

**CHAFFEE COUNTY, COLORADO**

**ANNUAL FINANCIAL REPORT**

**FOR THE**

**YEAR ENDED DECEMBER 31, 2012**

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**CHAFFEE COUNTY, COLORADO  
ELECTED AND APPOINTED OFFICIALS  
December 31, 2012**

ELECTED OFFICIALS

Frank Holman, Chairman of the Board, Commissioner District #2  
Dennis Giese, Commissioner District #1  
Dave Potts, Commissioner District #3  
Randy Amettis, Coroner  
Brenda Mosby, County Assessor  
Joyce M. Reno, County Clerk and Recorder  
Pete Palmer, Sheriff  
Diana Wood, Treasurer

MANAGEMENT

Dan Short, Director of Finance and Personnel  
Robert Christiansen, Director of General Administration

**INDEPENDENT AUDITOR**

Scott C. Wright  
Certified Public Accountant

# CHAFFEE COUNTY, COLORADO

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## ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED DECEMBER 31, 2012

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# CHAFFEE COUNTY, COLORADO

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## **FINANCIAL SECTION**

**SCOTT C. WRIGHT**  
**CERTIFIED PUBLIC ACCOUNTANT**

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AVON, COLORADO 81620  
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Board of County Commissioners  
Chaffee County, Colorado  
Salida, Colorado

INDEPENDENT AUDITOR'S REPORT

**Report on the Financial Statements**

I have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Chaffee County, Colorado 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.

**Auditor's Responsibility**

My responsibility is to express opinions on these financial statements based on my audit. I conducted my 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 I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

## **Opinions**

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Chaffee County, Colorado, as of December 31, 2012, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4-13 and 45-47 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. I 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 my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

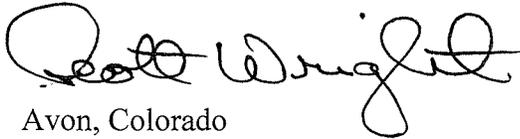
My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Chaffee County, Colorado's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and statistical section, are presented for purposes 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 and the schedule of expenditures of federal awards are the responsibility of management and are 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 my opinion, the combining and individual nonmajor fund financial statements 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, I have also issued my report dated April 8, 2013, on my consideration of Chaffee County, Colorado's internal control over financial reporting and on my 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 my 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 Chaffee County, Colorado's internal control over financial reporting and compliance

A handwritten signature in black ink, appearing to read "Scott Wright". The signature is fluid and cursive, with a large loop at the end.

Avon, Colorado  
April 8, 2013

## MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of Chaffee County, we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of Chaffee County for the fiscal year ended December 31, 2012.

### Financial Highlights

- The assets of the County exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$29,336,232 (net position). Of this amount, \$10,868,157 is unrestricted and may be used to meet the County's ongoing obligations to citizens and creditors in accordance with the County's fund designation and fiscal policies.
- The County's total net position decreased by \$208,863.
- As of the close of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$10,262,581, an increase of \$328,030 in comparison with the prior year. Approximately forty-six percent (46%) of this total amount, or \$4,726,478, is available for use within the County's policies (unassigned fund balance).
- At the end of the current fiscal year, the unassigned fund balance for the general fund was \$4,726,478, or fifty-five percent (55%) of total general fund expenditures.
- All scheduled debt service payments on long-term debt obligations were made during the current fiscal year thereby reducing the County's total long-term debt by \$395,000.

### Overview of the Financial Statements

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

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

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

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

other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the County include general government, community and economic development, public safety, health and welfare, public works, parks and recreation, and airport operations. The business-type activities of the County include solid waste landfill operations, emergency medical services and sewer debt recovery operations.

The government-wide financial statements include not only the County itself (known as the *primary government*), but also the Chaffee County Facilities Corporation (Facilities Corporation) which was created with the sole purpose of facilitating County financings. The Facilities Corporation is included in the County's financial statements because the County has financial accountability for the Facilities Corporation and they, in turn, are fiscally dependent upon the County. The Facilities Corporation activities are reported as a debt service fund.

The government-wide financial statements can be found on pages 15-17 of this report.

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

**Governmental funds.** *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflow and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the County's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The County maintains twelve 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 general fund, road and bridge fund, and health and human services fund, all of which are considered to be major funds. Data from the other nine nonmajor governmental funds (airport fund, conservation trust fund, retirement fund, contingent reserve fund, asset replacement fund, lodging visitors bureau fund, animal shelter fund, Chaffee County Facilities Corporation fund, and capital expenditures fund) are combined into a single, aggregate presentation.

Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report. The basic governmental fund financial statements can be found on pages 18-21 of this report.

***Proprietary funds.*** The County maintains two different types of proprietary funds. *Enterprise funds* are used to report the same function presented as business-type activities in the government-wide financial statements. The County uses enterprise funds to account for its solid waste landfill operations, emergency medical services, and sewer debt recovery operations. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County uses an internal service fund to account for the cost of insurance and estimated damaged property claims allocated to County departments. Because this cost allocation predominately effects governmental rather than business-type functions, it has been included within *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for waste landfill operations, emergency medical services, and sewer debt recovery operations. Separate information is also provided for the County's internal service fund. The basic proprietary fund financial statements can be found on pages 22-25 of this report.

***Fiduciary Funds.*** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support Chaffee County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statement can be found on page 26 of this report.

***Notes to the Financial Statements.*** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 27-43 of this report.

***Required Supplemental Information.*** In addition to the basic financial statements and accompanying notes, this report also presents certain other required supplemental information. The County adopts an annual appropriated budget for its general fund and major special revenue funds. Budgetary comparison statements have been provided for the general fund, road and bridge fund, and health and human services fund to demonstrate compliance with these budgets and can be found on pages 45-47 of this report.

***Other Supplemental Information.*** The combining statements referred to earlier in connection with nonmajor governmental funds are presented under other supplemental information immediately following the required supplemental information on pages 52-55. Individual fund statements and schedules and other miscellaneous schedules can also be found in this section on pages 56-73 of this report.

## Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Chaffee County, assets exceeded liabilities and deferred inflows of resources by \$29,336,232 as of December 31, 2012.

A large portion of the County's net position (58.8%) reflects its investment in capital assets (land, construction in progress, buildings and improvements, vehicles, and machinery and equipment), net of any related debt used to acquire those assets that is still outstanding. The County uses these assets to provide services to citizens, consequently, these assets are not available for future spending. Although the County's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the County's net position (4.4%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* (\$10,868,157) may be used to meet the County's ongoing obligations to citizens and creditors.

### Condensed Net Position

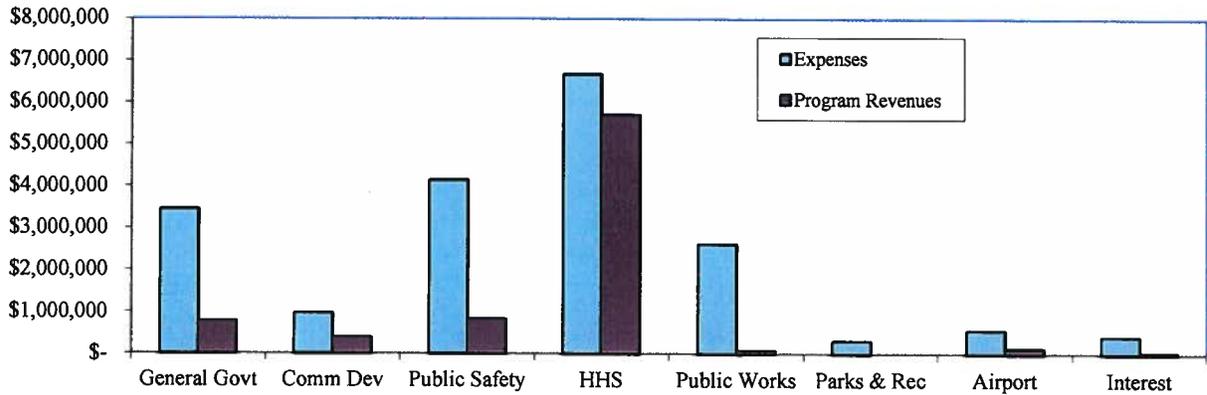
	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Government</u>	
	(Restated)		(Restated)		(Restated)	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Current and Other Assets	\$15,601,726	\$17,052,240	\$2,088,957	\$1,826,588	\$17,690,683	\$18,878,828
Capital Assets, net	<u>20,636,855</u>	<u>21,665,041</u>	<u>2,171,581</u>	<u>2,281,644</u>	<u>22,808,436</u>	<u>23,946,685</u>
Total Assets	<u>36,238,581</u>	<u>38,717,281</u>	<u>4,260,538</u>	<u>4,108,232</u>	<u>40,499,119</u>	<u>42,825,513</u>
Other Liabilities	1,794,683	3,490,554	74,162	383,808	1,868,800	3,874,362
Noncurrent Liabilities	<u>5,571,130</u>	<u>5,724,292</u>	<u>473,620</u>	<u>522,743</u>	<u>6,044,750</u>	<u>6,247,035</u>
Total Liabilities	<u>7,365,813</u>	<u>9,214,846</u>	<u>603,491</u>	<u>906,551</u>	<u>7,969,304</u>	<u>10,121,397</u>
Deferred Inflows of Resources	<u>3,193,583</u>	<u>3,068,411</u>	-	-	<u>3,193,583</u>	<u>3,068,411</u>
Net Position:						
Net Investment in Capital Assets	15,546,492	16,330,041	1,689,564	1,791,606	17,236,056	18,121,647
Restricted	1,232,019	1,282,680	-	-	1,282,680	1,282,680
Unrestricted	<u>8,900,674</u>	<u>8,821,303</u>	<u>1,967,483</u>	<u>1,410,075</u>	<u>10,868,157</u>	<u>10,231,378</u>
Total Net Position	<u>\$25,679,185</u>	<u>\$26,434,024</u>	<u>\$3,657,047</u>	<u>\$3,201,681</u>	<u>\$29,336,232</u>	<u>\$29,635,705</u>

## Change in Net Position

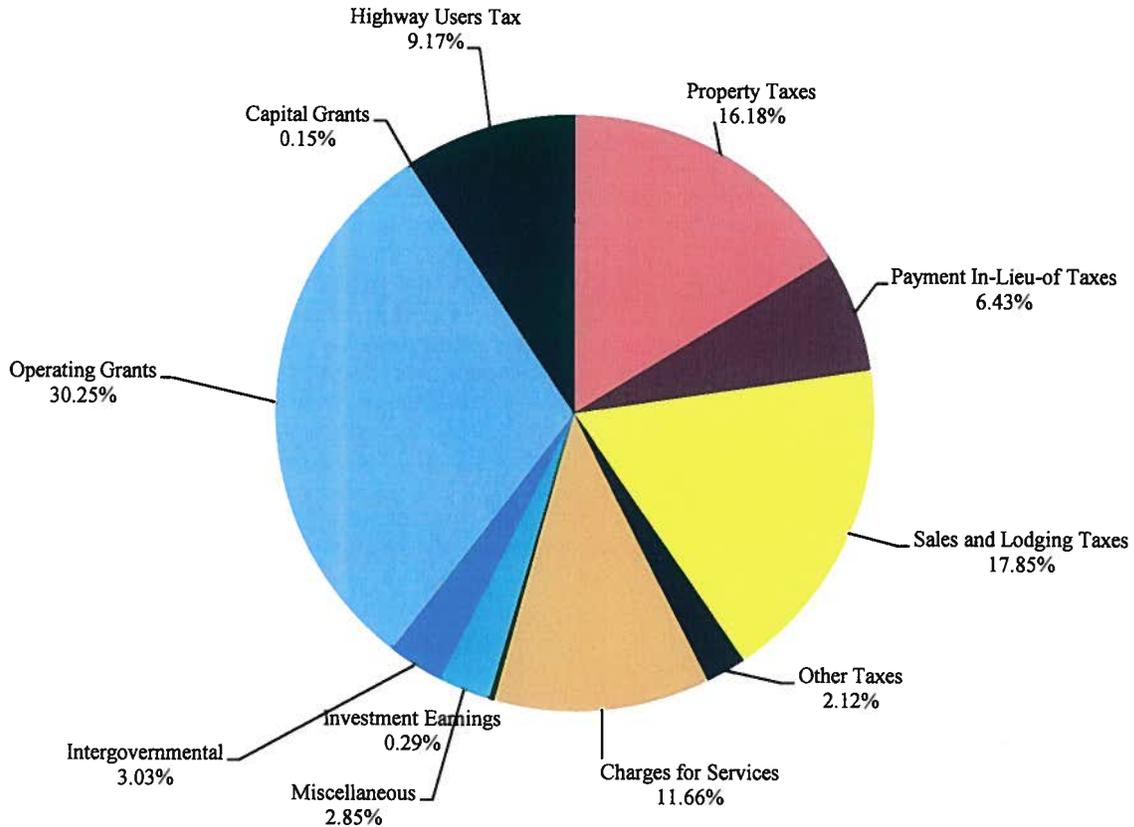
	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Government</u>	
		(Restated)		(Restated)		(Restated)
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
<b>REVENUES</b>						
Program Revenues:						
Charges for Services	\$ 2,207,534	\$ 2,280,794	\$ 1,909,311	\$ 1,420,306	\$ 4,116,845	\$ 3,701,100
Operating Grants and Contributions	5,726,596	5,747,146	12,504	58,657	5,739,100	5,805,803
Capital Grants and Contributions	29,341	5,094,105	-	-	29,341	5,094,105
General Revenues:						
Taxes:						
Property Taxes	3,063,985	3,106,204	-	-	3,063,985	3,106,204
Sales and Lodging Taxes	3,379,287	3,168,507	-	-	3,379,287	3,168,507
Payment In-Lieu-of Taxes	1,217,878	1,190,861	-	-	1,217,878	1,190,861
Highway Users Tax	1,735,993	1,731,492	-	-	1,735,993	1,731,492
Other Taxes	402,067	214,538	-	-	402,067	214,538
Unrestricted Investment Earnings	54,801	58,212	2,253	1,331	57,024	59,543
Intergovernmental	574,113	239,565	-	-	574,113	239,565
Miscellaneous	<u>539,428</u>	<u>565,958</u>	-	-	<u>539,428</u>	<u>565,958</u>
Total Revenues	<u>18,931,023</u>	<u>23,397,382</u>	<u>1,924,068</u>	<u>1,480,294</u>	<u>20,855,091</u>	<u>24,877,676</u>
<b>EXPENSES</b>						
Program Activities:						
Governmental Activities:						
General Government	3,444,386	3,331,206	-	-	3,444,386	3,331,206
Community / Economic Development	976,906	1,034,723	-	-	976,906	1,034,723
Public Safety	4,149,462	4,025,766	-	-	4,149,462	4,025,766
Health and Welfare	6,683,810	6,376,632	-	-	6,683,810	6,376,632
Public Works	2,625,158	2,448,655	-	-	2,625,158	2,448,655
Parks and Recreation	321,198	249,627	-	-	321,198	249,627
Airport Operations	570,522	317,256	-	-	570,522	317,256
Interest on Long-term Debt	429,255	276,577	-	-	429,255	276,577
Business-type Activities:						
Landfill Operations	-	-	649,166	705,110	649,166	705,110
Emergency Medical Services	-	-	1,174,383	1,191,622	1,174,383	1,191,622
Sewer Enterprise	-	-	39,708	40,047	39,708	40,047
Total Expenses	<u>19,200,697</u>	<u>18,060,442</u>	<u>1,863,257</u>	<u>1,936,779</u>	<u>21,063,954</u>	<u>19,997,221</u>
Excess (Deficiency) Before Transfers	(269,674)	5,336,940	60,811	(456,485)	(208,863)	4,880,455
Transfers	<u>(405,000)</u>	<u>(265,000)</u>	<u>405,000</u>	<u>265,000</u>	<u>-</u>	<u>-</u>
Increase (Decrease) in Net position	(674,674)	5,071,940	465,811	(191,485)	(208,863)	4,880,455
Net position, Beginning (Restated)	<u>26,353,859</u>	<u>21,281,919</u>	<u>3,191,236</u>	<u>3,382,721</u>	<u>29,545,095</u>	<u>24,664,640</u>
Net position, Ending	<u>\$26,679,185</u>	<u>\$26,353,859</u>	<u>\$ 3,657,047</u>	<u>\$ 3,191,236</u>	<u>\$29,336,232</u>	<u>\$29,545,095</u>

**Governmental Activities.** Governmental activities decreased the County's net position by \$674,674 in 2012. The cost of all governmental activities in 2012 was \$19,200,697, a 6.3% decrease from the prior year. Revenues from governmental activities decreased 19% from the prior year. The key element of this decrease was the completion in 2011 of an FTA grant for airport improvements.

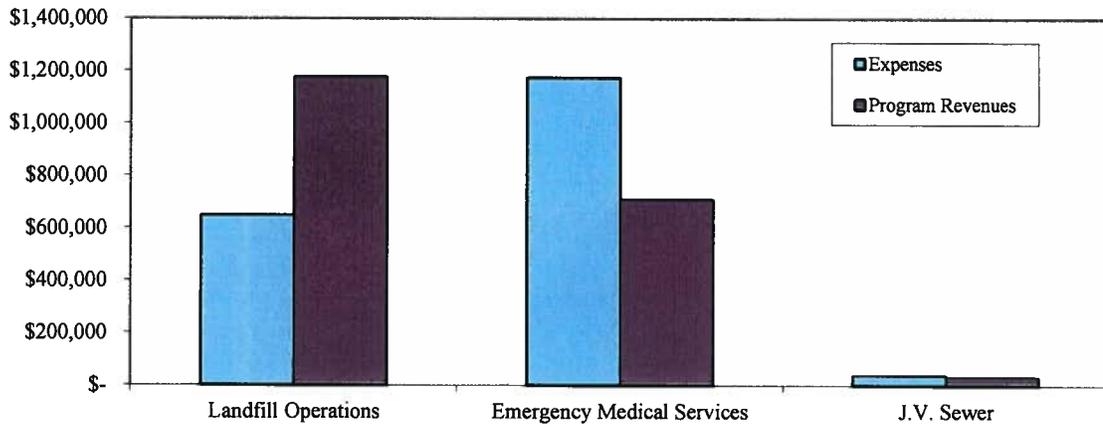
## Expenses and Program Revenues – Governmental Activities



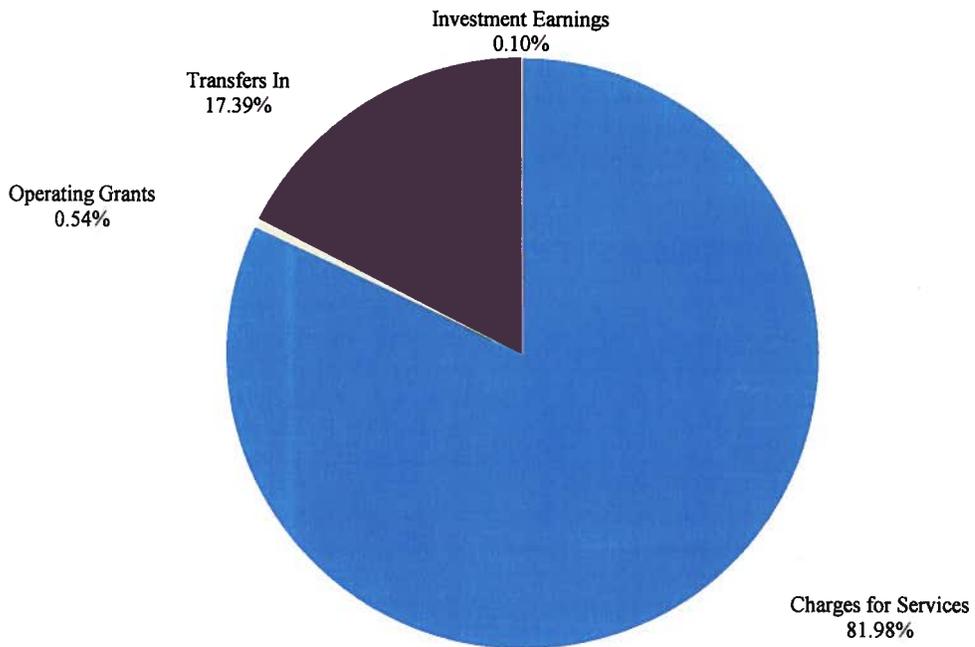
## Revenues by Source – Governmental Activities



## Expenses and Program Revenues – Business-type Activities



## Revenues by Source – Business-type Activities



## Financial Analysis of the County's Funds

The following schedule presents a summary of governmental fund revenues for the year ended December 31, 2012 and the amount and percentage of increases and decreases in relation to the prior year.

<u>Revenues</u>	2012 <u>Amount</u>	Percent of <u>Total</u>	2011 <u>Amount</u>	Amount of Increase (Decrease)	Percent Increase (Decrease)
Taxes	\$ 6,845,339	36.26%	\$ 6,489,249	\$ 356,090	5.49%
Licenses and Permits	425,025	2.25%	404,511	23,514	5.81%
Intergovernmental	9,283,921	49.18%	14,003,169	(4,719,248)	(33.70%)
Charges for Services	1,685,154	8.93%	1,636,450	48,704	2.98%
Fines and Forfeitures	52,255	0.28%	56,641	(4,386)	(7.74%)
Investment Earnings	53,733	0.28%	57,699	(3,966)	(6.87%)
Miscellaneous	<u>531,833</u>	<u>2.82%</u>	<u>670,127</u>	<u>(138,294)</u>	<u>(20.64%)</u>
<b>Total</b>	<b><u>\$18,877,260</u></b>	<b><u>100.00%</u></b>	<b><u>\$23,317,846</u></b>	<b><u>\$(4,437,586)</u></b>	

The following schedule presents a summary of governmental fund expenditures for the year ended December 31, 2012, and the amount and percentage of increases and decreases in relation to the prior year.

<u>Expenditures</u>	2012 <u>Amount</u>	Percent of <u>Total</u>	2011 <u>Amount</u>	Amount of Increase (Decrease)	Percent Increase (Decrease)
<b>Current:</b>					
General Government	\$ 2,836,537	15.57%	\$ 2,696,145	\$ 140,392	5.20%
Community / Economic Development	964,927	5.30%	1,019,663	(54,736)	(5.37%)
Public Safety	3,836,066	21.06%	3,794,040	42,026	1.11%
Health and Welfare	6,657,159	36.54%	6,358,372	298,787	4.70%
Public Works	2,483,739	13.63%	2,313,938	169,801	7.34%
Parks and Recreation	288,109	1.58%	226,309	61,800	27.31%
Airport Operations	219,799	1.21%	219,919	(120)	(.05%)
Capital Outlay	285,883	1.57%	5,527,348	(5,241,465)	(0.95%)
<b>Debt Service:</b>					
Principal	395,000	2.17%	335,000	65,000	19.40%
Interest	169,125	0.93%	274,200	(105,075)	(38.32%)
Bond Issuance Charges	77,249	0.42%	-	77,249	NA
Fiscal Charges	<u>4,163</u>	<u>0.02%</u>	<u>3,659</u>	<u>504</u>	<u>13.77%</u>
<b>Total</b>	<b><u>\$18,217,756</u></b>	<b><u>100.00%</u></b>	<b><u>\$22,768,593</u></b>	<b><u>\$(4,550,837)</u></b>	

### Fund Balances

The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources at the end of the year.

The County's governmental funds reported combined ending fund balances of \$10,262,581, an increase of \$328,030 from the prior year. Of this total, \$5,351,705 is restricted due to external

limitations on its use, such as by debt covenants and legal restrictions. A total of \$184,398 is considered unspendable because it has been used for prepaid items (inventories). The remaining \$4,726,478 is unassigned and can be used for any lawful purpose.

The general fund is the main operating fund of the County. At the end of the current fiscal year, unassigned fund balance of the general fund was \$4,726,478. The fund balance of the general fund increased by \$257,363 or 5.4%, in 2012. As a measure of the general fund's liquidity, it can be useful to compare unassigned fund balances to total fund expenditures. Unassigned fund balance represents 55.5% of total fund expenditures or the equivalent of over 6 months of operations. The County's fund balance provides the resources necessary to be financially adaptable to unforeseen circumstances.

### Capital Asset and Debt Administration

**Capital assets.** The County's investment in capital assets for its governmental and business-type activities as of December, 31, 2011, totals \$23,946,685 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings and improvements, vehicles, and machinery and equipment (see table below). The total increase in the County's capital assets for the current fiscal year was 21.3% (a 25.6% increase for governmental activities and a 8.4% decrease for business-type activities).

By far the major capital asset event during the current fiscal year was the completion of the Harriet Alexander Field Airport improvements. Those improvements totaled \$4,868,068 for the year ended December 31, 2011.

### County's Capital Assets (net of depreciation)

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Land	\$ 755,157	\$ 755,157	\$ 177,677	\$ 177,677	\$ 932,834	\$ 932,834
Construction in Progress	-	-	205,440	164,086	205,440	164,086
Buildings & Imp.	18,403,994	19,088,387	563,002	684,478	18,966,996	19,772,865
Utility Lines	-	-	523,981	541,746	523,981	541,746
Vehicles	512,973	510,548	402,277	314,591	415,250	825,139
Mach. & Equip	<u>964,731</u>	<u>1,310,949</u>	<u>299,204</u>	<u>399,066</u>	<u>1,263,935</u>	<u>1,710,015</u>
Total	<u>\$20,636,855</u>	<u>\$21,665,041</u>	<u>\$ 2,171,581</u>	<u>\$ 2,281,644</u>	<u>\$22,808,436</u>	<u>\$23,946,685</u>

Additional information on the County's capital assets can be found in Notes 4 on pages 36-38 of this report.

**Long-term debt.** At the end of the current fiscal year, the County had total long-term debt outstanding in the amount of \$5,402,017. Of this amount, \$4,920,000 are Certificates of Participation which evidence assignments of proportionate interests in the right to receive payments pursuant to annually renewable lease agreements. The remainder of the County's debt, \$482,017, represents bonds secured solely by specified revenue sources (i.e. revenue bonds).

## County's Outstanding Debt

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Revenue Bonds	\$ -	\$ -	\$ 482,017	\$ 490,038	\$ 482,017	\$ 490,038
Certificates of Participation	<u>4,920,000</u>	<u>5,335,000</u>	<u>-</u>	<u>-</u>	<u>4,920,000</u>	<u>5,335,000</u>
Total	<u>\$ 4,920,000</u>	<u>\$ 5,335,000</u>	<u>\$ 482,017</u>	<u>\$ 490,038</u>	<u>\$ 5,402,017</u>	<u>\$ 5,825,038</u>

The County's total outstanding debt decreased by a net \$423,021 during the current fiscal year. All scheduled debt service payments on long-term debt obligations were made during the current fiscal year.

Additional information on the County's long-term debt can be found in Note 5 on pages 38-40 of this report.

## Requests for Information

This financial report is designed to provide a general overview of the County's finances for all those with an interest in the County's fiscal management. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Chaffee County Finance Department, 132 ,Crestone, Salida, CO 81201.

## **BASIC FINANCIAL STATEMENTS**

# CHAFFEE COUNTY, COLORADO

## STATEMENT OF NET POSITION DECEMBER 31, 2012

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and Investments	\$ 10,622,093	\$ 1,960,481	\$ 12,582,574
Receivables	4,279,363	128,476	4,407,839
Inventory	184,398	-	184,398
Restricted Assets - Cash and Cash Equivalents	515,872	-	515,872
Capital Assets, net of accumulated depreciation:			
Nondepreciable	755,157	383,117	1,138,274
Depreciable	19,881,698	1,788,464	21,670,162
<b>Total Assets</b>	<b>36,238,581</b>	<b>4,260,538</b>	<b>40,499,119</b>
<b>LIABILITIES</b>			
Accounts Payable	335,443	54,027	389,470
Accrued Liabilities	-	18,352	18,352
Accrued Interest Payable	27,714	1,783	29,497
Deposits and Reserves	171,239	-	171,239
Unearned Revenues	1,257,656	-	1,257,656
Liabilities Payable from Restricted Assets	2,631	-	2,631
Noncurrent Liabilities:			
Due Within One Year	892,474	55,709	948,183
Due In More Than One Year	4,678,656	473,620	5,152,276
<b>Total Liabilities</b>	<b>7,365,813</b>	<b>603,491</b>	<b>7,969,304</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Gain on Advance Refunding of Debt	20,000	-	20,000
Unavailable Revenue - Property Taxes	3,173,583	-	3,173,583
<b>Total Deferred Inflows of Resources</b>	<b>3,193,583</b>	<b>-</b>	<b>3,193,583</b>
<b>NET POSITION</b>			
Net Investment in Capital Assets	15,546,492	1,689,564	17,236,056
Restricted For:			
Emergencies	448,771	-	448,771
Debt Service	598,850	-	598,850
Inventory	184,398	-	184,398
Unrestricted	8,900,674	1,967,483	10,868,157
<b>Total Net Position</b>	<b>\$ 25,679,185</b>	<b>\$ 3,657,047</b>	<b>\$ 29,336,232</b>

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

# CHAFFEE COUNTY, COLORADO

## STATEMENT OF ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2012

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental Activities:</b>				
General Government	\$ 3,444,386	\$ 782,345	\$ -	\$ -
Community / Economic Development	976,906	395,806	2,937	-
Public Safety	4,149,462	770,159	66,419	-
Health and Welfare	6,683,810	67,409	5,637,699	-
Public Works	2,625,158	73,407	19,541	-
Parks and Recreation	321,198	-	-	-
Airport Operations	570,522	118,408	-	29,341
Interest and Fiscal Charges on Long-term Debt	429,255	-	-	-
<b>Total Governmental Activities</b>	<b>19,200,697</b>	<b>2,207,534</b>	<b>5,726,596</b>	<b>29,341</b>
<b>Business-type Activities:</b>				
Landfill Operations	649,166	1,177,529	-	-
Emergency Medical Services	1,174,383	697,386	12,504	-
Sewer	39,708	34,396	-	-
<b>Total Business-type Activities</b>	<b>1,863,257</b>	<b>1,909,311</b>	<b>12,504</b>	<b>-</b>
<b>Total Primary Government</b>	<b>\$ 21,063,954</b>	<b>\$ 4,116,845</b>	<b>\$ 5,739,100</b>	<b>\$ 29,341</b>

General Revenues:

Property Taxes, Levied for General Purposes  
 Sales and Lodging Taxes  
 Payment In-Lieu-of Taxes  
 Highway Users Tax  
 Other Taxes  
 Miscellaneous Intergovernmental  
 Unrestricted Investment Earnings  
 Miscellaneous

Transfers

**Total General Revenues and Transfers**

**Increase (Decrease) in Net Position**

**Net Position - Beginning of Year  
(As Originally Reported)**

**Change in Accounting Principle (Note 11)**

**Net Position - Beginning of Year (Restated)**

**Net Position - End of Year**

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

Net (Expense) Revenue and  
Changes in Net Position

Governmental Activities	Business-type Activities	Total
\$ (2,662,041)	\$ -	\$ (2,662,041)
(578,163)	-	(578,163)
(3,312,884)	-	(3,312,884)
(978,702)	-	(978,702)
(2,532,210)	-	(2,532,210)
(321,198)	-	(321,198)
(422,773)	-	(422,773)
(429,255)	-	(429,255)
(11,237,226)	-	(11,237,226)
-	528,363	528,363
-	(464,493)	(464,493)
-	(5,312)	(5,312)
-	58,558	58,558
(11,237,226)	58,558	(11,178,668)
3,063,985	-	3,063,985
3,379,287	-	3,379,287
1,217,878	-	1,217,878
1,735,993	-	1,735,993
402,067	-	402,067
574,113	-	574,113
54,801	2,253	57,054
539,428	-	539,428
(405,000)	405,000	-
10,562,552	407,253	10,969,805
(674,674)	465,811	(208,863)
26,434,024	3,201,681	29,635,705
(80,165)	(10,445)	(90,610)
26,353,859	3,191,236	29,545,095
\$ 25,679,185	\$ 3,657,047	\$ 29,336,232

# CHAFFEE COUNTY, COLORADO

## BALANCE SHEET GOVERNMENTAL FUNDS DECEMBER 31, 2012

	General Fund	Road and Bridge Fund	Health and Human Services Fund	Other Governmental Funds
<b>ASSETS</b>				
Cash and Investments	\$ 4,644,000	\$ 1,541,298	\$ 1,754,863	\$ 2,297,593
Receivables:				
- Interest	1,189	274	-	327
- Taxes	2,054,620	54,476	553,960	510,527
- Accounts	59,378	-	24,072	5,210
- Intergovernmental	628,734	73,526	238,847	53,693
Inventories	-	141,726	-	42,672
Due from Other Funds	6,201	-	-	-
Restricted Assets - Cash and Cash Equivalents	-	-	2,631	513,241
<b>Total Assets</b>	<b>\$ 7,394,122</b>	<b>\$ 1,811,300</b>	<b>\$ 2,574,373</b>	<b>\$ 3,423,263</b>
<b>LIABILITIES</b>				
Accounts Payable	\$ 111,939	\$ 20,839	\$ 124,976	\$ 77,614
Deposits and Reserves	171,239	-	-	-
Unearned Revenues	-	-	1,257,656	-
Liabilities Payable from Restricted Assets	-	-	2,631	-
<b>Total Liabilities</b>	<b>283,178</b>	<b>20,839</b>	<b>1,385,263</b>	<b>77,614</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable Revenue - Property Taxes	2,054,620	54,476	553,960	510,527
<b>FUND BALANCES</b>				
<b>Nonspendable:</b>				
Inventories	-	141,726	-	42,672
<b>Restricted For:</b>				
TABOR Emergency Reserve	121,249	-	-	327,522
Debt Service	-	-	-	598,850
Public Safety	72,024	-	-	-
Secure Rural Schools	126,282	-	-	-
Roads and Bridges	-	1,594,259	-	-
Capital Improvements	-	-	-	821,835
Recreational Purposes	-	-	-	391,089
Employee Retirement Plan	-	-	-	339,480
Tourism Promotion	-	-	-	308,350
Animal Shelter	-	-	-	15,615
Health and Public Welfare	-	-	635,150	-
<b>Unassigned</b>	<b>4,736,769</b>	<b>-</b>	<b>-</b>	<b>(10,291)</b>
<b>Total Fund Balances</b>	<b>5,056,324</b>	<b>1,735,985</b>	<b>635,150</b>	<b>2,835,122</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 7,394,122</b>	<b>\$ 1,811,300</b>	<b>\$ 2,574,373</b>	<b>\$ 3,423,263</b>

**RECONCILIATION OF TOTAL GOVERNMENTAL  
FUND BALANCE TO NET POSITION OF  
GOVERNMENTAL ACTIVITIES  
DECEMBER 31, 2012**

<u>Total</u>																																																																																																																																																	
<table border="0" style="width: 100%;"> <tr> <td style="width: 10%;">\$</td> <td style="width: 10%;">10,237,754</td> <td style="width: 10%;"></td> </tr> <tr> <td></td> <td style="text-align: right;">1,790</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td style="text-align: right;">3,173,583</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td style="text-align: right;">88,660</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td style="text-align: right;">994,800</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td style="text-align: right;">184,398</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td style="text-align: right;">6,201</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td style="text-align: right;"><u>515,872</u></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>\$</td> <td style="text-align: right;"><u>15,203,058</u></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </table>	\$	10,237,754								1,790								3,173,583								88,660								994,800								184,398								6,201								<u>515,872</u>							\$	<u>15,203,058</u>							<p>Total Governmental Fund Balances <span style="float: right;"><u>\$ 10,262,581</u></span></p> <p><i>Amounts reported for governmental activities in the Statement of Net Position are different because:</i></p> <p>Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds:</p> <ul style="list-style-type: none"> <li>- Capital assets <span style="float: right;">31,300,646</span></li> <li>- Accumulated depreciation <span style="float: right;"><u>(10,663,791)</u></span></li> </ul> <p style="text-align: right;"><u>20,636,855</u></p> <p>Some liabilities, including bonds, notes and leases payable, and compensated absences are not due and payable in the current period and therefore are not reported in the governmental funds:</p> <ul style="list-style-type: none"> <li>- Certificates of Participation payable <span style="float: right;">(5,090,363)</span></li> <li>- Compensated absences payable <span style="float: right;"><u>(500,767)</u></span></li> </ul> <p style="text-align: right;"><u>(5,591,130)</u></p> <p>Notes receivable are not available to pay for current period expenditures and have been deferred in the governmental funds. <span style="float: right;"><u>10,000</u></span></p> <p>Accrued interest payable is recognized for governmental activities but is not due and payable in the current period and therefore is not reported as a liability in the governmental funds. <span style="float: right;"><u>(27,714)</u></span></p> <p>The internal service fund is used by management to charge the cost of insurance to individual funds. The assets and liabilities of the internal service fund is included in governmental activities in the Statement of Net Position. <span style="float: right;"><u>388,593</u></span></p> <p><b>Net Position of Governmental Activities</b> <span style="float: right;"><u><u>\$ 25,679,185</u></u></span></p>																																																																								
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# CHAFFEE COUNTY, COLORADO

## STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS FOR THE YEAR ENDED DECEMBER 31, 2012

	General Fund	Road and Bridge Fund	Health and Human Services Fund	Other Governmental Funds
<b>Revenues</b>				
Taxes	\$ 5,223,666	\$ 59,375	\$ 604,077	\$ 958,221
Licenses and Permits	412,967	12,058	-	-
Intergovernmental	1,897,772	1,829,022	5,403,526	153,601
Charges for Services	1,555,956	10,790	-	118,408
Fines and Forfeitures	52,255	-	-	-
Investment Earnings	45,855	3,428	122	4,328
Other Revenues	407,440	53,317	6,866	64,210
<b>Total Revenues</b>	<b>9,595,911</b>	<b>1,967,990</b>	<b>6,014,591</b>	<b>1,298,768</b>
<b>Expenditures</b>				
Current:				
General Government	2,625,108	-	-	211,429
Community / Economic Development	644,955	-	-	319,972
Public Safety	3,836,066	-	-	-
Health and Welfare	741,599	-	5,915,560	-
Public Works	507,611	1,976,128	-	-
Parks and Recreation	173,886	-	-	114,223
Airport Operations	-	-	-	219,799
Capital Outlay	-	8,424	-	277,459
Debt Service:				
Principal	-	-	-	395,000
Interest	-	-	-	169,125
Bond Issuance Charges	-	-	-	77,249
Fiscal Charges	-	-	-	4,163
<b>Total Expenditures</b>	<b>8,529,225</b>	<b>1,984,552</b>	<b>5,915,560</b>	<b>1,788,419</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,066,686	(16,562)	99,031	(489,651)
<b>Other Financing Sources (Uses)</b>				
Transfers In	377,597	-	-	746,920
Transfers Out	(1,186,920)	(10,000)	-	(232,597)
Refunding Bonds Issued	-	-	-	3,270,000
Premium on Refunding Bonds Issued	-	-	-	150,363
Payment to Refunded Bond Escrow Agent	-	-	-	(3,446,837)
<b>Total Other Financing Sources (Uses)</b>	<b>(809,323)</b>	<b>(10,000)</b>	<b>-</b>	<b>487,849</b>
<b>Net Change in Fund Balances</b>	<b>257,363</b>	<b>(26,562)</b>	<b>99,031</b>	<b>(1,802)</b>
<b>Fund Balances, Beginning of Year</b>	<b>4,798,961</b>	<b>1,762,547</b>	<b>536,119</b>	<b>2,836,924</b>
<b>Fund Balances, End of year</b>	<b>\$ 5,056,324</b>	<b>\$ 1,735,985</b>	<b>\$ 635,150</b>	<b>\$ 2,835,122</b>

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

**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**

	<u>Total</u>																																																																																																																																																																								
<table border="0" style="width: 100%;"> <tr><td style="width: 5%;">\$</td><td style="width: 10%;">6,845,339</td><td style="width: 80%;"></td><td style="width: 5%;"></td></tr> <tr><td></td><td>425,025</td><td></td><td></td></tr> <tr><td></td><td>9,283,921</td><td></td><td></td></tr> <tr><td></td><td>1,685,154</td><td></td><td></td></tr> <tr><td></td><td>52,255</td><td></td><td></td></tr> <tr><td></td><td>53,733</td><td></td><td></td></tr> <tr><td></td><td>531,833</td><td></td><td></td></tr> <tr><td></td><td><u>18,877,260</u></td><td></td><td></td></tr> <tr><td></td><td>2,836,537</td><td></td><td></td></tr> <tr><td></td><td>964,927</td><td></td><td></td></tr> <tr><td></td><td>3,836,066</td><td></td><td></td></tr> <tr><td></td><td>6,657,159</td><td></td><td></td></tr> <tr><td></td><td>2,483,739</td><td></td><td></td></tr> <tr><td></td><td>288,109</td><td></td><td></td></tr> <tr><td></td><td>219,799</td><td></td><td></td></tr> <tr><td></td><td>285,883</td><td></td><td></td></tr> <tr><td></td><td>395,000</td><td></td><td></td></tr> <tr><td></td><td>169,125</td><td></td><td></td></tr> <tr><td></td><td>77,249</td><td></td><td></td></tr> <tr><td></td><td>4,163</td><td></td><td></td></tr> <tr><td></td><td><u>18,217,756</u></td><td></td><td></td></tr> <tr><td></td><td>659,504</td><td></td><td></td></tr> <tr><td></td><td>1,124,517</td><td></td><td></td></tr> <tr><td></td><td>(1,429,517)</td><td></td><td></td></tr> <tr><td></td><td>3,270,000</td><td></td><td></td></tr> <tr><td></td><td>150,363</td><td></td><td></td></tr> <tr><td></td><td>(3,446,837)</td><td></td><td></td></tr> <tr><td></td><td><u>(331,474)</u></td><td></td><td></td></tr> <tr><td></td><td>328,030</td><td></td><td></td></tr> <tr><td></td><td>9,934,551</td><td></td><td></td></tr> <tr><td></td><td><u>\$ 10,262,581</u></td><td></td><td></td></tr> </table>	\$	6,845,339				425,025				9,283,921				1,685,154				52,255				53,733				531,833				<u>18,877,260</u>				2,836,537				964,927				3,836,066				6,657,159				2,483,739				288,109				219,799				285,883				395,000				169,125				77,249				4,163				<u>18,217,756</u>				659,504				1,124,517				(1,429,517)				3,270,000				150,363				(3,446,837)				<u>(331,474)</u>				328,030				9,934,551				<u>\$ 10,262,581</u>			<p>Net Change in Fund Balances - Total Governmental Funds <span style="float: right;">\$ 328,030</span></p> <p><i>Amounts reported for governmental activities in the Statement of Activities are different because:</i></p> <p>Governmental funds report capital outlays as expenditures. However, for governmental activities, those capital outlays other than the noncapitalizable items, are reported in the Statement of Activities and the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:</p> <table border="0" style="width: 100%;"> <tr><td style="width: 5%;">- Capital Outlay</td><td style="width: 10%;"></td><td style="width: 80%; text-align: right;">288,530</td><td style="width: 5%;"></td></tr> <tr><td>- Depreciation</td><td></td><td style="text-align: right;"><u>(1,316,716)</u></td><td></td></tr> <tr><td></td><td></td><td style="text-align: right;"><u>(1,028,186)</u></td><td></td></tr> </table> <p>Repayment of bond and lease principal are reported as an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position:</p> <table border="0" style="width: 100%;"> <tr><td style="width: 5%;">- Certificates of Participation retirements</td><td style="width: 10%;"></td><td style="width: 80%; text-align: right;">395,000</td><td style="width: 5%;"></td></tr> <tr><td></td><td></td><td style="text-align: right;"><u>395,000</u></td><td></td></tr> </table> <p>Governmental funds report the effect of issuance costs, premiums and and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.</p> <table border="0" style="width: 100%;"> <tr><td style="width: 5%;">- Gain on Advance Refunding of Debt</td><td style="width: 10%;"></td><td style="width: 80%; text-align: right;">(20,000)</td><td style="width: 5%;"></td></tr> <tr><td>- Bond Premium on Refunding Bonds Issued</td><td></td><td style="text-align: right;"><u>(150,363)</u></td><td></td></tr> <tr><td></td><td></td><td style="text-align: right;"><u>(170,363)</u></td><td></td></tr> </table> <p>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:</p> <table border="0" style="width: 100%;"> <tr><td style="width: 5%;">- Change in compensated absences payable</td><td style="width: 10%;"></td><td style="width: 80%; text-align: right;">(111,475)</td><td style="width: 5%;"></td></tr> <tr><td>- Change in accrued interest payable on outstanding bonds</td><td></td><td style="text-align: right;"><u>(1,881)</u></td><td></td></tr> <tr><td></td><td></td><td style="text-align: right;"><u>(113,356)</u></td><td></td></tr> </table> <p>The internal service fund is used by management to charge the cost of insurance to individual funds. The net income of the internal service fund is included in governmental activities. <span style="float: right;">(105,799)</span></p> <p><b>Change in Net Position of Governmental Activities <span style="float: right;">\$ (694,674)</span></b></p>	- Capital Outlay		288,530		- Depreciation		<u>(1,316,716)</u>				<u>(1,028,186)</u>		- Certificates of Participation retirements		395,000				<u>395,000</u>		- Gain on Advance Refunding of Debt		(20,000)		- Bond Premium on Refunding Bonds Issued		<u>(150,363)</u>				<u>(170,363)</u>		- Change in compensated absences payable		(111,475)		- Change in accrued interest payable on outstanding bonds		<u>(1,881)</u>				<u>(113,356)</u>	
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# CHAFFEE COUNTY, COLORADO

## STATEMENT OF NET POSITION PROPRIETARY FUNDS DECEMBER 31, 2012

	Business-Type Activities - Enterprise Funds			Totals	Governmental Activities - Internal Service Fund
	Waste Disposal Fund	Emergency Medical Services	J.V. Sewer		
<b>ASSETS</b>					
<b>Current Assets:</b>					
Cash and Investments	\$ 1,657,087	\$ 254,355	\$ 49,039	\$ 1,960,481	\$ 384,339
Receivables:					
- Interest	188	-	-	188	84
- Accounts, net	33,041	86,648	-	119,689	4,245
- Intergovernmental	-	-	8,599	8,599	-
<b>Total Current Assets</b>	<b>1,690,316</b>	<b>341,003</b>	<b>57,638</b>	<b>2,088,957</b>	<b>388,668</b>
<b>Capital Assets:</b>					
- Land and Improvements	135,677	36,000	6,000	177,677	-
- Construction in Progress	205,440	-	-	205,440	-
- Buildings and Improvements	1,059,022	514,534	-	1,573,556	-
- Utility Lines	-	-	710,585	710,585	-
- Vehicles	222,516	638,964	-	861,480	-
- Machinery and Equipment	971,743	332,164	-	1,303,907	-
- Accumulated Depreciation	(1,738,512)	(735,948)	(186,604)	(2,661,064)	-
<b>Net Capital Assets</b>	<b>855,886</b>	<b>785,714</b>	<b>529,981</b>	<b>2,171,581</b>	<b>-</b>
<b>Total Assets</b>	<b>2,546,202</b>	<b>1,126,717</b>	<b>587,619</b>	<b>4,260,538</b>	<b>388,668</b>
<b>LIABILITIES</b>					
<b>Current Liabilities:</b>					
Accounts Payable	23,068	24,765	-	47,833	75
Due to Other Funds	6,194	-	-	6,194	-
Compensated Absences Payable	19,384	27,928	-	47,312	-
Accrued Closure and Post-Closure Costs	18,352	-	-	18,352	-
Accrued Interest Payable	-	-	1,783	1,783	-
Revenue Bonds Payable - Current	-	-	8,397	8,397	-
<b>Total Current Liabilities</b>	<b>66,998</b>	<b>52,693</b>	<b>10,180</b>	<b>129,871</b>	<b>75</b>
<b>Noncurrent Liabilities:</b>					
Revenue Bonds Payable	-	-	473,620	473,620	-
<b>Total Liabilities</b>	<b>66,998</b>	<b>52,693</b>	<b>483,800</b>	<b>603,491</b>	<b>75</b>
<b>NET POSITION</b>					
Net Investment in Capital Assets	855,886	785,714	47,964	1,689,564	-
Unrestricted	1,623,318	288,310	55,855	1,967,483	388,593
<b>Total Net Position</b>	<b>\$ 2,479,204</b>	<b>\$ 1,074,024</b>	<b>\$ 103,819</b>	<b>\$ 3,657,047</b>	<b>\$ 388,593</b>

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

# CHAFFEE COUNTY, COLORADO

## STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS PROPRIETARY FUNDS FOR THE YEAR ENDED DECEMBER 31, 2012

	Business-Type Activities - Enterprise Funds			Totals	Governmental Activities - Internal Service Fund
	Waste Disposal Fund	Emergency Medical Services	J.V. Sewer		
<b>Operating Revenues:</b>					
Charges for Services	\$ 885,768	\$ 695,261	\$ 34,396	\$ 1,615,425	\$ 266,685
Other Operating Revenues	291,761	2,125	-	293,886	7,595
<b>Total Operating Revenues</b>	<u>1,177,529</u>	<u>697,386</u>	<u>34,396</u>	<u>1,909,311</u>	<u>274,280</u>
<b>Operating Expenses:</b>					
Cost of Operations	449,248	1,070,495	-	1,519,743	281,147
Depreciation and Amortization	199,918	103,888	17,765	321,571	-
<b>Total Operating Expenses</b>	<u>649,166</u>	<u>1,174,383</u>	<u>17,765</u>	<u>1,841,314</u>	<u>281,147</u>
<b>Operating Income (Loss)</b>	<u>528,363</u>	<u>(476,997)</u>	<u>16,631</u>	<u>67,997</u>	<u>(6,867)</u>
<b>Nonoperating Revenues (Expenses):</b>					
Grant Revenues	-	12,504	-	12,504	-
Interest Income	2,253	-	-	2,253	1,068
Interest Expense	-	-	(21,943)	(21,943)	-
<b>Total Nonoperating Revenues (Expenses)</b>	<u>2,253</u>	<u>12,504</u>	<u>(21,943)</u>	<u>(7,186)</u>	<u>1,068</u>
<b>Income (Loss) Before Transfers</b>	<u>530,616</u>	<u>(464,493)</u>	<u>(5,312)</u>	<u>60,811</u>	<u>(5,799)</u>
<b>Transfers In (Out)</b>	<u>(29,000)</u>	<u>434,000</u>	<u>-</u>	<u>405,000</u>	<u>(100,000)</u>
<b>Change in Net Position</b>	<u>501,616</u>	<u>(30,493)</u>	<u>(5,312)</u>	<u>465,811</u>	<u>(105,799)</u>
<b>Net Position, Beginning of Year (As Originally Reported)</b>	<u>1,977,588</u>	<u>1,104,517</u>	<u>119,576</u>	<u>3,201,681</u>	<u>494,392</u>
<b>Change in Accounting Principle (Note 11)</b>	<u>-</u>	<u>-</u>	<u>(10,445)</u>	<u>(10,445)</u>	<u>-</u>
<b>Net Position, Beginning of Year (Restated)</b>	<u>1,977,588</u>	<u>1,104,517</u>	<u>109,131</u>	<u>3,191,236</u>	<u>494,392</u>
<b>Net Position, End of Year</b>	<u>\$ 2,479,204</u>	<u>\$ 1,074,024</u>	<u>\$ 103,819</u>	<u>\$ 3,657,047</u>	<u>\$ 388,593</u>

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

# CHAFFEE COUNTY, COLORADO

## STATEMENT OF CASH FLOWS PROPRIETARY FUNDS FOR THE YEAR ENDED DECEMBER 31, 2012

	Business-Type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Waste Disposal Fund	Emergency Medical Services	J.V. Sewer	Totals	
<b>Cash Flows From Operating Activities</b>					
Cash Received from Customers and Users	\$ 896,947	\$ 721,238	\$ 34,396	\$ 1,652,581	\$ -
Cash Received from Interfund Services Provided	-	-	-	-	266,685
Cash Payments to Suppliers	(186,779)	(233,248)	-	(420,027)	(281,072)
Cash Payments to Employees	(229,702)	(791,838)	-	(1,021,540)	-
Cash Payments for Interfund Services Used	(25,400)	(19,700)	-	(45,100)	-
Other Operating Revenues	(36,325)	2,125	-	(34,200)	5,979
<b>Net Cash Provided by (Used in) Operating Activities</b>	<u>418,741</u>	<u>(321,423)</u>	<u>34,396</u>	<u>131,714</u>	<u>(8,408)</u>
<b>Cash Flows From Noncapital Financing Activities</b>					
Grant Received	-	12,504	-	12,504	-
Transfers Out to Other Funds	(29,000)	(6,000)	-	(35,000)	(100,000)
Transfer In from Other Funds	-	440,000	-	440,000	-
<b>Net Cash Provided by (Used In) Noncapital Financing Activities</b>	<u>(29,000)</u>	<u>446,504</u>	<u>-</u>	<u>417,504</u>	<u>(100,000)</u>
<b>Cash Flows From Capital Financing Activities</b>					
Acquisition and Construction of Fixed Assets	(80,462)	(131,046)	-	(211,508)	-
Interest Paid on Long-term Debt	-	-	(21,972)	(21,972)	-
Principal Paid on Long-term Debt	-	-	(8,021)	(8,021)	-
<b>Net Cash Used in Capital Financing Activities</b>	<u>(80,462)</u>	<u>(131,046)</u>	<u>(29,993)</u>	<u>(241,501)</u>	<u>-</u>
<b>Cash Flows From Investing Activities</b>					
Interest Received from Investments	2,139	-	-	2,139	1,015
<b>Net Cash Provided by Investing Activities</b>	<u>2,139</u>	<u>-</u>	<u>-</u>	<u>2,139</u>	<u>1,015</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	311,418	(5,965)	4,403	309,856	(107,393)
<b>Cash and Cash Equivalents, Beginning of Year</b>	<u>1,345,669</u>	<u>260,320</u>	<u>44,636</u>	<u>1,650,625</u>	<u>491,732</u>
<b>Cash and Cash Equivalents, End of Year</b>	<u>\$ 1,657,087</u>	<u>\$ 254,355</u>	<u>\$ 49,039</u>	<u>\$ 1,960,481</u>	<u>\$ 384,339</u>

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

	Business-Type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Waste Disposal Fund	Emergency Medical Services	J.V. Sewer	Totals	
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>					
<b>Operating Income (Loss)</b>	<u>\$ 528,363</u>	<u>\$ (476,997)</u>	<u>\$ 16,631</u>	<u>\$ 67,997</u>	<u>\$ (6,867)</u>
<b>Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities</b>					
Depreciation and Amortization	199,918	103,888	17,765	321,571	-
Change in Assets and Liabilities:					
(Increase) Decrease in Accounts Receivable	11,179	25,977	-	37,156	1,616
Increase (Decrease) in Accounts Payable	6,157	12,312	-	18,469	75
Increase in Compensated Absences Payable	1,210	13,397	-	14,607	-
Decrease in Accrued Closure and Post Closure Costs	<u>(328,086)</u>	<u>-</u>	<u>-</u>	<u>(328,086)</u>	<u>-</u>
Total Adjustments	<u>(109,622)</u>	<u>155,574</u>	<u>17,765</u>	<u>63,717</u>	<u>1,691</u>
<b>Net Cash Provided by (Used in) Operating Activities</b>	<u><u>\$ 418,741</u></u>	<u><u>\$ (321,423)</u></u>	<u><u>\$ 34,396</u></u>	<u><u>\$ 131,714</u></u>	<u><u>\$ (5,176)</u></u>

# CHAFFEE COUNTY, COLORADO

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## STATEMENT OF ASSETS AND LIABILITIES - FIDUCIARY FUNDS AGENCY FUND DECEMBER 31, 2012

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	<u>Agency Fund</u>
<b>ASSETS</b>	
Cash and Investments	<u>\$ 723,760</u>
<b>Total Assets</b>	<u><u>\$ 723,760</u></u>
<b>LIABILITIES</b>	
Due to Other Governments	\$ 133,507
Amounts Held in Escrow	570,253
Amount Held in Trust - Scott Estate	<u>20,000</u>
<b>Total Liabilities</b>	<u><u>\$ 723,760</u></u>

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

# CHAFFEE COUNTY, COLORADO

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## NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2012

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The financial statements of Chaffee County, Colorado (County) have been prepared in conformity with accounting principles generally accepted in the United States of America (“GAAP”) as applied to governmental entities. The Governmental Accounting Standards Board (“GASB”) is the accepted standard-setting board for establishing governmental accounting and financial reporting principles. The following notes are an integral part of the County’s basic financial statements.

### **Note 1. Summary of Significant Accounting Policies**

#### **A. Financial Reporting Entity**

As required by generally accepted accounting principles, these financial statements present Chaffee County, Colorado (the primary government) and its component units, entities for which the County is considered financially accountable. Blended component units, although legally separate entities, are, in substance, part of the County’s operations and data from these units are combined with data of the County. The County’s blended component units have a December 31 year-end.

*Primary Government.* Chaffee County was formed in 1879. The governing body of the County is a three-member Board of County Commissioners. The Board appoints two individuals as co-administrators to administer its policies and authority. Five other elected officials have certain statutory authority specific to their offices. These offices are the Clerk and Recorder, Treasurer, Sheriff, Coroner, and Assessor. The County’s services include general administration, community and economic development, public safety and courts, roads and bridges, parks and recreation, and health and welfare services. In addition, the County operates three enterprise activities: a solid waste landfill, emergency medical services, and a sewer debt recovery operation.

*Blended Component Units.*

#### Chaffee County Facilities Corporation

The Chaffee County Facilities Corporation (Corporation) was created as a nonprofit corporation in 2001 in order to assist in the financing of various County facilities. The Corporation’s activities are reported as a debt service fund. The Corporation is included in the County’s financial statements because the Corporation is fiscally dependent upon the County. This component unit does not issue separate financial statements.

#### Chaffee County Sewer Enterprise (Johnson Village J.V.) Fund

The Chaffee County Sewer Enterprise Fund was created to finance and construct a wastewater distribution system in an area of the County known as “Johnson Village”.

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*Other Related Entity.* The Public Trustee is a State statutorily-mandated position, appointed by the Board of County Commissioners, but whose financial transactions are independent of the County. However, all expenditures and associated revenues relating to the operations of the County Office of the Public Trustee are included in the General Fund.

### **B. Government-wide and Fund Financial Statements**

*Government-wide Financial Statements.* The government-wide financial statements (i.e. the Statement of Net Position and the Statement of Activities) report information on all non-fiduciary activities of the County (the primary government) and its component units. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which primarily rely on fees and charges for support. Internal service fund activity has been eliminated to avoid “doubling up” revenues and expenses.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or business segment are offset by program revenues and helps identify the extent to which each is self-financing or draws from the general revenues of the County. Direct expenses are those that are clearly identifiable with a specific function or business segment. Program revenues include 1) charges to customers who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and, 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or business segment. Taxes and other items not appropriate to include among program revenues are reported instead as general revenues.

*Fund Financial Statements.* Fund financial statements report detailed information about the County with the focus on major funds rather than on reporting funds by type. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. Nonmajor funds are aggregated and presented in a single column. The internal service fund is presented in a single column on the face of the proprietary fund statements.

### **C. Measurement Focus, Basis of Accounting and Financial Statement Presentation**

*Measurement Focus and Basis of Accounting.* The government-wide financial statements have been prepared using the economic resources measurement focus and the accrual basis of accounting. This is the same approach used in the preparation of the proprietary fund financial statements. Revenues are recognized when earned and expenses are recognized when the liability is incurred regardless of the timing of related cash flows. Depreciation is computed and recorded as an operating expense. Expenditures for property, plant and equipment are shown as increases in assets and redemption of bonds and notes are recorded as a reduction in liabilities.

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Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recorded when susceptible to accrual, i.e., both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period (60 days). The major sources of revenue which are susceptible to accrual are property taxes, tourism and sales taxes, state share taxes, and certain intergovernmental revenues. Expenditures generally are recorded when the liability is incurred, as under full 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.

*Financial Statement Presentation – Fund Accounting.* A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts which are segregated for the purpose of accounting for specific activities. The County uses funds to report results of operations and financial position, and demonstrate compliance with legal, contractual and regulatory requirements.

The County's major governmental funds are:

- *General Fund* – This is the County's primary operating fund. It is used to account for all activities of the County not required to be accounted for in another fund.
- *Road and Bridge Fund* – This fund is used to account for the cost of maintenance and construction of County roads and bridges. Colorado counties are required to maintain a road and bridge fund and to allocate a portion of the county's road and bridge property tax levy back to municipalities located within their county.
- *Health and Human Services Fund* – This fund is used to account for social service programs administered by the County under state and federal regulations. Programs include Medicaid, food assistance, foster care programs, and temporary assistance to needy families. Colorado counties are required by law to maintain a health and human services fund.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of all the County's enterprise and internal service funds are charges to customers for sales and services. Operating expenses for enterprise and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The County's proprietary funds are:

- *Waste Disposal Fund* – This fund is used to account for the activities involved in operating the County's solid waste landfill.

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- *Emergency Medical Services Fund* – This fund is used to account for the operations of the County’s ambulance and related emergency medical services.
- *J.V. Sewer Fund* – This fund (a blended component unit of the County) is used to account for the collection of monies and subsequent payment of debt service related to a wastewater distributions system constructed in an area of the County known as “Johnson Village”.

The County’s only internal service fund is the Insurance Fund. This fund charges other County funds for their allocated cost of insurance premiums and estimated damaged property claims not covered by insurance.

The County’s fiduciary fund is an Agency Fund used to account for monies held on behalf of other governments, agencies and County departments and for property taxes collected on behalf of the other governments or agencies.

### **D. Budgets**

Budgets are adopted by the County on a basis consistent with generally accepted accounting principles for all funds, with the exception of proprietary funds which are budgeted on the modified accrual basis of accounting. The County follows statutory guidelines regarding preparation of the annual budget and follows these procedures in establishing the budgetary data as reflected in these financial statements:

- The County budget officer is responsible for preparing a tentative budget, which is submitted to the Board of County Commissioners prior to October 15th. The budget includes proposed expenditures and the means of financing them. The budget is prepared by fund and department and includes information on the prior year, current estimates and requested appropriations and estimated revenues for the upcoming year. Public hearings are held by the Board to obtain taxpayer comments. The budget is legally adopted by the Board prior to December 31.
- Once adopted, changes may be made to budgets by adoption of supplemental amendments by resolution of the Board. During the year ended December 31, 2012, one such amendment was adopted by the Board.
- Expenditures may not legally exceed budgeted appropriations at the fund level. Budgetary comparisons in the accompanying combined financial statements and in the individual fund statements are presented at a lower-than-required level of control to facilitate detailed financial analysis.

### **E. Assets, Liabilities, and Deferred Inflows of Resources**

*Cash and Investments.* Cash and investment management is administered by the County Treasurer in accordance with Colorado Revised Statutes. The County concentrates the cash

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resources of its various funds in order to facilitate the management of cash. The balance in this concentration account is available to meet the County's current operating requirements. Cash resources in excess of current requirements is invested in various interest-bearing deposits and securities.

Colorado State statutes authorize the County to invest its excess funds in direct U.S. Government securities, agencies, bonds and other obligations of states and political subdivisions, corporate bonds, money market mutual funds, and local government investment pools. Investments are stated at fair value on the balance sheet except for money-market investments that have a remaining maturity at time of purchase of one year or less. Investment income is recognized when earned.

*Inventories.* Inventory of the County consists of aviation fuel for airport operations and consumable supplies associated with road and bridge operations. Road and bridge inventory is valued at average cost using the first-in/first-out (FIFO) method. Road and bridge inventory purchases are recorded as expenditures when purchased rather than when consumed and inventory is adjusted at year-end based on actual physical counts. An offsetting reserve of fund balance is reported in the Road and Bridge Fund which indicates that the amount of inventory reported is not available for expenditure as a component of net position.

Aviation fuel inventory is valued at cost using the FIFO method. Aviation fuel purchases are recorded as expenditures when consumed rather than when purchased.

*Restricted Assets.* Restricted assets in the amount of \$513,241 are reported in the Chaffee County Facilities Corporation in required debt service reserve accounts for the Series 2009 and Series 2012 Certificates of Participation. These accounts are all held in the trust department of UMB Bank.

An additional amount of \$2,631 is reported in the Health and Human Services fund for amounts held in trust for certain individuals. When both restricted and unrestricted resources are available for use, it is the County's policy to use unrestricted resources first, then restricted, as they are needed.

*Capital Assets.* Capital assets, which include property, plant, equipment, and infrastructure assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. It is the County's policy to capitalize expenditures with a cost greater than \$5,000 and an estimated useful life of more than one year. All purchased capital assets are stated at cost or estimated historical cost if actual historical records are not available. Donated capital assets are recorded at their estimated fair market value at the date of contribution. Major outlays for capital improvement projects are capitalized as projects are completed.

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## NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2012

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The costs of normal maintenance and repair that do not add to the value of the asset or extend the estimated useful life are not capitalized but charged to operations as incurred. Depreciation of property, plant and equipment is computed using the straight-line method over the following estimated useful lives:

Buildings and Improvements	15-50 years
Improvements Other Than Buildings	10-50 years
Infrastructure	40-50 years
Vehicles	3-20 years
Machinery and Equipment	5-20 years

*Deferred Inflows of Resources.* In addition to liabilities, the government-wide and governmental funds balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The County has two types of items that qualify for reporting in this category: deferred gain on advance refunding of debt and unavailable revenue. In the government-wide statement of net position *deferred gain on advance refunding of debt* is the result of the difference between the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the life of the refunding bonds. The other type of item, *unavailable revenue*, is reported in the government-wide and governmental funds balance sheet. The County reports *unavailable revenues* from one source: property tax. *Unavailable revenue – property taxes* is reported in the government-wide and governmental funds balance sheet. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

### **F. Long-term Obligations**

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bonds payable are reported net of any applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds are reported as debt service expenditures.

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## **G. Property Taxes**

Property taxes are levied on or before December 15 of each year by the Board of County Commissioners. The levy is based on the assessed valuation of property located within the County as determined by the County Assessor generally as of January 1 of each year. The County Treasurer collects the property taxes during the ensuing calendar year for both the County and other taxing entities within the County.

Property taxes are payable in full by April 30, or if in two equal installments, by February 28 and June 15. Delinquent taxpayers are notified in August and generally sales of tax liens on delinquent properties are held in November or December. Property taxes, net of estimated uncollectible taxes, are recorded as receivable in the year levied and offset to deferred revenue since they typically do not meet the availability criterion.

## **H. Compensated Absences**

It is the County's policy to permit employees to accumulate earned but unused vacation and certain sick pay benefits. The liability for compensated absences is recorded as a current liability in the government-wide financial statements. In the fund financial statements governmental funds report a compensated liability payable only if they have matured, for example, as a result of employee resignations and retirements, while the proprietary funds report the liability as it is incurred. Within the governmental funds, the General Fund typically is used to liquidate any liabilities for compensated absences.

## **I. Fund Equity**

The following fund balance classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Nonspendable fund balance – amounts that are not in a spendable form (such as inventory or prepaid/deferred charges) or are required to be maintained intact;
- Restricted fund balance – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;
- Committed fund balance – amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint;
- Assigned fund balance – amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or an official or body to which the governing body delegates the authority;
- Unassigned fund balance – amounts that are available for any purpose; positive amounts are reported only in the general fund.

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The County establishes (and modifies or rescinds) fund balance commitments by passage of a resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund. Assigned fund balance is established by the Board of County Commissioners through adoption or amendment of the budget as intended for specific purpose (such as the purchase of fixed assets, construction, debt service, or other purposes).

When fund balance resources are available for a specific purpose in more than one classification, it is the County's policy to use the most restrictive funds first in the following order: restricted, committed, assigned, and unassigned as they are needed. The County considers all unassigned fund balances to be "reserves" for future operations or capital replacement as defined within Article X, Section 20 of the Constitution of the State of Colorado (see Note 8).

### J. Statements of Cash Flows

For purposes of the statement of cash flows, the County considers all highly liquid investments with a maturity when purchased of three months or less and all local government investment pools to be cash equivalents.

### Note 3. Cash and Investments

Cash and investments as of December 31, 2012 are classified in the accompanying financial statements as follows:

Cash and Investments	\$12,582,574
Restricted Assets – Cash and Investments	515,872
Cash and Investments – Agency Fund	<u>723,760</u>
Total	<u>\$ 13,822,206</u>

Cash and investments as of December 31, 2012 consist of the following:

Cash on Hand	\$ 2,196
Deposits With Financial Institutions	870,961
Local Government Investment Pools	12,435,808
Money Market Mutual Funds	<u>513,241</u>
Total	<u>\$ 13,822,206</u>

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### Investments Authorized by State Statute

The table below identifies the investment types that are authorized by Colorado state statutes.

U.S. Treasury Obligations  
Federal Agency and Federal Instrumentality Securities  
Repurchase Agreements  
Commercial Paper  
General Obligation Debt  
Revenue Obligation Debt  
Local Government Investment Pools  
Money Market Funds  
Time Certificates of Deposit

### Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair market value to changes in market interest rates. The County manages its exposure to interest rate risk is by purchasing a combination of shorter and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

Information about the sensitivity of the fair values of the County's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the County's investments by maturity:

<u>Investment Type</u>	<u>Carrying Amounts</u>	<u>Weighted Average Maturity (in Years)</u>
Held by Bond Trustee		
- Money Market Mutual Funds	\$ 513,241	NA
- Local Government Investment Pools	<u>12,435,808</u>	NA
Total	<u>\$ 12,949,049</u>	

### Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. All of the County's investments are rated AAA by Standard and Poors, and Aaa by Moody's.

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### **Concentration of Credit Risk**

The County did not have any investments in any one issuer (other than U.S. Treasury obligations, mutual funds, and local government investment pools) that represented 5% or more of total County investments.

### **Custodial Credit Risk**

Custodial credit risk is the risk that, in the event of the failure of a depository financial institution, the County would not be able to recover its deposits or would not be able to recover collateral securities that are in the possession of an outside party.

The Colorado Public Deposit Protection Act (PDPA) requires that cash be deposited in eligible public depositories and that deposits in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds with the County being a named participant in the single institution collateral pool. The minimum pledging requirement is 102% of the uninsured deposits. The Colorado State Banking Board verifies the market value at least monthly. Bank assets (usually securities) are required by PDPA to be delivered to a third-party institution for safekeeping, and pledged to the Colorado Division of Banking. Based on the above, the Colorado State Auditor has concluded that there is no custodial risk for public deposits collateralized under PDPA.

### **Local Government Investment Pools**

As of December 31, 2012, the County held investments in the Colorado Local Government Liquid Asset Trust (COLOTRUST) and Colorado Surplus Asset Trust (CSAFE), collectively referred to as the Trusts, respectively. Local government investment pools are trusts established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the Trusts. The Trusts operate similarly to a money market fund and each share is equal in value to \$1.00. A designated custodial bank serves as custodian pursuant to a custodian agreement. The custodian acts as safekeeping agent for the Trusts' investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by the trusts.

The Trusts may invest in U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain obligations of U.S. government agencies, highest rated commercial paper and repurchase agreements collateralized by certain obligations of U.S. government agencies.

### **Note 4. Capital Assets**

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

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental Activities:</b>				
Capital Assets, Not Being Depreciated:				
Land	\$ 755,157	\$ -	\$ -	\$ 755,157
Construction in Progress	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Capital Assets, Not Being Depreciated	<u>755,157</u>	<u>-</u>	<u>-</u>	<u>755,157</u>
Capital Assets, Being Depreciated:				
Buildings and Improvements	23,596,148	84,230	-	23,680,378
Vehicles	2,373,082	176,931	-	2,550,013
Machinery and Equipment	<u>4,287,729</u>	<u>27,369</u>	<u>-</u>	<u>4,315,098</u>
Total Capital Assets, Being Depreciated	<u>30,256,959</u>	<u>288,530</u>	<u>-</u>	<u>30,545,489</u>
Less Accumulated Depreciation:				
Buildings and Improvements	(4,507,761)	(768,623)	-	(5,276,384)
Vehicles	(1,862,534)	(174,506)	-	(2,037,040)
Machinery and Equipment	<u>(2,976,780)</u>	<u>(373,587)</u>	<u>-</u>	<u>(3,350,367)</u>
Total Accumulated Depreciation	<u>(9,347,075)</u>	<u>(1,316,716)</u>	<u>-</u>	<u>(10,663,791)</u>
Total Capital Assets, Being Depreciated, Net	<u>20,909,884</u>	<u>(1,028,186)</u>	<u>-</u>	<u>19,881,698</u>
Governmental Activities Capital Assets, Net	<u>\$ 21,665,041</u>	<u>\$(1,028,186)</u>	<u>\$ -</u>	<u>\$ 20,636,855</u>
<b>Business-type Activities:</b>				
Capital Assets, Not Being Depreciated:				
Land	\$ 177,677	\$ -	\$ -	\$ 177,677
Construction in Progress	<u>164,086</u>	<u>41,354</u>	<u>-</u>	<u>205,440</u>
Total Capital Assets, Not Being Depreciated	<u>341,763</u>	<u>41,354</u>	<u>-</u>	<u>383,117</u>
Capital Assets, Being Depreciated:				
Buildings and Improvements	1,568,074	5,482	-	1,573,556
Utility Lines	710,585	-	-	710,585
Vehicles	696,809	164,671	-	861,480
Machinery and Equipment	<u>1,303,907</u>	<u>-</u>	<u>-</u>	<u>1,303,907</u>
Total Capital Assets, Being Depreciated	<u>4,279,375</u>	<u>170,153</u>	<u>-</u>	<u>4,449,528</u>
Less Accumulated Depreciation:				
Buildings and Improvements	(883,596)	(126,958)	-	(1,010,554)
Utility Lines	(168,839)	(17,765)	-	(186,604)
Vehicles	(382,218)	(76,985)	-	(459,203)
Machinery and Equipment	<u>(904,841)</u>	<u>(99,862)</u>	<u>-</u>	<u>(1,004,703)</u>
Total Accumulated Depreciation	<u>(2,339,494)</u>	<u>(321,571)</u>	<u>-</u>	<u>(2,661,064)</u>
Total Capital Assets, Being Depreciated, Net	<u>1,939,881</u>	<u>(151,417)</u>	<u>-</u>	<u>1,788,464</u>
Business-type Activities Capital Assets, Net	<u>\$ 2,281,644</u>	<u>\$(110,063)</u>	<u>\$ -</u>	<u>\$ 2,171,581</u>

# CHAFFEE COUNTY, COLORADO

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

Governmental Activities:	
General Government	\$ 333,121
Community / Economic Development	11,404
Public Safety	337,981
Public Works	233,557
Health and Welfare	15,980
Parks and Recreation	34,175
Airport Operations	<u>350,498</u>
Total Depreciation Expense – Governmental Activities	<u>\$ 1,316,716</u>
Business-type Activities:	
Solid Waste Landfill	\$ 199,918
Emergency Medical Services	103,888
Sewer Enterprise	<u>17,765</u>
Total Depreciation Expense – Business-type Activities	<u>\$ 321,571</u>

### Note 5. Long-term Debt

*Revenue Bonds.* The County has issued bonds through the United States Department of Agriculture – Rural Development in order to finance the construction of a sewage collection line to be used by customers of a local sanitation district, Buena Vista Sanitation, in an area of the County known as Johnson Village. In order to repay the debt, the Sewer Enterprise entered into an intergovernmental agreement with the Buena Vista Sanitation District whereby the Sewer Enterprise would develop a monthly surcharge, subject to annual revisions, to be imposed on the property owners in Johnson Village who are connected to the sewage collection line. Revenue bonds outstanding at December 31, 2012, are as follows:

<u>Purpose</u>	<u>Interest Rate</u>	<u>Amount</u>
Sewage Collection Line	4.50%	<u>\$ 482,017</u>

Annual debt service requirements to maturity for revenue bonds outstanding at December 31, 2012, are as follows:

<u>Year Ending December 31</u>	<u>Business-type Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2013	\$ 8,397	\$ 21,597
2014	8,779	21,215
2015	9,178	20,816
2016	9,596	20,398
2017	10,033	19,961
2018-2022	57,441	92,529
2023-2027	71,756	78,214
2028-2032	89,637	60,333
2033-2037	111,975	37,995
2038-2042	<u>105,225</u>	<u>10,523</u>
Total	<u>\$ 482,017</u>	<u>\$ 383,581</u>

*Certificates of Participation.* In 2001, the Chaffee County Facilities Corporation issued Certificates of Participation in order to finance the cost of constructing County jail facilities. The Certificates evidence assignments of proportionate interest in rights to receive payments pursuant to an annually terminable Lease Purchase and Sublease Agreement, and entered into between the Facilities Corporation as lessor, and the County as lessee.

In 2009, the Chaffee County Facilities Corporation issued Certificates of Participation in order to finance the County's share of the acquisition and renovation of a Community Services Complex.

On March 18, 2012, the County issued \$3,270,000 of Series 2012 Refunding Certificates of Participation with interest rates ranging from 2%-4%. These Certificates were used to refund the outstanding 2001 Certificates of Participation in the aggregate principal amount of \$3,290,000. The refunding resulted in an economic gain of \$230,613 with a cash flow savings of \$372,855.

Certificates of Participation outstanding at December 31, 2012, are as follows:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
General Government – Community Services Complex	3.00% - 5.50%	\$ 1,960,000
General Government – Refunding (Jail Facility)	2.00% - 4.00%	<u>2,960,000</u>
		<u>\$ 4,920,000</u>

Annual debt service requirements to maturity for Certificates of Participation outstanding at December 31, 2012, are as follows:

<u>Year Ending</u> <u>December 31</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2013	\$ 375,000	\$ 190,475
2014	390,000	181,275
2015	400,000	171,675
2016	425,000	158,725
2017	425,000	144,975
2018-2022	1,985,000	475,075
2023-2027	745,000	173,100
2028	<u>175,000</u>	<u>9,625</u>
Total	<u>\$ 4,920,000</u>	<u>\$ 1,504,925</u>

# CHAFFEE COUNTY, COLORADO

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*Changes in Long-term Liabilities.* Long-term liability activity for the year ended December 31, 2012, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
<b>Governmental Activities:</b>					
Certificates of Participation	\$ 5,335,000	\$ 3,270,000	\$ 3,685,000	\$ 4,920,000	\$ 375,000
Bond Premium	-	150,363	-	150,363	16,707
Compensated Absences	<u>389,292</u>	<u>111,475</u>	<u>-</u>	<u>500,767</u>	<u>500,767</u>
Governmental Activity Long-term Liabilities	<u>\$ 5,724,292</u>	<u>\$ 3,531,838</u>	<u>\$ 3,685,000</u>	<u>\$ 5,571,130</u>	<u>\$ 892,474</u>
<b>Business-type Activities:</b>					
Revenue Bond	\$ 490,038	\$ -	\$ 8,021	\$ 482,017	\$ 8,397
Compensated Absences	<u>32,705</u>	<u>14,607</u>	<u>-</u>	<u>47,312</u>	<u>47,312</u>
Business-type Activity Long-term Liabilities	<u>\$ 522,743</u>	<u>\$ 14,607</u>	<u>\$ 8,021</u>	<u>\$ 529,329</u>	<u>\$ 55,709</u>

### Note 6. Interfund Transfers

Interfund activities represent transactions between different funds within the County.

Fund	Transfers In	Transfers Out
General Fund	\$ 377,597	\$ 1,186,920
Road and Bridge Fund	-	10,000
Airport Fund	40,000	-
Retirement Fund	-	229,997
Asset Replacement Fund	136,920	-
Lodging Visitors Bureau Fund	-	2,600
Chaffee County Facilities Corporation	570,000	-
Waste Disposal Fund	-	29,000
Emergency Medical Services Fund	440,000	6,000
Insurance Reserve Fund	<u>-</u>	<u>100,000</u>
Total	<u>\$ 1,564,517</u>	<u>\$ 1,564,517</u>

### Note 7. Employee Retirement Plan

The County participates in the Colorado County Officials and Employee Retirement Association, a multi-employer defined contribution retirement plan. A defined contribution pension plan has terms that specify how contributions to an individual's account are to be determined rather than the amount of pension benefits the individual is to receive. In a defined contribution plan, the pension benefits a participant will receive depend only on the amount contributed to the participant's account, earnings on investments of those contributions, and forfeitures of other participant's benefits that may be allocated to the participant's account.

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Eligible employees and the County each contribute an amount equal to 5% of the employee's base salary each month. Employees may contribute up to an additional 10% of base salary on an after-tax basis. The County does not match these additional contributions. During the year there were no differences between contribution requirements and contributions actually made by plan participants or the County. Both the County and the covered employees each made the required 5% contributions to the plans totaling \$621,436. There are no liabilities for benefits beyond the County's matching payments. No changes in the various plan's provisions occurred in 2012.

### **Note 8. Commitments and Contingencies**

*Litigation.* The County is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, where the County Attorney is the attorney of record, the County Attorney believes the resolution of these matters will not have a material adverse effect on the financial condition of the County.

*Tax, Spending and Debt Limitations.* Article X, Section 20 of the Colorado Constitution, commonly known as the Taxpayer's Bill of Rights (TABOR) contains tax, spending, revenue and debt limitations which apply to the State of Colorado and all local governments. County officials believe they are in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation.

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases. The emergency reserve balance in at December 31, 2012 totaled \$448,771.

Prior to 2008, voters within the County approved the County's request to retain its excess revenue for fiscal year spending. As such the fiscal year spending limitations and refunding of excess revenue to its citizens as defined by this amendment no longer apply. However, the County remains subject to other provisions of this amendment.

### **Note 9. Risk Management**

*County Worker's Compensation Pool.* The County is exposed to various risks of loss related to injuries of employees while on the job. The County is a member of the County Workers Compensation Pool (CWCP), a public entity risk pool currently operating as a common risk management and insurance program for member counties. The intergovernmental agreement of formation of CWCP provides that the Pool will be financially self-sustaining through member contributions and additional assessments, if necessary, and that the Pool will purchase insurance through commercial companies for members' claims in excess of specified self-insured retention, which is determined each policy year.

# CHAFFEE COUNTY, COLORADO

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## NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2012

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*Colorado Counties Casualty and Property Pool.* The County is exposed to various risks of loss related to torts or property and casualty losses. Therefore the County joined together with other Colorado counties to form the Colorado Counties Casualty and Property Pool (CAPP). CAPP is a public entity risk pool that provides property, general and automobile liability and public officials coverage to its members. The intergovernmental agreement of formation of CAPP provides that the Pool will be financially self-sustaining through member contributions and additional assessments, if necessary, and that the Pool will purchase insurance through commercial companies for members' claims in excess of specified self-insured retention, which is determined each policy year.

### **Note 10. Landfill Closure and Post-Closure Care Cost**

State and federal laws and regulations require the County to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. The County is required to maintain, in written documented form, current cost estimates to close its landfill site and to conduct post-closure care of this site. Financial assurance is required to be established in amounts sufficient to ensure payment of such costs. Chaffee County uses the "Local Government Financial Test" as its financial mechanism to financially assure full payment of all closure, post-closure, and if applicable, corrective action estimated costs. Although the closure and post-closure costs will be paid only near or after the date that the landfill stops accepting waste, the County 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 landfill closure and post-closure care liability at December 31, 2012 is \$18,352. This liability consists of closure and post-closure cost of \$9,030 and \$9,322, respectively, and represents the cumulative amount reported to date based on the use of approximately ninety-six one hundredths of one percent (0.96%) of the estimated capacity of the landfill.

The County will recognize the remaining estimated costs of closure and post-closure care of approximately \$1,902,275 as the remaining estimated capacity of the landfill is used. Closure costs are based on an estimate of the closure cost in 2012 dollars as adjusted for inflation. Post-closure costs are calculated based on the present value in 2012 dollars of the future annual cost to perform post-closure care over a ninety-nine year period. Actual costs may be higher or lower due to unknown factors such as changes in technology or regulations. It is estimated that the County landfill has a remaining useful life of ninety-nine years.

### **Note 11. Change in Accounting Principle**

In March, 2012, the Governmental Accounting Standards Board (GASB) issued Statement No. 65, *Items Previously Reported as Assets and Liabilities*, which revises the treatment of a variety of transactions previously reported as either assets or liabilities on the statement of

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net position to classification as either deferred outflows/inflows of resources or recognition as revenue or expense. In addition, GASB Statement No. 65 requires debt issuance costs, previously reported as an asset and amortized, to be recognized as an outflow at the time such costs are incurred. As such, the government-wide statement of activities report a restatement of the beginning net position in the amounts of \$80,165 and \$10,445 for its governmental activities and business activities, respectively, which represents unamortized debt issuance costs at December 31, 2011.

**REQUIRED SUPPLEMENTAL  
INFORMATION**

# CHAFFEE COUNTY, COLORADO

## GENERAL FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (BUDGETARY BASIS) - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Taxes	\$ 5,109,682	\$ 5,109,682	\$ 5,223,666	\$ 113,984
Licenses and Permits	371,000	371,000	412,967	41,967
Intergovernmental	1,815,858	1,815,858	1,897,772	81,914
Charges for Services	1,352,310	1,352,310	1,555,956	203,646
Fines and Forfeitures	80,000	80,000	52,255	(27,745)
Investment Earnings	42,900	42,900	45,855	2,955
Other Revenue	364,780	364,780	407,440	42,660
<b>Total Revenues</b>	<b>9,136,530</b>	<b>9,136,530</b>	<b>9,595,911</b>	<b>459,381</b>
<b>Expenditures</b>				
Current:				
General Government	2,779,710	2,891,710	2,625,108	266,602
Community Development	651,569	671,569	644,955	26,614
Public Safety	3,849,715	3,895,715	3,836,066	59,649
Health and Welfare	877,408	914,408	741,599	172,809
Public Works	518,655	547,655	507,611	40,044
Parks and Recreation	168,110	168,110	173,886	(5,776)
<b>Total Expenditures</b>	<b>8,845,167</b>	<b>9,089,167</b>	<b>8,529,225</b>	<b>559,942</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	291,363	47,363	1,066,686	1,019,323
<b>Other Financing Sources (Uses)</b>				
Transfers In	377,600	377,600	377,597	(3)
Transfers Out	(1,165,920)	(1,231,920)	(1,186,920)	45,000
<b>Total Other Financing Sources (Uses)</b>	<b>(788,320)</b>	<b>(854,320)</b>	<b>(809,323)</b>	<b>44,997</b>
<b>Net Change in Fund Balances</b>	<b>(496,957)</b>	<b>(806,957)</b>	<b>257,363</b>	<b>1,064,320</b>
<b>Fund Balances, Beginning of Year</b>	<b>5,017,464</b>	<b>5,017,464</b>	<b>4,798,961</b>	<b>(218,503)</b>
<b>Fund Balances, End of year</b>	<b>\$ 4,520,507</b>	<b>\$ 4,210,507</b>	<b>\$ 5,056,324</b>	<b>\$ 845,817</b>

# CHAFFEE COUNTY, COLORADO

## ROAD AND BRIDGE FUND

### SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (BUDGETARY BASIS) - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Taxes	\$ 58,258	\$ 58,258	\$ 59,375	\$ 1,117
Licenses and Permits	12,000	12,000	12,058	58
Intergovernmental	1,785,000	1,785,000	1,829,022	44,022
Charges for Services	75,500	75,500	10,790	(64,710)
Investment Earnings	1,800	1,800	3,428	1,628
Other Revenue	1,000	1,000	53,317	52,317
<b>Total Revenues</b>	<u>1,933,558</u>	<u>1,933,558</u>	<u>1,967,990</u>	<u>34,432</u>
<b>Expenditures</b>				
Current:				
Public Works	2,061,952	2,151,952	1,976,128	175,824
Capital Outlay	-	-	8,424	(8,424)
<b>Total Expenditures</b>	<u>2,061,952</u>	<u>2,151,952</u>	<u>1,984,552</u>	<u>167,400</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(128,394)</u>	<u>(218,394)</u>	<u>(16,562)</u>	<u>201,832</u>
<b>Other Financing Sources (Uses)</b>				
Transfers Out	(10,000)	(10,000)	(10,000)	-
Sales of Capital Assets	3,000	3,000	-	(3,000)
<b>Total Other Financing Sources (Uses)</b>	<u>(7,000)</u>	<u>(7,000)</u>	<u>(10,000)</u>	<u>(3,000)</u>
<b>Net Change in Fund Balances</b>	<u>(135,394)</u>	<u>(225,394)</u>	<u>(26,562)</u>	<u>198,832</u>
<b>Fund Balances, Beginning of Year</b>	<u>1,697,529</u>	<u>1,697,529</u>	<u>1,762,547</u>	<u>65,018</u>
<b>Fund Balances, End of year</b>	<u>\$ 1,562,135</u>	<u>\$ 1,472,135</u>	<u>\$ 1,735,985</u>	<u>\$ 263,850</u>

# CHAFFEE COUNTY, COLORADO

## HEALTH AND HUMAN SERVICES FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (BUDGETARY BASIS) - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2012

	Budgeted Amounts <u>Original and Final</u>	Actual Amounts	Variance with Final Budget - Positive (Negative)
<b>Revenues</b>			
Taxes	\$ 602,285	\$ 604,077	\$ 1,792
Intergovernmental	6,195,937	5,403,526	(792,411)
Investment Earnings	475	122	(353)
Other Revenue	-	6,866	6,866
<b>Total Revenues</b>	<u>6,798,697</u>	<u>6,014,591</u>	<u>(784,106)</u>
<b>Expenditures</b>			
Current:			
Health and Welfare	<u>6,798,696</u>	<u>5,915,560</u>	<u>883,136</u>
<b>Total Expenditures</b>	<u>6,798,696</u>	<u>5,915,560</u>	<u>883,136</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	1	99,031	99,030
<b>Other Financing Sources (Uses)</b>			
Transfers Out	<u>(50,000)</u>	<u>-</u>	<u>50,000</u>
<b>Net Change in Fund Balances</b>	(49,999)	99,031	149,030
<b>Fund Balances, Beginning of Year</b>	<u>396,114</u>	<u>536,119</u>	<u>140,005</u>
<b>Fund Balances, End of year</b>	<u>\$ 346,115</u>	<u>\$ 635,150</u>	<u>\$ 289,035</u>

## **OTHER SUPPLEMENTAL INFORMATION**

# NONMAJOR GOVERNMENTAL FUNDS

## Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

**Airport Fund** – To account for general maintenance of the Harriet Alexander Field Airport. Revenues are principally derived from rental of airport facilities, tie-down fees, sales of fuel, and federal grants.

**Conservation Trust Fund** – To account for State of Colorado lottery proceeds that are restricted to capital parks and recreation expenditures.

**Retirement Fund** – To account for County contributions to the County employee retirement plan. Financing is provided by an annual property tax levy.

**Contingent Reserve Fund** – To account for emergency funds set aside in compliance with Article X, Section 20 of the Colorado Constitution (known as the TABOR amendment).

**Asset Replacement Fund** – To account for the accumulation of reserves through capital grants and contributions by departments and funds of the County for the replacement of vehicles and equipment.

**Lodging Visitors Bureau Fund** – To account for funds raised through a 1.9% lodging tax used for marketing and tourism promotion purposes.

**Animal Shelter Fund** – To account for revenues received from a one-half mill property tax levy and remitted to the Ark-Valley Humane Society.

## Debt Service Fund

Debt service funds are used for the accumulation of resources and payment of bond principal and interest from government resources.

**Chaffee County Facilities Corporation** – To accumulate funds for debt service requirements of the Series 2002 Certificates of Participation used to construct a County jail facility and the Series 2009 Certificates of Participation used for the acquisition and renovation of the County's share of a Community Services Complex.

## Capital Projects Fund

Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities and/or equipment.

**Capital Expenditures Fund** – To account for the acquisition or construction of major capital facilities for various departments and funds of the County. Financial resources include a property tax levy and capital grants.

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# CHAFFEE COUNTY, COLORADO

## COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS DECEMBER 31, 2012

	Special Revenue Funds			
	Airport Fund	Conservation Trust Fund	Retirement Fund	Contingent Reserve Fund
<b>ASSETS</b>				
Cash and Investments	\$ -	\$ 391,039	\$ 346,958	\$ 327,522
Receivables:				
- Interest	-	50	51	-
- Taxes	-	-	217,535	-
- Accounts	5,210	-	-	-
- Intergovernmental	-	-	2,069	-
Inventories	42,672	-	-	-
Restricted Assets - Cash and Investments	-	-	-	-
<b>Total Assets</b>	<u>\$ 47,882</u>	<u>\$ 391,089</u>	<u>\$ 566,613</u>	<u>\$ 327,522</u>
<b>LIABILITIES</b>				
Accounts Payable	\$ 15,501	\$ -	\$ 9,598	\$ -
<b>Total Liabilities</b>	<u>15,501</u>	<u>-</u>	<u>9,598</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable Revenue - Property Taxes	-	-	217,535	-
<b>FUND BALANCES (DEFICITS)</b>				
<b>Nonspendable:</b>				
Inventories	42,672	-	-	-
<b>Restricted For:</b>				
TABOR Emergency Reserve	-	-	-	327,522
Debt Service	-	-	-	-
Capital Improvements	-	-	-	-
Recreational Purposes	-	391,089	-	-
Employee Retirement Plan	-	-	339,480	-
Tourism Promotion	-	-	-	-
Animal Shelter	-	-	-	-
Unassigned	(10,291)	-	-	-
<b>Total Fund Balances (Deficits)</b>	<u>32,381</u>	<u>391,089</u>	<u>339,480</u>	<u>327,522</u>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)</b>	<u>\$ 47,882</u>	<u>\$ 391,089</u>	<u>\$ 566,613</u>	<u>\$ 327,522</u>

Special Revenue Funds			Debt Service Fund	Capital Projects Fund	Total Nonmajor Governmental Funds
Asset Replacement Fund	Lodging Visitors Bureau Fund	Animal Shelter Fund	Chaffee County Facilities Corporation	Capital Expenditures Fund	
\$ 323,551	\$ 311,991	\$ 13,864	\$ 85,609	\$ 497,059	\$ 2,297,593
54	37	-	-	135	327
-	-	184,040	-	108,952	510,527
-	-	-	-	-	5,210
-	48,837	1,751	-	1,036	53,693
-	-	-	-	-	42,672
-	-	-	513,241	-	-
-	-	-	513,241	-	513,241
<u>\$ 323,605</u>	<u>\$ 360,865</u>	<u>\$ 199,655</u>	<u>\$ 598,850</u>	<u>\$ 607,182</u>	<u>\$ 3,423,263</u>
\$ -	\$ 52,515	\$ -	\$ -	\$ -	\$ 77,614
-	52,515	-	-	-	77,614
-	-	184,040	-	108,952	510,527
-	-	-	-	-	42,672
-	-	-	-	-	-
-	-	-	598,850	-	327,522
323,605	-	-	-	498,230	598,850
-	-	-	-	-	821,835
-	-	-	-	-	391,089
-	-	-	-	-	339,480
-	308,350	-	-	-	308,350
-	-	15,615	-	-	15,615
-	-	-	-	-	(10,291)
<u>323,605</u>	<u>308,350</u>	<u>15,615</u>	<u>598,850</u>	<u>498,230</u>	<u>2,835,122</u>
<u>\$ 323,605</u>	<u>\$ 360,865</u>	<u>\$ 199,655</u>	<u>\$ 598,850</u>	<u>\$ 607,182</u>	<u>\$ 3,423,263</u>

# CHAFFEE COUNTY, COLORADO

## COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS FOR THE YEAR ENDED DECEMBER 31, 2012

	Special Revenue Funds			
	Airport Fund	Conservation Trust Fund	Retirement Fund	Contingent Reserve Fund
<b>Revenues</b>				
Taxes	\$ -	\$ -	\$ 237,127	\$ -
Intergovernmental	61,263	92,338	-	-
Charges for Services	118,408	-	-	-
Investment Earnings	-	599	566	-
Other Revenues	3,332	-	17,581	-
<b>Total Revenues</b>	<b>183,003</b>	<b>92,937</b>	<b>255,274</b>	<b>-</b>
<b>Expenditures</b>				
Current:				
General Government	-	-	-	-
Community / Economic Development	-	-	-	-
Parks and Recreation	-	114,223	-	-
Airport Operations	219,799	-	-	-
Capital Outlay	21,277	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
Bond Issuance Costs	-	-	-	-
Fiscal Charges	-	-	-	-
<b>Total Expenditures</b>	<b>241,076</b>	<b>114,223</b>	<b>-</b>	<b>-</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(58,073)	(21,286)	255,274	-
<b>Other Financing Sources (Uses)</b>				
Transfers In	40,000	-	-	-
Transfers Out	-	-	(229,997)	-
Refunding Bonds Issued	-	-	-	-
Premium on Refunding Bonds Issued	-	-	-	-
Payment to Refunded Bond Escrow Agent	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>40,000</b>	<b>-</b>	<b>(229,997)</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>(18,073)</b>	<b>(21,286)</b>	<b>25,277</b>	<b>-</b>
<b>Fund Balances, Beginning of Year</b>	<b>50,454</b>	<b>412,375</b>	<b>314,203</b>	<b>327,522</b>
<b>Fund Balances, End of year</b>	<b>\$ 32,381</b>	<b>\$ 391,089</b>	<b>\$ 339,480</b>	<b>\$ 327,522</b>

Special Revenue Funds			Debt Service Fund	Capital Projects Fund	Total Nonmajor Governmental Funds
Asset Replacement Fund	Lodging Visitors Bureau Fund	Animal Shelter Fund	Chaffee County Facilities Corporation	Capital Expenditures Fund	
\$ -	\$ 395,921	\$ 206,148	\$ -	\$ 119,025	\$ 958,221
-	-	-	-	-	153,601
-	-	-	-	-	118,408
687	441	-	475	1,560	4,328
-	-	-	-	43,297	64,210
<u>687</u>	<u>396,362</u>	<u>206,148</u>	<u>475</u>	<u>163,882</u>	<u>1,298,768</u>
-	-	208,269	-	3,160	211,429
-	319,972	-	-	-	319,972
-	-	-	-	-	114,223
-	-	-	-	-	219,799
189,954	-	-	-	66,228	277,459
-	-	-	395,000	-	395,000
-	-	-	169,125	-	169,125
-	-	-	77,249	-	77,249
-	-	-	4,163	-	4,163
<u>189,954</u>	<u>319,972</u>	<u>208,269</u>	<u>645,537</u>	<u>69,388</u>	<u>1,788,419</u>
(189,267)	76,390	(2,121)	(645,062)	94,494	(489,651)
136,920	-	-	570,000	-	746,920
-	(2,600)	-	-	-	(232,597)
-	-	-	3,270,000	-	3,270,000
-	-	-	150,363	-	150,363
-	-	-	(3,446,837)	-	(3,446,837)
<u>136,920</u>	<u>(2,600)</u>	<u>-</u>	<u>543,526</u>	<u>-</u>	<u>487,849</u>
(52,347)	73,790	(2,121)	(101,536)	94,494	(1,802)
<u>375,952</u>	<u>234,560</u>	<u>17,736</u>	<u>700,386</u>	<u>403,736</u>	<u>2,836,924</u>
<u>\$ 323,605</u>	<u>\$ 308,350</u>	<u>\$ 15,615</u>	<u>\$ 598,850</u>	<u>\$ 498,230</u>	<u>\$ 2,835,122</u>

# CHAFFEE COUNTY, COLORADO

## AIRPORT FUND

### SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

#### BUDGET AND ACTUAL (BUDGETARY BASIS)

#### FOR THE YEAR ENDED DECEMBER 31, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Intergovernmental	\$ 42,000	\$ 42,000	\$ 61,263	\$ 19,263
Charges for Services	132,100	132,100	118,408	(13,692)
Other Revenues	1,200	1,200	3,332	2,132
<b>Total Revenues</b>	<b>175,300</b>	<b>175,300</b>	<b>183,003</b>	<b>7,703</b>
<b>Expenditures:</b>				
Current:				
Airport Operations	123,034	123,034	122,096	938
Fuel Purchases	100,000	100,000	97,703	2,297
Capital Outlay	-	480,731	21,277	459,454
<b>Total Expenditures</b>	<b>223,034</b>	<b>703,765</b>	<b>241,076</b>	<b>462,689</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(47,734)	(528,465)	(58,073)	470,392
<b>Other Financing Sources (Uses):</b>				
Transfers In	40,000	40,000	40,000	-
<b>Net Change in Fund Balances</b>	<b>(7,734)</b>	<b>(488,465)</b>	<b>(18,073)</b>	<b>470,392</b>
<b>Fund Balances, Beginning of Year</b>	<b>72,758</b>	<b>72,758</b>	<b>50,454</b>	<b>(22,304)</b>
<b>Fund Balances, End of Year</b>	<b>\$ 65,024</b>	<b>\$ (415,707)</b>	<b>\$ 32,381</b>	<b>\$ 448,088</b>

# CHAFFEE COUNTY, COLORADO

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## CONSERVATION TRUST FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL (BUDGETARY BASIS) FOR THE YEAR ENDED DECEMBER 31, 2012

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	Budgeted Amounts Original and Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
<b>Revenues:</b>			
Intergovernmental	\$ 75,000	\$ 92,338	\$ 17,338
Investment Earnings	400	599	199
<b>Total Revenues</b>	<u>75,400</u>	<u>92,937</u>	<u>17,537</u>
<b>Expenditures:</b>			
Current:			
Parks and Recreation	<u>266,500</u>	<u>114,223</u>	<u>152,277</u>
<b>Total Expenditures</b>	<u>266,500</u>	<u>114,223</u>	<u>152,277</u>
<b>Net Change in Fund Balances</b>	(191,100)	(21,286)	169,814
<b>Fund Balances, Beginning of Year</b>	<u>422,355</u>	<u>412,375</u>	<u>(9,980)</u>
<b>Fund Balances, End of Year</b>	<u>\$ 231,255</u>	<u>\$ 391,089</u>	<u>\$ 159,834</u>

# CHAFFEE COUNTY, COLORADO

## RETIREMENT FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL (BUDGETARY BASIS) FOR THE YEAR ENDED DECEMBER 31, 2012

	Budgeted Amounts <u>Original and Final</u>	Actual Amounts	Variance with Final Budget - Positive (Negative)
<b>Revenues:</b>			
Taxes	\$ 232,365	\$ 237,127	\$ 4,762
Investment Earnings	500	566	66
Other Revenues	<u>2,387</u>	<u>17,581</u>	<u>15,194</u>
<b>Total Revenues</b>	<u>235,252</u>	<u>255,274</u>	<u>20,022</u>
<b>Expenditures:</b>			
Current:			
General Government	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	235,252	255,274	20,022
<b>Other Financing Sources (Uses):</b>			
Transfers Out	<u>(230,000)</u>	<u>(229,997)</u>	<u>3</u>
<b>Net Change in Fund Balances</b>	5,252	25,277	20,025
<b>Fund Balances, Beginning of Year</b>	<u>343,494</u>	<u>314,203</u>	<u>(29,291)</u>
<b>Fund Balances, End of Year</b>	<u>\$ 348,746</u>	<u>\$ 339,480</u>	<u>\$ (9,266)</u>

# CHAFFEE COUNTY, COLORADO

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## CONTINGENT RESERVE SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL (BUDGETARY BASIS) FOR THE YEAR ENDED DECEMBER 31, 2012

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	Budgeted Amounts <u>Original and Final</u>	Actual Amounts	Variance with Final Budget - Positive (Negative)
<b>Revenues:</b>			
Taxes	\$ -	\$ -	\$ -
Investment Earnings	-	-	-
Other Revenues	-	-	-
<b>Total Revenues</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Other Financing Sources (Uses):</b>			
Transfers Out	-	-	-
<b>Total Other Finance Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	-	-	-
<b>Fund Balances, Beginning of Year</b>	<u>327,522</u>	<u>327,522</u>	-
<b>Fund Balances, End of Year</b>	<u>\$ 327,522</u>	<u>\$ 327,522</u>	<u>\$ -</u>

# CHAFFEE COUNTY, COLORADO

## ASSET REPLACEMENT FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL (BUDGETARY BASIS) FOR THE YEAR ENDED DECEMBER 31, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Investment Earnings	\$ 500	\$ 500	\$ 687	\$ 187
<b>Total Revenues</b>	<b>500</b>	<b>500</b>	<b>687</b>	<b>187</b>
<b>Expenditures:</b>				
Capital Outlay	184,000	214,000	189,954	24,046
<b>Total Expenditures</b>	<b>184,000</b>	<b>214,000</b>	<b>189,954</b>	<b>24,046</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(183,500)	(213,500)	(189,267)	24,233
<b>Other Financing Sources (Uses):</b>				
Transfers In	133,120	133,120	136,920	3,800
<b>Net Change in Fund Balances</b>	<b>(50,380)</b>	<b>(80,380)</b>	<b>(52,347)</b>	<b>28,033</b>
<b>Fund Balances, Beginning of Year</b>	<b>375,945</b>	<b>375,945</b>	<b>375,952</b>	<b>7</b>
<b>Fund Balances, End of Year</b>	<b>\$ 325,565</b>	<b>\$ 295,565</b>	<b>\$ 323,605</b>	<b>\$ 28,040</b>

# CHAFFEE COUNTY, COLORADO

## LODGING VISTORS BUREAU FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL (BUDGETARY BASIS) FOR THE YEAR ENDED DECEMBER 31, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Taxes	\$ 300,000	\$ 300,000	\$ 395,921	\$ 95,921
Investment Earnings	350	350	441	91
<b>Total Revenues</b>	<b>300,350</b>	<b>300,350</b>	<b>396,362</b>	<b>96,012</b>
<b>Expenditures:</b>				
Current:				
Economic Development	297,370	317,370	319,972	(2,602)
<b>Total Expenditures</b>	<b>297,370</b>	<b>317,370</b>	<b>319,972</b>	<b>(2,602)</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,980	(17,020)	76,390	93,410
<b>Other Financing Sources (Uses):</b>				
Transfers Out	(2,600)	(2,600)	(2,600)	-
<b>Net Change in Fund Balances</b>	<b>380</b>	<b>(19,620)</b>	<b>73,790</b>	<b>93,410</b>
<b>Fund Balances, Beginning of Year</b>	<b>205,290</b>	<b>205,290</b>	<b>234,560</b>	<b>29,270</b>
<b>Fund Balances, End of Year</b>	<b>\$ 205,670</b>	<b>\$ 185,670</b>	<b>\$ 308,350</b>	<b>\$ 122,680</b>

# CHAFFEE COUNTY, COLORADO

## ANIMAL SHELTER FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL (BUDGETARY BASIS) FOR THE YEAR ENDED DECEMBER 31, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Taxes	\$ 204,793	\$ 204,793	\$ 206,148	\$ 1,355
Investment Earnings	400	400	-	(400)
<b>Total Revenues</b>	<u>205,193</u>	<u>205,193</u>	<u>206,148</u>	<u>955</u>
<b>Expenditures:</b>				
Current:				
General Government	206,300	221,300	208,269	13,031
<b>Total Expenditures</b>	<u>206,300</u>	<u>221,300</u>	<u>208,269</u>	<u>13,031</u>
<b>Net Change in Fund Balances</b>	(1,107)	(16,107)	(2,121)	13,986
<b>Fund Balances, Beginning of Year</b>	<u>16,038</u>	<u>16,038</u>	<u>17,736</u>	<u>1,698</u>
<b>Fund Balances, End of Year</b>	<u>\$ 14,931</u>	<u>\$ (69)</u>	<u>\$ 15,615</u>	<u>\$ 15,684</u>

# CHAFFEE COUNTY, COLORADO

## CHAFFEE COUNTY FACILITIES CORPORATION SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL (BUDGETARY BASIS) FOR THE YEAR ENDED DECEMBER 31, 2012

	Budgeted Amounts <u>Original and Final</u>	Actual Amounts <u>                    </u>	Variance with Final Budget - Positive (Negative) <u>                    </u>
<b>Revenues:</b>			
Investment Earnings	\$ -	\$ 475	\$ 475
<b>Total Revenues</b>	<u>-</u>	<u>475</u>	<u>475</u>
<b>Expenditures:</b>			
Debt Service:			
Principal	395,000	395,000	-
Interest	220,000	169,125	50,875
Bond Issuance Costs	-	77,249	(77,249)
Fiscal Charges	5,000	4,163	837
<b>Total Expenditures</b>	<u>620,000</u>	<u>645,537</u>	<u>(25,537)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(620,000)</u>	<u>(645,062)</u>	<u>(25,062)</u>
<b>Other Financing Sources (Uses):</b>			
Transfers In	615,000	570,000	(45,000)
Refunding Bonds Issued	-	3,270,000	3,270,000
Premium on Refunding Bonds Issued	-	150,363	150,363
Payment to Refunded Bond Escrow Agent	-	(3,446,837)	(3,446,837)
<b>Total Other Financing Sources (Uses)</b>	<u>615,000</u>	<u>543,526</u>	<u>(71,474)</u>
<b>Net Change in Fund Balances</b>	<u>(5,000)</u>	<u>(101,536)</u>	<u>(96,536)</u>
<b>Fund Balances, Beginning of Year</b>	<u>83,209</u>	<u>700,386</u>	<u>617,177</u>
<b>Fund Balances, End of Year</b>	<u>\$ 78,209</u>	<u>\$ 598,850</u>	<u>\$ 520,641</u>

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# CHAFFEE COUNTY, COLORADO

## CAPITAL EXPENDITURES FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL (BUDGETARY BASIS) FOR THE YEAR ENDED DECEMBER 31, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Taxes	\$ 127,715	\$ 127,715	\$ 119,025	\$ (8,690)
Investment Earnings	900	900	1,560	660
Other Revenue	30,000	30,000	43,297	13,297
<b>Total Revenues</b>	<b>158,615</b>	<b>158,615</b>	<b>163,882</b>	<b>5,267</b>
<b>Expenditures:</b>				
Current:				
General Government	5,800	5,800	3,160	2,640
Capital Outlay	44,000	70,000	66,228	3,772
<b>Total Expenditures</b>	<b>49,800</b>	<b>75,800</b>	<b>69,388</b>	<b>6,412</b>
<b>Net Change in Fund Balances</b>	<b>108,815</b>	<b>82,815</b>	<b>94,494</b>	<b>11,679</b>
<b>Fund Balances, Beginning of Year</b>	<b>424,814</b>	<b>424,814</b>	<b>403,736</b>	<b>(21,078)</b>
<b>Fund Balances, End of Year</b>	<b>\$ 533,629</b>	<b>\$ 507,629</b>	<b>\$ 498,230</b>	<b>\$ (9,399)</b>

# CHAFFEE COUNTY, COLORADO

## WASTE DISPOSAL FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL (BUDGETARY BASIS) FOR THE YEAR ENDED DECEMBER 31, 2011

	Budgeted Amounts Original and Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
<b>Revenues:</b>			
Charges for Services:			
Garbage Collection Fees	\$ 630,000	\$ 606,884	\$ (23,116)
Investment Earnings	1,900	1,331	(569)
Other Revenues	4,000	4,003	3
<b>Total Revenues</b>	<b>635,900</b>	<b>612,218</b>	<b>(23,682)</b>
<b>Expenditures:</b>			
Operations:			
Personnel Costs	234,960	228,110	6,850
Closure and Post Closure Costs	40,000	66,519	(26,519)
Other Operating Costs	258,900	196,715	62,185
New Landfill Construction	80,000	91,268	(11,268)
Capital Outlay	-	2,100	(2,100)
<b>Total Expenditures</b>	<b>613,860</b>	<b>584,712</b>	<b>29,148</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	22,040	27,506	5,466
<b>Other Financing Sources (Uses):</b>			
Transfers Out	(29,000)	(29,000)	-
<b>Net Change in Fund Balances</b>	<b>(6,960)</b>	<b>(1,494)</b>	<b>5,466</b>
<b>Fund Balances, Beginning of Year</b>	<b>1,271,700</b>	<b>1,003,740</b>	<b>(267,960)</b>
<b>Fund Balances, End of Year</b>	<b>\$ 1,264,740</b>	<b>\$ 1,002,246</b>	<b>\$ (262,494)</b>

Fund Balances at December 31, 2011, is computed as follows:

Current Assets	\$ 1,389,963
Less: Current Liabilities	(387,717)
Fund Balances - December 31, 2011	<u>\$ 1,002,246</u>

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**RECONCILIATION OF NET CHANGE IN FUND BALANCES (BUDGETARY BASIS)  
TO CHANGE IN NET ASSETS (GAAP BASIS)**

<b>Net Change in Fund Balances (Budgetary Basis)</b>	<u>\$ (1,494)</u>
<b>Adjustments to Reconcile Budgetary Basis to GAAP Basis</b>	
Capitalization of Fixed Assets	89,680
Book Value of Capital Assets Disposed	(5,221)
Depreciation	<u>(204,857)</u>
<b>Total Adjustments</b>	<u>(120,398)</u>
<b>Change in Net Assets (GAAP Basis)</b>	<u><u>\$ (121,892)</u></u>

# CHAFFEE COUNTY, COLORADO

## EMERGENCY MEDICAL SERVICES FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL (BUDGETARY BASIS) FOR THE YEAR ENDED DECEMBER 31, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Charges for Services:				
Ambulance Fees	\$ 825,000	\$ 825,000	\$ 774,235	\$ (50,765)
Intergovernmental	7,500	7,500	58,657	51,157
Other Revenues	600	600	788	188
<b>Total Revenues</b>	<b>833,100</b>	<b>833,100</b>	<b>833,680</b>	<b>580</b>
<b>Expenditures:</b>				
Operations:				
Personnel Costs	839,613	839,613	803,157	36,456
Other Operating Costs	295,450	295,450	284,577	10,873
Capital Outlay	-	33,000	32,908	92
<b>Total Expenditures</b>	<b>1,135,063</b>	<b>1,168,063</b>	<b>1,120,642</b>	<b>47,421</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(301,963)	(334,963)	(286,962)	48,001
<b>Other Financing Sources (Uses):</b>				
Transfers In	350,000	350,000	300,000	(50,000)
Transfers Out	(6,000)	(6,000)	(6,000)	-
<b>Total Other Financing Sources (Uses)</b>	<b>344,000</b>	<b>344,000</b>	<b>294,000</b>	<b>(50,000)</b>
<b>Net Change in Fund Balances</b>	<b>42,037</b>	<b>9,037</b>	<b>7,038</b>	<b>(1,999)</b>
<b>Fund Balances, Beginning of Year</b>	<b>211,087</b>	<b>211,087</b>	<b>338,923</b>	<b>127,836</b>
<b>Fund Balances, End of Year</b>	<b>\$ 253,124</b>	<b>\$ 220,124</b>	<b>\$ 345,961</b>	<b>\$ 125,837</b>

Fund Balances at December 31, 2011, is computed as follows:

Current Assets	\$ 372,945
Less: Current Liabilities	(26,984)
<b>Fund Balances - December 31, 2011</b>	<b>\$ 345,961</b>

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**RECONCILIATION OF NET CHANGE IN FUND BALANCES (BUDGETARY BASIS)  
TO CHANGE IN NET ASSETS (GAAP BASIS)**

<b>Net Change in Fund Balances (Budgetary Basis)</b>	<u>\$ 7,038</u>
<b>Adjustments to Reconcile Budgetary Basis to GAAP Basis</b>	
Capitalization of Fixed Assets	32,908
Depreciation	<u>(103,888)</u>
<b>Total Adjustments</b>	<u>(70,980)</u>
<b>Change in Net Assets (GAAP Basis)</b>	<u><u>\$ (63,942)</u></u>

# CHAFFEE COUNTY, COLORADO

## J.V. SEWER FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL (BUDGETARY BASIS) FOR THE YEAR ENDED DECEMBER 31, 2011

	Budgeted Amounts <u>Original and Final</u>	Actual Amounts <u>                    </u>	Variance with Final Budget - Positive (Negative) <u>                    </u>
<b>Revenues:</b>			
Charges for Services:			
Sewer Surcharge	\$ 34,400	\$ 34,396	\$ (4)
<b>Total Revenues</b>	<u>34,400</u>	<u>34,396</u>	<u>(4)</u>
<b>Expenditures:</b>			
Debt Service:			
Principal	7,685	7,683	2
Interest	22,315	22,282	33
<b>Total Expenditures</b>	<u>30,000</u>	<u>29,965</u>	<u>35</u>
<b>Net Change in Fund Balances</b>	4,400	4,431	31
<b>Fund Balances, Beginning of Year</b>	<u>40,231</u>	<u>46,992</u>	<u>6,761</u>
<b>Fund Balances, End of Year</b>	<u>\$ 44,631</u>	<u>\$ 51,423</u>	<u>\$ 6,792</u>

Fund Balances at December 31, 2011, is computed as follows:

Current Assets	\$ 53,235
Less: Current Liabilities	(9,843)
Add: Current Portion of Revenue Bonds Payable	<u>8,031</u>
<b>Fund Balances - December 31, 2011</b>	<u>\$ 51,423</u>

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**RECONCILIATION OF NET CHANGE IN FUND BALANCES (BUDGETARY BASIS)  
TO CHANGE IN NET ASSETS (GAAP BASIS)**

<b>Net Change in Fund Balances (Budgetary Basis)</b>	<u>\$ 4,431</u>
<b>Adjustments to Reconcile Budgetary Basis to GAAP Basis</b>	
Principal Paid On Revenue Bonds	7,683
Depreciation and Amortization	<u>(17,928)</u>
<b>Total Adjustments</b>	<u>(10,245)</u>
<b>Change in Net Assets (GAAP Basis)</b>	<u><u>\$ (5,814)</u></u>

# CHAFFEE COUNTY, COLORADO

## INSURANCE FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL (BUDGETARY BASIS) FOR THE YEAR ENDED DECEMBER 31, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Charges for Services:				
Insurance Contribution	\$ 298,000	\$ 298,000	\$ 300,486	\$ 2,486
Investment Earnings	1,000	1,000	513	(487)
Other Revenues	5,500	5,500	44,505	39,005
<b>Total Revenues</b>	<b>304,500</b>	<b>304,500</b>	<b>345,504</b>	<b>41,004</b>
<b>Expenditures:</b>				
Current:				
Administrative, Legal and Claims	10,000	10,000	150	9,850
CAPP Pool Contributions	97,000	97,000	96,208	792
Workers Compensation Pool Contributions	177,300	177,300	170,720	6,580
Property and Casualty Claims	5,000	44,000	41,082	2,918
Miscellaneous	1,000	1,000	668	332
<b>Total Expenditures</b>	<b>290,300</b>	<b>329,300</b>	<b>308,828</b>	<b>20,472</b>
<b>Net Change in Fund Balances</b>	<b>14,200</b>	<b>(24,800)</b>	<b>36,676</b>	<b>61,476</b>
<b>Fund Balances, Beginning of Year</b>	<b>454,317</b>	<b>454,317</b>	<b>457,716</b>	<b>3,399</b>
<b>Fund Balances, End of Year</b>	<b>\$ 468,517</b>	<b>\$ 429,517</b>	<b>\$ 494,392</b>	<b>\$ 64,875</b>

Fund Balances at December 31, 2011, is computed as follows:

Current Assets	\$ 494,392
Less: Current Liabilities	-
<b>Fund Balances - December 31, 2011</b>	<b>\$ 494,392</b>

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**RECONCILIATION OF NET CHANGE IN FUND BALANCES (BUDGETARY BASIS)  
TO CHANGE IN NET ASSETS (GAAP BASIS)**

<b>Net Change in Fund Balances (Budgetary Basis)</b>	<b>\$ 36,676</b>
<b>Adjustments to Reconcile Budgetary Basis to GAAP Basis</b>	
<b>Total Adjustments</b>	<b>-</b>
<b>Change in Net Assets (GAAP Basis)</b>	<b>\$ 36,676</b>

# CHAFFEE COUNTY, COLORADO

## DETAILED SCHEDULE OF GENERAL FUND EXPENDITURES (BUDGETARY BASIS) - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2012

Description	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>General Government:</b>				
Board of County Commissioners	\$ 584,010	\$ 584,010	\$ 525,777	\$ 58,233
Administrative Support	259,170	259,170	256,709	2,461
County Attorney	45,550	45,550	41,047	4,503
Budget Officer	19,320	19,320	18,822	498
Audit	24,000	24,000	25,000	(1,000)
Safety	8,600	8,600	13,235	(4,635)
County Clerk and Recorder	435,090	440,090	427,609	12,481
Elections	185,850	215,850	193,596	22,254
County Treasurer and Public Trustee	296,330	296,330	281,703	14,627
County Assessor	465,120	492,120	472,760	19,360
Information Technology	6,500	6,500	232	6,268
County Extension Service	122,620	122,620	117,689	4,931
Veterans Service Officer	23,050	23,050	20,465	2,585
Secure Rural Schools	150,000	150,000	26,744	123,256
PILT Funding	74,500	124,500	119,864	4,636
Miscellaneous	80,000	80,000	83,856	(3,856)
<b>Total General Government</b>	<b>2,779,710</b>	<b>2,891,710</b>	<b>2,625,108</b>	<b>266,602</b>
<b>Community Development:</b>				
Planning and Zoning	128,621	128,621	107,490	21,131
Building Inspector	443,184	463,184	464,400	(1,216)
Environmental Health	79,764	79,764	73,065	6,699
<b>Total Community Development</b>	<b>651,569</b>	<b>671,569</b>	<b>644,955</b>	<b>26,614</b>
<b>Public Safety:</b>				
District Attorney	317,871	317,871	320,432	(2,561)
Sheriff	1,503,196	1,521,196	1,480,200	40,996
Jail	1,215,035	1,237,035	1,248,383	(11,348)
Coroner	132,240	132,240	121,563	10,677
Civil Defense	89,320	95,320	100,591	(5,271)
Communications Center	592,053	592,053	564,897	27,156
<b>Total Public Safety</b>	<b>3,849,715</b>	<b>3,895,715</b>	<b>3,836,066</b>	<b>59,649</b>

Description	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Health and Welfare</b>				
Public Health Nurse	\$ 307,780	\$ 307,780	\$ 289,711	\$ 18,069
Livewell	199,960	232,960	179,290	53,670
Immunization	150,000	150,000	52,747	97,253
CHP/STEPP	57,466	57,466	47,332	10,134
EPSDT	51,855	51,855	51,790	65
Oral Health Program	50,500	50,500	58,945	(8,445)
Victims Assistance Program	59,847	63,847	61,784	2,063
<b>Total Health and Welfare</b>	<b>877,408</b>	<b>914,408</b>	<b>741,599</b>	<b>172,809</b>
<b>Public Works:</b>				
Buildings and Grounds	223,395	242,395	225,344	17,051
Touber Building and Grounds	198,129	208,129	189,922	18,207
Weed Management	97,131	97,131	92,345	4,786
<b>Total Public Works</b>	<b>518,655</b>	<b>547,655</b>	<b>507,611</b>	<b>40,044</b>
<b>Parks and Recreation:</b>				
Fairgrounds	168,110	168,110	173,886	(5,776)
<b>TOTAL EXPENDITURES</b>	<b>\$ 8,845,167</b>	<b>\$ 9,089,167</b>	<b>\$ 8,529,225</b>	<b>\$ 559,942</b>

# CHAFFEE COUNTY, COLORADO

## DETAILED SCHEDULE OF GENERAL FUND REVENUES (BUDGETARY BASIS) - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2012

Description	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Taxes:</b>				
General Property Tax	\$ 1,983,682	\$ 1,983,682	\$ 1,973,230	\$ (10,452)
General Property Tax - Delinquent Collections	2,500	2,500	1,789	(711)
General Property Tax - Interest and Penalties	7,500	7,500	8,503	1,003
Specific Ownership Tax	196,000	196,000	256,778	60,778
Sales Tax	2,920,000	2,920,000	2,983,366	63,366
<b>Total Taxes</b>	<b>5,109,682</b>	<b>5,109,682</b>	<b>5,223,666</b>	<b>113,984</b>
<b>Licenses and Permits:</b>				
Liquor Licenses	3,000	3,000	3,220	220
Building Permits	320,000	320,000	357,043	37,043
Septic Permits	17,000	17,000	21,491	4,491
F/S Inspections	31,000	31,000	31,213	213
<b>Total Licenses and Permits</b>	<b>371,000</b>	<b>371,000</b>	<b>412,967</b>	<b>41,967</b>
<b>Intergovernmental:</b>				
Federal Grants	209,336	209,336	180,404	(28,932)
Payments In-Lieu-Of Taxes	1,148,388	1,148,388	1,217,878	69,490
State Grants and Contracts	410,959	410,959	449,084	38,125
Other	47,175	47,175	50,406	3,231
<b>Total Intergovernmental</b>	<b>1,815,858</b>	<b>1,815,858</b>	<b>1,897,772</b>	<b>81,914</b>
<b>Charges for Services:</b>				
Departmental Fees	734,000	734,000	801,856	67,856
Public Safety Fees	585,310	585,310	717,904	132,594
Health and Welfare Fees	33,000	33,000	36,196	3,196
<b>Total Charges for Services</b>	<b>1,352,310</b>	<b>1,352,310</b>	<b>1,555,956</b>	<b>203,646</b>
<b>Fines and Forfeitures</b>				
Traffic Fines	80,000	80,000	52,255	(27,745)
<b>Total Fines and Forfeitures</b>	<b>80,000</b>	<b>80,000</b>	<b>52,255</b>	<b>(27,745)</b>
<b>Investment Earnings</b>	<b>42,900</b>	<b>42,900</b>	<b>45,855</b>	<b>2,955</b>
<b>Miscellaneous Revenues:</b>				
Rents and Royalties	132,780	132,780	105,293	(27,487)
Cost Allocations	25,000	25,000	23,428	(1,572)
Miscellaneous Nonclassified Revenues	207,000	207,000	278,719	71,719
<b>Total Miscellaneous Revenues</b>	<b>364,780</b>	<b>364,780</b>	<b>407,440</b>	<b>42,660</b>
<b>TOTAL REVENUES</b>	<b>\$ 9,136,530</b>	<b>\$ 9,136,530</b>	<b>\$ 9,595,911</b>	<b>\$ 459,381</b>

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

<b>LOCAL HIGHWAY FINANCE REPORT</b>	City or County: Chaffee
	YEAR ENDING : December 2012
This Information From The Records Of (example - City of _ or County of _ County of Chaffee	Prepared By: Dan Short Phone: 719-530-5596

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

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

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

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

ITEM	AMOUNT	ITEM	AMOUNT
<b>A. Receipts from local sources:</b>		<b>A. Local highway disbursements:</b>	
1. Local highway-user taxes		1. Capital outlay (from page 2)	0
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	1,852,880
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	34,821
2. General fund appropriations		b. Snow and ice removal	92,300
3. Other local imposts (from page 2)	59,375	c. Other	
4. Miscellaneous local receipts (from page 2)	78,200	d. Total (a. through c.)	127,121
5. Transfers from toll facilities		4. General administration & miscellaneous	36,086
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	
a. Bonds - Original Issues		6. Total (1 through 5)	2,016,087
b. Bonds - Refunding Issues		<b>B. Debt service on local obligations:</b>	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	
7. Total (1 through 6)	137,575	b. Redemption	
<b>B. Private Contributions</b>		c. Total (a. + b.)	0
<b>C. Receipts from State government</b> (from page 2)	1,792,049	2. Notes:	
<b>D. Receipts from Federal Government</b> (from page 2)	36,974	a. Interest	
<b>E. Total receipts (A.7 + B + C + D)</b>	1,966,598	b. Redemption	
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	0
		<b>C. Payments to State for highways</b>	
		<b>D. Payments to toll facilities</b>	
		<b>E. Total disbursements (A.6 + B.3 + C + D)</b>	2,016,087

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

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

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

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	1,771,583	1,966,598	2,016,087	1,722,094	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
<b>A.3. Other local imposts:</b>		<b>A.4. Miscellaneous local receipts:</b>	
a. Property Taxes and Assessments	52,571	a. Interest on investments	3,429
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes		c. Parking Garage Fees	
2. Infrastructure & Impact Fees		d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	2,357
4. Licenses		f. Charges for Services	10,790
5. Specific Ownership &/or Other	6,804	g. Other Misc. Receipts	49,566
6. Total (1. through 5.)	6,804	h. Other	12,058
c. Total (a. + b.)	59,375	i. Total (a. through h.)	78,200
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
<b>C. Receipts from State Government</b>		<b>D. Receipts from Federal Government</b>	
1. Highway-user taxes	1,735,993	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	56,056	d. Federal Transit Admin	
d. Other (Specify) - DOLA Grant		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	36,974
f. Total (a. through e.)	56,056	g. Total (a. through f.)	36,974
4. Total (1. + 2. + 3.f)	1,792,049	3. Total (1. + 2.g)	
			(Carry forward to page 1)

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

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

Notes and Comments:

## **SINGLE AUDIT SECTION**

# CHAFFEE 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 #	Federal Expenditures
<b><u>U.S. Department of Justice</u></b>		
<i>Passed Through Colorado Division of Criminal Justice:</i>		
Victim of Crimes Act, Crime Victim Assistance Program (VOCA)	16.575	\$ 16,162
<b><u>U.S. Department of Health and Human Services</u></b>		
<i>Passed Through Colorado Department of Human Services:</i>		
Drug Free Communities Program (Chaffee County Build a Generation)	93.276	90,081
Promoting Safe and Stable Families	93.556	26,214
Temporary Assistance for Needy Families	93.558	438,500
Temporary Assistance for Needy Families (County MOE Refund)	93.558	-
Title IV D Administrative	93.563	157,285
Low Income Home Energy Assistance (LEAP)	93.568	269,038
CCDF Discretionary	93.575	(5,440)
CCDF	93.596	63,968
Title IV B Child Welfare	93.645	9,979
Title IV E Foster Care	93.658	84,145
Title IV E Adoption	93.659	38,818
Title XX	93.667	66,004
Temporary Assistance for Needy Families (ARRA)	93.714	7,506
Title XIX Medicaid	93.778	67,785
Adjustment to Federal Assistance	93.xxx	5,911
Comprehensvie Community Mental Health Services for Children With Serious Emotional Disturbances	93.104	50,274
<i>Passed through Colorado Department of Public Health and Environment</i>		
Emergency Preparedness Response Grant (EPRD)	93.069	17,724
Injury Prevention and Control Research and State and Community Based Programs	93.136	32,182
Childhood Immunization	93.268	7,446
PPHF 2012 - Capacity Building Assistance to Strengthen Public Heath Immunization Infrastructure and Performance	93.539	10,690
Nuturing Parent Program	93.590	17,178
Maternal and Child Health Services Block Grant	93.994	5,671
<b>Total U.S. Department of Health and Human Services</b>		<b>1,460,959</b>

Federal Grantor / Pass Through Grantor / Program Or Cluster Title	Federal CFDA #	Federal Expenditures
<b><u>U.S. Department of Homeland Security</u></b>		
Federal Emergency Management Agency <i>Passed through Colorado Department of Local Affairs</i> Emergency Management Performance Grant (EMPG)	97.042	40,670
<b>Total U.S. Department of Homeland Security</b>		40,670
<b><u>U.S. Department of Transportation</u></b>		
Federal Aviation Administration Airport Improvement Program	20.106	11,401
<b>Total U.S. Department of Transportation</b>		11,401
<b><u>U.S. Department of Agriculture</u></b>		
<i>Passed Through Colorado Department of Human Services:</i>		
Food Assistance Administration	10.561	149,240
Food Assistance	10.551	2,225,935
<i>Passed Through Colorado Department of Human Services and Upper Arkansas Area Council</i>		
Emergency Food Assistance Program (Food Commodities)	10.569	13,870
<b>Total U.S. Department of Agriculture</b>		2,389,045
<b>Total Expenditures of Federal Awards</b>		<b>\$ 3,918,237</b>

# CHAFFEE COUNTY, COLORADO

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## NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS YEAR ENDED DECEMBER 31, 2012

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### **Note 1. General**

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal award programs collected and expended of Chaffee County, Colorado. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-profit Organizations*. Therefore, some amounts in these schedules may differ from amounts presented in, or used in the presentation of the basic financial statements.

**SCOTT C. WRIGHT**  
**CERTIFIED PUBLIC ACCOUNTANT**

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(970) 970-9650  
scottwright.cpa@icloud.com

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Board of County Commissioners  
Chaffee County, Colorado  
Salida, Colorado

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

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Chaffee County, Colorado, as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise Chaffee County, Colorado's basic financial statements, and have issued my report thereon dated April 8, 2013.

**Internal Control Over Financial Reporting**

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

My 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 my audit I did not identify any deficiencies in internal control that I

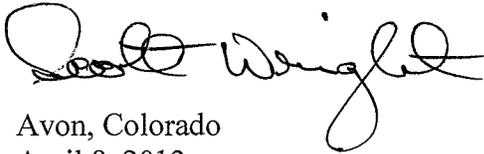
consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Chaffee County, Colorado's financial statements are free from material misstatement, I 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 my audit, and accordingly, I do not express such an opinion. The results of my 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 my 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 black ink, appearing to read "Scott Wright". The signature is written in a cursive style with a large initial "S" and a long, sweeping underline.

Avon, Colorado  
April 8, 2013

**SCOTT C. WRIGHT**  
**CERTIFIED PUBLIC ACCOUNTANT**

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Board of County Commissioners  
Chaffee County, Colorado  
Salida, Colorado

INDEPEDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH  
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE  
REQUIRED BY OMB CIRCULAR A-133

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

I have audited Chaffee County, Colorado's 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 Chaffee County, Colorado major federal programs for the year ended December 31, 2013. Chaffee County, Colorado's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

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

***Auditor's Responsibility***

My responsibility is to express an opinion on compliance for each of Chaffee County, Colorado's major federal programs based on my audit of the types of compliance requirements referred to above. I conducted my 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 I 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 Chaffee County, Colorado's compliance with those requirements and performing such other procedures as I considered necessary in the circumstances.

I believe that my audit provides a reasonable basis for my opinion on compliance for each major federal program. However, my audit does not provide a legal determination of Chaffee County, Colorado's compliance.

## ***Opinion on Each Major Federal Program***

In my opinion, Chaffee County, Colorado, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2013.

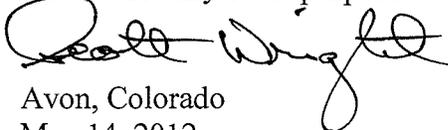
## **Report on Internal Control Over Compliance**

Management of Chaffee County, Colorado, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing my audit of compliance, I considered Chaffee County, Colorado'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, I do not express an opinion on the effectiveness of Chaffee County, Colorado'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.

My 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. I did not identify any deficiencies in internal control over compliance that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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



Avon, Colorado  
May 14, 2012

# CHAFFEE COUNTY, COLORADO

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## SCHEDULE OF FINDINGS AND QUESTIONED COSTS YEAR ENDED DECEMBER 31, 2012

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### A. Summary of Auditor Results

- The auditor's report expresses an unqualified opinion on Chaffee County, Colorado's basic financial statements as of and for the year ended December 31, 2012.
- No reportable conditions relating to the audit of the basic financial statements are reported in the 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*.
- No instances of noncompliance material to the basic financial statements of Chaffee County, Colorado were disclosed during the audit.
- No reportable conditions relating to the audit of the major federal award programs are reported in the Report on Compliance with Requirements Applicable to Each Major Program and Internal Control over Compliance in Accordance with OMB Circular A-133.
- The auditor's report on Compliance for the Major Federal Award Programs for Chaffee County, Colorado expresses an unqualified opinion.
- There are no audit findings relative to the major federal award programs for Chaffee County, Colorado to be reported in Part C of this schedule.
- The programs tested as major federal programs were:
  - CFDA 93.558 Temporary Assistance for Needy Families
  - CFDA 10.551 Supplemental Nutrition Assistance Program
- The threshold for distinguishing type A and B programs was \$300,000.
- Chaffee County, Colorado was determined to be a low risk auditee.

### B. FINDINGS UNDER GENERALLY ACCEPTED GOVERNMENT AUDITING STANDARDS (GAGAS)

- None

### C. FINDINGS AND QUESTIONED COSTS UNDER OMB CIRCULAR A-133

- None

# **CHAFFEE COUNTY, COLORADO**

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## **SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS YEAR ENDED DECEMBER 31, 2012**

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### **A. Summary Schedule of Prior Audit Findings**

- There were no prior year audit findings and/or questioned costs for the year ended December 31, 2011 for Chaffee County, Colorado.