer and employee contributions were \$155,363 and \$155,363, respectively. Plan provisions and contribution requirements are established and may be amended by the Board of County Commissioners. That report may be obtained by writing to Colorado County Officials and Employee Retirement Association, 4949 South Syracuse, Suite 400, Denver, CO 80237 or by calling 1-800-352-0313.

Deferred Compensation Plan

The County also offers its employees an additional voluntary deferred compensation plan created in accordance with Internal Revenue Code 457(f). The plan permits the employees to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergencies. The County has no other liability other than to make the required monthly contribution.

NOTE 9 TABOR AMENDMENT RESERVE

Colorado voters passed an amendment to the State Constitution, Article X, Section 20, which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local governments. The amendment is complex and subject to judicial interpretation. The County believes it is in compliance with the requirements of the amendment.

RIO GRANDE COUNTY, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2012

Fiscal year spending and revenue limits are determined based on the prior year's spending adjusted for inflation and local growth. The voters of the County passed a ballot issue in 1999 allowing the County to retain and expend all revenues collected in the year 2000 and thereafter, which do not involve any new taxes and or an increase in the existing mill levy, notwithstanding the limitations of section 29-1-301, C.R.S. and Article X, section 20 of the Colorado Constitution.

The amendment also requires that Emergency Reserves be established. These reserves must be at least 3% of fiscal year spending. The Emergency Reserve has been presented as a reservation of fund balance in the County funds. The County is not allowed to use the Emergency Reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

NOTE 10 COLORADO CONTRABAND FORFEITURE ACT

We have reviewed financial activities in the Sheriff's Department for compliance with the above referenced act. There were no sales of contraband during the year ended December 31, 2012.

NOTE 11 RISK MANAGEMENT

Colorado Counties Casualty and Property Pool (CAPP)

The County is exposed to various risks of loss related to property and casualty losses. The County joined together with other counties in the State of Colorado to form the Colorado Counties Casualty and Property Pool (CAPP), a public entity risk pool currently operating as a common risk management and insurance program for member counties. The County pays an annual contribution to CAPP for its property and casualty insurance coverage. The inter-governmental agreement of formation of CAPP provides that the pool will be financially self-sustaining through member contributions and additional assessments, if necessary, and the Pool will purchase excess insurance through commercial companies for members' claims in excess of a specified self-insured retention that is determined each policy year. There have been no significant reductions in insurance coverage. Settled claims from these risks have not exceeded insurance coverage for the current year or the three prior years.

At December 31, 2012, CAPP had assets of \$25,498,916, liabilities of \$8,598,883 (including \$6,249,991 reserved for losses and claims), and members' equity of \$16,900,033. The liability amount includes no long-term debt. Total revenues for the year ended December 31, 2012, amounted to \$6,740,270 and total expenses were \$4,250,936, resulting in net income before return of surplus of \$2,489,334.

Colorado Workers' Compensation Pool (CWCP)

The County is exposed to various risks of loss related to injuries of employees while on the job. The County has joined together with other counties in the State of Colorado to form the Colorado Workers' Compensation Pool (CWCP), a public entity risk pool currently operating as a common risk management and insurance program for member counties. The County pays an annual contribution to CWCP for its workers' compensation insurance coverage. The intergovernmental agreement of formation of CWCP provides that the pool will be financially self-sustaining through member contributions and additional assessments, if necessary, and the Pool will purchase excess insurance through commercial companies for members' claims in excess of a specified self-insured retention that is determined each policy year. There have been no significant reductions in insurance coverage. Settled claims from these risks have not exceeded insurance coverage for the current year or the three prior years.

RIO GRANDE COUNTY, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2012

At December 31, 2012, CWCP had assets of \$36,922,350, liabilities of \$22,903,979 (including \$21,924,529 reserved for losses and claims) and members' equity of \$14,018,371. The liability amount includes no long-term debt. Total revenues for the year ended December 31, 2012, amounted to \$10,870,976, total expenses were \$9,185,919, resulting in net income before return of surplus of \$1,685,057.

NOTE 12 JOINT VENTURES

SAN LUIS VALLEY REGIONAL SOLID WASTE AUTHORITY

The San Luis Valley Regional Solid Waste Authority was created by an intergovernmental agreement between Rio Grande County and Alamosa County on April 14, 1995, pursuant to the authority granted by C.R.S. 29-1-203. It has been designated as a joint venture under the provisions of GASB Statement No. 14. Its purpose is to provide the citizens of both counties an integrated municipal solid waste disposal facility in accordance with provision of C.R.S. 30-20-1005.

The Authority is governed by a Board of Directors consisting of five members as follows: one Rio Grande County Commissioner, one Alamosa County Commissioner, one director appointed by the City of Monte Vista, one director appointed by the City of Alamosa, and one director who is a member of the Rio Grande County Land Use or administrative staff as appointed by the Rio Grande County Commissioners.

It is the intent of the counties that the initial funding of the Authority by each county be provided on a loan basis in substantially the same proportion that the population of each county bears to the combined population of both counties. Alamosa and Rio Grande Counties may provide additional funding at any time in the future if they choose to do so by resolution.

Closure and Post-Closure Care

Rio Grande and Alamosa Counties are exposed to closure and post-closure expenses, should the Authority be unable to meet those obligations when they become due. Management believes the risk of failure to be minimal. State and federal laws and regulations require the Authority to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site after closure. Although closure and post-closure care costs will be paid only near or after the date that the landfill stops accepting waste, the Authority reports a portion of these closure and post-closure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The Authority reported \$586,595 as landfill closure and post-closure care liability at December 31, 2011, that represents the cumulative amount reported to date based on the use of 32.29% of the estimated capacity of the landfill.

The Authority will recognize the remaining estimated cost of closure and post-closure care of \$1,165,197 as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and post-closure care in 2008, the most recent information available. The Authority expects to close the landfill in the year 2055. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

The most recent audited financial statements of the authority report total assets of \$4,027,802, total liabilities of \$625,191, and net assets of \$3,402,611 at December 31, 2011.

The San Luis Valley Regional Solid Waste Authority issues publicly available annual financial statements. That report may be obtained by writing to the San Luis Valley Regional Solid Waste Authority, PO Box 861, Monte Vista, Colorado 81144.

RIO GRANDE COUNTY, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2012

NOTE 13 COMMITMENTS AND CONTINGENCIES

Grant Programs

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

Litigation

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

Insurance Pools

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

RIO GRANDE COUNTY, COLORADO

REQUIRED SUPPLEMENTARY INFORMATION

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

RIO GRANDE COUNTY, COLORADO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended December 31, 2012

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FINAL BUDGET</u>
				<u>POSITIVE</u>
				<u>(NEGATIVE)</u>
REVENUES				
Taxes	\$ 2,707,000	\$ 2,707,000	\$ 2,857,439	\$ 150,439
Intergovernmental Revenue	2,212,698	2,328,267	1,702,172	(626,095)
Licenses and Permits	91,500	91,500	114,988	23,488
Investment Income	60,000	60,000	17,170	(42,830)
Charges for Services	398,400	398,400	485,031	86,631
Miscellaneous	46,000	46,000	81,203	35,203
TOTAL REVENUES	<u>5,515,598</u>	<u>5,631,167</u>	<u>5,258,003</u>	<u>(373,164)</u>
EXPENDITURES				
General Government	3,472,036	3,603,605	2,771,772	831,833
Public Safety	2,025,999	2,025,999	2,088,556	(62,557)
Judicial - District Attorney	168,500	168,500	161,000	7,500
Health and Welfare	2,550	2,550	4,522	(1,972)
Auxiliary Services	46,680	46,680	58,225	(11,545)
Culture and Recreation	43,405	43,405	29,246	14,159
Capital Outlay	114,200	114,200	105,241	8,959
Debt Service	191,330	191,330	191,328	2
TOTAL EXPENDITURES	<u>6,064,700</u>	<u>6,196,269</u>	<u>5,409,890</u>	<u>786,379</u>
Excess (deficiency) of revenues over expenditures	<u>(549,102)</u>	<u>(565,102)</u>	<u>(151,887)</u>	<u>413,215</u>
OTHER FINANCING SOURCES (USES)				
Loan Proceeds	-	-	116,888	116,888
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>116,888</u>	<u>116,888</u>
Excess (deficiency) of revenues over expenditures and other sources (uses)	<u>(549,102)</u>	<u>(565,102)</u>	<u>(34,999)</u>	<u>530,103</u>
Fund Balance at beginning of year	<u>3,045,754</u>	<u>3,045,754</u>	<u>3,881,581</u>	<u>835,827</u>
Fund Balance at end of year	<u>\$ 2,496,652</u>	<u>\$ 2,480,652</u>	<u>\$ 3,846,582</u>	<u>\$ 1,365,930</u>

Notes to Required Supplementary Information

The basis of budgeting is the same as GAAP.

This schedule is presented on the GAAP basis.

RIO GRANDE COUNTY, COLORADO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
ROAD AND BRIDGE FUND
For the Year Ended December 31, 2012

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FINAL BUDGET</u>
				<u>POSITIVE</u>
				<u>(NEGATIVE)</u>
REVENUES				
Taxes	\$ 319,100	\$ 319,100	\$ 327,620	\$ 8,520
Intergovernmental Revenue	2,077,150	2,077,150	2,282,494	205,344
Licenses and Permits	250	250	350	100
Charges for Services	30,000	30,000	109,017	79,017
Miscellaneous	6,200	6,200	24,066	17,866
TOTAL REVENUES	<u>2,432,700</u>	<u>2,432,700</u>	<u>2,743,547</u>	<u>310,847</u>
EXPENDITURES				
Highways and Streets	2,271,845	2,271,845	1,970,523	301,322
Capital Outlay	150,000	150,000	153,754	(3,754)
TOTAL EXPENDITURES	<u>2,421,845</u>	<u>2,421,845</u>	<u>2,124,277</u>	<u>297,568</u>
Excess (deficiency) of revenues over expenditures	10,855	10,855	619,270	608,415
Fund Balance at beginning of year	<u>3,000,352</u>	<u>3,000,352</u>	<u>3,727,561</u>	<u>727,209</u>
Fund Balance at end of year	<u>\$ 3,011,207</u>	<u>\$ 3,011,207</u>	<u>\$ 4,346,831</u>	<u>\$ 1,335,624</u>

Notes to Required Supplementary Information

The basis of budgeting is the same as GAAP.

This schedule is presented on the GAAP basis.

RIO GRANDE COUNTY, COLORADO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
SOCIAL SERVICES FUND
For the Year Ended December 31, 2012

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE
				(NEGATIVE)
REVENUES				
Taxes	\$ 500,194	\$ 500,194	\$ 485,490	\$ (14,704)
Intergovernmental Revenue	9,813,354	9,813,354	8,188,969	(1,624,385)
TOTAL REVENUES	10,313,548	10,313,548	8,674,459	(1,639,089)
EXPENDITURES				
Health and Welfare	10,439,711	10,439,711	8,586,033	1,853,678
TOTAL EXPENDITURES	10,439,711	10,439,711	8,586,033	1,853,678
Excess (deficiency) of revenues over expenditures	(126,163)	(126,163)	88,426	214,589
Fund Balance at beginning of year	510,320	510,320	652,465	142,145
Fund Balance at end of year	\$ 384,157	\$ 384,157	\$ 740,891	\$ 356,734

Notes to Required Supplementary Information

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

RIO GRANDE COUNTY, COLORADO

OTHER SUPPLEMENTARY INFORMATION

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

**RIO GRANDE COUNTY, COLORADO
NONMAJOR GOVERNMENTAL FUNDS**

SPECIAL REVENUE FUNDS

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

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

AIRPORT FUND – This fund is used to account for improvements to and operations of the Astronaut Rominger Airport.

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

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

RIO GRANDE COUNTY WEED CONTROL DISTRICT – This fund is used to provide monies for spraying of undesirable plants along the roads within Rio Grande County as required by the Colorado Weed Management Act.

CAPITAL PROJECTS FUND

Capital Projects Funds are used to account for the financing of capital purchases or construction for Rio Grande County and its facilities.

RIO GRANDE COUNTY, COLORADO
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
December 31, 2012

SPECIAL REVENUE FUNDS

	PUBLIC HEALTH FUND	AIRPORT FUND	CONSERVATION TRUST FUND	TOURISM FUND	RIO GRANDE COUNTY WEED CONTROL DISTRICT	CAPITAL PROJECTS FUND	TOTAL NONMAJOR GOVERNMENTAL
ASSETS							
Cash and Investments	\$ 184,133	\$ 140,419	\$ 277,825	\$ 259,153	\$ 195,607	\$ 8,180	\$ 1,065,317
Due From Other Governments	79,086	-	-	-	-	-	79,086
Property Taxes Receivable	85,348	-	-	-	79,000	-	164,348
TOTAL ASSETS	\$ 348,567	\$ 140,419	\$ 277,825	\$ 259,153	\$ 274,607	\$ 8,180	\$ 1,308,751
LIABILITIES							
Accounts Payable	\$ 1,997	\$ 592	\$ 1,479	-	\$ 118	-	\$ 4,186
DEFERRED INFLOWS OF RESOURCES							
Unavailable Revenue - Property Tax	85,348	-	-	-	79,000	-	164,348
FUND BALANCE							
Restricted for:							
Tabor Amendment Reserve	8,000	1,000	200	2,600	5,000	-	16,800
Committed to:							
Capital Projects	-	-	-	-	-	8,180	8,180
Assigned to:							
Health and Welfare	253,222	-	-	-	-	-	253,222
Culture and Recreation	-	-	276,146	256,553	-	-	532,699
Weed Control	-	-	-	-	190,489	-	190,489
Astronaut Rominger Airport	-	138,827	-	-	-	-	138,827
TOTAL FUND BALANCE	261,222	139,827	276,346	259,153	195,489	8,180	1,140,217
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	\$ 348,567	\$ 140,419	\$ 277,825	\$ 259,153	\$ 274,607	\$ 8,180	\$ 1,308,751

RIO GRANDE COUNTY, COLORADO
NONMAJOR GOVERNMENTAL FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
For the Year Ended December 31, 2012

SPECIAL REVENUE FUNDS

	PUBLIC HEALTH FUND	AIRPORT FUND	CONSERVATION TRUST FUND	TOURISM FUND	RIO GRANDE COUNTY WEED CONTROL DISTRICT	CAPITAL PROJECTS FUND	TOTAL NONMAJOR GOVERNMENTAL
REVENUES							
Taxes	\$ 96,733	\$ -	\$ -	\$ 98,192	\$ 88,192	\$ -	\$ 283,117
Intergovernmental Revenue	263,584	553,255	52,680	-	35	-	869,554
Charges For Services	38,346	-	-	-	56,149	-	94,495
Interest on Investments	361	341	-	-	425	-	1,127
Miscellaneous	19,231	6,835	-	-	585	-	26,651
TOTAL REVENUES	418,255	560,431	52,680	98,192	145,386	-	1,274,944
EXPENDITURES							
Current Expenditures:							
General Government	-	6,229	-	-	-	-	6,229
Health and Welfare	347,954	-	-	-	120,108	-	468,062
Culture and Recreation	-	-	38,294	87,677	-	-	125,971
Capital Outlay	-	470,894	-	-	18,944	-	489,838
TOTAL EXPENDITURES	347,954	477,123	38,294	87,677	139,052	-	1,090,100
Excess (deficiency) of revenues over expenditures	70,301	83,308	14,386	10,515	6,334	-	184,844
Fund Balance at beginning of year	190,921	56,519	261,960	248,638	189,155	8,180	955,373
Fund Balance at end of year	\$ 261,222	\$ 139,827	\$ 276,346	\$ 259,153	\$ 195,489	\$ 8,180	\$ 1,140,217

RIO GRANDE COUNTY, COLORADO
ALL NON-MAJOR GOVERNMENTAL FUNDS
SCHEDULE OF EXPENDITURES AND TRANSFERS OUT
BUDGET AND ACTUAL
For the Year Ended December 31, 2012

	<u>BUDGETED AMOUNTS</u>		<u>EXPENDITURES REPORTED ON THE GAAP BASIS</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
Governmental Funds				
Non-major Governmental Funds				
Special Revenue Funds				
Public Health Agency Fund	\$ 377,479	\$ 377,479	\$ 347,954	\$ 29,525
Airport Fund	461,000	725,444	477,123	248,321
Conservation Trust Fund	96,915	96,915	38,294	58,621
Tourism Fund	83,580	98,580	87,677	10,903
Weed Control District	159,475	159,475	139,052	20,423
Capital Projects Fund	-	-	-	-
Total Non-major Governmental Funds	<u>\$ 1,178,449</u>	<u>\$ 1,457,893</u>	<u>\$ 1,090,100</u>	<u>\$ 367,793</u>

RIO GRANDE COUNTY, COLORADO

OTHER SCHEDULES AND REPORTS

RIO GRANDE COUNTY, COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2012

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/ PROGRAM OR CLUSTER TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	FEDERAL EXPENDITURES
U.S. DEPARTMENT OF AGRICULTURE			
COLORADO DEPT. OF HUMAN SERVICES			
<i>SNAP Cluster</i>			
State Administrative Matching Grants for Supplemental Nutrition Assistance Program	10.561		\$ 156,182
<i>Emergency Food Assistance Cluster</i>			
Emergency Food Assistance Program (Administrative Costs)	10.568		3,067
Emergency Food Assistance Program (Food Commodities)	10.569		28,640
Total for <i>Emergency Food Assistance Cluster</i>			<u>31,707</u>
COLORADO DEPT. OF TREASURY			
<i>Forest Service Schools and Roads Cluster</i>			
Secure Payments for States and Counties Containing Federal Lands	10.665		
Title I and Title III Funds			
Direct Expenditures: Title III Funds			8,092
Direct Expenditures: Title I Funds			58,718
Passed to Sub recipients: Title I Funds	*		176,152
			<u>242,962</u>
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
COLORADO DEPT. OF HUMAN SERVICES			
<i>TANF Cluster</i>			
Temporary Assistance for Needy Families	93.558		870,162
ARRA - Emergency Contingency Fund for Temporary Assistance for Needy Families (TANF) State Program	93.714		11,573
Total for <i>TANF Cluster</i>			<u>881,735</u>
Child Support Enforcement	93.563		201,184
Low-Income Home Energy Assistance	93.568		351,817
<i>CCDF Cluster</i>			
Child Care and Development Block Grant	93.575		11,085
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596		121,254
Total for <i>CCDF Cluster</i>			<u>132,339</u>
Stephanie Tubbs Jones Child Welfare Services Program	93.645		13,228
Foster Care-Title IV-E	93.658		167,744
Adoption Assistance	93.659		37,202
Social Services Block Grant	93.667		111,312
Medical Assistance Program (<i>Medicaid Cluster</i>)	93.778		174,770
Medical Assistance Program (<i>Medicaid Cluster</i>) - OLTC/SEP	93.778		25,947
COLORADO DEPT. OF PUBLIC HEALTH AND ENVIRONMENT			
Maternal and Child Health Services Block Grant to States	93.994	MCH-MC2-HHS	7,073
Capacity Building Assistance to Strengthen Public Health			
Immunization Infrastructure and Performance	93.539	IMM-KL2-HHS	14,553
Public Health Emergency Preparedness	93.069	EPR-HW2-HHS	14,244
<i>Immunization Cluster</i>			
Immunization Grants	93.268	IMM-KA2-HHS	9,335

RIO GRANDE COUNTY, COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2012

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/ PROGRAM OR CLUSTER TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	FEDERAL EXPENDITURES
Centers for Disease Control and Prevention- Investigations and Technical Assistance	93.283	EIP-QW1-HHS	1,654
Preventive Health and Health Services Block Grant	93.991	PRV-HC1-HHS	7,500
COLORADO DEPT. OF HEALTH CARE POLICY & FINANCING			
Medical Assistance Program - Healthy Communities (<i>Medicaid Cluster</i>)	93.778		52,453
Medical Assistance Program - OLTC/SEP (<i>Medicaid Cluster</i>)	93.778		87,764
Children's Health Insurance Program	93.767		13,481
U.S. DEPARTMENT OF HOMELAND SECURITY			
COLORADO DEPT. OF LOCAL AFFAIRS			
Emergency Management Performance Grants	97.042	12EM1L54	20,190
GOVERNOR'S OFFICE OF HOMELAND SECURITY			
<i>Homeland Security Cluster</i>			
Homeland Security Grant Program - 2009 SHSP	97.067	9SHS10SLV	54,623
Homeland Security Grant Program - 2010 SHSP	97.067	10SHS11SLV	189,292
Homeland Security Grant Program- 2011 SHSP	97.067	11SHS11SLV	39,463
Homeland Security Grant Program - 2010 Citizen Corp	97.067	10CCP11SLV	7,554
Total for <i>Homeland Security Cluster</i>			<u>290,932</u>
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
COLORADO DEPT. OF LOCAL AFFAIRS			
<i>CDBG - State-Administered CDBG Cluster</i>			
Community Development Block Grants/State's Program	* 14.228		320,000
U.S. DEPARTMENT OF INTERIOR			
Fish and Wildlife Management Assistance	15.608		20,658
U.S. DEPARTMENT OF JUSTICE			
COLORADO DIVISION OF CRIMINAL JUSTICE			
Crime Victim Assistance Program	16.575		24,420
<i>JAG Program Cluster</i>			
Edward Byrne Memorial Justice Assistance Grant Program	16.738		37,913
ENVIRONMENTAL PROTECTION AGENCY			
COLORADO DEPT. OF PUBLIC HEALTH AND ENVIRONMENT			
Performance Partnership Grants	66.605	HAZ-AS1-EPA	<u>7,803</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u><u>\$ 3,458,102</u></u>

RIO GRANDE COUNTY, COLORADO
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2012

NOTE 1 BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of Rio Grande County, Colorado under programs of the federal government for the year ended December 31, 2012. The information in this Schedule is presented in accordance with the requirements of the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the schedule presents only a selected portion of the operations of Rio Grande County, Colorado, it is not intended to and does not present the financial position, changes in net position or cash flows of Rio Grande County, Colorado.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE 3 SUBRECIPIENTS

The County provided federal awards to subrecipients during 2012.

* Denotes pass-through grants.

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



Wall,
Smith,
Bateman Inc

To the Board of County Commissioners
Rio Grande County, Colorado
Del Norte, Colorado

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Rio Grande County, Colorado (the County), as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated May 20, 2013.

Internal Control Over Financial Reporting

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

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.

Certified Public Accountants

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed 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.

A handwritten signature in blue ink that reads "Wall, Smith, Bateman Inc." in a cursive script.

Wall, Smith, Bateman Inc.
Alamosa, Colorado

May 20, 2013

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



To the Board of County Commissioners
Rio Grande County, Colorado
Del Norte, Colorado

Report on Compliance for Each Major Federal Program

We have audited Rio Grande County, Colorado's (the County) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended December 31, 2012. The County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, Rio Grande County, Colorado complied, in all material respects, with the 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, 2012.

Certified Public Accountants

Report on Internal Control Over Compliance

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. 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 requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.



Wall, Smith, Bateman Inc.
Alamosa, Colorado

May 20, 2013

RIO GRANDE COUNTY, COLORADO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2012

Section I – Summary of Auditor s’ Results

Financial Statements

Type of auditors’ report issued: Unmodified

Internal control over financial reporting:

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

Federal Awards

Internal control over major programs:

- λ Material weakness(es) identi fied? _____yes X no
- λ Significant deficiency(ies) identified that are **not** considered to be material weakness (es)? _____yes X none reported

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

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

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
93.558 and 93.714	Temporary Assistance for Needy Families (TANF) Cluster
93.778	Medicaid Cluster

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

Auditee qualified as a low-risk auditee? X yes _____no

Section II – Financial Statement Findings

None

Section III – Federal Award Findings and Questioned Costs

None

Section IV – Summary Schedule of Prior Audit Findings

None

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

LOCAL HIGHWAY FINANCE REPORT	City or County: Rio Grande County
YEAR ENDING : December 2012	
This Information From The Records Of (example - City of _ or County of County of Rio Grande	Prepared By: Suzanne L. Benton Phone: (719) 657-4215

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

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway disbursements:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	1,119,837
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	414,130
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	28,107
2. General fund appropriations		b. Snow and ice removal	364,105
3. Other local imposts (from page 2)	382,256	c. Other (spraying of Right of Way)	16,117
4. Miscellaneous local receipts (from page 2)	66,809	d. Total (a. through c.)	408,329
5. Transfers from toll facilities		4. General administration & miscellaneous	125,123
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	
a. Bonds - Original Issues		6. Total (1 through 5)	2,067,419
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	
7. Total (1 through 6)	449,065	b. Redemption	
B. Private Contributions		c. Total (a. + b.)	0
C. Receipts from State government (from page 2)	2,248,777	2. Notes:	
D. Receipts from Federal Government (from page 2)	130,683	a. Interest	
E. Total receipts (A.7 + B + C + D)	2,828,525	b. Redemption	
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	0
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total disbursements (A.6 + B.3 + C + D)	2,067,419

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

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

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	2,936,871	2,828,525	2,067,419	3,697,977	(0)

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT

STATE:
Colorado
YEAR ENDING (mm/yy):
December 2012

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments	285,584	a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes		c. Parking Garage Fees	
2. Infrastructure & Impact Fees	54,635	d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	2,985
4. Licenses		f. Charges for Services	30,500
5. Specific Ownership &/or Other	42,037	g. Other Misc. Receipts	5,211
6. Total (1. through 5.)	96,672	h. Other	28,113
c. Total (a. + b.)	382,256	i. Total (a. through h.)	66,809
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	2,178,332	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	110,025
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	39,852	d. Federal Transit Admin	
d. Other (Specify) - Homelake Project	27,000	e. U.S. Corps of Engineers	
e. Other (Specify) Mineral Leasing	3,593	f. Other Federal - Wildlife Refuge	20,658
f. Total (a. through e.)	70,445	g. Total (a. through f.)	130,683
4. Total (1. + 2. + 3.f)	2,248,777	3. Total (1. + 2.g)	
			(Carry forward to page 1)

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs		1,010	1,010
b. Engineering Costs			0
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements			0
(3). System Preservation		1,118,827	1,118,827
(4). System Enhancement & Operation			0
(5). Total Construction (1) + (2) + (3) + (4)	0	1,118,827	1,118,827
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	1,119,837	1,119,837
			(Carry forward to page 1)

Notes and Comments: