

**CHAFFEE COUNTY, COLORADO**

**ANNUAL FINANCIAL REPORT**

**FOR THE**

**YEAR ENDED DECEMBER 31, 2013**

---

**CHAFFEE COUNTY, COLORADO  
ELECTED AND APPOINTED OFFICIALS  
December 31, 2013**

ELECTED OFFICIALS

Dennis Giese, Chairman of the Board, Commissioner District #1  
Frank Holman, , Commissioner District #2  
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

---

## ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED DECEMBER 31, 2013

### TABLE OF CONTENTS

---

<b>FINANCIAL SECTION</b>	<b>Page</b>
Independent Auditor's Report	1-3
Management's Discussion and Analysis	4-13
<b>Basic Financial Statements</b>	
<i>Government-wide Financial Statements:</i>	
Statement of Net Position	15
Statement of Activities	16-17
<i>Fund Financial Statements:</i>	
Balance Sheet – Governmental Funds	18-19
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	20-21
Statement of Net Position – Proprietary Funds	22
Statement of Revenues, Expenses and Changes in Fund Net Assets – Proprietary Funds	23
Statement of Cash Flows – Proprietary Funds	24-25
Statement of Fiduciary Assets and Liabilities – Fiduciary Fund	26
Notes to the Basic Financial Statements	27-43
<b>Required Supplementary Information</b>	
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund	45
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Road and Bridge Fund	46
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Health and Human Services Fund	47
<b>Other Supplemental Information</b>	
Nonmajor Governmental Fund Descriptions	49-50
Combining Balance Sheet – Nonmajor Governmental Funds	52-53
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds	54-55

# CHAFFEE COUNTY, COLORADO

---

## COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED DECEMBER 31, 2013

### TABLE OF CONTENTS - CONTINUED

---

<b>Other Supplemental Information (Continued)</b>	<b>Page</b>
Schedules of Revenues, Expenditures and Changes in Fund Balances Budget and Actual (Budgetary Basis):	
Special Revenue Funds:	
Airport Fund	56
Conservation Trust Fund	57
Retirement Fund	58
Contingent Reserve Fund	59
Asset Replacement Fund	60
Lodging Visitors Bureau Fund	61
Animal Shelter Fund	62
Chaffee County Facilities Corporation Debt Service Fund	63
Capital Expenditures Capital Projects Fund	64
Enterprise Funds:	
Waste Disposal Fund	66-67
Emergency Medical Services Fund	68-69
J.V Sewer Fund	70-71
Insurance Reserve Internal Service Fund	74-75
<i>Miscellaneous Schedules:</i>	
Detailed Schedule of General Fund Expenditures (Budgetary Basis) – Budget and Actual	76-77
Detailed Schedule of General Fund Revenues (Budgetary Basis) – Budget and Actual	78
Local Highway Finance Report	79-80
<b>SINGLE AUDIT SECTION</b>	
Schedule of Expenditures of Federal Awards	82-83
Notes to Schedules of Expenditures of Federal Awards	84
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Governmental Auditing Standards	85-86
Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133	87-88
Schedule of Findings and Questioned Costs	89
Summary Schedule of Prior Audit Findings	90

**THIS PAGE INTENTIONALLY LEFT BLANK**

## **FINANCIAL SECTION**

**SCOTT C. WRIGHT**  
**CERTIFIED PUBLIC ACCOUNTANT**  
P.O. Box 6597  
AVON, COLORADO 81620  
scottwright.cpa@icloud.com

---

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, 2013, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

**Management's Responsibility for the Financial Statements**

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

**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, 2013, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **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*

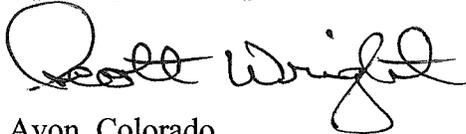
My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Chaffee County, Colorado's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and statistical section, are presented for purposes 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 14, 2014, 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 written in a cursive style with a large initial "S" and a long, sweeping tail.

Avon, Colorado  
April 14, 2014

## 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, 2013.

### Financial Highlights

- The assets of the County exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$29,378,553 (net position). Of this amount, \$11,239,519 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 \$42,321.
- As of the close of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$10,967,881, an increase of \$705,300 in comparison with the prior year. Approximately forty-six percent (44%) of this total amount, or \$4,849,940, 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 represented fifty-four percent (54%) 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 \$375,000.

### 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 56-80 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 \$29,378,553 as of December 31, 2013.

A large portion of the County's net position (57.2%) 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 (4.5%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* (\$11,239,519) may be used to meet the County's ongoing obligations to citizens and creditors.

### Condensed Net Position

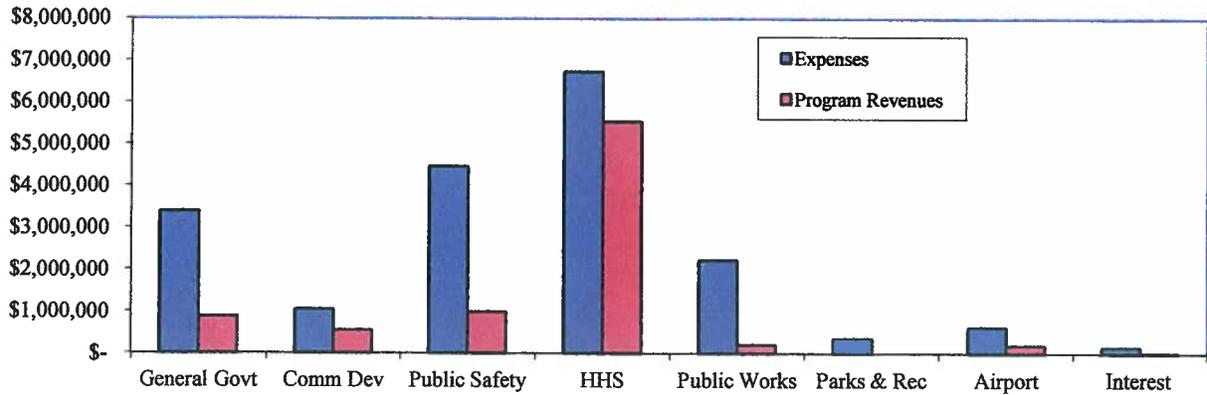
	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Government</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Current and Other Assets	\$16,141,136	\$15,601,726	\$1,989,396	\$2,088,957	\$18,130,532	\$17,690,683
Capital Assets, net	<u>19,855.804</u>	<u>20,636.855</u>	<u>2,113.160</u>	<u>2,171.581</u>	<u>21,968.964</u>	<u>22,808.436</u>
Total Assets	<u>35,996.940</u>	<u>36,238.581</u>	<u>4,102.556</u>	<u>4,260.538</u>	<u>40,099.496</u>	<u>40,499.119</u>
Other Liabilities	1,584,088	1,794,683	71,238	74,162	1,655,326	1,868,845
Noncurrent Liabilities	<u>5,229.736</u>	<u>5,571.130</u>	<u>539.710</u>	<u>529.329</u>	<u>5,769.446</u>	<u>6,100.459</u>
Total Liabilities	<u>6,813.824</u>	<u>7,365.813</u>	<u>610.948</u>	<u>603.491</u>	<u>7,424.772</u>	<u>7,969.304</u>
Deferred Inflows of Resources	<u>3,296.171</u>	<u>3,193.583</u>	-	-	<u>3,296.171</u>	<u>3,193.583</u>
Net Position:						
Net Investment in Capital Assets	15,171,701	15,546,492	1,639,553	1,689,564	16,811,254	17,236,056
Restricted	1,327,780	1,232,019	-	-	1,327,780	1,282,680
Unrestricted	<u>9,387.464</u>	<u>8,900.674</u>	<u>1,852.055</u>	<u>1,967.483</u>	<u>11,239.519</u>	<u>10,868.157</u>
Total Net Position	<u>\$25,886,945</u>	<u>\$25,679,185</u>	<u>\$3,491,608</u>	<u>\$3,657,047</u>	<u>\$29,378,553</u>	<u>\$29,336,232</u>

## Change in Net Position

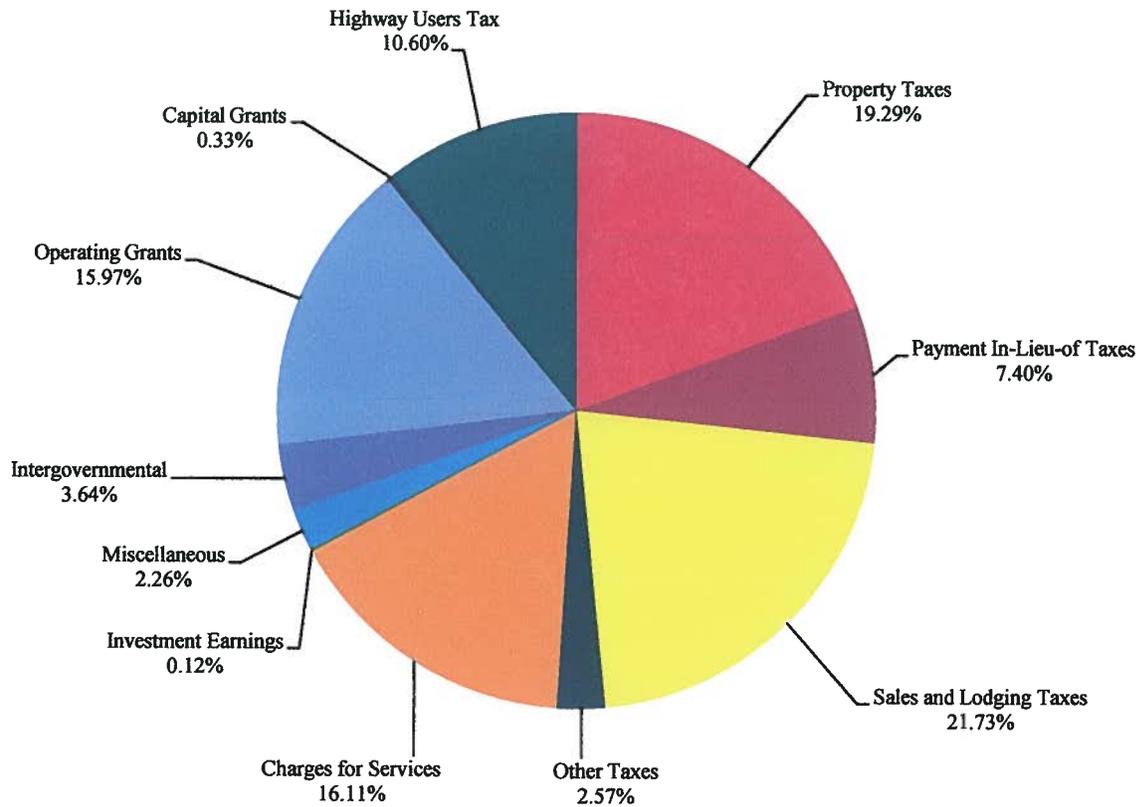
	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Government</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
<b>REVENUES</b>						
Program Revenues:						
Charges for Services	\$ 2,653,834	\$ 2,207,534	\$ 1,508,818	\$ 1,909,311	\$ 4,162,652	\$ 4,116,845
Operating Grants and Contributions	5,630,642	5,726,596	43,480	12,504	5,674,122	5,739,100
Capital Grants and Contributions	55,080	29,341	-	-	55,080	29,341
General Revenues:						
Taxes:						
Property Taxes	3,178,780	3,063,985	-	-	3,178,780	3,063,985
Sales and Lodging Taxes	3,579,846	3,379,287	-	-	3,579,846	3,379,287
Payment In-Lieu-of Taxes	1,218,663	1,217,878	-	-	1,218,663	1,217,878
Highway Users Tax	1,746,095	1,735,993	-	-	1,746,095	1,735,993
Other Taxes	422,800	402,067	-	-	422,800	402,067
Unrestricted Investment Earnings	19,430	54,801	1,690	2,253	21,120	57,024
Intergovernmental	599,298	574,113	-	-	599,298	574,113
Miscellaneous	<u>372,104</u>	<u>539,428</u>	<u>-</u>	<u>-</u>	<u>372,104</u>	<u>539,428</u>
<b>Total Revenues</b>	<u>19,476,572</u>	<u>18,931,023</u>	<u>1,553,988</u>	<u>1,924,068</u>	<u>21,030,560</u>	<u>20,855,091</u>
<b>EXPENSES</b>						
Program Activities:						
Governmental Activities:						
General Government	3,385,865	3,444,386	-	-	3,385,865	3,444,386
Community / Economic Development	1,042,831	976,906	-	-	1,042,831	976,906
Public Safety	4,458,522	4,149,462	-	-	4,458,522	4,149,462
Health and Welfare	6,729,678	6,683,810	-	-	6,729,678	6,683,810
Public Works	2,224,669	2,625,158	-	-	2,224,669	2,625,158
Parks and Recreation	356,281	321,198	-	-	356,281	321,198
Airport Operations	622,265	570,522	-	-	622,265	570,522
Interest on Long-term Debt	153,701	429,255	-	-	153,701	429,255
Business-type Activities:						
Landfill Operations	-	-	708,640	649,166	708,640	649,166
Emergency Medical Services	-	-	1,266,412	1,174,383	1,266,412	1,174,383
Sewer Enterprise	<u>-</u>	<u>-</u>	<u>39,375</u>	<u>39,708</u>	<u>39,375</u>	<u>39,708</u>
<b>Total Expenses</b>	<u>18,973,812</u>	<u>19,200,697</u>	<u>2,014,427</u>	<u>1,863,257</u>	<u>20,988,239</u>	<u>21,063,954</u>
Excess (Deficiency) Before Transfers	502,760	(269,674)	(460,439)	60,811	42,321	(208,863)
Transfers	<u>(295,000)</u>	<u>(405,000)</u>	<u>295,000</u>	<u>405,000</u>	<u>-</u>	<u>-</u>
<b>Increase (Decrease) in Net position</b>	<b>207,760</b>	<b>(674,674)</b>	<b>(165,439)</b>	<b>465,811</b>	<b>42,321</b>	<b>(208,863)</b>
Net Position, Beginning	<u>25,679,185</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>
Net Position, Ending	<u>\$25,886,945</u>	<u>\$25,679,185</u>	<u>\$ 3,491,608</u>	<u>\$ 3,657,047</u>	<u>\$29,378,553</u>	<u>\$29,336,232</u>

**Governmental Activities.** Governmental activities increased the County's net position by \$207,760 in 2013. The cost of all governmental activities in 2013 was \$18,973,812, a 1.2% decrease from the prior year. Revenues from governmental activities decreased 2.9% from the prior year. The key elements of this increase were increases in charges for services, property taxes, and sales and lodging taxes in 2013 .

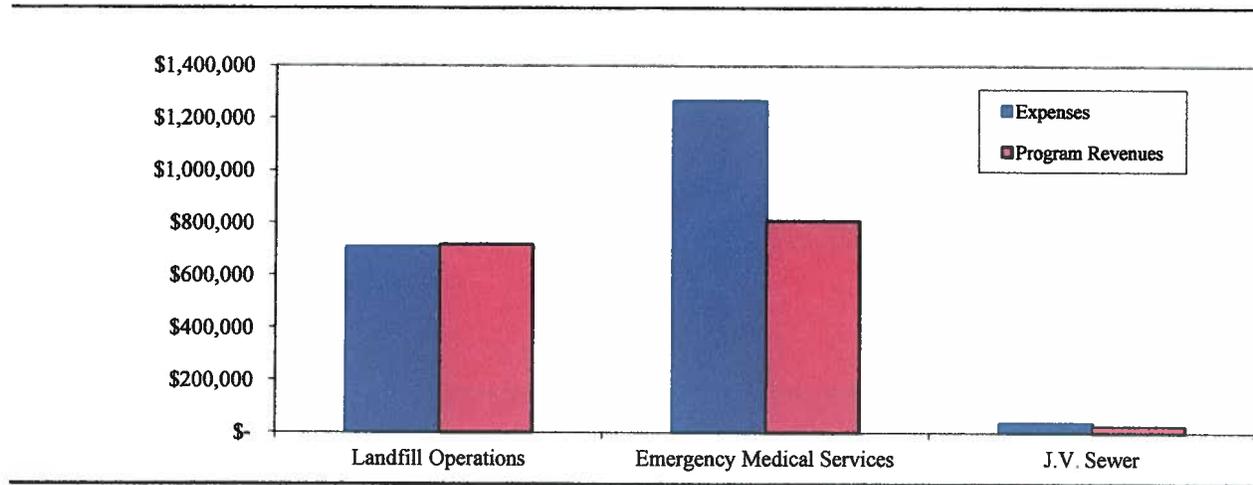
## Expenses and Program Revenues – Governmental Activities



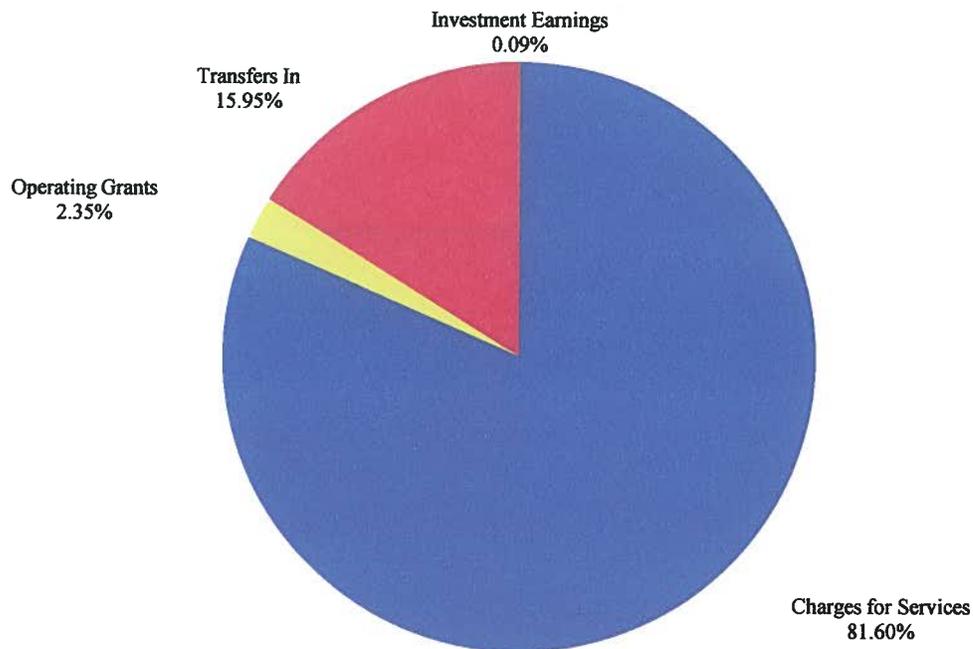
## Revenues by Source – Governmental Activities



## 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, 2013 and the amount and percentage of increases and decreases in relation to the prior year.

<u>Revenues</u>	2013 <u>Amount</u>	Percent of <u>Total</u>	2012 <u>Amount</u>	Amount of Increase (Decrease)	Percent Increase (Decrease)
Taxes	\$ 7,181,426	37.15%	\$ 6,845,339	\$ 336,087	4.91%
Licenses and Permits	550,949	2.85%	425,025	125,924	29.63%
Intergovernmental	9,249,778	47.84%	9,283,921	(34,143 )	(.37%)
Charges for Services	1,898,713	9.82%	1,685,154	213,559	12.67%
Fines and Forfeitures	66,035	0.34%	52,255	13,780	26.37%
Investment Earnings	18,816	0.10%	53,733	(34,917)	(64.87%)
Miscellaneous	<u>367,931</u>	<u>1.90%</u>	<u>531,833</u>	<u>(163,902)</u>	<u>(30.81%)</u>
<b>Total</b>	<b><u>\$19,333,648</u></b>	<b><u>100.00%</u></b>	<b><u>\$18,877,260</u></b>	<b><u>\$ 456,388</u></b>	

The following schedule presents a summary of governmental fund expenditures for the year ended December 31, 2013, and the amount and percentage of increases and decreases in relation to the prior year.

<u>Expenditures</u>	2013 <u>Amount</u>	Percent of <u>Total</u>	2012 <u>Amount</u>	Amount of Increase (Decrease)	Percent Increase (Decrease)
<b>Current:</b>					
General Government	\$ 2,748,908	14.99%	\$ 2,836,537	\$ (87,629)	(3.09%)
Community / Economic Development	1,037,337	5.66%	964,927	72,410	7.50%
Public Safety	4,193,878	22.87%	3,836,066	357,812	9.33%
Health and Welfare	6,713,454	36.61%	6,657,159	56,295	0.85%
Public Works	2,142,122	11.68%	2,483,739	(341,617)	(13.75%)
Parks and Recreation	323,329	1.76%	288,109	35,220	12.22%
Airport Operations	212,700	1.16%	219,799	(7,099)	(3.23%)
Capital Outlay	399,862	2.18%	285,883	113,979	39.87%
<b>Debt Service:</b>					
Principal	375,000	2.04%	395,000	(20,000)	(5.06%)
Interest	190,475	1.04%	169,125	21,350	12.62%
Bond Issuance Charges	-	NA	77,249	(77,249)	100.00%
Fiscal Charges	<u>2,720</u>	<u>0.01%</u>	<u>4,163</u>	<u>(1,443)</u>	<u>(34.66%)</u>
<b>Total</b>	<b><u>\$18,339,785</u></b>	<b><u>100.00%</u></b>	<b><u>\$18,217,756</u></b>	<b><u>\$ 122,029</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 \$10,967,881, an increase of \$705,300 from the prior year. Of this total, \$5,867,371 is restricted due to external

limitations on its use, such as by debt covenants and legal restrictions. A total of \$260,823 is considered unspendable because it has been used for prepaid items (inventories). The remaining \$4,839,687 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 \$4,849,940. The fund balance of the general fund increased by \$114,616 or 2.3%, in 2013. 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 54.2% 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, 2013, totals \$21,968,964 (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 decrease in the County's net capital assets for the current fiscal year was 3.7% (a 3.8% decrease for governmental activities and a 2.7% decrease for business-type activities).

Major capital assets purchased during the current fiscal year included a new Caterpillar 950K Wheel Loader for \$224,000, four new Chevy Tahoe Sheriff's vehicles (one was an insurance claim replacement) totaling \$160,067, and a Ford F-350 Mechanics Truck for \$37,371.

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

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Land	\$ 755,157	\$ 755,157	\$ 177,677	\$ 177,677	\$ 932,834	\$ 932,834
Construction in Progress	-	-	371,900	205,440	371,900	205,440
Buildings & Imp.	17,678,587	18,403,994	479,669	563,002	18,158,256	18,966,996
Utility Lines	-	-	506,217	523,981	506,217	523,981
Vehicles	542,659	512,973	306,571	402,277	849,230	415,250
Mach. & Equip	<u>879,401</u>	<u>964,731</u>	<u>271,126</u>	<u>299,204</u>	<u>1,150,527</u>	<u>1,263,935</u>
Total	<u>\$19,855,804</u>	<u>\$20,636,855</u>	<u>\$ 2,113,160</u>	<u>\$ 2,171,581</u>	<u>\$21,968,964</u>	<u>\$22,808,436</u>

Additional information on the County's capital assets can be found in Notes 4 on pages 37-38 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 \$5,018,607. Of this amount, \$4,545,000 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, \$473,607, 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>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Revenue Bonds	\$ -	\$ -	\$ 473,607	\$ 482,017	\$ 473,607	\$ 482,017
Certificates of Participation	<u>4,545,000</u>	<u>4,920,000</u>	<u>-</u>	<u>-</u>	<u>4,545,000</u>	<u>4,920,000</u>
Total	<u>\$ 4,545,000</u>	<u>\$ 4,920,000</u>	<u>\$ 473,607</u>	<u>\$ 482,017</u>	<u>\$ 5,018,607</u>	<u>\$ 5,402,017</u>

The County's total outstanding debt decreased by a net \$411,000 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 39-40 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, 2013

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and Investments	\$ 11,023,919	\$ 1,846,773	\$ 12,870,692
Receivables	4,343,375	142,623	4,485,998
Inventory	260,823	-	260,823
Restricted Assets - Cash and Cash Equivalents	513,019	-	513,019
Capital Assets, net of accumulated depreciation:			
Nondepreciable	755,157	549,577	1,304,734
Depreciable	19,100,647	1,563,583	20,664,230
<b>Total Assets</b>	<b>35,996,940</b>	<b>4,102,556</b>	<b>40,099,496</b>
<b>LIABILITIES</b>			
Accounts Payable	329,687	33,095	362,782
Accrued Liabilities	35,664	36,333	71,997
Accrued Interest Payable	19,480	1,810	21,290
Deposits and Reserves	163,344	-	163,344
Unearned Revenues	1,035,913	-	1,035,913
Noncurrent Liabilities:			
Due Within One Year	965,758	74,882	1,040,640
Due In More Than One Year	4,263,978	464,828	4,728,806
<b>Total Liabilities</b>	<b>6,813,824</b>	<b>610,948</b>	<b>7,424,772</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Gain on Advance Refunding of Debt	16,330	-	16,330
Unavailable Revenue - Property Taxes	3,279,841	-	3,279,841
<b>Total Deferred Inflows of Resources</b>	<b>3,296,171</b>	<b>-</b>	<b>3,296,171</b>
<b>NET POSITION</b>			
Net Investment in Capital Assets	15,171,701	1,639,553	16,811,254
Restricted For:			
Emergencies	465,011	-	465,011
Debt Service	601,946	-	601,946
Inventory	260,823	-	260,823
Unrestricted	9,387,464	1,852,055	11,239,519
<b>Total Net Position</b>	<b>\$ 25,886,945</b>	<b>\$ 3,491,608</b>	<b>\$ 29,378,553</b>

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

# CHAFFEE COUNTY, COLORADO

## STATEMENT OF ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2013

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental Activities:</b>				
General Government	\$ 3,385,865	\$ 876,485	\$ -	\$ -
Community / Economic Development	1,042,831	532,940	13,254	-
Public Safety	4,458,522	836,865	150,800	-
Health and Welfare	6,729,678	72,730	5,460,168	-
Public Works	2,224,669	200,605	6,420	-
Parks and Recreation	356,281	-	-	-
Airport Operations	622,265	134,209	-	55,080
Interest and Fiscal Charges on Long-term Debt	153,701	-	-	-
<b>Total Governmental Activities</b>	<b>18,973,812</b>	<b>2,653,834</b>	<b>5,630,642</b>	<b>55,080</b>
<b>Business-type Activities:</b>				
Landfill Operations	708,640	717,624	-	-
Emergency Medical Services	1,266,412	765,396	43,480	-
Sewer	39,375	25,798	-	-
<b>Total Business-type Activities</b>	<b>2,014,427</b>	<b>1,508,818</b>	<b>43,480</b>	<b>-</b>
<b>Total Primary Government</b>	<b>\$ 20,988,239</b>	<b>\$ 4,162,652</b>	<b>\$ 5,674,122</b>	<b>\$ 55,080</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**

**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
\$ (2,509,380)	\$ -	\$ (2,509,380)
(496,637)	-	(496,637)
(3,470,857)	-	(3,470,857)
(1,196,780)	-	(1,196,780)
(2,017,644)	-	(2,017,644)
(356,281)	-	(356,281)
(432,976)	-	(432,976)
(153,701)	-	(153,701)
<u>(10,634,256)</u>	<u>-</u>	<u>(10,634,256)</u>
-	8,984	8,984
-	(457,536)	(457,536)
-	(13,577)	(13,577)
<u>-</u>	<u>(462,129)</u>	<u>(462,129)</u>
<u>(10,634,256)</u>	<u>(462,129)</u>	<u>(11,096,385)</u>
3,178,780	-	3,178,780
3,579,846	-	3,579,846
1,218,663	-	1,218,663
1,746,095	-	1,746,095
422,800	-	422,800
599,298	-	599,298
19,430	1,690	21,120
372,104	-	372,104
(295,000)	295,000	-
<u>10,842,016</u>	<u>296,690</u>	<u>11,138,706</u>
207,760	(165,439)	42,321
<u>25,679,185</u>	<u>3,657,047</u>	<u>29,336,232</u>
<u>\$ 25,886,945</u>	<u>\$ 3,491,608</u>	<u>\$ 29,378,553</u>

# CHAFFEE COUNTY, COLORADO

## BALANCE SHEET GOVERNMENTAL FUNDS DECEMBER 31, 2013

	General Fund	Road and Bridge Fund	Health and Human Services Fund	Other Governmental Funds
<b>ASSETS</b>				
Cash and Investments	\$ 4,823,415	\$ 1,894,654	\$ 1,591,695	\$ 2,391,508
Receivables:				
- Interest	1,088	162	-	199
- Taxes	2,131,541	56,561	575,217	516,522
- Accounts	-	-	7,775	368
- Intergovernmental	621,949	88,313	279,930	57,591
Inventories	-	219,616	-	41,207
Due from Other Funds	6,201	-	-	-
Restricted Assets - Cash and Cash Equivalents	-	-	-	513,019
<b>Total Assets</b>	<b>\$ 7,584,194</b>	<b>\$ 2,259,306</b>	<b>\$ 2,454,617</b>	<b>\$ 3,520,414</b>
<b>LIABILITIES</b>				
Accounts Payable	\$ 82,705	\$ 25,190	\$ 112,328	\$ 115,665
Accrued Liabilities	35,664	-	-	-
Deposits and Reserves	163,344	-	-	-
Unearned Revenues	-	-	1,035,913	-
<b>Total Liabilities</b>	<b>281,713</b>	<b>25,190</b>	<b>1,148,241</b>	<b>115,665</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable Revenue - Property Taxes	2,131,541	56,561	575,217	516,522
<b>FUND BALANCES</b>				
<b>Nonspendable:</b>				
Inventories	-	219,616	-	41,207
<b>Restricted For:</b>				
TABOR Emergency Reserve	137,489	-	-	327,522
Debt Service	-	-	-	601,946
Public Safety	56,850	-	-	-
Secure Rural Schools	126,661	-	-	-
Roads and Bridges	-	1,957,939	-	-
Capital Improvements	-	-	-	783,121
Recreational Purposes	-	-	-	403,645
Employee Retirement Plan	-	-	-	354,230
Tourism Promotion	-	-	-	377,519
Animal Shelter	-	-	-	9,290
Health and Public Welfare	-	-	731,159	-
<b>Unassigned</b>	<b>4,849,940</b>	<b>-</b>	<b>-</b>	<b>(10,253)</b>
<b>Total Fund Balances</b>	<b>5,170,940</b>	<b>2,177,555</b>	<b>731,159</b>	<b>2,888,227</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 7,584,194</b>	<b>\$ 2,259,306</b>	<b>\$ 2,454,617</b>	<b>\$ 3,520,414</b>

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

**RECONCILIATION OF TOTAL GOVERNMENTAL  
FUND BALANCE TO NET POSITION OF  
GOVERNMENTAL ACTIVITIES  
DECEMBER 31, 2013**

<u>Total</u>																																																																	
<table border="0" style="width: 100%;"> <tr> <td style="width: 10%;">\$</td> <td style="width: 10%;">10,701,272</td> <td style="width: 80%;"></td> </tr> <tr> <td></td> <td style="text-align: right;">1,449</td> <td></td> </tr> <tr> <td></td> <td style="text-align: right;">3,279,841</td> <td></td> </tr> <tr> <td></td> <td style="text-align: right;">8,143</td> <td></td> </tr> <tr> <td></td> <td style="text-align: right;">1,047,783</td> <td></td> </tr> <tr> <td></td> <td style="text-align: right;">260,823</td> <td></td> </tr> <tr> <td></td> <td style="text-align: right;">6,201</td> <td></td> </tr> <tr> <td></td> <td style="text-align: right;">513,019</td> <td></td> </tr> <tr> <td style="border-top: 1px solid black;"></td> <td style="border-top: 1px solid black;"></td> <td></td> </tr> <tr> <td>\$</td> <td style="text-align: right;">15,818,531</td> <td></td> </tr> </table>	\$	10,701,272			1,449			3,279,841			8,143			1,047,783			260,823			6,201			513,019					\$	15,818,531		<p>Total Governmental Fund Balances <span style="float: right;"><u>\$ 10,967,881</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;">31,665,828</span></li> <li>- Accumulated depreciation <span style="float: right;"><u>(11,810,024)</u></span></li> </ul> <p style="text-align: right;"><u>19,855,804</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;">(4,684,103)</span></li> <li>- Compensated absences payable <span style="float: right;"><u>(561,963)</u></span></li> </ul> <p style="text-align: right;"><u>(5,246,066)</u></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>(19,480)</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>328,806</u></span></p> <p><b>Net Position of Governmental Activities</b> <span style="float: right;"><u><u>\$ 25,886,945</u></u></span></p>																																		
\$	10,701,272																																																																
	1,449																																																																
	3,279,841																																																																
	8,143																																																																
	1,047,783																																																																
	260,823																																																																
	6,201																																																																
	513,019																																																																
\$	15,818,531																																																																
<table border="0" style="width: 100%;"> <tr> <td style="width: 10%;"></td> <td style="width: 10%;">1,570,809</td> <td style="width: 80%;"></td> </tr> <tr> <td style="border-top: 1px solid black;"></td> <td style="border-top: 1px solid black;"></td> <td></td> </tr> <tr> <td></td> <td style="text-align: right;">3,279,841</td> <td></td> </tr> <tr> <td style="border-top: 1px solid black;"></td> <td style="border-top: 1px solid black;"></td> <td></td> </tr> <tr> <td></td> <td style="text-align: right;">260,823</td> <td></td> </tr> <tr> <td></td> <td style="text-align: right;">465,011</td> <td></td> </tr> <tr> <td></td> <td style="text-align: right;">601,946</td> <td></td> </tr> <tr> <td></td> <td style="text-align: right;">56,850</td> <td></td> </tr> <tr> <td></td> <td style="text-align: right;">126,661</td> <td></td> </tr> <tr> <td></td> <td style="text-align: right;">1,957,939</td> <td></td> </tr> <tr> <td></td> <td style="text-align: right;">783,121</td> <td></td> </tr> <tr> <td></td> <td style="text-align: right;">403,645</td> <td></td> </tr> <tr> <td></td> <td style="text-align: right;">354,230</td> <td></td> </tr> <tr> <td></td> <td style="text-align: right;">377,519</td> <td></td> </tr> <tr> <td></td> <td style="text-align: right;">9,290</td> <td></td> </tr> <tr> <td></td> <td style="text-align: right;">731,159</td> <td></td> </tr> <tr> <td></td> <td style="text-align: right;">4,839,687</td> <td></td> </tr> <tr> <td style="border-top: 1px solid black;"></td> <td style="border-top: 1px solid black;"></td> <td></td> </tr> <tr> <td></td> <td style="text-align: right;">10,967,881</td> <td></td> </tr> <tr> <td style="border-top: 1px solid black;"></td> <td style="border-top: 1px solid black;"></td> <td></td> </tr> <tr> <td>\$</td> <td style="text-align: right;">15,818,531</td> <td></td> </tr> </table>		1,570,809						3,279,841						260,823			465,011			601,946			56,850			126,661			1,957,939			783,121			403,645			354,230			377,519			9,290			731,159			4,839,687						10,967,881					\$	15,818,531			
	1,570,809																																																																
	3,279,841																																																																
	260,823																																																																
	465,011																																																																
	601,946																																																																
	56,850																																																																
	126,661																																																																
	1,957,939																																																																
	783,121																																																																
	403,645																																																																
	354,230																																																																
	377,519																																																																
	9,290																																																																
	731,159																																																																
	4,839,687																																																																
	10,967,881																																																																
\$	15,818,531																																																																

# CHAFFEE COUNTY, COLORADO

## STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS FOR THE YEAR ENDED DECEMBER 31, 2013

	General Fund	Road and Bridge Fund	Health and Human Services Fund	Other Governmental Funds
<b>Revenues</b>				
Taxes	\$ 5,507,178	\$ 61,822	\$ 628,689	\$ 983,737
Licenses and Permits	544,207	6,742	-	-
Intergovernmental	1,849,312	1,831,273	5,370,927	198,266
Charges for Services	1,706,337	58,167	-	134,209
Fines and Forfeitures	66,035	-	-	-
Investment Earnings	13,653	2,135	107	2,921
Other Revenues	316,361	10,129	7,733	33,708
<b>Total Revenues</b>	<b>10,003,083</b>	<b>1,970,268</b>	<b>6,007,456</b>	<b>1,352,841</b>
<b>Expenditures</b>				
Current:				
General Government	2,525,687	-	-	223,221
Community / Economic Development	704,426	-	-	332,911
Public Safety	4,193,878	-	-	-
Health and Welfare	802,007	-	5,911,447	-
Public Works	504,795	1,637,327	-	-
Parks and Recreation	224,514	-	-	98,815
Airport Operations	-	-	-	212,700
Capital Outlay	-	176,371	-	223,491
Debt Service:				
Principal	-	-	-	375,000
Interest	-	-	-	190,475
Fiscal Charges	-	-	-	2,720
<b>Total Expenditures</b>	<b>8,955,307</b>	<b>1,813,698</b>	<b>5,911,447</b>	<b>1,659,333</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,047,776	156,570	96,009	(306,492)
<b>Other Financing Sources (Uses)</b>				
Transfers In	297,600	295,000	-	700,760
Transfers Out	(1,230,760)	(10,000)	-	(347,600)
Sales of Capital Assets	-	-	-	6,437
<b>Total Other Financing Sources (Uses)</b>	<b>(933,160)</b>	<b>285,000</b>	<b>-</b>	<b>359,597</b>
<b>Net Change in Fund Balances</b>	<b>114,616</b>	<b>441,570</b>	<b>96,009</b>	<b>53,105</b>
<b>Fund Balances, Beginning of Year</b>	<b>5,056,324</b>	<b>1,735,985</b>	<b>635,150</b>	<b>2,835,122</b>
<b>Fund Balances, End of year</b>	<b>\$ 5,170,940</b>	<b>\$ 2,177,555</b>	<b>\$ 731,159</b>	<b>\$ 2,888,227</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, 2013**

Total			
\$ 7,181,426	Net Change in Fund Balances - Total Governmental Funds		\$ 705,300
550,949			
9,249,778	<i>Amounts reported for governmental activities in the Statement of Activities are different because:</i>		
1,898,713			
66,035	Governmental funds report capital outlays as expenditures.		
18,816	However, for governmental activities, those capital outlays other		
367,931	than the noncapitalizable items, are reported in the Statement of		
	Activities and the cost of those assets is allocated over their		
19,333,648	estimated useful lives and reported as depreciation expense:		
	- Capital Outlay	511,292	
2,748,908	- Depreciation	(1,292,343)	
1,037,337		(781,051)	
4,193,878	Repayment of bond and lease principal are reported as an expenditure		
6,713,454	in the governmental funds, but the repayment reduces long-term		
2,142,122	liabilities in the Statement of Net Position:		
323,329	- Certificates of Participation retirements	375,000	
212,700			
399,862	Payments received on short-term loans are reported as revenues in		
	the governmental funds, but the repayment reduces notes receivable		
375,000	in the Statement of Net Position.	(10,000)	
190,475			
2,720	Some expenses reported in the Statement of Activities do not		
	require the use of current financial resources and therefore are		
18,339,785	not reported as expenditures in governmental funds:		
	- Change in compensated absences payable	(61,196)	
993,863	- Change in accrued interest payable on outstanding bonds	8,234	
	- Amortization of deferred gain on refunding and bond premium	31,260	
		(21,702)	
1,293,360	The internal service fund is used by management to charge the		
(1,588,360)	cost of insurance to individual funds. The net income of the		
6,437	internal service fund is included in governmental activities.	(59,787)	
(288,563)	<b>Change in Net Position of Governmental Activities</b>	<b>\$ 207,760</b>	
705,300			
10,262,581			
\$ 10,967,881			

# CHAFFEE COUNTY, COLORADO

## STATEMENT OF NET POSITION PROPRIETARY FUNDS DECEMBER 31, 2013

	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	\$ 1,656,361	\$ 145,569	\$ 44,843	\$ 1,846,773	\$ 322,647
Receivables:					
- Interest	127	-	-	127	47
- Accounts, net	11,926	121,971	-	133,897	6,112
- Intergovernmental	-	-	8,599	8,599	-
<b>Total Current Assets</b>	<b>1,668,414</b>	<b>267,540</b>	<b>53,442</b>	<b>1,989,396</b>	<b>328,806</b>
<b>Capital Assets:</b>					
- Land and Improvements	135,677	36,000	6,000	177,677	-
- Construction in Progress	371,900	-	-	371,900	-
- Buildings and Improvements	1,085,863	514,534	-	1,600,397	-
- Utility Lines	-	-	710,585	710,585	-
- Vehicles	229,428	667,985	-	897,413	-
- Machinery and Equipment	978,069	393,738	-	1,371,807	-
- Accumulated Depreciation	(1,926,534)	(885,717)	(204,368)	(3,016,619)	-
<b>Net Capital Assets</b>	<b>874,403</b>	<b>726,540</b>	<b>512,217</b>	<b>2,113,160</b>	<b>-</b>
<b>Total Assets</b>	<b>2,542,817</b>	<b>994,080</b>	<b>565,659</b>	<b>4,102,556</b>	<b>328,806</b>
<b>LIABILITIES</b>					
<b>Current Liabilities:</b>					
Accounts Payable	16,698	10,203	-	26,901	-
Due to Other Funds	6,194	-	-	6,194	-
Compensated Absences Payable	22,714	43,389	-	66,103	-
Accrued Closure and Post-Closure Costs	36,333	-	-	36,333	-
Accrued Interest Payable	-	-	1,810	1,810	-
Revenue Bonds Payable - Current	-	-	8,779	8,779	-
<b>Total Current Liabilities</b>	<b>81,939</b>	<b>53,592</b>	<b>10,589</b>	<b>146,120</b>	<b>-</b>
<b>Noncurrent Liabilities:</b>					
Revenue Bonds Payable	-	-	464,828	464,828	-
<b>Total Liabilities</b>	<b>81,939</b>	<b>53,592</b>	<b>475,417</b>	<b>610,948</b>	<b>-</b>
<b>NET POSITION</b>					
Net Investment in Capital Assets	874,403	726,540	38,610	1,639,553	-
Unrestricted	1,586,475	213,948	51,632	1,852,055	328,806
<b>Total Net Position</b>	<b>\$ 2,460,878</b>	<b>\$ 940,488</b>	<b>\$ 90,242</b>	<b>\$ 3,491,608</b>	<b>\$ 328,806</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, 2013

	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	\$ 707,484	\$ 725,320	\$ 25,798	\$ 1,458,602	\$ 281,850
Other Operating Revenues	10,140	40,076	-	50,216	14,173
<b>Total Operating Revenues</b>	<b>717,624</b>	<b>765,396</b>	<b>25,798</b>	<b>1,508,818</b>	<b>296,023</b>
<b>Operating Expenses:</b>					
Cost of Operations	527,531	1,145,664	-	1,673,195	356,424
Depreciation and Amortization	181,109	120,748	17,764	319,621	-
<b>Total Operating Expenses</b>	<b>708,640</b>	<b>1,266,412</b>	<b>17,764</b>	<b>1,992,816</b>	<b>356,424</b>
<b>Operating Income (Loss)</b>	<b>8,984</b>	<b>(501,016)</b>	<b>8,034</b>	<b>(483,998)</b>	<b>(60,401)</b>
<b>Nonoperating Revenues (Expenses):</b>					
Grant Revenues	-	43,480	-	43,480	-
Interest Income	1,690	-	-	1,690	614
Interest Expense	-	-	(21,611)	(21,611)	-
<b>Total Nonoperating Revenues (Expenses)</b>	<b>1,690</b>	<b>43,480</b>	<b>(21,611)</b>	<b>23,559</b>	<b>614</b>
<b>Income (Loss) Before Transfers</b>	<b>10,674</b>	<b>(457,536)</b>	<b>(13,577)</b>	<b>(460,439)</b>	<b>(59,787)</b>
<b>Transfers In (Out)</b>	<b>(29,000)</b>	<b>324,000</b>	<b>-</b>	<b>295,000</b>	<b>-</b>
<b>Change in Net Position</b>	<b>(18,326)</b>	<b>(133,536)</b>	<b>(13,577)</b>	<b>(165,439)</b>	<b>(59,787)</b>
<b>Net Position, Beginning of Year</b>	<b>2,479,204</b>	<b>1,074,024</b>	<b>103,819</b>	<b>3,657,047</b>	<b>388,593</b>
<b>Net Position, End of Year</b>	<b>\$ 2,460,878</b>	<b>\$ 940,488</b>	<b>\$ 90,242</b>	<b>\$ 3,491,608</b>	<b>\$ 328,806</b>

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, 2013

	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	\$ 728,599	\$ 689,997	\$ 25,798	\$ 1,444,394	\$ -
Cash Received from Interfund Services Provided	-	-	-	-	281,850
Cash Payments to Suppliers	(262,393)	(253,815)	-	(516,208)	(356,499)
Cash Payments to Employees	(225,797)	(868,650)	-	(1,094,447)	-
Cash Payments for Interfund Services Used	(24,400)	(22,300)	-	(46,700)	-
Other Operating Revenues	10,140	40,076	-	50,216	12,306
<b>Net Cash Provided by (Used in) Operating Activities</b>	<u>226,149</u>	<u>(414,692)</u>	<u>25,798</u>	<u>(162,745)</u>	<u>(62,343)</u>
<b>Cash Flows From Noncapital Financing Activities</b>					
Grant Received	-	43,480	-	43,480	-
Transfers Out to Other Funds	(29,000)	(6,000)	-	(35,000)	-
Transfer In from Other Funds	-	330,000	-	330,000	-
<b>Net Cash Provided by (Used In) Noncapital Financing Activities</b>	<u>(29,000)</u>	<u>367,480</u>	<u>-</u>	<u>338,480</u>	<u>-</u>
<b>Cash Flows From Capital Financing Activities</b>					
Acquisition and Construction of Fixed Assets	(199,626)	(61,574)	-	(261,200)	-
Interest Paid on Long-term Debt	-	-	(21,584)	(21,584)	-
Principal Paid on Long-term Debt	-	-	(8,410)	(8,410)	-
<b>Net Cash Used in Capital Financing Activities</b>	<u>(199,626)</u>	<u>(61,574)</u>	<u>(29,994)</u>	<u>(291,194)</u>	<u>-</u>
<b>Cash Flows From Investing Activities</b>					
Interest Received from Investments	1,751	-	-	1,751	651
<b>Net Cash Provided by Investing Activities</b>	<u>1,751</u>	<u>-</u>	<u>-</u>	<u>1,751</u>	<u>651</u>
<b>Net Decrease in Cash and Cash Equivalents</b>	<u>(726)</u>	<u>(108,786)</u>	<u>(4,196)</u>	<u>(113,708)</u>	<u>(61,692)</u>
<b>Cash and Cash Equivalents, Beginning 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>
<b>Cash and Cash Equivalents, End of Year</b>	<u>\$ 1,656,361</u>	<u>\$ 145,569</u>	<u>\$ 44,843</u>	<u>\$ 1,846,773</u>	<u>\$ 322,647</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>\$ 8,984</u>	<u>\$ (501,016)</u>	<u>\$ 8,034</u>	<u>\$ (483,998)</u>	<u>\$ (60,401)</u>
<b>Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities</b>					
Depreciation and Amortization	181,109	120,748	17,764	319,621	-
Change in Assets and Liabilities:					
(Increase) Decrease in Accounts Receivable	21,115	(35,323)	-	(14,208)	(1,867)
Decrease in Accounts Payable	(6,370)	(14,562)	-	(20,932)	(75)
Increase in Compensated Absences Payable	3,330	15,461	-	18,791	-
Decrease in Accrued Closure and Post Closure Costs	<u>17,981</u>	<u>-</u>	<u>-</u>	<u>17,981</u>	<u>-</u>
Total Adjustments	<u>217,165</u>	<u>86,324</u>	<u>17,764</u>	<u>321,253</u>	<u>(1,942)</u>
<b>Net Cash Provided by (Used in) Operating Activities</b>	<u>\$ 226,149</u>	<u>\$ (414,692)</u>	<u>\$ 25,798</u>	<u>\$ (162,745)</u>	<u>\$ (62,343)</u>

# CHAFFEE COUNTY, COLORADO

---

## STATEMENT OF ASSETS AND LIABILITIES - FIDUCIARY FUNDS AGENCY FUND DECEMBER 31, 2013

---

	<u>Agency Fund</u>
<b>ASSETS</b>	
Cash and Investments	<u>\$ 872,891</u>
<b>Total Assets</b>	<u><u>\$ 872,891</u></u>
<b>LIABILITIES</b>	
Due to Other Governments	\$ 127,562
Amounts Held in Escrow	725,329
Amount Held in Trust - Scott Estate	<u>20,000</u>
<b>Total Liabilities</b>	<u><u>\$ 872,891</u></u>

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

# CHAFFEE COUNTY, COLORADO

---

## NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2013

---

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”.

# CHAFFEE COUNTY, COLORADO

---

## NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2013

---

*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.

---

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 with 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.

# CHAFFEE COUNTY, COLORADO

---

## NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2013

---

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.
- *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, 2013, 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 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 \$513,019 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.

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.

# CHAFFEE COUNTY, COLORADO

---

## NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2013

---

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.

---

## **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.

# CHAFFEE COUNTY, COLORADO

---

## NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2013

---

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 2. Legal Compliance – Budgets

For the year ended December 31, 2013, the County incurred expenditures in excess of appropriations in the following funds: Airport Fund - \$47,506, Asset Replacement Fund - \$46, J.V. Sewer Fund - \$21. According to Colorado State Statute these may be violations of the Local Government Budget Law.

### Note 3. Cash and Investments

Cash and investments as of December 31, 2013 are classified in the accompanying financial statements as follows:

Cash and Investments	\$ 12,870,692
Restricted Assets – Cash and Investments	513,019
Cash and Investments – Agency Fund	<u>872,891</u>
Total	<u>\$ 14,256,602</u>

Cash and investments as of December 31, 2013 consist of the following:

Cash on Hand	\$ 3,583
Deposits With Financial Institutions	1,601,658
Local Government Investment Pools	11,137,933
Investments	500,000
Money Market Mutual Funds	<u>1,013,428</u>
Total	<u>\$ 14,256,602</u>

---

## 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 To Call (in Years)</u>	<u>Weighted Average Maturity To Maturity (in Years)</u>
Federal Instrumentality Securities:			
Federal Home Loan Mortgage Corp.	\$ 150,000	0.07	2.82
Federal National Mortgage Assn.	350,000	0.17	4.26
Local Government Investment Pools	11,137,933	NA	NA
Money Market Mutual Fund	<u>1,013,428</u>	NA	NA
Total	<u>\$ 12,651,361</u>		

# **CHAFFEE COUNTY, COLORADO**

---

## **NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2013**

---

### **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.

### **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, 2013, 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, 2013 was as follows:

	Beginning <u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	Ending <u>Balance</u>
<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	23,680,378	44,447	-	23,724,825
Vehicles	2,550,013	231,156	(29,020)	2,752,149
Machinery and Equipment	<u>4,315,098</u>	<u>277,099</u>	<u>(158,500)</u>	<u>4,433,697</u>
Total Capital Assets, Being Depreciated	<u>30,545,489</u>	<u>552,702</u>	<u>(187,520)</u>	<u>30,910,671</u>
Less Accumulated Depreciation:				
Buildings and Improvements	(5,276,384)	(769,854)	-	(6,046,238)
Vehicles	(2,037,040)	(201,470)	29,020	(2,209,490)
Machinery and Equipment	<u>(3,350,367)</u>	<u>(362,429)</u>	<u>158,500</u>	<u>(3,554,296)</u>
Total Accumulated Depreciation	<u>(10,663,791)</u>	<u>(1,333,753)</u>	<u>187,520</u>	<u>(11,810,024)</u>
Total Capital Assets, Being Depreciated, Net	<u>19,881,698</u>	<u>(781,051)</u>	<u>-</u>	<u>19,100,647</u>
Governmental Activities Capital Assets, Net	<u>\$ 20,636,855</u>	<u>\$ (781,051)</u>	<u>\$ -</u>	<u>\$ 19,855,804</u>

# CHAFFEE COUNTY, COLORADO

## NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2013

### Business-type Activities:

#### Capital Assets, Not Being Depreciated:

Land	\$ 177,677	\$ -	\$ -	\$ 177,677
Construction in Progress	<u>205,440</u>	<u>166,460</u>	<u>-</u>	<u>371,900</u>
Total Capital Assets, Not Being Depreciated	<u>383,117</u>	<u>166,460</u>	<u>-</u>	<u>549,577</u>

#### Capital Assets, Being Depreciated:

Buildings and Improvements	1,573,556	26,841	-	1,600,397
Utility Lines	710,585	-	-	710,585
Vehicles	861,480	58,041	(22,108)	897,413
Machinery and Equipment	<u>1,303,907</u>	<u>67,900</u>	<u>-</u>	<u>1,371,807</u>
Total Capital Assets, Being Depreciated	<u>4,449,528</u>	<u>152,782</u>	<u>(22,108)</u>	<u>4,580,202</u>

#### Less Accumulated Depreciation:

Buildings and Improvements	(1,012,199)	(108,529)	-	(1,120,728)
Utility Lines	(186,603)	(17,765)	-	(204,368)
Vehicles	(459,203)	(153,747)	22,108	(590,842)
Machinery and Equipment	<u>(1,003,059)</u>	<u>(97,622)</u>	<u>-</u>	<u>(1,100,681)</u>

Total Accumulated Depreciation	<u>(2,661,064)</u>	<u>(377,663)</u>	<u>22,108</u>	<u>(3,016,619)</u>
--------------------------------	--------------------	------------------	---------------	--------------------

Total Capital Assets, Being Depreciated, Net	<u>1,788,464</u>	<u>(224,881)</u>	<u>-</u>	<u>1,563,583</u>
--	------------------	------------------	----------	------------------

Business-type Activities Capital Assets, Net	<u>\$ 2,171,581</u>	<u>\$ (58,421)</u>	<u>\$ -</u>	<u>\$ 2,113,160</u>
--	---------------------	--------------------	-------------	---------------------

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

#### Governmental Activities:

General Government	\$ 317,817
Community / Economic Development	1,181
Public Safety	361,040
Public Works	218,810
Health and Welfare	8,822
Parks and Recreation	34,175
Airport Operations	<u>350,498</u>

Total Depreciation Expense – Governmental Activities	<u>\$ 1,292,343</u>
--	---------------------

#### Business-type Activities:

Solid Waste Landfill	\$ 181,109
Emergency Medical Services	120,748
Sewer Enterprise	<u>17,764</u>

Total Depreciation Expense – Business-type Activities	<u>\$ 319,621</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, 2013, are as follows:

<u>Purpose</u>	<u>Interest Rate</u>	<u>Amount</u>
Sewage Collection Line	4.50%	<u>\$ 473,607</u>

Annual debt service requirements to maturity for revenue bonds outstanding at December 31, 2013, are as follows:

<u>Year Ending December 31</u>	<u>Business-type Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2014	\$ 8,779	\$ 21,215
2015	9,178	20,816
2016	9,596	20,398
2017	10,033	19,961
2018	10,489	19,505
2019-2023	60,055	89,915
2024-2028	75,021	74,949
2029-2033	93,716	56,254
2034-2038	117,071	32,899
2039-2042	<u>79,669</u>	<u>6,072</u>
Total	<u>\$ 473,607</u>	<u>\$ 361,984</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.

# CHAFFEE COUNTY, COLORADO

## NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2013

Certificates of Participation outstanding at December 31, 2013, are as follows:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
General Government – Community Services Complex	3.00% - 5.50%	\$ 1,875,000
General Government – Refunding (Jail Facility)	2.00% - 4.00%	<u>2,670,000</u>
		<u>\$ 4,545,000</u>

Annual debt service requirements to maturity for Certificates of Participation outstanding at December 31, 2013, are as follows:

<u>Year Ending December 31</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2014	\$ 390,000	\$ 181,275
2015	400,000	171,675
2016	425,000	158,725
2017	425,000	144,975
2018	435,000	130,975
2019-2023	1,685,000	393,325
2024-2028	<u>785,000</u>	<u>133,500</u>
Total	<u>\$ 4,545,000</u>	<u>\$ 1,314,450</u>

*Changes in Long-term Liabilities.* Long-term liability activity for the year ended December 31, 2013, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Governmental Activities:</b>					
Certificates of Participation	\$ 4,920,000	\$ -	\$ 375,000	\$ 4,545,000	\$ 390,000
Bond Premium	150,363	-	27,590	122,773	13,795
Compensated Absences	<u>500,767</u>	<u>61,196</u>	<u>-</u>	<u>561,963</u>	<u>561,963</u>
Governmental Activity Long-term Liabilities	<u>\$ 5,571,130</u>	<u>\$ 61,196</u>	<u>\$ 402,590</u>	<u>\$ 5,229,736</u>	<u>\$ 965,758</u>
<b>Business-type Activities:</b>					
Revenue Bond	\$ 482,017	\$ -	\$ 8,410	\$ 473,607	\$ 8,779
Compensated Absences	<u>47,312</u>	<u>18,791</u>	<u>-</u>	<u>66,103</u>	<u>66,103</u>
Business-type Activity Long-term Liabilities	<u>\$ 529,329</u>	<u>\$ 18,791</u>	<u>\$ 8,410</u>	<u>\$ 539,710</u>	<u>\$ 74,882</u>

---

## Note 6. Interfund Transfers

Interfund activities represent transactions between different funds within the County.

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 297,600	\$ 1,230,760
Road and Bridge Fund	295,000	10,000
Capital Expenditures Fund	-	95,000
Airport Fund	40,000	-
Retirement Fund	-	250,000
Asset Replacement Fund	89,760	-
Lodging Visitors Bureau Fund	-	2,600
Chaffee County Facilities Corporation	571,000	-
Waste Disposal Fund	-	29,000
Emergency Medical Services Fund	<u>330,000</u>	<u>6,000</u>
Total	<u>\$ 1,623,360</u>	<u>\$ 1,623,360</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.

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 \$638,735. There are no liabilities for benefits beyond the County's matching payments. No changes in the various plan's provisions occurred in 2013.

## 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.

# CHAFFEE COUNTY, COLORADO

---

## NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2013

---

*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 at December 31, 2013 totaled \$465,011.

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.

*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, 2013 is \$36,333. This liability consists of closure and post-closure cost of \$17,877 and \$18,456, respectively, and represents the cumulative amount reported to date based on the use of approximately one and eighty four hundredths of one percent (1.84%) of the estimated capacity of the landfill.

The County will recognize the remaining estimated costs of closure and post-closure care of approximately \$1,937,303 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.

**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, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Taxes	\$ 5,314,120	\$ 5,314,120	\$ 5,507,178	\$ 193,058
Licenses and Permits	388,200	388,200	544,207	156,007
Intergovernmental	1,722,713	1,722,713	1,849,312	126,599
Charges for Services	1,623,488	1,623,488	1,706,337	82,849
Fines and Forfeitures	50,000	50,000	66,035	16,035
Investment Earnings	21,900	21,900	13,653	(8,247)
Other Revenue	356,509	356,509	316,361	(40,148)
<b>Total Revenues</b>	<b>9,476,930</b>	<b>9,476,930</b>	<b>10,003,083</b>	<b>526,153</b>
<b>Expenditures</b>				
Current:				
General Government	2,555,532	2,667,032	2,525,687	141,345
Community Development	596,854	723,854	704,426	19,428
Public Safety	4,011,914	4,182,914	4,193,878	(10,964)
Health and Welfare	738,780	860,780	802,007	58,773
Public Works	560,428	560,428	504,795	55,633
Parks and Recreation	145,858	228,858	224,514	4,344
<b>Total Expenditures</b>	<b>8,609,366</b>	<b>9,223,866</b>	<b>8,955,307</b>	<b>268,559</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	867,564	253,064	1,047,776	794,712
<b>Other Financing Sources (Uses)</b>				
Transfers In	309,600	309,600	297,600	(12,000)
Transfers Out	(1,202,550)	(1,255,550)	(1,230,760)	24,790
<b>Total Other Financing Sources (Uses)</b>	<b>(892,950)</b>	<b>(945,950)</b>	<b>(933,160)</b>	<b>12,790</b>
<b>Net Change in Fund Balances</b>	<b>(25,386)</b>	<b>(692,886)</b>	<b>114,616</b>	<b>807,502</b>
<b>Fund Balances, Beginning of Year</b>	<b>4,980,770</b>	<b>4,980,770</b>	<b>5,056,324</b>	<b>75,554</b>
<b>Fund Balances, End of year</b>	<b>\$ 4,955,384</b>	<b>\$ 4,287,884</b>	<b>\$ 5,170,940</b>	<b>\$ 883,056</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, 2013

	Budgeted Amounts <u>Original and Final</u>	Actual Amounts	Variance with Final Budget - Positive (Negative)
<b>Revenues</b>			
Taxes	\$ 60,776	\$ 61,822	\$ 1,046
Licenses and Permits	10,000	6,742	(3,258)
Intergovernmental	1,826,000	1,831,273	5,273
Charges for Services	73,500	58,167	(15,333)
Investment Earnings	2,550	2,135	(415)
Other Revenue	46,500	10,129	(36,371)
<b>Total Revenues</b>	<u>2,019,326</u>	<u>1,970,268</u>	<u>(49,058)</u>
<b>Expenditures</b>			
Current:			
Public Works	2,161,169	1,637,327	523,842
Capital Outlay	190,000	176,371	13,629
<b>Total Expenditures</b>	<u>2,351,169</u>	<u>1,813,698</u>	<u>537,471</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(331,843)</u>	<u>156,570</u>	<u>488,413</u>
<b>Other Financing Sources (Uses)</b>			
Transfers In	295,000	295,000	-
Transfers Out	(10,000)	(10,000)	-
<b>Total Other Financing Sources (Uses)</b>	<u>285,000</u>	<u>285,000</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	<u>(46,843)</u>	<u>441,570</u>	<u>488,413</u>
<b>Fund Balances, Beginning of Year</b>	<u>1,617,194</u>	<u>1,735,985</u>	<u>118,791</u>
<b>Fund Balances, End of year</b>	<u>\$ 1,570,351</u>	<u>\$ 2,177,555</u>	<u>\$ 607,204</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, 2013

	Budgeted Amounts Original and Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
<b>Revenues</b>			
Taxes	\$ 553,960	\$ 628,689	\$ 74,729
Intergovernmental	5,657,300	5,370,927	(286,373)
Investment Earnings	-	107	107
Other Revenue	73,125	7,733	(65,392)
<b>Total Revenues</b>	<b>6,284,385</b>	<b>6,007,456</b>	<b>(276,929)</b>
<b>Expenditures</b>			
Current:			
Health and Welfare	6,277,262	5,911,447	365,815
<b>Total Expenditures</b>	<b>6,277,262</b>	<b>5,911,447</b>	<b>365,815</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	7,123	96,009	88,886
<b>Other Financing Sources (Uses)</b>			
Transfers Out	(50,000)	-	50,000
<b>Net Change in Fund Balances</b>	<b>(42,877)</b>	<b>96,009</b>	<b>138,886</b>
<b>Fund Balances, Beginning of Year</b>	<b>455,288</b>	<b>635,150</b>	<b>179,862</b>
<b>Fund Balances, End of year</b>	<b>\$ 412,411</b>	<b>\$ 731,159</b>	<b>\$ 318,748</b>

## **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 2009 Certificates of Participation used for the acquisition and renovation of the County's share of a Community Services Complex, and the Series 2012 Refunding Certificates of Participation used to refinance the original Series 2002 Certificates of Participation that were issued to finance the construction of the County jail facility.

## 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.

**THIS PAGE INTENTIONALLY LEFT BLANK**

# CHAFFEE COUNTY, COLORADO

## COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS DECEMBER 31, 2013

	Special Revenue Funds			
	Airport Fund	Conservation Trust Fund	Retirement Fund	Contingent Reserve Fund
<b>ASSETS</b>				
Cash and Investments	\$ 57,144	\$ 403,611	\$ 364,727	\$ 327,522
Receivables:				
- Interest	-	34	34	-
- Taxes	-	-	225,889	-
- Accounts	368	-	-	-
- Intergovernmental	-	-	2,567	-
Inventories	41,207	-	-	-
Restricted Assets - Cash and Investments	-	-	-	-
<b>Total Assets</b>	<b>\$ 98,719</b>	<b>\$ 403,645</b>	<b>\$ 593,217</b>	<b>\$ 327,522</b>
<b>LIABILITIES</b>				
Accounts Payable	\$ 67,765	\$ -	\$ 13,098	\$ -
<b>Total Liabilities</b>	<b>67,765</b>	<b>-</b>	<b>13,098</b>	<b>-</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable Revenue - Property Taxes	-	-	225,889	-
<b>FUND BALANCES (DEFICITS)</b>				
<b>Nonspendable:</b>				
Inventories	41,207	-	-	-
<b>Restricted For:</b>				
TABOR Emergency Reserve	-	-	-	327,522
Debt Service	-	-	-	-
Capital Improvements	-	-	-	-
Recreational Purposes	-	403,645	-	-
Employee Retirement Plan	-	-	354,230	-
Tourism Promotion	-	-	-	-
Animal Shelter	-	-	-	-
<b>Unassigned</b>	<b>(10,253)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Fund Balances (Deficits)</b>	<b>30,954</b>	<b>403,645</b>	<b>354,230</b>	<b>327,522</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)</b>	<b>\$ 98,719</b>	<b>\$ 403,645</b>	<b>\$ 593,217</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	
\$ 279,311	\$ 357,386	\$ 7,268	\$ 88,927	\$ 505,612	\$ 2,391,508
30	25	-	-	76	199
-	-	177,866	-	112,767	516,522
-	-	-	-	-	368
-	51,720	2,022	-	1,282	57,591
-	-	-	-	-	41,207
-	-	-	513,019	-	513,019
<u>\$ 279,341</u>	<u>\$ 409,131</u>	<u>\$ 187,156</u>	<u>\$ 601,946</u>	<u>\$ 619,737</u>	<u>\$ 3,520,414</u>
\$ 3,190	\$ 31,612	\$ -	\$ -	\$ -	\$ 115,665
3,190	31,612	-	-	-	115,665
-	-	177,866	-	112,767	516,522
-	-	-	-	-	41,207
-	-	-	-	-	327,522
276,151	-	-	601,946	-	601,946
-	-	-	-	506,970	783,121
-	-	-	-	-	403,645
-	-	-	-	-	354,230
-	377,519	-	-	-	377,519
-	-	9,290	-	-	9,290
-	-	-	-	-	(10,253)
<u>276,151</u>	<u>377,519</u>	<u>9,290</u>	<u>601,946</u>	<u>506,970</u>	<u>2,888,227</u>
<u>\$ 279,341</u>	<u>\$ 409,131</u>	<u>\$ 187,156</u>	<u>\$ 601,946</u>	<u>\$ 619,737</u>	<u>\$ 3,520,414</u>

# CHAFFEE COUNTY, COLORADO

## COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS FOR THE YEAR ENDED DECEMBER 31, 2013

	Special Revenue Funds			
	Airport Fund	Conservation Trust Fund	Retirement Fund	Contingent Reserve Fund
<b>Revenues</b>				
Taxes	\$ -	\$ -	\$ 246,870	\$ -
Intergovernmental	97,376	100,890	-	-
Charges for Services	134,209	-	-	-
Investment Earnings	-	449	454	-
Other Revenues	1,438	10,032	22,238	-
<b>Total Revenues</b>	<b>233,023</b>	<b>111,371</b>	<b>269,562</b>	<b>-</b>
<b>Expenditures</b>				
Current:				
General Government	-	-	4,812	-
Community / Economic Development	-	-	-	-
Parks and Recreation	-	98,815	-	-
Airport Operations	212,700	-	-	-
Capital Outlay	61,750	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
Fiscal Charges	-	-	-	-
<b>Total Expenditures</b>	<b>274,450</b>	<b>98,815</b>	<b>4,812</b>	<b>-</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(41,427)	12,556	264,750	-
<b>Other Financing Sources (Uses)</b>				
Transfers In	40,000	-	-	-
Transfers Out	-	-	(250,000)	-
Sales of Capital Assets	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>40,000</b>	<b>-</b>	<b>(250,000)</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>(1,427)</b>	<b>12,556</b>	<b>14,750</b>	<b>-</b>
<b>Fund Balances, Beginning of Year</b>	<b>32,381</b>	<b>391,089</b>	<b>339,480</b>	<b>327,522</b>
<b>Fund Balances, End of year</b>	<b>\$ 30,954</b>	<b>\$ 403,645</b>	<b>\$ 354,230</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	
\$ -	\$ 404,350	\$ 208,806	\$ -	\$ 123,711	\$ 983,737
-	-	-	-	-	198,266
-	-	-	-	-	134,209
395	330	-	291	1,002	2,921
-	-	-	-	-	33,708
<u>395</u>	<u>404,680</u>	<u>208,806</u>	<u>291</u>	<u>124,713</u>	<u>1,352,841</u>
-	-	215,131	-	3,278	223,221
-	332,911	-	-	-	332,911
-	-	-	-	-	98,815
-	-	-	-	-	212,700
144,046	-	-	-	17,695	223,491
-	-	-	375,000	-	375,000
-	-	-	190,475	-	190,475
-	-	-	2,720	-	2,720
<u>144,046</u>	<u>332,911</u>	<u>215,131</u>	<u>568,195</u>	<u>20,973</u>	<u>1,659,333</u>
<u>(143,651)</u>	<u>71,769</u>	<u>(6,325)</u>	<u>(567,904)</u>	<u>103,740</u>	<u>(306,492)</u>
89,760	-	-	571,000	-	700,760
-	(2,600)	-	-	(95,000)	(347,600)
6,437	-	-	-	-	6,437
<u>96,197</u>	<u>(2,600)</u>	<u>-</u>	<u>571,000</u>	<u>(95,000)</u>	<u>359,597</u>
(47,454)	69,169	(6,325)	3,096	8,740	53,105
<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>\$ 276,151</u>	<u>\$ 377,519</u>	<u>\$ 9,290</u>	<u>\$ 601,946</u>	<u>\$ 506,970</u>	<u>\$ 2,888,227</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, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Intergovernmental	\$ 41,500	\$ 41,500	\$ 97,376	\$ 55,876
Charges for Services	128,100	128,100	134,209	6,109
Other Revenues	1,580	1,580	1,438	(142)
<b>Total Revenues</b>	<b>171,180</b>	<b>171,180</b>	<b>233,023</b>	<b>61,843</b>
<b>Expenditures:</b>				
Current:				
Airport Operations	120,944	120,944	111,525	9,419
Fuel Purchases	85,000	101,000	101,175	(175)
Capital Outlay	5,000	5,000	61,750	(56,750)
<b>Total Expenditures</b>	<b>210,944</b>	<b>226,944</b>	<b>274,450</b>	<b>(47,506)</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(39,764)	(55,764)	(41,427)	14,337
<b>Other Financing Sources (Uses):</b>				
Transfers In	40,000	40,000	40,000	-
<b>Net Change in Fund Balances</b>	<b>236</b>	<b>(15,764)</b>	<b>(1,427)</b>	<b>14,337</b>
<b>Fund Balances, Beginning of Year</b>	<b>12,759</b>	<b>12,759</b>	<b>32,381</b>	<b>19,622</b>
<b>Fund Balances, End of Year</b>	<b>\$ 12,995</b>	<b>\$ (3,005)</b>	<b>\$ 30,954</b>	<b>\$ 33,959</b>

# CHAFFEE COUNTY, COLORADO

---

## CONSERVATION TRUST FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL (BUDGETARY BASIS) FOR THE YEAR ENDED DECEMBER 31, 2013

---

	<u>Budgeted Amounts</u> Original and Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
<b>Revenues:</b>			
Intergovernmental	\$ 82,000	\$ 100,890	\$ 18,890
Investment Earnings	400	449	49
Other Revenues	-	10,032	10,032
<b>Total Revenues</b>	<u>82,400</u>	<u>111,371</u>	<u>28,971</u>
<b>Expenditures:</b>			
Current:			
Parks and Recreation	<u>240,200</u>	<u>98,815</u>	<u>141,385</u>
<b>Total Expenditures</b>	<u>240,200</u>	<u>98,815</u>	<u>141,385</u>
<b>Net Change in Fund Balances</b>	(157,800)	12,556	170,356
<b>Fund Balances, Beginning of Year</b>	<u>387,755</u>	<u>391,089</u>	<u>3,334</u>
<b>Fund Balances, End of Year</b>	<u>\$ 229,955</u>	<u>\$ 403,645</u>	<u>\$ 173,690</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, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Taxes	\$ 243,835	\$ 243,835	\$ 246,870	\$ 3,035
Investment Earnings	470	470	454	(16)
Other Revenues	-	-	22,238	22,238
<b>Total Revenues</b>	<b>244,305</b>	<b>244,305</b>	<b>269,562</b>	<b>25,257</b>
<b>Expenditures:</b>				
Current:				
General Government	-	5,000	4,812	188
Excess (Deficiency) of Revenues Over (Under) Expenditures	244,305	239,305	264,750	25,445
<b>Other Financing Sources (Uses):</b>				
Transfers Out	(250,000)	(250,000)	(250,000)	-
<b>Net Change in Fund Balances</b>	<b>(5,695)</b>	<b>(10,695)</b>	<b>14,750</b>	<b>25,445</b>
<b>Fund Balances, Beginning of Year</b>	<b>367,069</b>	<b>367,069</b>	<b>339,480</b>	<b>(27,589)</b>
<b>Fund Balances, End of Year</b>	<b>\$ 361,374</b>	<b>\$ 356,374</b>	<b>\$ 354,230</b>	<b>\$ (2,144)</b>

# CHAFFEE COUNTY, COLORADO

---

## CONTINGENT RESERVE SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL (BUDGETARY BASIS) FOR THE YEAR ENDED DECEMBER 31, 2013

---

	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>	<u>-</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, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Investment Earnings	\$ 500	\$ 500	\$ 395	\$ (105)
<b>Total Revenues</b>	<b>500</b>	<b>500</b>	<b>395</b>	<b>(105)</b>
<b>Expenditures:</b>				
Capital Outlay	105,000	144,000	144,046	(46)
<b>Total Expenditures</b>	<b>105,000</b>	<b>144,000</b>	<b>144,046</b>	<b>(46)</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(104,500)	(143,500)	(143,651)	(151)
<b>Other Financing Sources (Uses):</b>				
Transfers In	89,760	89,760	89,760	-
Sales of Capital Assets	-	-	6,437	6,437
<b>Total Other Financing Sources (Uses)</b>	<b>89,760</b>	<b>89,760</b>	<b>96,197</b>	<b>6,437</b>
<b>Net Change in Fund Balances</b>	<b>(14,740)</b>	<b>(53,740)</b>	<b>(47,454)</b>	<b>6,286</b>
<b>Fund Balances, Beginning of Year</b>	<b>300,921</b>	<b>300,921</b>	<b>323,605</b>	<b>22,684</b>
<b>Fund Balances, End of Year</b>	<b>\$ 286,181</b>	<b>\$ 247,181</b>	<b>\$ 276,151</b>	<b>\$ 28,970</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, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Taxes	\$ 310,000	\$ 310,000	\$ 404,350	\$ 94,350
Investment Earnings	350	350	330	(20)
<b>Total Revenues</b>	<b>310,350</b>	<b>310,350</b>	<b>404,680</b>	<b>94,330</b>
<b>Expenditures:</b>				
Current:				
Economic Development	307,400	333,400	332,911	489
<b>Total Expenditures</b>	<b>307,400</b>	<b>333,400</b>	<b>332,911</b>	<b>489</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,950	(23,050)	71,769	94,819
<b>Other Financing Sources (Uses):</b>				
Transfers Out	(2,600)	(2,600)	(2,600)	-
<b>Net Change in Fund Balances</b>	<b>350</b>	<b>(25,650)</b>	<b>69,169</b>	<b>94,819</b>
<b>Fund Balances, Beginning of Year</b>	<b>210,695</b>	<b>210,695</b>	<b>308,350</b>	<b>97,655</b>
<b>Fund Balances, End of Year</b>	<b>\$ 211,045</b>	<b>\$ 185,045</b>	<b>\$ 377,519</b>	<b>\$ 192,474</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, 2013

---

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Taxes	\$ 207,583	\$ 207,583	\$ 208,806	\$ 1,223
<b>Total Revenues</b>	<u>207,583</u>	<u>207,583</u>	<u>208,806</u>	<u>1,223</u>
<b>Expenditures:</b>				
Current:				
General Government	<u>207,500</u>	<u>219,500</u>	<u>-</u>	<u>219,500</u>
<b>Total Expenditures</b>	<u>207,500</u>	<u>219,500</u>	<u>-</u>	<u>219,500</u>
<b>Net Change in Fund Balances</b>	83	(11,917)	208,806	220,723
<b>Fund Balances, Beginning of Year</b>	<u>16,081</u>	<u>16,081</u>	<u>15,615</u>	<u>(466)</u>
<b>Fund Balances, End of Year</b>	<u>\$ 16,164</u>	<u>\$ 4,164</u>	<u>\$ 224,421</u>	<u>\$ 220,257</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, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Investment Earnings	\$ -	\$ -	\$ 291	\$ 291
<b>Total Revenues</b>	<b>-</b>	<b>-</b>	<b>291</b>	<b>291</b>
<b>Expenditures:</b>				
Debt Service:				
Principal	375,000	375,000	375,000	-
Interest	190,000	192,000	190,475	1,525
Fiscal Charges	5,000	5,000	2,720	2,280
<b>Total Expenditures</b>	<b>570,000</b>	<b>572,000</b>	<b>568,195</b>	<b>3,805</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(570,000)	(572,000)	(567,904)	4,096
<b>Other Financing Sources (Uses):</b>				
Transfers In	570,000	570,000	571,000	1,000
<b>Net Change in Fund Balances</b>	<b>-</b>	<b>(2,000)</b>	<b>3,096</b>	<b>5,096</b>
<b>Fund Balances, Beginning of Year</b>	<b>83,509</b>	<b>83,509</b>	<b>598,850</b>	<b>515,341</b>
<b>Fund Balances, End of Year</b>	<b>\$ 83,509</b>	<b>\$ 81,509</b>	<b>\$ 601,946</b>	<b>\$ 520,437</b>

# 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, 2013

	Budgeted Amounts Original and Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
<b>Revenues:</b>			
Taxes	\$ 122,752	\$ 123,711	\$ 959
Intergovernmental	12,500	-	(12,500)
Investment Earnings	1,000	1,002	2
<b>Total Revenues</b>	<b>136,252</b>	<b>124,713</b>	<b>(11,539)</b>
<b>Expenditures:</b>			
Current:			
General Government	3,300	3,278	22
Capital Outlay	35,000	17,695	17,305
<b>Total Expenditures</b>	<b>38,300</b>	<b>20,973</b>	<b>17,327</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	97,952	103,740	5,788
<b>Other Financing Sources (Uses):</b>			
Transfers Out	(95,000)	(95,000)	-
<b>Net Change in Fund Balances</b>	<b>2,952</b>	<b>8,740</b>	<b>5,788</b>
<b>Fund Balances, Beginning of Year</b>	<b>512,644</b>	<b>498,230</b>	<b>(14,414)</b>
<b>Fund Balances, End of Year</b>	<b>\$ 515,596</b>	<b>\$ 506,970</b>	<b>\$ (8,626)</b>

## ENTERPRISE FUNDS

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises – where the intent of the Board of County Commissioners is that the costs of providing goods and services to the general public on a continuing basis be financed or recovered through user charges; or where the Board of County Commissioners has decided that periodic determination of net income is appropriate for accountability purposes.

**Waste Disposal Fund** – To account for the activities involved in operating the County’s solid waste landfill.

**Emergency Medical Services Fund** – To account for the operations of the County’s ambulance and related emergency medical services.

**J.V. Sewer Fund** - To account for the collection of monies and subsequent payment of debt service related to a wastewater distribution system constructed in an area of the County known as “Johnson Village”.

# 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, 2013

	Budgeted Amounts <u>Original and Final</u>	Actual Amounts	Variance with Final Budget - Positive (Negative)
<b>Revenues:</b>			
Charges for Services:			
Garbage Collection Fees	\$ 650,000	\$ 707,484	\$ 57,484
Investment Earnings	600	1,690	1,090
Other Revenues	4,000	10,140	6,140
<b>Total Revenues</b>	<u>654,600</u>	<u>719,314</u>	<u>64,714</u>
<b>Expenditures:</b>			
Operations:			
Personnel Costs	210,064	229,127	(19,063)
Closure and Post Closure Costs	40,000	66,699	(26,699)
Other Operating Costs	261,500	231,705	29,795
New Landfill Construction	380,000	166,460	213,540
Capital Outlay	10,000	33,166	(23,166)
<b>Total Expenditures</b>	<u>901,564</u>	<u>727,157</u>	<u>174,407</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(246,964)	(7,843)	239,121
<b>Other Financing Sources (Uses):</b>			
Transfers Out	(29,000)	(29,000)	-
<b>Net Change in Fund Balances</b>	(275,964)	(36,843)	239,121
<b>Fund Balances, Beginning of Year</b>	<u>1,661,383</u>	<u>1,623,318</u>	<u>(38,065)</u>
<b>Fund Balances, End of Year</b>	<u>\$ 1,385,419</u>	<u>\$ 1,586,475</u>	<u>\$ 201,056</u>

Fund Balances at December 31, 2013, is computed as follows:

Current Assets	\$ 1,668,414
Less: Current Liabilities	<u>(81,939)</u>
Fund Balances - December 31, 2013	<u>\$ 1,586,475</u>

---

**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>\$ (36,843)</u>
<b>Adjustments to Reconcile Budgetary Basis to GAAP Basis</b>	
Capitalization of Fixed Assets	199,626
Depreciation	<u>(181,109)</u>
<b>Total Adjustments</b>	<u>18,517</u>
<b>Change in Net Assets (GAAP Basis)</b>	<u><u>\$ (18,326)</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, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Charges for Services:				
Ambulance Fees	\$ 740,000	\$ 740,000	\$ 725,320	\$ (14,680)
Intergovernmental	47,500	47,500	43,480	(4,020)
Other Revenues	500	500	40,076	39,576
<b>Total Revenues</b>	<b>788,000</b>	<b>788,000</b>	<b>808,876</b>	<b>20,876</b>
<b>Expenditures:</b>				
Operations:				
Personnel Costs	793,256	883,256	884,111	(855)
Other Operating Costs	284,225	284,225	261,553	22,672
Capital Outlay	61,000	61,000	61,574	(574)
<b>Total Expenditures</b>	<b>1,138,481</b>	<b>1,228,481</b>	<b>1,207,238</b>	<b>21,243</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(350,481)	(440,481)	(398,362)	42,119
<b>Other Financing Sources (Uses):</b>				
Transfers In	290,000	290,000	330,000	40,000
Transfers Out	(6,000)	(6,000)	(6,000)	-
<b>Total Other Financing Sources (Uses)</b>	<b>284,000</b>	<b>284,000</b>	<b>324,000</b>	<b>40,000</b>
<b>Net Change in Fund Balances</b>	<b>(66,481)</b>	<b>(156,481)</b>	<b>(74,362)</b>	<b>82,119</b>
<b>Fund Balances, Beginning of Year</b>	<b>278,497</b>	<b>278,497</b>	<b>288,310</b>	<b>9,813</b>
<b>Fund Balances, End of Year</b>	<b>\$ 212,016</b>	<b>\$ 122,016</b>	<b>\$ 213,948</b>	<b>\$ 91,932</b>

Fund Balances at December 31, 2013, is computed as follows:

Current Assets	\$ 267,540
Less: Current Liabilities	(53,592)
<b>Fund Balances - December 31, 2013</b>	<b>\$ 213,948</b>

---

**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>\$ (74,362)</u>
<b>Adjustments to Reconcile Budgetary Basis to GAAP Basis</b>	
Capitalization of Fixed Assets	61,574
Depreciation	<u>(120,748)</u>
<b>Total Adjustments</b>	<u>(59,174)</u>
<b>Change in Net Assets (GAAP Basis)</b>	<u><u>\$ (133,536)</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, 2013

---

	Budgeted Amounts <u>Original and Final</u>	Actual Amounts	Variance with Final Budget - Positive (Negative)
<b>Revenues:</b>			
Charges for Services:			
Sewer Surcharge	\$ 34,400	\$ 25,798	\$ (8,602)
<b>Total Revenues</b>	<u>34,400</u>	<u>25,798</u>	<u>(8,602)</u>
<b>Expenditures:</b>			
Debt Service:			
Principal	7,685	8,410	(725)
Interest	22,315	21,611	704
<b>Total Expenditures</b>	<u>30,000</u>	<u>30,021</u>	<u>(21)</u>
<b>Net Change in Fund Balances</b>	4,400	(4,223)	(8,623)
<b>Fund Balances, Beginning of Year</b>	<u>49,036</u>	<u>55,855</u>	<u>6,819</u>
<b>Fund Balances, End of Year</b>	<u>\$ 53,436</u>	<u>\$ 51,632</u>	<u>\$ (1,804)</u>

Fund Balances at December 31, 2013, is computed as follows:

Current Assets	\$ 53,442
Less: Current Liabilities	(10,589)
Add: Current Portion of Revenue Bonds Payable	<u>8,779</u>
<b>Fund Balances - December 31, 2013</b>	<u>\$ 51,632</u>

---

**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>\$ (4,223)</b>
<b>Adjustments to Reconcile Budgetary Basis to GAAP Basis</b>	
Principal Paid On Revenue Bonds	8,410
Depreciation and Amortization	<u>(17,764)</u>
<b>Total Adjustments</b>	<u>(9,354)</u>
<b>Change in Net Assets (GAAP Basis)</b>	<u><u>\$ (13,577)</u></u>

**THIS PAGE INTENTIONALLY LEFT BLANK**

## INTERNAL SERVICE FUNDS

Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the County or other government units, on a cost reimbursement basis.

**Insurance Fund** - This fund charges other County funds for their allocated cost of insurance premiums and estimated damaged property claims not covered by insurance.

# 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, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Charges for Services:				
Insurance Contribution	\$ 275,638	\$ 275,638	\$ 281,850	\$ 6,212
Investment Earnings	700	700	614	(86)
Other Revenues	5,000	5,000	14,173	9,173
<b>Total Revenues</b>	<b>281,338</b>	<b>281,338</b>	<b>296,637</b>	<b>15,299</b>
<b>Expenditures:</b>				
Current:				
Administrative, Legal and Claims	10,000	30,000	10,000	20,000
CAPP Pool Contributions	96,000	96,000	118,920	(22,920)
Workers Compensation Pool Contributions	184,000	184,000	161,169	22,831
Property and Casualty Claims	6,000	51,000	48,872	2,128
Miscellaneous	1,000	1,000	17,463	(16,463)
<b>Total Expenditures</b>	<b>297,000</b>	<b>362,000</b>	<b>356,424</b>	<b>5,576</b>
<b>Net Change in Fund Balances</b>	<b>(15,662)</b>	<b>(80,662)</b>	<b>(59,787)</b>	<b>20,875</b>
<b>Fund Balances, Beginning of Year</b>	<b>392,697</b>	<b>392,697</b>	<b>388,593</b>	<b>(4,104)</b>
<b>Fund Balances, End of Year</b>	<b>\$ 377,035</b>	<b>\$ 312,035</b>	<b>\$ 328,806</b>	<b>\$ 16,771</b>

Fund Balances at December 31, 2013, is computed as follows:

Current Assets	\$ 328,806
Less: Current Liabilities	-
<b>Fund Balances - December 31, 2013</b>	<b>\$ 328,806</b>

---

**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>\$ (59,787)</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>\$ (59,787)</b>

# CHAFFEE COUNTY, COLORADO

## DETAILED SCHEDULE OF GENERAL FUND EXPENDITURES (BUDGETARY BASIS) - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2013

Description	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>General Government:</b>				
Board of County Commissioners	\$ 570,217	\$ 582,217	\$ 564,591	\$ 17,626
Administrative Support	267,671	287,671	273,214	14,457
County Attorney	44,070	44,070	39,947	4,123
Budget Officer	19,320	19,320	19,073	247
Audit	25,000	25,000	26,500	(1,500)
Safety	9,600	9,600	8,279	1,321
County Clerk and Recorder	422,661	454,661	461,660	(6,999)
Elections	123,650	123,650	86,775	36,875
County Treasurer and Public Trustee	263,429	270,929	266,317	4,612
County Assessor	466,109	466,109	459,035	7,074
Information Technology	12,000	12,000	2,073	9,927
County Extension Service	128,605	128,605	111,505	17,100
Veterans Service Officer	22,700	22,700	22,089	611
Secure Rural Schools	20,000	60,000	33,477	26,523
PILT Funding	80,500	80,500	61,922	18,578
Miscellaneous	80,000	80,000	89,230	(9,230)
<b>Total General Government</b>	<b>2,555,532</b>	<b>2,667,032</b>	<b>2,525,687</b>	<b>141,345</b>
<b>Community Development:</b>				
Planning and Zoning	126,575	148,575	130,904	17,671
Building Inspector	393,322	498,322	496,613	1,709
Environmental Health	76,957	76,957	76,909	48
<b>Total Community Development</b>	<b>596,854</b>	<b>723,854</b>	<b>704,426</b>	<b>19,428</b>
<b>Public Safety:</b>				
District Attorney	325,276	325,276	325,276	-
Sheriff	1,527,912	1,643,912	1,665,312	(21,400)
Jail	1,338,921	1,393,921	1,389,339	4,582
Coroner	136,310	136,310	130,205	6,105
Emergency Management	100,762	100,762	103,152	(2,390)
Communications Center	582,733	582,733	580,594	2,139
<b>Total Public Safety</b>	<b>4,011,914</b>	<b>4,182,914</b>	<b>4,193,878</b>	<b>(10,964)</b>

Description	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Health and Welfare</b>				
Public Health Nurse	\$ 312,187	\$ 393,187	\$ 329,801	\$ 63,386
Livewell	171,463	171,463	179,235	(7,772)
Immunization	25,200	41,200	40,977	223
CHP/STEPP	55,640	55,640	46,575	9,065
Healthy Family Community	53,498	53,498	59,482	(5,984)
Oral Health Program	62,620	87,620	87,141	479
Victims Assistance Program	58,172	58,172	58,796	(624)
<b>Total Health and Welfare</b>	<b>738,780</b>	<b>860,780</b>	<b>802,007</b>	<b>58,773</b>
<b>Public Works:</b>				
Buildings and Grounds	233,147	233,147	278,749	(45,602)
Touber Building and Grounds	229,919	229,919	129,202	100,717
Weed Management	97,362	97,362	96,844	518
<b>Total Public Works</b>	<b>560,428</b>	<b>560,428</b>	<b>504,795</b>	<b>55,633</b>
<b>Parks and Recreation:</b>				
Fairgrounds	145,858	228,858	224,514	4,344
<b>TOTAL EXPENDITURES</b>	<b>\$ 8,609,366</b>	<b>\$ 9,223,866</b>	<b>\$ 8,955,307</b>	<b>\$ 268,559</b>

# CHAFFEE COUNTY, COLORADO

## DETAILED SCHEDULE OF GENERAL FUND REVENUES (BUDGETARY BASIS) - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2013

Description	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Taxes:</b>				
General Property Tax	\$ 2,054,620	\$ 2,054,620	\$ 2,048,854	\$ (5,766)
General Property Tax - Delinquent Collections	1,500	1,500	3,028	1,528
General Property Tax - Interest and Penalties	7,500	7,500	9,214	1,714
Specific Ownership Tax	245,500	245,500	270,586	25,086
Sales Tax	3,005,000	3,005,000	3,175,496	170,496
<b>Total Taxes</b>	<b>5,314,120</b>	<b>5,314,120</b>	<b>5,507,178</b>	<b>193,058</b>
<b>Licenses and Permits:</b>				
Liquor Licenses	3,200	3,200	4,420	1,220
Building Permits	330,000	330,000	488,258	158,258
Septic Permits	22,000	22,000	19,795	(2,205)
F/S Inspections	33,000	33,000	31,734	(1,266)
<b>Total Licenses and Permits</b>	<b>388,200</b>	<b>388,200</b>	<b>544,207</b>	<b>156,007</b>
<b>Intergovernmental:</b>				
Federal Grants	85,038	85,038	88,627	3,589
Payments In-Lieu-Of Taxes	1,195,000	1,195,000	1,218,663	23,663
State Grants and Contracts	428,075	428,075	526,798	98,723
Other	14,600	14,600	15,224	624
<b>Total Intergovernmental</b>	<b>1,722,713</b>	<b>1,722,713</b>	<b>1,849,312</b>	<b>126,599</b>
<b>Charges for Services:</b>				
Departmental Fees	750,000	750,000	894,511	144,511
Public Safety Fees	836,688	836,688	770,830	(65,858)
Health and Welfare Fees	36,800	36,800	40,996	4,196
<b>Total Charges for Services</b>	<b>1,623,488</b>	<b>1,623,488</b>	<b>1,706,337</b>	<b>82,849</b>
<b>Fines and Forfeitures</b>				
Traffic Fines	50,000	50,000	66,035	16,035
<b>Investment Earnings</b>	<b>21,900</b>	<b>21,900</b>	<b>13,653</b>	<b>(8,247)</b>
<b>Miscellaneous Revenues:</b>				
Rents and Royalties	104,550	104,550	127,718	23,168
Cost Allocations	25,000	25,000	20,371	(4,629)
Miscellaneous Nonclassified Revenues	226,959	226,959	168,272	(58,687)
<b>Total Miscellaneous Revenues</b>	<b>356,509</b>	<b>356,509</b>	<b>316,361</b>	<b>(40,148)</b>
<b>TOTAL REVENUES</b>	<b>\$ 9,476,930</b>	<b>\$ 9,476,930</b>	<b>\$ 10,003,083</b>	<b>\$ 526,153</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 2013
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:	1,755,656
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	30,357
2. General fund appropriations		b. Snow and ice removal	78,480
3. Other local imposts (from page 2)	61,697	c. Other	
4. Miscellaneous local receipts (from page 2)	372,174	d. Total (a. through c.)	108,837
5. Transfers from toll facilities		4. General administration & miscellaneous	37,096
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	
a. Bonds - Original Issues		6. Total (1 through 5)	1,901,589
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)	433,871	b. Redemption	
<b>B. Private Contributions</b>		c. Total (a. + b.)	0
<b>C. Receipts from State government</b> (from page 2)	1,784,557	2. Notes:	
<b>D. Receipts from Federal Government</b> (from page 2)	32,054	a. Interest	
<b>E. Total receipts (A.7 + B + C + D)</b>	2,250,482	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>	1,901,589

**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	2,250,482	1,901,589	2,120,476	0

Notes and Comments:

**LOCAL HIGHWAY FINANCE REPORT**

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

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

ITEM	AMOUNT	ITEM	AMOUNT
<b>A.3. Other local imposts:</b>		<b>A.4. Miscellaneous local receipts:</b>	
a. Property Taxes and Assessments	54,647	a. Interest on investments	2,136
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	1,507
4. Licenses		f. Charges for Services	58,167
5. Specific Ownership &/or Other	7,050	g. Other Misc. Receipts (& transfers in)	303,622
6. Total (1. through 5.)	7,050	h. Other	6,742
c. Total (a. + b.)	61,697	i. Total (a. through h.)	372,174
	(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	1,728,189	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	56,368	d. Federal Transit Admin	
d. Other (Specify) - DOLA Grant		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal (Severance)	32,054
f. Total (a. through e.)	56,368	g. Total (a. through f.)	32,054
4. Total (1. + 2. + 3.f)	1,784,557	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, 2013

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	\$ 15,217
<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	13,178
Promoting Safe and Stable Families	93.556	35,555
Temporary Assistance for Needy Families	93.558	359,888
Temporary Assistance for Needy Families (County MOE Refund)	93.558	-
Title IV D Administrative	93.563	152,093
Low Income Home Energy Assistance (LEAP)	93.568	224,833
CCDF Discretionary	93.575	14,537
CCDF	93.596	61,619
Title IV B Child Welfare	93.645	8,362
Title IV E Foster Care	93.658	209,592
Title IV E Adoption	93.659	37,096
Title XX	93.667	71,246
Title XIX Medicaid	93.778	74,196
Adjustment to Federal Assistance	93.xxx	6,178
<i>Passed through Colorado Department of Public Health and Environment</i>		
Emergency Preparedness Response Grant (EPRD)	93.069	22,712
Injury Prevention and Control Research and State and Community Based Programs	93.136	28,476
Grants to States to Support Oral Health Workforce Activities and Grants for Residency Training in Dental Public Health	93.236	29,261
Childhood Immunization	93.268	2,563
PPHF 2012 - Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure and Performance	93.539	5,000
Nuturing Parent Program	93.590	9,723
Preventative Health and Health Services Block Grant	93.991	5,000
<b>Total U.S. Department of Health and Human Services</b>		<b>1,371,108</b>

The accompanying notes are an integral part of this schedule.

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	46,460
<b>Total U.S. Department of Homeland Security</b>		46,460
<b><u>U.S. Department of Transportation</u></b>		
Federal Aviation Administration Airport Improvement Program	20.106	55,080
<b>Total U.S. Department of Transportation</b>		55,080
<b><u>U.S. Department of Agriculture</u></b>		
<i>Passed Through Colorado Department of Human Services:</i>		
Food Assistance Administration	10.561	148,699
Food Assistance	10.551	2,108,102
<b>Total U.S. Department of Agriculture</b>		2,256,801
<b>Total Expenditures of Federal Awards</b>		<b>\$ 3,744,666</b>

# CHAFFEE COUNTY, COLORADO

---

## NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS YEAR ENDED DECEMBER 31, 2013

---

### **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**

P.O. Box 6597  
Avon, Colorado 81620  
scottwright.cpa@icloud.com

---

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 14, 2014.

**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

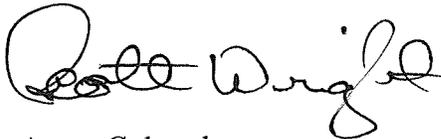
consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **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 "Matt Wright". The signature is fluid and cursive, with a large initial "M" and "W".

Avon, Colorado  
April 14, 2014

**SCOTT C. WRIGHT**  
**CERTIFIED PUBLIC ACCOUNTANT**  
P.O. Box 6597  
Avon, Colorado 81620  
scottwright.cpa@icloud.com

---

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.

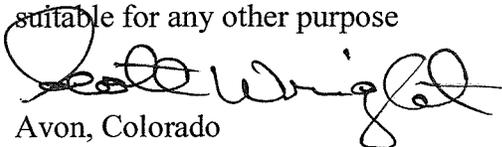
### **Report on Internal Control Over Compliance**

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  
April 14, 2014

# CHAFFEE COUNTY, COLORADO

---

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS YEAR ENDED DECEMBER 31, 2013

---

### 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, 2013.
- 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 93.568 Low Income Home Energy Assistance (LEAP)
  - 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**

---

## **SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS YEAR ENDED DECEMBER 31, 2013**

---

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

- There were no prior year audit findings and/or questioned costs for the year ended December 31, 2012 for Chaffee County, Colorado.