

ELBERT COUNTY, COLORADO

FINANCIAL STATEMENTS

December 31, 2012

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INDEPENDENT AUDITOR'S REPORT

The Board of County Commissioners
Elbert County, Colorado

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

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

Emphasis of Matters

Change in Accounting Principles

As described in Note 14 to the financial statements, the County adopted the provisions of GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements* and GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position*. Our opinion is not modified with the implementation of these GASB statements.

Correction of an Error

As described in Note 13 to the financial statements, certain errors resulting in overstatement of amounts previously reported in the prior year for property tax revenues in the General Fund, Road and Bridge Fund and the Statement of Net Activities were discovered by management during the current year. Accordingly, amounts reported for the overstatement of property tax revenues have been restated in the 2012 financial statements now presented, and an adjustment has been made to beginning equity to correct the error. Also, in 2011 the insurance escrow account, included in the General Fund, was corrected in 2012 by removing the account resulting in an increase in the fund balance and an increase in long term debt at the Government Wide Statement of Net Position and a decrease in the Statement of Activities for amounts previously recognized. A capital asset and the associated capital lease was not included in the Government Wide Statement of Net Position in 2011 and this has been corrected in 2012 as an adjustment to beginning capital assets and beginning long term debt in the Statement of Net Position to correct the error. A final adjustment was made to reduce capital assets and net position related to construction in progress that could not be substantiated. Our opinion is not modified with respect to these matters.

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 IV through IX and 34 through 40, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquires, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any

assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Elbert County's basic financial statements. The combining and individual non-major fund financial statements, budgetary schedules, the debt service requirements to maturity schedule and the Local Highway Finance Report are presented for purposes of additional analysis and are not a required part of the financial statements.

The combining and individual non-major fund financial statements, budgetary schedules, the debt service requirements to maturity schedule and the Local Highway Finance Report are the responsibility of management and were derived from and relates 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 financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual non-major fund financial statements, budgetary schedules, the debt service requirements to maturity schedule and the Local Highway Finance Report are fairly stated in all material respects, in relation to the basic financial statements taken as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated January 15, 2014 on our consideration of Elbert County, Colorado's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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 Elbert County's internal control over financial reporting and compliance.



Greenwood Village, CO
January 15, 2014

ELBERT COUNTY, COLORADO MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of Elbert County (the County), the Board of County Commissioners offers readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended December 31, 2012.

Financial Highlights

- Assets exceeded liabilities by \$85,408,944 (net position) at the close of the fiscal year. Of this amount, \$5,308,521 in unrestricted net position available to meet ongoing and future obligations of the County.
- The net decrease in capital assets for the year was \$2,888,266. The decrease was due to depreciation expense of \$5,996,887 exceeding capital additions of \$3,142,468 and losses on disposal of assets of \$33,847. The majority of the increase is related to the construction of the Kiowa-Bennett Road and County Road 45/118 and the lease purchase agreements for equipment in the General and Road and Bridge Funds. In addition, the beginning balance of capital assets was increased by a capital lease which was not recorded last year of \$211,367 and reduced by the amount of unidentified construction in progress of \$1,396,256.
- As of the close of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$7,124,516.
- Total net position increased by \$342,426. In addition the General Fund's Net Position was increased approximately \$186,614 due to reclassifying certain liabilities to long term debt and reducing the amount of property taxes receivable \$63,569. The Road and Bridge Fund Net Position was also reduced due to property tax receivables totaling \$36,875.
- Total cash and investments increased by \$1,471,673 as compared to the prior year.
- Tax revenues decreased by \$420,145 as compared to the prior year.
- On the budget basis of accounting, General Fund expenditures decreased by \$136,152 as compared to the prior year as the County continues to implement cost control measures.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$(509,219).
- Total debt increased by \$461,174 during the current fiscal year.

Overview of the Financial Statements

This discussion and analysis is 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 financial statements. This report also contains other supplementary information and schedules 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 government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

Both of the government-wide financial statements identify functions of the County that are principally to be supported by taxes and intergovernmental revenue (governmental activities). The governmental activities of the County include general government, public safety, public works, public health and welfare, culture and recreation, auxiliary services, and debt service.

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. The funds of the County include both governmental 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 inflows 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 government'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 14 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenue, expenditures, and changes in fund balances for the General Fund, the Road and Bridge special revenue fund, Social Services special revenue fund, Sales and Use Tax special revenue fund each of which are considered to be major funds. Data for the other ten governmental funds are combined into a single aggregated presentation. Individual fund data for these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The County adopts an annual appropriated budget for its major and nonmajor governmental funds. The General Fund and the Road and Bridge fund's budgetary comparison statements use the budgetary basis of accounting, in which capital lease proceeds and the expenditure of those funds are not budgeted. Budgetary comparison statements have been provided to demonstrate compliance with these budgets.

Fiduciary funds. Fiduciary funds are used to account for assets held for the benefit of parties outside the County. Fiduciary funds are not reflected in the government-wide financial statements because the resources of these funds are not available to support the County's own programs.

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

Other information. In addition to the basic financial statements and accompanying notes, this report also presents in the form of required supplementary information, budgetary comparison statements for the major governmental funds.

The combining statements referred to earlier in connection with nonmajor governmental funds is presented immediately following the required supplementary information.

This report also contains schedules of debt service requirements to maturity and a local highway finance report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The County's assets exceeded liabilities by \$85,408,944 at the close of the most recent fiscal year.

Net Position

	<u>2012</u>	<u>2011</u>
Current assets	\$ 15,605,901	\$ 14,903,708
Other assets	274,659	304,777
Capital assets	83,042,759	90,799,828
Total assets	<u>98,923,319</u>	<u>106,008,313</u>
Current liabilities	8,521,303	8,414,043
Long-term liabilities	9,861,875	9,150,518
Total liabilities	<u>18,383,178</u>	<u>17,564,561</u>
Net investment in capital assets	78,589,335	81,964,197
Restricted net position	1,511,088	1,992,236
Unrestricted net position	5,308,521	4,487,319
Total net position	<u>\$ 85,408,944</u>	<u>\$ 88,443,752</u>

The largest portion of the County's net position (92%) reflects its investment in capital assets. The County uses these capital assets to provide services to citizens; consequently, the assets are not available for future spending.

An additional portion of the County's net position (1.7%) represents resources that are subject to restrictions on how they can be used and/or are not currently available for the County's ongoing obligations. The remaining balance of unrestricted net position \$5,308,521 may be used to meet the government's future expenditures.

At the end of the current fiscal year, the County was able to report positive balances in all three categories of net position.

The County's net position decreased by \$3,034,808 during the current fiscal year.

	Change in Net Position	
	<u>2012</u>	<u>2011</u>
Revenues		
Program revenues		
Charges for services	\$ 2,301,422	\$ 1,670,049
Operating grants and contributions	6,915,739	4,141,086
Capital grants and contributions	334,415	1,102,412
General revenues		
Taxes	10,019,018	10,698,915
Intergovernmental	154,003	2,926,212
Investment and interest income	102,166	-
Other	225,083	131,152
Total revenues	<u>20,051,846</u>	<u>20,669,826</u>
Expenses		
General government	3,635,954	4,469,474
Public safety	3,915,214	3,468,183
Public works	9,778,610	10,517,630
Public health and welfare	4,891,206	4,854,588
Culture and recreation	233,795	182,789
Auxiliary services	127,400	96,470
Interest on long-term debt	504,475	293,719
Total expenses	<u>23,086,654</u>	<u>23,882,853</u>
Change in net position	(3,034,808)	(3,213,027)
Net position - Beginning (Restated)	88,443,752	91,656,779
Net position - Ending	<u>\$ 85,408,944</u>	<u>\$ 88,443,752</u>

Financial Analysis of the Government's Funds

As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds.

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, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$7,124,516, of which \$6,029,718 is attributed to the major funds.

The General Fund is the chief operating fund of the County. At the end of the current fiscal year, the General Fund had a fund balance of \$233,033.

The Road and Bridge Special Revenue Fund had a total fund balance of \$2,755,525 as of December 31, 2012, of which \$255,350 is restricted for inventory. The Road and Bridge Special Revenue Fund's fund balance increased by \$411,134 from the previous year. In the current year, revenues were lower than in 2011 and expenditures were higher. However, on the budgetary basis, assigned fund balance remains 49% of the total expended.

The Social Services Special Revenue Fund's fund balance was \$598,539 at the end of the current fiscal year. The Social Services Special Revenue Fund's fund balance decreased \$149,379 from the previous year. This loss was the result of expenditures of restricted IOG funds of \$187,951.

The Sales and Use Tax Special Revenue Fund's fund balance was \$2,452,621 at the end of the current fiscal year. The Sales and Use Tax Special Revenue Fund's fund balance increased \$565,832 from the previous year. Combined with expenditure reductions totaling \$345,757, sales and use taxes increased enough to offset the loss of intergovernmental revenue of \$1,102,412.

Capital Assets

The County invested \$3,142,468 in capital assets for its governmental-type activities for the year ended December 31, 2012. This investment in capital assets consists primarily of infrastructure, equipment and vehicles.

Long-Term Debt

At December 31, 2012 the County had total long-term debt of \$7,233,595. At this time, the County was not compliance with all of its bond covenants and is in the process of obtaining a waiver from the lender. As a result, the entire amount of the Lease Mortgage Revenue Bond is shown as due within one year. Management anticipates it will receive waivers of these covenants, and the amounts due within one year will be \$170,000. In addition, long-term debt includes capital leases used to finance equipment purchases, compensated absences, and amounts owed as the result of a legal settlement and the underpayment of employee benefits.

Next Year's Budgets

The County has appropriated \$24,397,101 for spending in the 2013 fiscal year budget. Budgeted 2013 revenue of \$21,241,121 and the use of accumulated fund balances will be sufficient to cover the appropriated expenditures in 2013.

Requests for Information

This financial report is designed to provide a general overview of Elbert County's finances for all those with an interest in the County's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to: Elbert County, 215 Comanche Street, Kiowa, Colorado 80117.

BASIC FINANCIAL STATEMENTS

ELBERT COUNTY, COLORADO
STATEMENT OF NET POSITION
December 31, 2012

	<u>Primary</u> <u>Government</u> <u>Governmental</u> <u>Activities</u>
ASSETS	
Cash and investments	\$ 6,380,982
Cash and investments - Restricted	654,148
Receivables	719,220
Due from other governments	209,946
Property taxes receivable	7,379,401
Inventory of supplies	262,204
Bond issuance costs, net	274,659
Capital assets, not being depreciated	
Land, water rights and construction in progress	4,868,803
Capital assets, net of accumulated depreciation	
Buildings, equipment and infrastructure	83,042,759
Total assets	103,792,122
LIABILITIES	
Warrants and accounts payable	849,847
Accrued interest payable	39,918
Unearned revenue	7,522,846
Due to other governments	108,692
Noncurrent liabilities	
Due within one year	7,233,595
Due in more than one year	2,628,280
Total liabilities	18,383,178
NET POSITION	
Net investment in capital assets	78,589,335
Restricted	1,511,088
Unrestricted	5,308,521
Total net position	\$ 85,408,944

These financial statements should be read only in connection with
the accompanying notes to financial statements.

ELBERT COUNTY, COLORADO
STATEMENT OF ACTIVITIES
Year Ended December 31, 2012

<u>Functions/Programs</u>	<u>Program Revenues</u>			<u>Net (Expense)</u>	
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Revenue and Changes in Net Position</u>	
			<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	
Primary government:					
Governmental activities:					
General government	\$ 3,635,954	\$ 1,207,853	\$ -	\$ -	\$ (2,428,101)
Public safety	3,915,214	937,552	95,069	-	(2,882,593)
Public works	9,778,610	42,750	2,754,403	334,415	(6,647,042)
Public health and welfare	4,891,206	113,267	4,033,962	-	(743,977)
Culture and recreation	233,795	-	-	-	(233,795)
Auxiliary services	127,400	-	-	-	(127,400)
Interest on long-term debt	504,475	-	32,305	-	(472,170)
Total primary government	<u>\$ 23,086,654</u>	<u>\$ 2,301,422</u>	<u>\$ 6,915,739</u>	<u>\$ 334,415</u>	<u>(13,535,078)</u>

General revenues:

Taxes	10,019,018
Grants not restricted to a specific program	154,003
Investment earnings	102,166
Other	225,083
Total general revenues	<u>10,500,270</u>
Change in net assets	(3,034,808)
Net position - Beginning (Restated)	<u>88,443,752</u>
Net position - Ending	<u>\$ 85,408,944</u>

These financial statements should be read only in connection with
the accompanying notes to financial statements.

ELBERT COUNTY, COLORADO
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2012

	Special Revenue Funds			
General	Road and Bridge	Social Services	Sales and Use Tax Fund	
ASSETS				
Cash and investments with Treasurer	\$ 112,346	\$ 2,499,297	\$ 529,194	\$ 2,333,609
Cash and investments with Treasurer - Restricted	500,000	-	-	-
Accounts receivable	170,806	130,625	-	241,986
Assessments receivable	-	-	-	-
Due from other funds	-	13,183	12,034	-
Due from other governments	-	-	209,946	-
Property taxes receivable	4,239,400	2,468,696	389,794	-
Inventory of supplies	6,854	255,350	-	-
Total assets	\$ 5,029,406	\$ 5,367,151	\$ 1,140,968	\$ 2,575,595
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Warrants and accounts payable	\$ 514,537	\$ 142,930	\$ 43,943	\$ 122,974
Due to other funds	52,436	-	-	-
Due to other governments	-	-	108,692	-
Deferred revenue	4,239,400	2,468,696	389,794	-
Total liabilities	4,806,373	2,611,626	542,429	122,974
FUND BALANCES				
Nonspendable				
Inventory	6,854	255,350	-	-
Restricted				
Emergency reserves	225,398	78,530	13,920	-
Debt service	500,000	-	-	-
IOG	-	-	31,179	-
Conservation trust	-	-	-	-
Assigned				
Transportation	-	2,421,645	-	-
Public health and welfare	-	-	553,440	-
Public safety	-	-	-	-
Capital outlay	-	-	-	2,452,621
Contingencies				
Retirement	-	-	-	-
Unassigned				
General fund (deficit)	(509,219)	-	-	-
Total fund balances	223,033	2,755,525	598,539	2,452,621
TOTAL LIABILITIES FUND BALANCES	\$ 5,029,406	\$ 5,367,151	\$ 1,140,968	\$ 2,575,595

Nonmajor Governmental Funds	Total Governmental Funds
\$ 906,536	\$ 6,380,982
154,148	654,148
32,358	575,775
143,445	143,445
42,351	67,568
-	209,946
281,511	7,379,401
-	262,204
<u>\$ 1,560,349</u>	<u>\$ 15,673,469</u>
\$ 25,463	\$ 849,847
15,132	67,568
-	108,692
<u>424,956</u>	<u>7,522,846</u>
<u>465,551</u>	<u>8,548,953</u>
-	262,204
13,607	331,455
135,946	635,946
-	31,179
512,508	512,508
-	2,421,645
19,038	572,478
81,569	81,569
300,677	2,753,298
18,202	18,202
13,251	13,251
-	(509,219)
<u>1,094,798</u>	<u>7,124,516</u>
<u>\$ 1,560,349</u>	<u>\$ 15,673,469</u>

These financial statements should be read only in connection with
the accompanying notes to financial statements.

ELBERT COUNTY, COLORADO
RECONCILIATION OF THE BALANCE SHEET
TO THE STATEMENT OF NET POSITION
GOVERNMENTAL FUNDS
December 31, 2012

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

Total fund balance - Total governmental funds	\$ 7,124,516
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	87,911,562
Other assets, net of accumulated amortization, are not financial resources and, therefore, are not reported in the funds.	274,659
Accrued interest payable is not included in the funds.	(39,918)
Noncurrent liabilities, including capital leases and bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(9,861,875)</u>
Net position of governmental activities	<u><u>\$ 85,408,944</u></u>

These financial statements should be read only in connection with
the accompanying notes to financial statements.

ELBERT COUNTY, COLORADO
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended December 31, 2012

	<u>Special Revenue Funds</u>			
	<u>General</u>	<u>Road and Bridge</u>	<u>Social Services</u>	<u>Sales and Use Tax Fund</u>
REVENUES				
Taxes	\$ 5,260,184	\$ 2,569,906	\$ 377,952	\$ 1,518,627
Special assessments	-	-	-	-
Licenses and permits	544,731	-	-	-
Intergovernmental	100,693	2,735,361	3,955,802	360,196
Charges for services	1,339,400	42,750	-	-
Net investment income	10,744	5,014	85,238	-
Miscellaneous	210,679	3,636	795	-
Total revenues	<u>7,466,431</u>	<u>5,356,667</u>	<u>4,419,787</u>	<u>1,878,823</u>
EXPENDITURES				
Current				
General government	3,129,219	79,619	1,240	44,880
Public safety	3,303,982	-	-	-
Public works	-	4,236,224	-	-
Public health and welfare	-	-	4,545,787	45,260
Culture and recreation	140,215	-	-	-
Auxiliary services	127,400	-	-	-
Debt service	636,777	629,690	-	-
Capital outlay	365,139	1,033,882	22,139	1,222,851
Total expenditures	<u>7,702,732</u>	<u>5,979,415</u>	<u>4,569,166</u>	<u>1,312,991</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(236,301)</u>	<u>(622,748)</u>	<u>(149,379)</u>	<u>565,832</u>
OTHER FINANCING SOURCES (USES)				
Capital lease financing	260,938	1,033,882	-	-
Transfers in	88,746	-	-	-
Transfers (out)	(123,788)	-	-	-
Total other financing sources (uses)	<u>225,896</u>	<u>1,033,882</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	(10,405)	411,134	(149,379)	565,832
FUND BALANCES - BEGINNING OF YEAR - Restated	<u>233,438</u>	<u>2,344,391</u>	<u>747,918</u>	<u>1,886,789</u>
FUND BALANCES - END OF YEAR	<u>\$ 223,033</u>	<u>\$ 2,755,525</u>	<u>\$ 598,539</u>	<u>\$ 2,452,621</u>

Nonmajor Governmental Funds	Total Governmental Funds
\$ 292,349	\$ 10,019,018
32,305	32,305
-	544,731
219,800	7,371,852
374,541	1,756,691
1,170	102,166
9,973	225,083
<u>930,138</u>	<u>20,051,846</u>
250,399	3,505,357
169,767	3,473,749
-	4,236,224
286,757	4,877,804
76,491	216,706
-	127,400
158,065	1,424,532
498,457	3,142,468
<u>1,439,936</u>	<u>21,004,240</u>
<u>(509,798)</u>	<u>(952,394)</u>
-	1,294,820
123,788	212,534
<u>(88,746)</u>	<u>(212,534)</u>
<u>35,042</u>	<u>1,294,820</u>
(474,756)	342,426
1,569,554	6,782,090
<u>\$ 1,094,798</u>	<u>\$ 7,124,516</u>

These financial statements should be read only in connection with
the accompanying notes to financial statements.

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

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

Net change in fund balances - Total governmental funds	\$ 342,426
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported net of depreciation expense. This is the amount by which depreciation and loss on the disposal of assets exceeded capital outlay in the current period.

Capital outlay	3,142,468
Loss on disposal of assets	(33,847)
Depreciation	(5,996,887)

The issuance of long-term debt (e.g. capital leases and bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Capital lease proceeds	(1,294,820)
Principal payments made	965,894

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

Change in compensated absences	10,913
Amortization of bond issuance costs	(30,118)
Change in accrued interest	2,324
Legal settlement	(95,000)
Amortization of deferred loss on refunding	(48,161)

Change in net position of governmental activities	<u><u>\$ (3,034,808)</u></u>
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These financial statements should be read only in connection with
the accompanying notes to financial statements.

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

	<u>Treasurer</u>	<u>Agency Funds Public Trustee</u>	<u>Sheriff's Office</u>	<u>Total</u>
ASSETS				
Cash and investments	\$ 856,401	\$ 57,454	\$ 12,265	\$ 926,120
Due from other governments	262,660	-	-	262,660
Total assets	<u>1,119,061</u>	<u>57,454</u>	<u>12,265</u>	<u>1,188,780</u>
LIABILITIES				
Due to other governments	852,113	-	-	852,113
Other liabilities	73,074	-	12,265	85,339
Outstanding checks payable	193,874	-	-	193,874
Escrow deposits held by public trustee	-	57,454	-	57,454
Total liabilities	<u>1,119,061</u>	<u>57,454</u>	<u>12,265</u>	<u>1,188,780</u>
NET POSITION				
Held in trust	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

These financial statements should be read only in connection with
the accompanying notes to financial statements.

ELBERT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - DEFINITION OF REPORTING ENTITY

Elbert County, Colorado (County) is a political subdivision organized under the statutes of the State of Colorado. The county is governed by a three-member elected Board of County Commissioners (Board), responsible for setting policy, appointing administrative personnel, and the adoption of an annual budget in accordance with State statutes. The County provides the following services: public safety (including the activity of the Sheriff's Contraband account), health and welfare, fairground facilities construction and maintenance, construction and maintenance of roads and bridges, and general administrative services.

The County follows the Governmental Accounting Standards Board (GASB) accounting pronouncements which provide guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB pronouncements set forth the financial accountability of a governmental organization's elected governing body as the basic criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens and fiscal dependency.

Based on the application of these criteria, the County is financially accountable for the Elbert County Building Authority (Building Authority). The Building Authority was registered with the State of Colorado as a nonprofit corporation on November 11, 2005. The Building Authority is governed by a Board of Directors that consist of three members. The initial Board was established by the County Commissioners. Any future changes to Board members will be decided by a majority vote of the existing members.

The operations of the 18th Judicial District (including Crime Victim Compensation Boards) are not a part of the financial statements of the County as the County is not financially accountable for the operations of the 18th Judicial District.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the County conform to generally accepted accounting principles (GAAP) as applicable to government units. The following is a summary of the more significant policies.

Government-wide and Fund Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. These financial statements include all of the activities of the primary government except for the fiduciary activities. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities are normally supported by taxes and intergovernmental revenues.

The statement of net position reports all financial and capital resources of the primary government. The difference between the assets and liabilities of the County is reported as net position.

ELBERT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The statement of activities demonstrates the degree to which the direct and indirect expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met. Depreciation is computed and recorded as an operating expense. Expenditures for property 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*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. The County has determined that expenditure-driven grants should be recognized as soon as all eligibility criteria have been met. For this purpose, the County considers grant revenues to be susceptible to accrual if they are collected within a year after the current fiscal period. The major sources of revenue susceptible to accrual are property taxes, specific ownership taxes, sales taxes, and grant funding. All other revenue items are considered to be measurable and available only when cash is received by the County. Expenditures, other than interest on long-term obligations and interest on capital leases, are recorded when the liability is incurred or the long-term obligation is due.

Major Funds - In the fund financial statements, the County reports the following major governmental funds:

- The *General Fund* is the County's primary operating fund. It accounts for all financial resources of the general government, except those accounted for in another fund.

The County reports the following major special revenue funds:

- The *Road and Bridge Fund* accounts for the proceeds of restricted revenue to be used for maintaining road and bridge operations.

ELBERT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation
(Continued)

Major Funds (Continued)

- The *Social Services Fund* accounts for the proceeds of restricted revenue to be used for public health and welfare programs.
- The *Sales and Use Tax Fund* accounts for the revenue generated by the 1% sales and use tax on applicable sales and purchases within the County.

Non-Major Funds – The County reports four non-major governmental funds that account for debt service requirements of the following special improvement districts: 1) Rolling Hills, 2) Chaparral Valley, 3) Meadows Station, and 4) Foxwood Estates.

The County reports six non-major special revenue funds: 1) Law Enforcement Assistance, 2) Impact Assistance, 3) Public Health and Administration, 4) Contingency, 5) Retirement, and 6) Conservation Trust.

Additionally, *Agency Funds*, account for assets held by the County as an agent for other governmental units and individuals. The Agency Funds are custodial in nature and do not present results of operations or have a measurement focus.

When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then unrestricted resources as they are needed.

Budgets

In accordance with the State Budget Law, the County Commissioners hold public hearings in the fall each year to approve the budget and appropriate the funds for the ensuing year. The appropriation is at the total fund expenditures and other financing uses level, which includes other financing uses, and lapses at year end. The County Commissioners can modify the budget by line item within the total appropriation without notification. The appropriation can only be modified upon completion of notification and publication requirements. The budget includes each fund on its basis of accounting unless otherwise indicated. For budgetary purposes, the County did not budget or appropriate for entering into capital lease transactions, as entering into a capital lease transaction does not provide for or use financial resources. The payments required under the capital lease agreements are included in the appropriations resolution.

The Impact Assistance, Retirement, Rolling Hills, and Chaparral Valley Funds exceeded their appropriated expenditures in 2012. This may be a violation of Colorado State Statute. The Impact Assistance Fund, which exceeded budget expenditures by \$122,910, incurred additional capital outlay costs which were not anticipated. The Retirement Fund, which exceeded budgeted expenditures by \$2,501, incurred higher than expected retirement costs. Debt service costs exceeded budgeted amounts in both the Rolling Hills, which exceeded budgeted expenditures by \$705, and Chaparral Valley Funds, which exceeded budgeted expenditures by \$529.

ELBERT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities and Net Position/Fund Balances

Cash and Investments - Except for cash held by third parties (cash and investments with trustee), all cash is deposited with the County Treasurer. When funds are received, the accounts of the fund receiving the money are credited. When expenditures are made, the cash with Treasurer is reduced and the expenditures recorded. The Treasurer invests the funds to achieve the best possible return on the investment. All funds record cash and investments as cash with County Treasurer. Net investment income is allocated to the General Fund, Conservation Trust Fund and Impact Assistance Fund, in accordance with statutory requirements. Cash equivalents are defined as investments with original maturities of three months or less. Investments are stated at fair value.

Inventories - Inventories of supplies held for consumption by the General and Road and Bridge Funds are valued at average cost. The cost of inventory is recorded as an expenditure at the time individual inventory items are used. Reported inventories are equally offset by a fund balance reserve which indicates they do not constitute available spendable resources even though they are a component of assets.

Capital Assets - Capital assets, which include property, equipment, and infrastructure (e.g. roads and similar items), and intangibles (e.g. water rights), are reported in the government-wide financial statements. Capital assets are defined by the County as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable. Capital assets of the County are depreciated using the straight-line method over the estimated economic useful lives:

Buildings	39 years
Equipment	3 - 7 years
Infrastructure	30 years

Unearned Revenues – Unearned revenues consist of advances received on grants that are recognized as revenue when the terms of the grant are fulfilled.

Compensated Absences - The County has a policy that allows employees to accumulate unused vacation benefits up to certain maximum hours. Compensated absences are accrued when earned in the government-wide financial statements. A liability is reported in the governmental funds when payment is due. The County's General Fund is used to liquidate compensated absences of the governmental activities.

ELBERT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities and Net Position/Fund Balances (Continued)

Long-Term Debt – In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities.

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 received, are reported as current expenditures.

Cost of Refunding - In the government-wide financial statements, the deferred cost of refunding is being amortized using the interest method over the life of the defeased Certificates of Participation. The amortization amount is a component of interest expense and the unamortized deferred cost is reflected as a reduction of bonds payable.

Net Position/Fund Balances – In the government-wide financial statements, net position is restricted when constraints placed on the net position are externally imposed. Fund balances of the governmental funds are classified as follows:

Nonspendable – Amounts that cannot be spent either because they are in nonspendable form (i.e. inventories or prepaid items) or because they are legally or contractually required to be maintained intact.

Restricted – Amounts that can be spent only for specific purposes because of constitutional provisions, enabling legislation, constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed – Amounts that can be used only for specific purposes determined by a formal action of the Board, as the Board is the highest level of decision-making body for the County. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the Board. The County has no committed fund balance.

Assigned – Amounts that do not meet the criteria to be classified as restricted or committed, but that are intended to be used for specific purposes. Only the Board may assign fund balances for specific purposes.

Unassigned – All other spendable amounts. At December 31, 2012, the General Fund had negative unassigned fund balance of \$509,219. Management anticipates eliminating this deficit through cost savings measures.

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

ELBERT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities and Net Position/Fund Balances (Continued)

Currently the General Fund balance is not sufficient to cover the required TABOR reserve. This may be in violation of Colorado State Statute.

Property Taxes

Property taxes are levied by the Board. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to put a tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April or if in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August and generally sales of the tax liens on delinquent properties are held in November or December.

Property taxes, net of estimated uncollectible taxes, are recorded initially as deferred revenue in the year they are levied and measurable. Deferred property tax revenues are recorded as revenue in the year they are available or collected.

Estimates

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

NOTE 3 - CASH AND INVESTMENTS

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

Statement of net position:	
Cash and investments	\$ 6,380,982
Cash and investments – Restricted	654,148
Total cash and investments - Statement of net position	<u>7,035,130</u>
Statement of fiduciary net position	926,120
	<u>\$ 7,961,250</u>

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

Cash on hand	\$ 340,226
Deposits with financial institutions	5,833,924
Investments	1,787,100
Total cash and investments	<u>\$ 7,961,250</u>

Deposits with Financial Institutions

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. Amounts on deposit 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. The pool for all the uninsured public deposits as a group is to be maintained by another institution or held

ELBERT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE 3 - CASH AND INVESTMENTS (CONTINUED)

Deposits with Financial Institutions (Continued)

in trust. The market value of the collateral must be at least 102% of the aggregate uninsured deposits.

The State Commissioners for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

At December 31, 2012, the County's cash deposits had a bank balance of \$5,921,895 and a carrying balance of \$5,833,924. At December 31, 2012, all the County's deposits were covered by the Federal Deposit Insurance Corporation (FDIC).

Investments

The County has not adopted a formal investment policy, however, the County follows State statutes regarding investments.

The County generally limits its concentration of investments to those noted with an asterisk (*) below, which are believed to have minimal credit risk, minimal interest rate risk, and no foreign currency risk. Additionally, the County is not subject to concentration of custodial risk disclosure requirements or subject to investment custodial risk for investments that are in the possession of another party.

Colorado revised statutes limit investment maturities to five years or less unless formally approved by the Board of Commissioners. Such actions are generally associated with a debt service reserve or sinking fund requirements.

Revenue bonds of local government securities, corporate and bank securities, and guaranteed investment contracts not purchased with bond proceeds are limited to maturities of three years or less.

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local governments may invest which include:

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

ELBERT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE 3 - CASH AND INVESTMENTS (CONTINUED)

As of December 31, 2012, the County had the following investments:

	Weighted Average Maturity	Fair Value
COLOTRUST	Under 60 days	\$ 1,275,272
Money Market Funds	Under 90 days	511,828
		\$ 1,787,100

COLOTRUST

The County invested in the Colorado Local Government Liquid Asset Trust (COLOTRUST), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust operates similarly to a money market fund and each share is equal in value to \$1.00. The Trust offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper and repurchase agreements collateralized by certain obligations of U.S. government agencies. A designated custodial bank serves as custodian for the Trust's portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for the Trust's 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 Trust. COLOTRUST is rated AAAM by Standard & Poor's.

Money Market Funds

These funds are being held in a U.S. Treasury money market fund managed by the Trustee. The managed funds invest primarily in securities that are issued or guaranteed as to payment of principal and interest by the U.S. government, its agencies or instrumentalities and repurchase agreements collateralized by such securities.

Restricted Cash and Investments

As more fully described in Note 5, the Lease Mortgage Revenue Bond requires the County to establish a reserve fund in the amount of \$500,000. In addition, the County considers cash in the Contingency Fund to be restricted by the State of Colorado statutes. Those amounts total \$18,202 at December 31, 2012. The County also considers cash held for special assessment debt to be restricted to payment of debt service. At December 31, 2012, this restricted special assessment cash and investments were \$135,946.

ELBERT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE 4 - CAPITAL ASSETS

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

	Restated Balance at December 31, 2011	Increases	Decreases	Balance at December 31, 2012
Primary Government				
Capital assets, not being depreciated:				
Water rights	\$ 4,100,445	-	\$ -	\$ 4,100,445
Land	687,312	-	-	687,312
Construction in progress	1,952,982	1,126,260	(2,998,196)	81,046
Total capital assets, not being depreciated	<u>6,740,739</u>	<u>1,126,260</u>	<u>(2,998,196)</u>	<u>4,868,803</u>
Capital assets, being depreciated:				
Buildings	11,031,625	345,706	(203,033)	11,174,298
Equipment	10,291,628	1,666,081	(1,863,691)	10,094,018
Infrastructure	162,203,669	3,002,617	-	165,206,286
Total capital assets, being depreciated	<u>183,526,922</u>	<u>5,014,404</u>	<u>(2,066,724)</u>	<u>186,474,602</u>
Less accumulated depreciation for:				
Buildings	(4,109,391)	(246,687)	203,033	(4,153,045)
Equipment	(6,797,852)	(1,243,230)	1,829,844	(6,211,238)
Infrastructure	(88,560,590)	(4,506,970)	-	(93,067,560)
Total accumulated depreciation	<u>(99,467,833)</u>	<u>(5,996,887)</u>	<u>2,032,877</u>	<u>(103,431,843)</u>
Total capital assets, being depreciated, net	<u>84,059,089</u>	<u>(982,483)</u>	<u>(33,847)</u>	<u>83,042,759</u>
Capital assets, net	<u>\$ 90,799,828</u>	<u>143,777</u>	<u>\$ (3,032,043)</u>	<u>\$ 87,911,562</u>

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

General government	\$ 85,093
Public safety	440,252
Public health and welfare	13,402
Public works	5,441,051
Culture and recreation	17,089
Total depreciation expense	<u>\$ 5,996,887</u>

ELBERT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE 5 - LONG-TERM OBLIGATIONS

The following is an analysis of the changes in the County's long-term obligations for the year ended December 31, 2012:

	Restated Balance at December 31, 2011	Additions	Reductions	Balance at December 31, 2012	Due Within One Year
Governmental Activities:					
Capital lease obligations	\$ 1,656,156	\$ 1,294,820	\$ 616,385	\$ 2,334,591	\$ 677,433
Special assessment debt	250,000	-	40,000	210,000	40,000
General obligation debt	780,000	-	35,000	745,000	15,000
Lease mortgage revenue bond	6,535,000	-	165,000	6,370,000	6,370,000
Due to insurance escrow	372,169	-	109,509	262,660	60,000
Legal settlement	-	95,000	-	95,000	47,500
Compensated absences	192,901	249,912	260,825	181,988	23,662
	<u>9,786,226</u>	<u>1,639,732</u>	<u>1,226,719</u>	<u>10,199,239</u>	<u>7,233,595</u>
Cost of refunding	(385,525)	-	48,161	(337,364)	-
	<u>\$ 9,400,701</u>	<u>\$ 1,639,732</u>	<u>\$ 1,178,558</u>	<u>\$ 9,861,875</u>	<u>\$ 7,233,595</u>

The activity of the County's long-term obligations is as follows:

Capital Leases

The County has entered into several lease agreements as lessee for financing the acquisition of certain road and bridge equipment as described below. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date.

The assets acquired through capital leases as of December 31, 2012 are as follows:

	<u>Governmental Activities</u>
Equipment	\$ 4,356,569
Less accumulated depreciation	(1,335,973)
Total	<u>\$ 3,020,596</u>

ELBERT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE 5 - LONG-TERM OBLIGATIONS (CONTINUED)

Capital Leases (Continued)

Following is a summary of terms relating to the various capital lease agreements.

On July 28, 2010, the County entered into a capital lease obligation to purchase a motor grader valued at \$244,650. The County traded in existing equipment as part of the planned rotation of equipment and financed the remaining \$141,500. The lease is on a quarterly basis for 16 consecutive quarterly periods with payments of \$9,341, consisting of principal and interest, with a rate of 2.95%.

On July 28, 2010, the County entered into a capital lease obligation to purchase a motor grader valued at \$250,650. The County traded in existing equipment as part of the planned rotation of equipment and financed the remaining \$183,000. The lease is on a quarterly basis for 20 consecutive quarterly periods with payments of \$9,804, consisting of principal and interest, with a rate of 2.95%.

On July 28, 2010, the County entered into a capital lease obligation to purchase a motor grader valued at \$244,650. The County traded in existing equipment as part of the planned rotation of equipment and financed the remaining \$142,500. The lease is on a quarterly basis for 16 consecutive quarterly periods with payments of \$9,407, consisting of principal and interest, with a rate of 2.95%.

On July 28, 2010, the County entered into a capital lease obligation to purchase a motor grader valued at \$244,650. The County traded in existing equipment as part of the planned rotation of equipment and financed the remaining \$122,650. The lease is on a quarterly basis for 16 consecutive quarterly periods with payments of \$8,096, consisting of principal and interest, with a rate of 2.95%.

On July 28, 2010, the County entered into a capital lease obligation to purchase a motor grader valued at \$244,650. The County traded in existing equipment as part of the planned rotation of equipment and financed the remaining \$122,650. The lease is on a quarterly basis for 16 consecutive quarterly periods with payments of \$8,096, consisting of principal and interest, with a rate of 2.95%.

On November 1, 2010, the County entered into a capital lease obligation to purchase a motor grader valued at \$250,650. The County traded in existing equipment as part of the planned rotation of equipment and financed the remaining \$123,900. The lease is on a quarterly basis for 20 consecutive quarterly periods with payments of \$6,607, consisting of principal and interest, with a rate of 2.75%.

On November 1, 2010, the County entered into a capital lease obligation to purchase a motor grader valued at \$250,650. The County traded in existing equipment as part of the planned rotation of equipment and financed the remaining \$123,900. The lease is on a quarterly basis for 20 consecutive quarterly periods with payments of \$6,607, consisting of principal and interest, with a rate of 2.75%.

On January 26, 2011, the County entered into a capital lease obligation to purchase a motor grader valued at \$250,800. The County traded in existing equipment as part of the planned rotation of equipment and financed the remaining \$150,800. The lease is on a quarterly basis for 20 consecutive quarterly periods with payments of \$8,005, consisting of principal and interest, with a rate of 2.55%.

ELBERT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE 5 - LONG-TERM OBLIGATIONS (CONTINUED)

Capital Leases (Continued)

On January 26, 2011, the County entered into a second capital lease obligation to purchase a motor grader valued at \$250,800. The County traded in existing equipment as part of the planned rotation of equipment and financed the remaining \$150,800. The lease is on a quarterly basis for 20 consecutive quarterly periods with payments of \$8,005, consisting of principal and interest, with a rate of 2.55%.

On September 23, 2011, The County entered into a lease purchase agreement in the amount of \$78,008 to purchase two sheriff's vehicles. The lease is on a monthly basis for 36 months with payments of \$2,385 consisting of principal and interest, with a rate of 6.702%

On December 28, 2011, the County entered into a capital lease obligation to purchase a motor grader valued at \$251,135. The County traded in existing equipment as part of the planned rotation of equipment and financed the remaining \$201,135. The lease is on a quarterly basis for 20 consecutive quarterly periods with payments of \$10,677, consisting of principal and interest with a rate of 2.55%.

On December 28, 2011, the County entered into a capital lease obligation to purchase a motor grader valued at \$251,135. The County traded in existing equipment as part of the planned rotation of equipment and financed the remaining \$201,135. The lease is on a quarterly basis for 20 consecutive quarterly periods with payments of \$10,677, consisting of principal and interest with a rate of 2.55%.

On June 1, 2011, the County entered into a capital lease obligation to purchase a bull dozer valued and leased at \$233,880. The lease is on a monthly basis for 60 consecutive quarterly periods with payments of \$4,240, consisting of principal and interest with a rate of 5.15%.

On July 11, 2012, the County entered into a capital lease obligation to purchase a 2012 motor grader valued at \$262,038. The County traded in existing equipment as part of the planned rotation of equipment and financed the remaining \$189,578. The lease is on a quarterly basis for 20 consecutive quarterly periods with payments of \$9,993, consisting of principal and interest with a rate of 2.55%.

On July 11, 2012, the County entered into a capital lease obligation to purchase a 2012 motor grader with snow wings valued at \$256,483. The County traded in existing equipment as part of the planned rotation of equipment and financed the remaining \$184,083. The lease is on a quarterly basis for 20 consecutive quarterly periods with payments of \$9,704, consisting of principal and interest with a rate of 2.25%.

On November 14, 2012, the County entered into a capital lease obligation to purchase a 2012 motor grader valued at \$256,978. The County financed \$256,978. The lease is on a quarterly basis for 20 consecutive quarterly periods with payments of \$13,562, consisting of principal and interest with a rate of 2.30%.

ELBERT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE 5 - LONG-TERM OBLIGATIONS (CONTINUED)

Capital Leases (Continued)

On December 12, 2012, the County entered into a capital lease obligation to purchase a motor grader valued at \$255,135. The County traded in existing equipment as part of the planned rotation of equipment and financed the remaining \$118,165. The lease is on a quarterly basis for 20 consecutive quarterly periods with payments of \$6,301, consisting of principal and interest with a rate of 2.75%.

On May 31, 2012, the County entered into a capital lease obligation to purchase two 2013 dump/snow trucks valued at \$305,078. The County traded in existing equipment as part of the planned rotation of equipment and financed the remaining \$285,078. The lease is on a quarterly basis for 20 consecutive quarterly periods with payments of \$15,359, consisting of principal and interest with a rate of 2.90%.

On June 26, 2012, the County entered into a capital lease obligation to purchase seven equipped police cars, which were fully financed at a value of \$260,938. The lease is on a monthly basis for 60 consecutive periods with payments of \$4,773, consisting of principal and interest with a rate of 3.75%.

The lease purchase agreements do not constitute general obligation debts of the County as defined by Colorado Revised Statutes as there are annual appropriation clauses in the lease agreements.

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2012, were as follows:

<u>Year Ending</u> <u>December 31,</u>	<u>Governmental</u> <u>Activities</u>
2013	\$ 677,433
2014	621,129
2015	513,972
2016	357,056
2017	165,001
Total minimum lease payments	<u>\$ 2,334,591</u>

Special Assessment Bonds

The following Special Assessment Bonds are to be serviced by special assessments levied against real property in the County, which is specifically benefited by the improvements.

The Chaparral Valley 2 Local Improvement District Special Assessment Bonds, dated January 10, 2003 were issued in the principal amount of \$350,000. Principal and interest, computed at 6.00% per annum, is payable annually on July 1, and maturing July 1, 2022, except if redeemed prior thereof. The bonds are subject to prepayment prior to maturity by the County on July 1, 2003, and each July 1, thereafter. The principal amount outstanding at December 31, 2012 was \$210,000.

ELBERT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE 5 - LONG-TERM OBLIGATIONS (CONTINUED)

General Obligation Bonds

The Meadows Station Subdivision Public Improvement District General Obligation Bonds, dated December 23, 2004 were issued in the principal amount of \$625,000. Principal and interest, computed at a variable rate of 3.15% - 5.25% per annum, is payable semi-annually on June 1 and December 1, and maturing December 1, 2024, except if redeemed prior thereof. The bonds are subject to prepayment prior to maturity by the County on December 1, 2006, and each December 1 thereafter. The principal amount outstanding at December 31, 2012 was \$455,000.

The Foxwood Estates Subdivision Public Improvement District General Obligation Bonds, dated January 27, 2005 were issued in the principal amount of \$345,000. Principal and interest are computed at a variable rate of 3.25% - 5.50% per annum. The principal amount outstanding at December 31, 2012 was \$290,000.

Lease Mortgage Revenue Bond

On October 1, 2009, the County entered into a Mortgage and Loan agreement for \$7,300,000 to refinance the Series 2005 Certificates of Participation (COPs) issued by the Building Authority and to receive additional funds to complete the projects originally contemplated in the issuance of the COPs. The bonds bear interest of 5.25% per annum, which will be reset after ten years. Principal and interest on the bond is due annually on December 1st. Any unpaid principal on the bond may be prepaid in whole or in part by the County on any payment date on or after December 1, 2015 at an amount equal to 100% of the principal amount being prepaid, plus accrued interest to the prepayment date. If the County prepaays the full principal amount of the bond, the prepayment will include an amount sufficient to cover administration fees and expenses accrued through the final payment of the bond. The defeased COPs are not considered a liability of the County since sufficient funds in the amount of \$5,370,361 were deposited into an Escrow Fund and invested in U.S. government securities for the purpose of paying the principal and interest of the defeased COPs when due. As of December 31, 2012, the outstanding principal balance of the COPs is \$3,930,000 and it is anticipated the bonds will be called in full on December 1, 2015.

The Lease Mortgage Revenue Bond requires the County to establish a reserve fund in the amount of \$500,000 within the General Fund. Through the agreement, the building authority assets were transferred to the County who is responsible for the repairs and maintenance of such assets. Additionally, the County has covenants that require compliance as part of the agreement. The County has requested, and is awaiting, waiver of one covenant for 2012. As of the date this report, the County has not received such waiver from the lender. Accordingly, the \$6,370,000 principal amount of the Lease Mortgage Revenue Bond has been classified as Due within one year” in these financial statements. At such time as the anticipated waiver is received \$170,000 would be due in one year and \$6,200,000 of the principal balance would be due in more than one year.

Annual debt service requirements to maturity for Special Assessment Bonds, General Obligation Bonds and the Lease Mortgage Revenue Bonds are as follows:

ELBERT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE 5 - LONG-TERM OBLIGATIONS (CONTINUED)

Lease Mortgage Revenue Bond (Continued)

<u>Year Ending</u> <u>December 31,</u>	<u>Governmental Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 225,000	\$ 384,177	\$ 609,177
2014	240,000	372,592	612,592
2015	245,000	360,180	605,180
2016	270,000	347,465	617,465
2017	280,000	333,453	613,453
2018-2022	1,645,000	1,431,495	3,076,495
2023-2027	1,805,000	973,656	2,778,656
2028-2029	2,615,000	138,788	2,753,788
	<u>\$ 7,325,000</u>	<u>\$ 4,341,806</u>	<u>\$ 11,666,806</u>

Compensated Absences

According to the County's Compensated Absences Policy, the maximum hours of vacation accrual for all employees, except for Sherriff, Patrol and Dispatch, are 72 hours. The Sherriff, Patrol and Dispatch may accrue up to 80 hours of vacation annually.

Due to Insurance Escrow

The County remits funds to the Treasurer's office to pay benefit costs. The Treasurer's office then writes a check to pay for those benefits. In prior years, the County did not remit adequate funds to pay for the elected officials benefits. As a result, benefit checks were written in excess of the amounts on deposit. At December 31, 2012, the County owes the Treasurer's office \$262,660 for those benefits. The County anticipates paying \$60,000 per year to eliminate this debt.

Legal Settlement

Under the terms of a settlement of a lawsuit, the County is obligated to make payments before March 1, 2014 and 2015 of \$47,500. At December 31, 2012 this amount is reported as part of long term obligations.

The long-term obligations of the County have been and will continue to be liquidated by various County funds. The Road and Bridge Fund services the capital lease and legal settlement obligations. The General Fund services the compensated absences, the Lease Mortgage Revenue Bond and insurance escrow debt. The Special Assessment Debt and General Obligation Debt are serviced by the specific funds that were established with the sole purpose of liquidating the debt obligation.

ELBERT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE 6 - NET POSITION

As also described in Note 2, net position in the Government-wide Statement of Net Position is reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulators of other governments.

The County has net position consisting of three components – net investment in capital assets, restricted, and unrestricted.

Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of capital leases and bonds that are attributable to the acquisition, construction, or improvement of those assets. As of December 31, 2012, the County had a net investment in capital assets of \$78,784,521, calculated as follows:

	Governmental Activities
Net investment in capital assets:	
Capital assets, net	\$ 87,911,562
Loss on refunding (net of accumulated amortization)	337,364
Long-term obligations	(9,659,591)
Net investment in capital assets	\$ 78,589,335

Restricted assets include restrictions for use either externally imposed by creditors, grantors, contributors, or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The County had restricted net position of \$1,511,088 as of December 31, 2012 as follows:

	Governmental Activities
<u>Primary Government</u>	
Restricted net assets:	
Debt service - Special assessment debt	\$ 135,946
Reserve for Lease Mortgage Revenue bond	500,000
Emergencies under TABOR	331,455
IOG	31,179
Conservation trust	512,508
Total restricted net assets	\$ 1,511,088

The County's unrestricted net position as of December 31, 2012 is \$5,308,521.

ELBERT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE 7 - PENSION PLAN

The County has adopted a multiple employer defined contribution pension plan administered by Colorado Counties Officials and Employees Retirement Association (CCOERA) which covers substantially all employees meeting the minimum eligibility requirements of 20 or more hours of work per week and one full year of continuous service. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees must match the employer contributions which may range from 3% to 6% of gross wages less overtime pay. An employee may contribute an additional 10% of eligible compensation after taxes or defer up to the lesser of \$8,500 or 25% of gross wages until retirement. Withdrawal from the Plan may occur only upon retirement, death, disability or termination of employment.

Employees vest 100% in personal contributions and 20% for each year of employment in employer contributions. Unvested employer contributions forfeited at termination revert to the County.

Both the County and the employees contributed 4% of eligible gross wages to the Plan during 2012. During the year ended December 31, 2012, participants made additional voluntary contributions. Additionally, certain participants participated in the Voluntary Deferred Compensation Plan during 2012. Information regarding the pension plan contributions for 2012 is as follows:

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Total payroll	\$ 6,267,038	\$ 6,250,695	\$ 6,855,314	\$ 7,958,073
Base salary - eligible	5,255,425	5,466,463	6,286,723	6,988,579
County contribution	208,475	218,168	251,353	279,284
Employee contribution	210,217	218,659	251,469	279,543

NOTE 8 - DEFERRED COMPENSATION PLAN

The County has a deferred compensation plan created in accordance with Internal Revenue Code Section 457. This plan is also administered by CCOERA. Participation in the plan is optional for all employees. The plan allows the employees to defer a portion of their salary until future years.

ELBERT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE 9 - COMMITMENTS AND CONTINGENCIES

Operating Leases

The County leases equipment under operating leases that expire 2018. Total rental expense for the year ended December 31, 2012 was \$125,930. The future minimum annual rental commitments under these leases are as follows:

<u>Year Ending</u> <u>December 31,</u>	<u>Minimum</u> <u>Lease</u> <u>Payments</u>
2013	\$ 77,222
2014	55,051
2015	25,569
2016	18,275
2017	13,391
2018	3,348
Total	<u>\$ 192,856</u>

Litigation

The County has been named in various pending or threatened litigation, claims or assessments. The ultimate outcome/resolution of these matters is not known at this time. The County is monitoring the progress of these matters and has referred various matters to the County's insurance carrier for consultation and representation. Insurance could participate in defense, settlement and claims costs subject to the terms and conditions of the insuring agreements. At December 31, 2012, management does not believe the resolution of their matters will have a material adverse effect on the financial condition of the government.

Grants

The government participates in various federal grant programs, the principal of which are subject to program compliance audits pursuant to the Single Audit Act as amended. Accordingly, the government's compliance with applicable grant requirements will be established at a future date. The amount of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the government anticipates such amounts, if any, will be immaterial.

Reclamation of Titan I Missile Complex

In 2011, Elbert County was alerted that the site had been disturbed by an unauthorized contractor. Since that time, Elbert County staff has been working closely with the Colorado Department of Public Health and Environment (CDPHE) to develop a remediation plan for the disturbance. During 2013, CDPHE issued a Compliance Order to the contractor and to the County and assessed a \$25,000 penalty. The County has appealed the Compliance Order. That appeal is still pending. Also during 2013, the contractor restored the landfill and submitted a work completion report to CDPHE.

It is expected that this issue will not be fully resolved until sometime in 2014. Elbert County will be requesting that the contractor reimburse the County for any and all costs related to their unauthorized excavation. However, the amounts to ultimately be paid by the County and the contractor is not known at this time.

ELBERT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE 10 - TRANSFERS/INTERFUND RECEIVABLES & PAYABLES

Transfers Out	Transfers In		
	General Fund	Nonmajor Governmental Funds	Total
General Fund	\$ -	\$ 123,788	\$ 123,788
Nonmajor Governmental Funds	88,746	-	88,746
	\$ 88,746	\$ 123,788	\$ 212,534

The transfer from the General Fund to the Public Health Fund (Nonmajor Governmental Fund) of \$109,221 is to cover appropriate expenditures. The \$14,567 transfer from the General Fund to the Rolling Hills Fund (Nonmajor Governmental Fund) for final debt service payments.

The transfer to the General Fund of \$88,746 incorporates a transfer from the Conservation Trust Fund (Nonmajor Governmental Funds) for expenditures eligible for payment through the Conservation Trust Program.

Interfund Payables	Interfund Receivables			Total
	Road and Bridge Fund	Social Services Fund	Nonmajor Governmental Funds	
General Fund	\$ 13,183	\$ 12,034	\$ 27,219	\$ 52,436
Nonmajor Governmental Funds	-	-	15,132	15,132
	\$ 13,183	\$ 12,034	\$ 42,351	\$ 67,568

The County reports interfund balances that are representative of lending/borrowing arrangements between funds in the fund financial statements as due to/from other funds. The interfund balances have been eliminated in the government-wide statements.

ELBERT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE 11 - RISK MANAGEMENT

The County is exposed to various risks of loss related to torts, thefts of, damage to or destruction of assets; errors or omissions; injuries to employees, or acts of God. The County is one of several counties which are members of the Colorado Counties Casualty and Property Pool and the County Workers' Compensation Pool (Pools). The Pools are organizations created by intergovernmental agreement. The Colorado Counties Casualty and Property Pool provides general liability, automobile liability, property and auto physical damage to its members. The County Workers' Compensation Pool provides workers' compensation coverage to its members.

The County pays annual contributions to the Pools for its property and casualty insurance and its workers' compensation insurance. The County has a \$500 deductible per claim for its property insurance. The intergovernmental agreements which formed the Pools provides that the Pools will be financially self-sustaining through member contributions and additional assessments, if necessary, and the Pools will purchase excess insurance through commercial companies for members' claims in excess of a specified self-insured retention, which is determined each policy year.

Each pool is managed by an independent risk manager/claims administrator who reports to the Pool Board of Directors. Each member's contribution to the respective pool is determined on factors including, but not limited to, the Pool's claim experience, premium costs, cost of administration and other operating expenses, the number of participants, the adequacy of both operating and reserve funds and other factors effecting the status of the Pool or an individual participant, and as approved by the Colorado Insurance Commissioner.

The County's contributions as a percentage of pool revenue are less than 3%.

The Pools provide the following types of coverage:

	Self-Insured Retentions <u>(Per Occurrence)</u>	Excess Insurance Limits <u>(Per Occurrence)</u>
Liability	\$ 250,000	\$ 10,000,000
Property	\$ 150,000	\$ 100,000,000
Workers' compensation	\$ 500,000 to statutory limit	

Settled claims have not exceeded coverage provided by the Pools in any of the past three fiscal years.

ELBERT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE 12 - 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.

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

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 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 County's management believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of the provisions, including the interpretation of how to calculate Fiscal Year Spending limits will require judicial interpretation. Accordingly, the possibility exists that the County's interpretation of certain TABOR provisions may subsequently be determined to be incorrect. This could result in a potential refund of revenue unless voters approve retention of such revenue. The ultimate outcome of these matters cannot presently be determined and no provision for any liability for a refund of revenue has been made in the financial statements.

On November 5, 1996, a majority of the County's electors authorized the County to retain or expend all revenue derived from building and other development related fees, exactions and permits; and revenues, cost reimbursements and grants from other governments during 1996 and each subsequent year. The County is authorized to spend all such revenues on road improvements, growth management, public safety and such other costs as may be directly related to growth unless otherwise provided by law, agreement, or grant, without regard to any limitation contained in Article X, Section 20 of the Colorado constitution and without limiting in any year the amount of other revenues that may be collected and spent by the County under Article X, Section 20 of the Colorado constitution or any other law; provided, however, that no property tax mill levy shall be increased at any time, nor shall any new tax be imposed, without consent of the voters approving any such increase or new tax.

ELBERT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE 13 - FINANCIAL STATEMENT RESTATEMENT

The County has restated the prior year's net position to primarily account for the relocation of the insurance escrow from a fund to a long term liability, record a capital lease, changes to capital assets and other changes noted in the fund financial statements. The net change is as follows:

	<u>Net Assets Restatement</u>
Net position - governmental activities - as originally reported December 31, 2011	\$90,055,062
Adjustment for insurance escrow owed	(121,986)
Adjustment for leased property	211,367
Adjustment for unidentified construction in progress	(1,396,256)
Adjustment for the capital lease	(203,991)
Adjustment for property tax revenue	(100,444)
Net position - restated December 31, 2011	<u>\$88,443,752</u>

The County has restated the prior year fund balances in the General Fund, and the Road and Bridge Fund, to account primarily for the relocation of the insurance escrow to long term debt and to record all of the 2012 property tax revenue in that period:

	<u>General Fund Fund Balance</u>
Balance previously recorded on December 31, 2011	\$ 46,824
Adjustment for insurance escrow owed	250,183
Adjustment for property tax revenue	(63,569)
Restated balance at December 31, 2011	<u>\$ 233,438</u>

	<u>Road and Bridge Fund Balance</u>
Balance previously recorded on December 31, 2011	\$ 2,381,266
Adjustment for property tax revenue	(36,875)
Restated balance at December 31, 2011	<u>\$ 2,344,391</u>

ELBERT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE 14 – ACCOUNTING PRONOUNCEMENTS

During the year ended December 31, 2012, the County implemented GASB Statement Number 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. This statement incorporates into the GASB authoritative literature certain guidance from the Financial Accounting Standards Board (FASB) Statements and Interpretations, the Accounting Principles Board Opinions and the Accounting Research Bulletins of the American Institute of Certified Public Accountants (AICPA) Committee on Accounting Procedure issued on before November 30, 1989 which does not conflict with GASB pronouncements. Implementation of this standard did not have a material effect on the County,

In addition, during the year ended December 31, 2012, the County implemented GASB Statement Number 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position*. As the result of implementing this statement, the computation of equity on the Statement of Net Position was retitled as Net Position.

The County is required to implement GASB Statement Number 65, *Items Previously Reported as Assets and Liabilities* during the upcoming year ending December 31, 2013. This statement requires certain items which were previously reported as assets and liabilities to be reported as deferred outflows of resources, deferred inflows of resources and as revenues or expenditures. As a result of implementing this Statement, the County will write off \$274,659 of loan origination costs.

NOTE 15 – SUBSEQUENT EVENTS

During 2013, the County entered into several lease purchase agreements for equipment and vehicles.

REQUIRED SUPPLEMENTARY INFORMATION

ELBERT COUNTY, COLORADO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
NON GAAP BUDGET BASIS
GENERAL FUND
Year Ended December 31, 2012

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes	\$5,259,000	\$5,259,000	\$5,260,184	\$ 1,184
Licenses and permits	312,500	312,500	544,731	232,231
Intergovernmental	195,000	195,000	100,693	(94,307)
Charges for service	1,620,769	1,620,769	1,339,400	(281,369)
Net investment income	10,000	10,000	10,744	744
Miscellaneous	60,000	60,000	210,679	150,679
Total revenues	<u>7,457,269</u>	<u>7,457,269</u>	<u>7,466,431</u>	<u>9,162</u>
EXPENDITURES				
General government	3,159,031	3,166,531	3,129,219	37,312
Public safety	3,472,104	3,660,604	3,303,982	356,622
Culture and recreation	133,090	133,090	140,215	(7,125)
Auxiliary services	131,006	131,006	127,400	3,606
Debt Service	540,588	540,588	636,777	(96,189)
Capital outlay	-	104,000	104,201	(201)
Total expenditures	<u>7,435,819</u>	<u>7,735,819</u>	<u>7,441,794</u>	<u>294,025</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES				
	<u>21,450</u>	<u>(278,550)</u>	<u>24,637</u>	<u>303,187</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	140,000	140,000	88,746	(51,254)
Transfers (out)	(48,471)	(48,471)	(123,788)	(75,317)
Total other financing sources (uses)	<u>91,529</u>	<u>91,529</u>	<u>(35,042)</u>	<u>(126,571)</u>
NET CHANGE IN FUND BALANCE				
	112,979	(187,021)	(10,405)	176,616
FUND BALANCE - BEGINNING OF YEAR - Restated				
	<u>190,600</u>	<u>190,600</u>	<u>233,438</u>	<u>42,838</u>
FUND BALANCE - END OF YEAR				
	<u>\$ 303,579</u>	<u>\$ 3,579</u>	<u>\$ 223,033</u>	<u>\$ 219,454</u>

ELBERT COUNTY, COLORADO
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
NON GAAP BUDGET BASIS
GENERAL FUND
Year Ended December 31, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes				
Property taxes	\$ 4,231,500	\$ 4,231,500	\$ 4,230,809	\$ (691)
Specific ownership taxes	1,020,000	1,020,000	1,019,438	(562)
Cigarette taxes	5,500	5,500	7,899	2,399
Other taxes	2,000	2,000	2,038	38
Total taxes	<u>5,259,000</u>	<u>5,259,000</u>	<u>5,260,184</u>	<u>1,184</u>
Licenses and permits				
Building and zoning fees	309,000	309,000	543,128	234,128
Liquor licenses	3,500	3,500	1,603	(1,897)
Total licenses and permits	<u>312,500</u>	<u>312,500</u>	<u>544,731</u>	<u>232,231</u>
Intergovernmental revenues				
VALE grant	75,000	75,000	72,662	(2,338)
Other intergovernmental revenues	120,000	120,000	28,031	(91,969)
Total intergovernmental revenues	<u>195,000</u>	<u>195,000</u>	<u>100,693</u>	<u>(94,307)</u>
Charges for services				
Sheriff	150,000	150,000	144,466	(5,534)
Clerk	650,000	650,000	632,303	(17,697)
Treasurer	425,000	425,000	403,302	(21,698)
Public trustee fees	110,000	110,000	106,138	(3,862)
Other	285,769	285,769	53,191	(232,578)
Total charges for services	<u>1,620,769</u>	<u>1,620,769</u>	<u>1,339,400</u>	<u>(281,369)</u>
Interest income	10,000	10,000	10,744	744
Miscellaneous revenues				
DUI insurance	1,000	1,000	2,044	1,044
Fair receipts	20,000	20,000	33,334	13,334
Insurance reimbursements	2,000	2,000	46,999	44,999
Other	37,000	37,000	128,302	91,302
Total miscellaneous revenues	<u>60,000</u>	<u>60,000</u>	<u>210,679</u>	<u>150,679</u>
Transfers in	140,000	140,000	88,746	(51,254)
Total revenues	<u>\$ 7,597,269</u>	<u>\$ 7,597,269</u>	<u>\$ 7,555,177</u>	<u>\$ (42,092)</u>

ELBERT COUNTY, COLORADO
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
NON GAAP BUDGET BASIS
GENERAL FUND
Year Ended December 31, 2012

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
EXPENDITURES				
General government				
Office of Commissioners	\$ 290,020	\$ 290,020	\$ 356,042	\$ (66,022)
Clerk of the Board	48,085	48,085	41,194	6,891
County attorney	111,000	111,000	151,869	(40,869)
Clerk and recorder	350,918	354,418	340,461	13,957
Clerk and recorder - Elections	224,968	224,968	107,213	117,755
County Treasurer	242,494	242,494	236,128	6,366
County Assessor	361,599	365,099	355,250	9,849
Maintenance of grounds and buildings	240,610	240,610	234,548	6,062
Central data processing	299,715	299,715	337,809	(38,094)
Other administration	337,885	338,385	137,215	201,170
Budget/payroll	141,921	141,921	321,674	(179,753)
District attorney	509,816	509,816	509,816	-
Total general government	<u>3,159,031</u>	<u>3,166,531</u>	<u>3,129,219</u>	<u>37,312</u>
Public safety				
County sheriff	1,432,672	1,524,672	1,416,522	108,150
County jail	1,346,306	1,439,306	1,218,740	220,566
County coroner	110,860	110,860	112,205	(1,345)
Judicial center	99,200	99,200	108,900	(9,700)
Building inspection	89,459	89,459	76,534	12,925
Community development services	287,899	287,899	278,494	9,405
Planning commission	7,750	11,250	4,800	6,450
Emergency communications and operations	97,958	97,958	87,787	10,171
Total public safety	<u>3,472,104</u>	<u>3,660,604</u>	<u>3,303,982</u>	<u>356,622</u>
Culture and recreation	133,090	133,090	140,215	(7,125)
Auxiliary services	131,006	131,006	127,400	3,606
Debt service	540,588	540,588	636,777	(96,189)
Capital outlay	-	104,000	104,201	(201)
Transfers out	48,471	48,471	123,788	(75,317)
Total expenditures	<u>\$ 7,484,290</u>	<u>\$ 7,784,290</u>	<u>\$ 7,565,582</u>	<u>\$ 218,708</u>

ELBERT COUNTY, COLORADO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
NON GAAP BUDGET BASIS
ROAD AND BRIDGE SPECIAL REVENUE FUND
Year Ended December 31, 2012

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes	\$ 2,435,531	\$ 2,435,531	\$ 2,569,906	\$ 134,375
Intergovernmental	2,048,385	3,448,385	2,735,361	(713,024)
Charges for services	-	-	42,750	42,750
Net investment income	-	-	5,014	5,014
Miscellaneous	8,700	8,700	3,636	(5,064)
Total revenues	<u>4,492,616</u>	<u>5,892,616</u>	<u>5,356,667</u>	<u>(535,949)</u>
EXPENDITURES				
General government	168,350	168,350	79,619	88,731
Public works	4,326,725	4,326,725	4,236,224	90,501
Debt service	668,502	668,502	629,690	38,812
Capital outlay	-	1,400,000	-	1,400,000
Total expenditures	<u>5,163,577</u>	<u>6,563,577</u>	<u>4,945,533</u>	<u>1,618,044</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES				
	<u>(670,961)</u>	<u>(670,961)</u>	<u>411,134</u>	<u>1,082,095</u>
OTHER FINANCING SOURCES				
Transfers in	<u>57,912</u>	<u>57,912</u>	<u>-</u>	<u>(57,912)</u>
Total other financing sources	<u>57,912</u>	<u>57,912</u>	<u>-</u>	<u>(57,912)</u>
NET CHANGE IN FUND BALANCE				
	(613,049)	(613,049)	411,134	1,024,183
FUND BALANCE - BEGINNING OF YEAR -RESTATED				
	<u>1,919,423</u>	<u>1,919,423</u>	<u>2,344,391</u>	<u>424,968</u>
FUND BALANCE - END OF YEAR				
	<u>\$ 1,306,374</u>	<u>\$ 1,306,374</u>	<u>\$ 2,755,525</u>	<u>\$ 1,449,151</u>

ELBERT COUNTY, COLORADO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
SOCIAL SERVICES SPECIAL REVENUE FUND
Year Ended December 31, 2012

	Original and Final Budget	Actual	Variance with Final Budget Positive (Negative)
	<u>Budget</u>	<u>Actual</u>	<u>(Negative)</u>
REVENUES			
Taxes	\$ 384,558	\$ 377,952	\$ (6,606)
Intergovernmental	4,774,824	3,955,802	(819,022)
Other	-	85,238	85,238
Net investment income	-	795	795
Total revenues	<u>5,159,382</u>	<u>4,419,787</u>	<u>(739,595)</u>
EXPENDITURES			
General government	21,528	1,240	20,288
Public health and welfare	5,221,481	4,545,787	675,694
Capital outlay	-	22,139	(22,139)
Total expenditures	<u>5,243,009</u>	<u>4,569,166</u>	<u>673,843</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES			
	(83,627)	(149,379)	(65,752)
FUND BALANCE - BEGINNING OF YEAR			
	<u>337,195</u>	<u>747,918</u>	<u>410,723</u>
FUND BALANCE - END OF YEAR			
	<u><u>\$ 253,568</u></u>	<u><u>\$ 598,539</u></u>	<u><u>\$ 344,971</u></u>

ELBERT COUNTY, COLORADO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
SALES AND USE TAX SPECIAL REVENUE FUND
Year Ended December 31, 2012

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES			
Sales tax	\$ 700,000	\$ 809,413	\$ 109,413
Use tax	300,000	709,214	409,214
Intergovernmental revenue	510,552	360,196	(150,356)
Total revenues	<u>1,510,552</u>	<u>1,878,823</u>	<u>368,271</u>
EXPENDITURES			
General government	30,000	44,880	(14,880)
Public Works	-	45,260	(45,260)
Capital outlay	3,435,510	1,222,851	2,212,659
Total expenditures	<u>3,465,510</u>	<u>1,312,991</u>	<u>2,152,519</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(1,954,958)</u>	<u>565,832</u>	<u>2,520,790</u>
OTHER FINANCING SOURCES (USES)			
Transfers (out)	(57,912)	-	57,912
Total other financing sources (uses)	<u>(57,912)</u>	<u>-</u>	<u>57,912</u>
NET CHANGE IN FUND BALANCE	(2,012,870)	565,832	2,578,702
FUND BALANCE - BEGINNING OF YEAR	<u>2,012,870</u>	<u>1,886,789</u>	<u>(126,081)</u>
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ 2,452,621</u>	<u>\$ 2,452,621</u>

ELBERT COUNTY, COLORADO
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2012

In accordance with the State Budget Law, the County Commissioners hold public hearings in the fall each year to approve the budget and appropriate the funds for the ensuing year. The appropriation is at the total fund expenditures and other financing uses level, which includes other financing uses, and lapses at year end. The County Commissioners can modify the budget by line item within the total appropriation without notification. The appropriation can only be modified upon completion of notification and publication requirements. The budget includes each fund on its basis of accounting unless otherwise indicated.

For budgetary purposes, the County did not budget or appropriate for entering into capital lease transactions, as entering into a capital lease transaction does not provide for or use financial resources. As a result, for budgetary purposes, total revenues and expenditures are lower than the amounts reported for GAAP purposes. These amounts are \$260,938 for the General Fund and \$1,033,282 for the Road and Bridge Fund. The payments required under the capital lease agreements are included in the appropriations resolution.

SUPPLEMENTARY INFORMATION

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

	Special Revenue Funds	Debt Service Funds	Total Nonmajor Governmental Funds
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Cash and investments with Treasurer	\$ 906,536	\$ -	\$ 906,536
Cash and investments with Treasurer - Restricted	18,202	135,946	154,148
Accounts receivable	32,358	-	32,358
Due from other funds	42,351	-	42,351
Assessments receivable	-	143,445	143,445
Property taxes receivable	201,653	79,858	281,511
TOTAL ASSETS	<u><u>\$ 1,201,100</u></u>	<u><u>\$ 359,249</u></u>	<u><u>\$ 1,560,349</u></u>
 LIABILITIES AND FUND BALANCES			
LIABILITIES			
Warrants and accounts payable	\$ 25,463	\$ -	\$ 25,463
Due to other funds	15,132	-	15,132
Deferred revenue	201,653	223,303	424,956
Total liabilities	<u>242,248</u>	<u>223,303</u>	<u>465,551</u>
 FUND BALANCES			
Restricted			
Emergency reserves	13,607	-	13,607
Debt service	-	135,946	135,946
Conservation trust	512,508	-	512,508
Assigned			
Public safety	81,569	-	81,569
Public health	19,038	-	19,038
Capital outlay	300,677	-	300,677
Contingencies	18,202	-	18,202
Retirement	13,251	-	13,251
Total fund balances	<u>958,852</u>	<u>135,946</u>	<u>1,094,798</u>
TOTAL LIABILITIES AND FUND BALANCES	<u><u>\$ 1,201,100</u></u>	<u><u>\$ 359,249</u></u>	<u><u>\$ 1,560,349</u></u>

ELBERT COUNTY, COLORADO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
Year Ended December 31, 2012

	<u>Special Revenue Funds</u>	<u>Debt Service Funds</u>	<u>Total Nonmajor Governmental Funds</u>
REVENUES			
Taxes	\$ 203,242	\$ 89,107	\$ 292,349
Special assessments	-	32,305	32,305
Charges for services	374,541	-	374,541
Intergovernmental	219,800	-	219,800
Miscellaneous	9,973	-	9,973
Net investment income	1,170	-	1,170
Total revenues	<u>808,726</u>	<u>121,412</u>	<u>930,138</u>
EXPENDITURES			
General government	249,027	1,372	250,399
Public safety	169,767	-	169,767
Culture and recreation	76,491	-	76,491
Public health and welfare	286,757	-	286,757
Capital outlay	498,457	-	498,457
Debt service	29,094	128,971	158,065
Total expenditures	<u>1,309,593</u>	<u>130,343</u>	<u>1,439,936</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(500,867)</u>	<u>(8,931)</u>	<u>(509,798)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	109,221	14,567	123,788
Transfers (out)	(88,746)	-	(88,746)
Total other financing sources (uses)	<u>20,475</u>	<u>14,567</u>	<u>35,042</u>
NET CHANGE IN FUND BALANCES	(480,392)	5,636	(474,756)
FUND BALANCES - BEGINNING OF YEAR	<u>1,439,244</u>	<u>130,310</u>	<u>1,569,554</u>
FUND BALANCES - END OF YEAR	<u>\$ 958,852</u>	<u>\$ 135,946</u>	<u>\$ 1,094,798</u>

ELBERT COUNTY, COLORADO
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS
December 31, 2012

	<u>Law Enforcement Assistance</u>	<u>Impact Assistance</u>	<u>Public Health and Administration</u>
ASSETS			
Cash and investments with Treasurer	\$ 54,441	\$ 300,677	\$ 2,770
Cash and investments with Treasurer - Restricted	-	-	-
Accounts receivable	15,273	-	15,147
Due from other funds	20,882	-	3,919
Property taxes receivable	-	-	-
TOTAL ASSETS	<u>\$ 90,596</u>	<u>\$ 300,677</u>	<u>\$ 21,836</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Warrants and accounts payable	\$ 1,528	\$ -	\$ 2,798
Due to other funds	-	-	-
Deferred property tax revenue	-	-	-
Total liabilities	<u>1,528</u>	<u>-</u>	<u>2,798</u>
FUND BALANCES			
Restricted			
Emergency reserves	7,499	-	-
Conservation trust	-	-	-
Assigned			
Public safety	81,569	-	-
Public health	-	-	19,038
Capital outlay	-	300,677	-
Contingencies	-	-	-
Retirement	-	-	-
Total fund balances	<u>89,068</u>	<u>300,677</u>	<u>19,038</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 90,596</u>	<u>\$ 300,677</u>	<u>\$ 21,836</u>

<u>Contingency</u>	<u>Retirement</u>	<u>Conservation Trust</u>	<u>Total</u>
\$ -	\$ 440	\$ 548,208	\$ 906,536
18,202	-	-	18,202
-	1,938	-	32,358
-	17,550	-	42,351
-	201,653	-	201,653
<u>\$ 18,202</u>	<u>\$ 221,581</u>	<u>\$ 548,208</u>	<u>\$ 1,201,100</u>
\$ -	\$ 569	\$ 20,568	\$ 25,463
-	-	15,132	15,132
-	201,653	-	201,653
<u>-</u>	<u>202,222</u>	<u>35,700</u>	<u>242,248</u>
-	6,108	-	13,607
-	-	512,508	512,508
-	-	-	81,569
-	-	-	19,038
-	-	-	300,677
18,202	-	-	18,202
-	13,251	-	13,251
<u>18,202</u>	<u>19,359</u>	<u>512,508</u>	<u>958,852</u>
<u>\$ 18,202</u>	<u>\$ 221,581</u>	<u>\$ 548,208</u>	<u>\$ 1,201,100</u>

ELBERT COUNTY, COLORADO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS
Year Ended December 31, 2012

	<u>Law Enforcement Assistance</u>	<u>Impact Assistance</u>	<u>Public Health and Administration</u>
REVENUES			
Taxes	\$ -	\$ -	\$ -
Charges for services	249,958	11,316	113,267
Intergovernmental	-	-	78,160
Miscellaneous income	-	2,453	5,147
Net investment income	-	367	-
Total revenues	<u>249,958</u>	<u>14,136</u>	<u>196,574</u>
EXPENDITURES			
General government	-	33,964	-
Public safety	169,767	-	-
Culture and recreation	-	-	-
Public health and welfare	-	-	286,757
Debt service	29,094	-	-
Capital outlay	-	226,946	-
Total expenditures	<u>198,861</u>	<u>260,910</u>	<u>286,757</u>
EXCESS OF REVENUES			
OVER (UNDER) EXPENDITURES	<u>51,097</u>	<u>(246,774)</u>	<u>(90,183)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	109,221
Transfers (out)	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>109,221</u>
NET CHANGE IN FUND BALANCES	51,097	(246,774)	19,038
FUND BALANCES - BEGINNING OF YEAR	<u>37,971</u>	<u>547,451</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u>\$ 89,068</u>	<u>\$ 300,677</u>	<u>\$ 19,038</u>

<u>Contingency</u>	<u>Retirement</u>	<u>Conservation Trust</u>	<u>Total</u>
\$ -	\$ 203,242	\$ -	\$ 203,242
-	-	-	374,541
-	-	141,640	219,800
-	373	2,000	9,973
-	-	803	1,170
<u>-</u>	<u>203,615</u>	<u>144,443</u>	<u>808,726</u>
5,678	209,385	-	249,027
-	-	-	169,767
-	-	76,491	76,491
-	-	-	286,757
-	-	-	29,094
-	-	271,511	498,457
<u>5,678</u>	<u>209,385</u>	<u>348,002</u>	<u>1,309,593</u>
<u>(5,678)</u>	<u>(5,770)</u>	<u>(203,559)</u>	<u>(500,867)</u>
-	-	-	109,221
-	-	(88,746)	(88,746)
<u>-</u>	<u>-</u>	<u>(88,746)</u>	<u>20,475</u>
(5,678)	(5,770)	(292,305)	(480,392)
<u>23,880</u>	<u>25,129</u>	<u>804,813</u>	<u>1,439,244</u>
<u>\$ 18,202</u>	<u>\$ 19,359</u>	<u>\$ 512,508</u>	<u>\$ 958,852</u>

ELBERT COUNTY, COLORADO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS
Year Ended December 31, 2012

	Law Enforcement Assistance		
	Original and Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Charges for services	\$ 200,000	\$ 249,958	\$ 49,958
Interest income	-	-	-
Miscellaneous income	-	-	-
Total revenues	<u>200,000</u>	<u>249,958</u>	<u>49,958</u>
EXPENDITURES			
General government	-	-	-
Public safety	200,000	169,767	30,233
Debt service	-	29,094	(29,094)
Capital outlay	-	-	-
Total expenditures	<u>200,000</u>	<u>198,861</u>	<u>1,139</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>51,097</u>	<u>51,097</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	-	51,097	51,097
FUND BALANCES - BEGINNING OF YEAR	<u>-</u>	<u>37,971</u>	<u>37,971</u>
FUND BALANCES - END OF YEAR	<u>\$ -</u>	<u>\$ 89,068</u>	<u>\$ 89,068</u>

Impact Assistance

Original and Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 50,000	\$ 11,316	\$ (38,684)
600	367	(233)
-	2,453	2,453
<u>50,600</u>	<u>14,136</u>	<u>(36,464)</u>
50,000	33,964	16,036
-	-	-
-	-	-
<u>88,000</u>	<u>226,946</u>	<u>(138,946)</u>
<u>138,000</u>	<u>260,910</u>	<u>(122,910)</u>
<u>(87,400)</u>	<u>(246,774)</u>	<u>(159,374)</u>
-	-	-
-	-	-
(87,400)	(246,774)	(159,374)
<u>547,696</u>	<u>547,451</u>	<u>(245)</u>
<u>\$ 460,296</u>	<u>\$ 300,677</u>	<u>\$ (159,619)</u>

ELBERT COUNTY, COLORADO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS
Year Ended December 31, 2012

	Public Health and Administration		
	Original and Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Intergovernmental	\$ 98,194	\$ 78,160	\$ (20,034)
Charges for services	231,450	113,267	(118,183)
Miscellaneous income	-	5,147	5,147
Total revenues	<u>329,644</u>	<u>196,574</u>	<u>(133,070)</u>
EXPENDITURES			
General government	-	-	-
Public health and welfare	356,710	286,757	69,953
Total expenditures	<u>356,710</u>	<u>286,757</u>	<u>69,953</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(27,066)</u>	<u>(90,183)</u>	<u>(63,117)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	27,066	109,221	82,155
Total other financing sources (uses)	<u>27,066</u>	<u>109,221</u>	<u>82,155</u>
NET CHANGE IN FUND BALANCES	-	19,038	19,038
FUND BALANCES - BEGINNING OF YEAR	<u>337,195</u>	<u>-</u>	<u>(337,195)</u>
FUND BALANCES - END OF YEAR	<u>\$ 337,195</u>	<u>\$ 19,038</u>	<u>\$ (318,157)</u>

Contingency		
Original and Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ -	\$ -	\$ -
-	-	-
-	-	-
40,000	5,678	34,322
-	-	-
<u>40,000</u>	<u>5,678</u>	<u>34,322</u>
<u>(40,000)</u>	<u>(5,678)</u>	<u>34,322</u>
16,120	-	(16,120)
<u>16,120</u>	<u>-</u>	<u>(16,120)</u>
(23,880)	(5,678)	18,202
<u>23,880</u>	<u>23,880</u>	<u>-</u>
<u>\$ -</u>	<u>\$ 18,202</u>	<u>\$ 18,202</u>

ELBERT COUNTY, COLORADO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS
Year Ended December 31, 2012

	Original and Final Budget	Retirement Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Taxes	\$ 207,439	\$ 203,242	\$ (4,197)
Intergovernmental	-	-	-
Interest income	-	-	-
Miscellaneous	-	373	373
Total revenues	<u>207,439</u>	<u>203,615</u>	<u>(3,824)</u>
EXPENDITURES			
General government	206,884	209,385	(2,501)
Culture and recreation	-	-	-
Capital outlay	-	-	-
Total expenditures	<u>206,884</u>	<u>209,385</u>	<u>(2,501)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>555</u>	<u>(5,770)</u>	<u>(6,325)</u>
OTHER FINANCING SOURCES (USES)			
Transfers (out)	-	-	-
NET CHANGE IN FUND BALANCES	555	(5,770)	(6,325)
FUND BALANCES - BEGINNING OF YEAR	<u>1,147</u>	<u>25,129</u>	<u>23,982</u>
FUND BALANCES - END OF YEAR	<u>\$ 1,702</u>	<u>\$ 19,359</u>	<u>\$ 17,657</u>

Conservation Trust

Original and Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ -	\$ -	\$ -
115,000	141,640	26,640
2,000	803	(1,197)
-	2,000	2,000
<u>117,000</u>	<u>144,443</u>	<u>27,443</u>
-	-	-
180,000	76,491	103,509
200,000	271,511	(71,511)
<u>380,000</u>	<u>348,002</u>	<u>31,998</u>
<u>(263,000)</u>	<u>(203,559)</u>	<u>59,441</u>
<u>(140,000)</u>	<u>(88,746)</u>	<u>51,254</u>
(403,000)	(292,305)	110,695
<u>621,073</u>	<u>804,813</u>	<u>183,740</u>
<u>\$ 218,073</u>	<u>\$ 512,508</u>	<u>\$ 294,435</u>

ELBERT COUNTY, COLORADO
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS - DEBT SERVICE FUNDS
December 31, 2012

	<u>Rolling Hills</u>	<u>Chaparral Valley</u>	<u>Meadows Station</u>
ASSETS			
Cash and investments with Treasurer -			
Restricted	\$ -	\$ 9,721	\$ 73,924
Assessments receivable	-	143,445	-
Property tax receivable	-	-	53,327
TOTAL ASSETS	<u>\$ -</u>	<u>\$ 153,166</u>	<u>\$ 127,251</u>
LIABILITIES AND FUND BALANCE			
LIABILITIES			
Deferred revenue	\$ -	\$ 143,445	\$ 53,327
Total liabilities	<u>-</u>	<u>143,445</u>	<u>53,327</u>
FUND BALANCE			
Restricted	<u>-</u>	<u>9,721</u>	<u>73,924</u>
Total fund balance	<u>-</u>	<u>9,721</u>	<u>73,924</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ -</u>	<u>\$ 153,166</u>	<u>\$ 127,251</u>

<u>Foxwood Estates</u>	<u>Total</u>
\$ 52,301	\$ 135,946
-	143,445
26,531	79,858
<u>\$ 78,832</u>	<u>\$ 359,249</u>

<u>\$ 26,531</u>	<u>\$ 223,303</u>
26,531	223,303

<u>52,301</u>	<u>135,946</u>
52,301	135,946

<u>\$ 78,832</u>	<u>\$ 359,249</u>
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ELBERT COUNTY, COLORADO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS - DEBT SERVICE FUNDS
Year Ended December 31, 2012

	<u>Rolling Hills</u>	<u>Chaparral Valley</u>	<u>Meadows Station</u>
REVENUES			
Taxes	\$ -	\$ -	\$ 59,239
Special assessments	8,719	23,586	-
Total revenues	<u>8,719</u>	<u>23,586</u>	<u>59,239</u>
EXPENDITURES			
General government	513	859	-
Debt service	26,531	28,500	48,495
Total expenditures	<u>27,044</u>	<u>29,359</u>	<u>48,495</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(18,325)</u>	<u>(5,773)</u>	<u>10,744</u>
OTHER FINANCING SOURCES (USES)			
Transfers (out)	14,567	-	-
Total other financing sources (uses)	<u>14,567</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	(3,758)	(5,773)	10,744
FUND BALANCES - BEGINNING OF YEAR	<u>3,758</u>	<u>15,494</u>	<u>63,180</u>
FUND BALANCES - END OF YEAR	<u>\$ -</u>	<u>\$ 9,721</u>	<u>\$ 73,924</u>

Foxwood Estates	Total
\$ 29,868	\$ 89,107
-	32,305
<u>29,868</u>	<u>121,412</u>
-	1,372
<u>25,445</u>	<u>128,971</u>
<u>25,445</u>	<u>130,343</u>
<u>4,423</u>	<u>(8,931)</u>
-	14,567
<u>-</u>	<u>14,567</u>
4,423	5,636
<u>47,878</u>	<u>130,310</u>
<u>\$ 52,301</u>	<u>\$ 135,946</u>

ELBERT COUNTY, COLORADO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
NONMAJOR GOVERNMENTAL FUNDS - DEBT SERVICE FUNDS
Year Ended December 31, 2012

	Rolling Hills		Variance with Final Budget Positive (Negative)
	Original and Final Budget	Actual	
REVENUES			
Special assessments	\$ 14,000	\$ 8,719	\$ (5,281)
Total revenues	<u>14,000</u>	<u>8,719</u>	<u>(5,281)</u>
EXPENDITURES			
General government	420	513	(93)
Debt service	25,919	26,531	(612)
Contingency	-	-	-
Total expenditures	<u>26,339</u>	<u>27,044</u>	<u>(705)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(12,339)	(18,325)	(5,986)
OTHER FINANCING SOURCES (USES)			
Transfers in (out)	5,285	14,567	9,282
Total other financing sources (uses)	<u>5,285</u>	<u>14,567</u>	<u>9,282</u>
NET CHANGE IN FUND BALANCES	(7,054)	(3,758)	3,296
FUND BALANCES - BEGINNING OF YEAR	<u>7,054</u>	<u>3,758</u>	<u>(3,296)</u>
FUND BALANCES - END OF YEAR	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

Chaparral Valley

Original and Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 21,000	\$ 23,586	\$ 2,586
<u>21,000</u>	<u>23,586</u>	<u>2,586</u>
630	859	(229)
28,200	28,500	(300)
-	-	-
<u>28,830</u>	<u>29,359</u>	<u>(529)</u>
(7,830)	(5,773)	2,057
-	-	-
<u>-</u>	<u>-</u>	<u>-</u>
(7,830)	(5,773)	2,057
<u>9,591</u>	<u>15,494</u>	<u>5,903</u>
<u>\$ 1,761</u>	<u>\$ 9,721</u>	<u>\$ 7,960</u>

ELBERT COUNTY, COLORADO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
NONMAJOR GOVERNMENTAL FUNDS - DEBT SERVICE FUNDS
Year Ended December 31, 2012

	Meadows Station		
	Original and Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Taxes	\$ 53,240	\$ 59,239	\$ 5,999
Total revenues	<u>53,240</u>	<u>59,239</u>	<u>5,999</u>
EXPENDITURES			
Debt service	48,495	48,495	-
Contingency	2,480	-	2,480
Total expenditures	<u>50,975</u>	<u>48,495</u>	<u>2,480</u>
NET CHANGE IN FUND BALANCES	2,265	10,744	8,479
FUND BALANCES - BEGINNING OF YEAR	<u>58,243</u>	<u>63,180</u>	<u>4,937</u>
FUND BALANCES - END OF YEAR	<u>\$ 60,508</u>	<u>\$ 73,924</u>	<u>\$ 13,416</u>

Foxwood Estates

<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
\$ 26,697	\$ 29,868	\$ 3,171
<u>26,697</u>	<u>29,868</u>	<u>3,171</u>
25,445	25,445	-
2,145	-	2,145
<u>27,590</u>	<u>25,445</u>	<u>2,145</u>
(893)	4,423	5,316
<u>42,833</u>	<u>47,878</u>	<u>5,045</u>
<u>\$ 41,940</u>	<u>\$ 52,301</u>	<u>\$ 10,361</u>

ELBERT COUNTY, COLORADO
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FIDUCIARY FUNDS
Year Ended December 31, 2012

	<u>Balance January 1, 2012</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance December 31, 2012</u>
ASSETS				
Cash - Treasurer	\$ 457,086	\$ 21,010,877	\$ (20,611,562)	\$ 856,401
Cash - Public Trustee	43,973	3,258,534	(3,245,053)	57,454
Cash - Commissary	13,640	86,655	(88,030)	12,265
Cash held by Treasurer	120	-	(120)	-
Due from other governments	334,644	-	(71,984)	262,660
Due from others	35,000	-	(35,000)	-
TOTAL ASSETS	<u>\$ 884,463</u>	<u>\$ 24,356,066</u>	<u>\$ (24,051,749)</u>	<u>\$ 1,188,780</u>
LIABILITIES				
Due to other governments	\$ 767,376	\$ 20,683,150	\$ (20,598,413)	\$ 852,113
Other liabilities	73,114	220,508	(208,283)	85,339
Outstanding checks payable	-	193,874	-	193,874
Escrow deposits held by Public Trustee	43,973	3,258,534	(3,245,053)	57,454
TOTAL LIABILITIES	<u>\$ 884,463</u>	<u>\$ 24,356,066</u>	<u>\$ (24,051,749)</u>	<u>\$ 1,188,780</u>

OTHER SCHEDULES

ELBERT COUNTY, COLORADO
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
December 31, 2012

Principal and Interest Due in the Year Ending December 31,	\$201,135 Capital Lease Dated December 28, 2011 with Principal and Interest of 2.55% Due Quarterly on the 28th			\$201,135 Capital Lease Dated December 28, 2011 with Principal and Interest of 2.55% Due Quarterly on the 28th			\$78,008 Capital Lease Dated September 23, 2011 with Principal and Interest of 6.70% Due Monthly on the 15th			\$150,800 Capital Lease Dated January 31, 2011 with Principal and Interest of 2.55% Due Quarterly on the 31st		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
	2013	\$ 39,189	\$ 3,517	\$ 42,706	\$ 39,189	\$ 3,517	\$ 42,706	\$ 26,255	\$ 2,362	\$ 28,617	\$ 30,076	\$ 1,943
2014	40,200	2,506	42,706	40,200	2,506	42,706	20,875	587	21,462	30,852	1,167	32,019
2015	41,238	1,469	42,707	41,238	1,469	42,707	-	-	-	31,649	371	32,020
2016	31,626	405	32,031	31,626	405	32,031	-	-	-	-	-	-
2017	-	-	-	-	-	-	-	-	-	-	-	-
2018	-	-	-	-	-	-	-	-	-	-	-	-
2019	-	-	-	-	-	-	-	-	-	-	-	-
2020	-	-	-	-	-	-	-	-	-	-	-	-
2021	-	-	-	-	-	-	-	-	-	-	-	-
2022	-	-	-	-	-	-	-	-	-	-	-	-
2023	-	-	-	-	-	-	-	-	-	-	-	-
2024	-	-	-	-	-	-	-	-	-	-	-	-
2025	-	-	-	-	-	-	-	-	-	-	-	-
2026	-	-	-	-	-	-	-	-	-	-	-	-
2027	-	-	-	-	-	-	-	-	-	-	-	-
2028	-	-	-	-	-	-	-	-	-	-	-	-
2029	-	-	-	-	-	-	-	-	-	-	-	-
Totals	\$ 152,253	\$ 7,897	\$ 160,150	\$ 152,253	\$ 7,897	\$ 160,150	\$ 47,130	\$ 2,949	\$ 50,079	\$ 92,577	\$ 3,481	\$ 96,058

Principal and Interest Due in the Year Ending December 31,	\$150,800 Capital Lease Dated January 31, 2011 with Principal and Interest of 2.55% Due Quarterly on the 31st			\$123,900 Capital Lease Dated November 1, 2010 with Principal and Interest of 2.75% Due Quarterly on the 1st			\$123,900 Capital Lease Dated November 1, 2010 with Principal and Interest of 2.75% Due Quarterly on the 1st			\$141,500 Capital Lease Dated July 28, 2010 with Principal and Interest of 2.95% Due Quarterly on the 28th		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
	2013	\$ 30,076	\$ 1,943	\$ 32,019	\$ 24,761	\$ 1,668	\$ 26,429	\$ 24,761	\$ 1,668	\$ 26,429	\$ 36,143	\$ 1,219
2014	30,852	1,167	32,019	25,450	979	26,429	25,450	979	26,429	18,485	197	18,682
2015	31,649	371	32,020	19,553	270	19,823	19,553	270	19,823	-	-	-
2016	-	-	-	-	-	-	-	-	-	-	-	-
2017	-	-	-	-	-	-	-	-	-	-	-	-
2018	-	-	-	-	-	-	-	-	-	-	-	-
2019	-	-	-	-	-	-	-	-	-	-	-	-
2020	-	-	-	-	-	-	-	-	-	-	-	-
2021	-	-	-	-	-	-	-	-	-	-	-	-
2022	-	-	-	-	-	-	-	-	-	-	-	-
2023	-	-	-	-	-	-	-	-	-	-	-	-
2024	-	-	-	-	-	-	-	-	-	-	-	-
2025	-	-	-	-	-	-	-	-	-	-	-	-
2026	-	-	-	-	-	-	-	-	-	-	-	-
2027	-	-	-	-	-	-	-	-	-	-	-	-
2028	-	-	-	-	-	-	-	-	-	-	-	-
2029	-	-	-	-	-	-	-	-	-	-	-	-
Totals	\$ 92,577	\$ 3,481	\$ 96,058	\$ 69,764	\$ 2,917	\$ 72,681	\$ 69,764	\$ 2,917	\$ 72,681	\$ 54,628	\$ 1,416	\$ 56,044

ELBERT COUNTY, COLORADO
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
December 31, 2012

Principal and Interest Due in the Year Ending December 31,	\$183,000 Capital Lease Dated July 28, 2010 with Principal and Interest of 2.95% Due Quarterly on the 28th			\$142,500 Capital Lease Dated July 28, 2010 with Principal and Interest of 2.95% Due Quarterly on the 28th			\$122,650 Capital Lease Dated July 28, 2010 with Principal and Interest of 2.95% Due Quarterly on the 28th			\$122,650 Capital Lease Dated July 28, 2010 with Principal and Interest of 2.95% Due Quarterly on the 28th		
	Principal	Interest	Total									
	2013	\$ 36,837	\$ 2,380	\$ 39,217	\$ 36,428	\$ 1,198	\$ 37,626	\$ 31,328	\$ 1,057	\$ 32,385	\$ 31,328	\$ 1,057
2014	37,939	1,278	39,217	18,586	228	18,814	16,023	171	16,194	16,023	171	16,194
2015	19,394	216	19,610	-	-	-	-	-	-	-	-	-
2016	-	-	-	-	-	-	-	-	-	-	-	-
2017	-	-	-	-	-	-	-	-	-	-	-	-
2018	-	-	-	-	-	-	-	-	-	-	-	-
2019	-	-	-	-	-	-	-	-	-	-	-	-
2020	-	-	-	-	-	-	-	-	-	-	-	-
2021	-	-	-	-	-	-	-	-	-	-	-	-
2022	-	-	-	-	-	-	-	-	-	-	-	-
2023	-	-	-	-	-	-	-	-	-	-	-	-
2024	-	-	-	-	-	-	-	-	-	-	-	-
2025	-	-	-	-	-	-	-	-	-	-	-	-
2026	-	-	-	-	-	-	-	-	-	-	-	-
2027	-	-	-	-	-	-	-	-	-	-	-	-
2028	-	-	-	-	-	-	-	-	-	-	-	-
2029	-	-	-	-	-	-	-	-	-	-	-	-
Totals	\$ 94,170	\$ 3,874	\$ 98,044	\$ 55,014	\$ 1,426	\$ 56,440	\$ 47,351	\$ 1,228	\$ 48,579	\$ 47,351	\$ 1,228	\$ 48,579

Principal and Interest Due in the Year Ending December 31,	\$350,000 Chaparral Valley 2 Local Improvement District Special Assessment Bonds, Series 2003 Dated January 10, 2003 with Principal and Interest of 6.00% Due Annually on July 1			\$625,000 Meadows Station Subdivision Public Improvement District General Obligation Bonds, Series 2004 Dated December 23, 2004 with Principal and Variable Interest of 3.15% - 5.25%; Due Semi-Annually on June 1 and December 1			\$345,000 Foxwood Estates Subdivision Public Improvement District General Obligation Bonds, Series 2005 Dated January 27, 2005 with Principal and Variable Interest of 3.25% - 5.50%; Due Semi-Annually on June 1 and December 1			\$7,300,000 Elbert County Lease Mortgage Revenue Bond Series 2009 Dated October 15, 2009 with Principal and Interest of 5.25% Due Semiannually on June 1 and December 1		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
	2013	\$ 15,000	\$ 12,300	\$ 27,300	\$ 30,000	\$ 22,432	\$ 52,432	\$ 10,000	\$ 15,020	\$ 25,020	\$ 170,000	\$ 334,425
2014	15,000	11,400	26,400	30,000	21,112	51,112	10,000	14,580	24,580	185,000	325,500	510,500
2015	15,000	10,500	25,500	30,000	19,762	49,762	10,000	14,130	24,130	190,000	315,788	505,788
2016	15,000	9,600	24,600	35,000	18,382	53,382	15,000	13,670	28,670	205,000	305,813	510,813
2017	20,000	8,700	28,700	35,000	16,738	51,738	15,000	12,965	27,965	210,000	295,050	505,050
2018	20,000	7,500	27,500	35,000	15,058	50,058	15,000	12,245	27,245	225,000	284,025	509,025
2019	20,000	6,300	26,300	40,000	13,343	53,343	15,000	11,510	26,510	235,000	272,213	507,213
2020	20,000	5,100	25,100	40,000	11,343	51,343	15,000	10,760	25,760	245,000	259,875	504,875
2021	35,000	3,900	38,900	40,000	9,323	49,323	15,000	10,003	25,003	260,000	247,013	507,013
2022	35,000	2,100	37,100	45,000	7,283	52,283	15,000	9,238	24,238	275,000	233,363	508,363
2023	-	-	-	45,000	4,965	49,965	20,000	8,465	28,465	290,000	218,925	508,925
2024	-	-	-	50,000	2,625	52,625	20,000	7,425	27,425	305,000	203,700	508,700
2025	-	-	-	-	-	-	20,000	6,325	26,325	320,000	187,688	507,688
2026	-	-	-	-	-	-	20,000	5,225	25,225	335,000	170,888	505,888
2027	-	-	-	-	-	-	25,000	4,125	29,125	355,000	153,300	508,300
2028	-	-	-	-	-	-	25,000	2,750	27,750	2,565,000	134,663	2,699,663
2029	-	-	-	-	-	-	25,000	1,375	26,375	-	-	-
Totals	\$ 210,000	\$ 77,400	\$ 287,400	\$ 455,000	\$ 162,366	\$ 617,366	\$ 290,000	\$ 159,811	\$ 449,811	\$ 6,370,000	\$ 3,942,229	\$ 10,312,229

ELBERT COUNTY, COLORADO
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
December 31, 2012

Principal and Interest Due in the Year Ending December 31,	\$ 223,880 Capital Lease Dated June 1, 2011 with Principal and Interest of 5.15% Due Monthly on the 31st			\$ 189,578 Capital Lease Dated July 11, 2012 with Principal and Interest of 2.55% Due Quarterly on the 9th			\$ 184,083 Capital Lease Dated July 11, 2012 with Principal and Interest of 2.25% Due Quarterly on the 9th			\$ 256,978 Capital Lease Dated November 14, 2012 with Principal and Interest of 2.30% Due Quarterly on the 31st		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
	2013	\$ 43,521	\$ 7,359	\$ 50,880	\$ 36,572	\$ 3,402	\$ 39,974	\$ 35,511	\$ 3,304	\$ 38,815	\$ 49,249	\$ 4,999
2014	45,817	5,063	50,880	37,403	2,571	39,974	36,318	2,497	38,815	50,394	3,854	54,248
2015	48,233	2,647	50,880	38,253	1,721	39,974	37,144	1,671	38,815	51,565	2,683	54,248
2016	25,075	378	25,453	39,123	851	39,974	37,988	827	38,815	52,764	1,484	54,248
2017	-	-	-	19,892	93	19,985	19,319	91	19,410	40,378	311	40,689
2018	-	-	-	-	-	-	-	-	-	-	-	-
2019	-	-	-	-	-	-	-	-	-	-	-	-
2020	-	-	-	-	-	-	-	-	-	-	-	-
2021	-	-	-	-	-	-	-	-	-	-	-	-
2022	-	-	-	-	-	-	-	-	-	-	-	-
2023	-	-	-	-	-	-	-	-	-	-	-	-
2024	-	-	-	-	-	-	-	-	-	-	-	-
2025	-	-	-	-	-	-	-	-	-	-	-	-
2026	-	-	-	-	-	-	-	-	-	-	-	-
2027	-	-	-	-	-	-	-	-	-	-	-	-
2028	-	-	-	-	-	-	-	-	-	-	-	-
2029	-	-	-	-	-	-	-	-	-	-	-	-
Totals	<u>\$ 162,646</u>	<u>\$ 15,447</u>	<u>\$ 178,093</u>	<u>\$ 171,243</u>	<u>\$ 8,638</u>	<u>\$ 179,881</u>	<u>\$ 166,280</u>	<u>\$ 8,390</u>	<u>\$ 174,670</u>	<u>\$ 244,350</u>	<u>\$ 13,331</u>	<u>\$ 257,681</u>

Principal and Interest Due in the Year Ending December 31,	\$ 118,165 Capital Lease Dated December 12, 2012 with Principal and Interest of 2.75% Due Quarterly on the 12th			\$ 285,078 Capital Lease Dated May 31, 2012 with Principal and Interest of 2.90% Due Quarterly on the 15th			\$ 260,938 Capital Lease Dated June 26, 2012 with Principal and Interest of 3.75% Due Monthly on the 3rd			Total All Obligations		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
	2013	\$ 22,355	\$ 2,847	\$ 25,202	\$ 54,563	\$ 6,873	\$ 61,436	\$ 49,291	\$ 7,982	\$ 57,273	\$ 902,433	\$ 444,472
2014	22,951	2,251	25,202	56,155	5,281	61,436	51,156	6,117	57,273	\$ 861,129	\$ 412,162	\$ 1,273,291
2015	23,616	1,586	25,202	57,794	3,642	61,436	53,093	4,180	57,273	\$ 758,972	\$ 382,746	\$ 1,141,718
2016	24,272	930	25,202	59,480	1,956	61,436	55,102	2,171	57,273	\$ 627,056	\$ 356,872	\$ 983,928
2017	18,670	257	18,927	30,388	329	30,717	36,354	308	36,662	\$ 445,001	\$ 334,842	\$ 779,843
2018	-	-	-	-	-	-	-	-	-	\$ 295,000	\$ 318,828	\$ 613,828
2019	-	-	-	-	-	-	-	-	-	\$ 310,000	\$ 303,366	\$ 613,366
2020	-	-	-	-	-	-	-	-	-	\$ 320,000	\$ 287,078	\$ 607,078
2021	-	-	-	-	-	-	-	-	-	\$ 350,000	\$ 270,239	\$ 620,239
2022	-	-	-	-	-	-	-	-	-	\$ 370,000	\$ 251,984	\$ 621,984
2023	-	-	-	-	-	-	-	-	-	\$ 355,000	\$ 232,355	\$ 587,355
2024	-	-	-	-	-	-	-	-	-	\$ 375,000	\$ 213,750	\$ 588,750
2025	-	-	-	-	-	-	-	-	-	\$ 340,000	\$ 194,013	\$ 534,013
2026	-	-	-	-	-	-	-	-	-	\$ 355,000	\$ 176,113	\$ 531,113
2027	-	-	-	-	-	-	-	-	-	\$ 380,000	\$ 157,425	\$ 537,425
2028	-	-	-	-	-	-	-	-	-	\$ 2,590,000	\$ 137,413	\$ 2,727,413
2029	-	-	-	-	-	-	-	-	-	\$ 25,000	\$ 1,375	\$ 26,375
Totals	<u>\$ 111,864</u>	<u>\$ 7,871</u>	<u>\$ 119,735</u>	<u>\$ 258,380</u>	<u>\$ 18,081</u>	<u>\$ 276,461</u>	<u>\$ 244,996</u>	<u>\$ 20,758</u>	<u>\$ 265,754</u>	<u>\$ 9,659,591</u>	<u>\$ 4,475,033</u>	<u>\$ 14,134,624</u>

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

LOCAL HIGHWAY FINANCE REPORT	City or County: Elbert County Colorado
	YEAR ENDING : December 2012

This Information From The Records Of (example - City of _ or County of _)	Prepared By: Phone:
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I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway disbursements:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	1,118,388
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	1,218,311
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	23,858
2. General fund appropriations		b. Snow and ice removal	90,679
3. Other local imposts (from page 2)	2,430,586	c. Other- Lease Purchase & Rentals	732,757
4. Miscellaneous local receipts (from page 2)	1,237,654	d. Total (a. through c.)	847,294
5. Transfers from toll facilities		4. General administration & miscellaneous	2,643,485
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	
a. Bonds - Original Issues		6. Total (1 through 5)	5,827,478
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)		a. Interest	
7. Total (1 through 6)	3,668,240	b. Redemption	
B. Private Contributions		c. Total (a. + b.)	
C. Receipts from State government (from page 2)		2. Notes:	
2,533,497		a. Interest	
D. Receipts from Federal Government (from page 2)		b. Redemption	
6,201,737		c. Total (a. + b.)	
E. Total receipts (A.7 + B + C + D)		3. Total (1.c + 2.c)	
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total disbursements (A.6 + B.3 + C + D)	

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

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

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	2,381,266	6,201,737	5,827,478	2,755,525	

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments	2,430,586	a. Interest on investments	5,014
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	3,636
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other		g. Other Misc. Receipts - Lease Proceeds	1,178,392
6. Total (1. through 5.)		h. Other	50,612
c. Total (a. + b.)	2,430,586	i. Total (a. through h.)	1,237,654
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	2,394,207	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	139,290	d. Federal Transit Admin	
d. Other (Specify)		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	334,415
f. Total (a. through e.)	139,290	g. Total (a. through f.)	334,415
4. Total (1. + 2. + 3.f)	2,533,497	3. Total (1. + 2.g)	
			(Carry forward to page 1)

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs			
b. Engineering Costs		66,921	66,921
c. Construction:			
(1). New Facilities			
(2). Capacity Improvements			
(3). System Preservation			
(4). System Enhancement & Operation	402,479	648,988	1,051,467
(5). Total Construction (1) + (2) + (3) + (4)	402,479	648,988	1,051,467
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	402,479	715,909	1,118,388
			(Carry forward to page 1)

Notes and Comments: