

ELBERT COUNTY, COLORADO

FINANCIAL STATEMENTS

December 31, 2013

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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, 2013, 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 13 to the financial statements, the County adopted the provisions of GASB Statement No. 65, "Items Previously Reported as Assets and Liabilities". The implementation of this statement resulted in a restatement of net position on the Statement of Activities, reducing the January 1, 2013 Net Position beginning balance for the write off of bond issuance costs in the amount of \$274,659. Our opinion is not modified with respect to the implementation of this statement.

Correction of an Error

As described in Note 13 to the financial statements, management believes the Contingency Fund should no longer be reported as a special revenue fund and has closed this fund to the General Fund thereby increasing the General Fund, January 1, 2013, beginning balance by \$18,202. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis and budgetary comparison information on pages IV through VIII and 32 through 38, 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 July 28, 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.

A handwritten signature in cursive script that reads "Eide Bailly LLP".

Greenwood Village, CO
July 28, 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, 2013.

Financial Highlights

- Assets exceeded liabilities by \$81,963,562 (net position) at the close of the fiscal year. Of this amount, \$3,765,922 in unrestricted net position available to meet ongoing and future obligations of the County.
- The net decrease in capital assets for the year was \$2,269,501. The decrease was due to depreciation expense of \$6,138,017 exceeding capital additions and donations of \$3,897,624 and losses on disposal of assets of \$29,108. The majority of the increase is related to the construction of the Road 194 and the lease purchase agreements for equipment and software in the General and Road and Bridge Funds.
- As of the close of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$6,526,644.
- Total net position decreased by \$3,170,723.
- Total cash and investments decreased by \$673,578 as compared to the prior year.
- Tax revenues increased by \$413,963 as compared to the prior year.
- General Fund expenditures decreased by \$433,114 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 \$(2,820).
- Total debt increased by \$254,164 during the current fiscal year.
- During 2013, the County implemented GASB Statement Number 65, *Items Previously Reported as Assets and Liabilities*. As a result, debt issuance costs were written off, reducing beginning Net Position to \$85,134,285. Also, during 2013, the Contingency Fund was reported as part of the General Fund. Beginning General Fund balance increased to \$241,235.

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 13 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 nine 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. All funds are adopted on the GAAP basis of accounting. 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 \$81,963,562 at the close of the most recent fiscal year.

	Net Position	
	<u>2013</u>	<u>Restated 2012</u>
Current assets	\$ 14,630,180	\$ 15,605,901
Capital assets	85,642,061	87,911,562
Total assets	<u>100,272,241</u>	<u>103,517,463</u>
Deferred outflows of resources	<u>289,203</u>	<u>337,364</u>
Current liabilities	592,798	998,457
Long-term liabilities	10,453,403	10,199,239
Total liabilities	<u>11,046,201</u>	<u>11,197,696</u>
Deferred inflows of resources	<u>7,551,681</u>	<u>7,522,846</u>
Net investment in capital assets	76,300,012	78,589,335
Restricted net position	1,897,628	1,511,088
Unrestricted net position	3,765,922	5,033,862
Total net position	<u>\$ 81,963,562</u>	<u>\$ 85,134,285</u>

The largest portion of the County's net position (93%) 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 (2.3%) 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 \$3,765,922 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 \$3,170,723 during the current fiscal year.

Change in Net Position

	2013	Restated 2012
Revenues		
Program revenues		
Charges for services	\$ 2,677,945	\$ 2,301,422
Operating grants and contributions	6,574,712	6,915,739
Capital grants and contributions	212,626	334,415
General revenues		
Taxes	10,432,981	10,019,018
Intergovernmental	215,685	154,003
Investment and interest income	14,559	17,723
Other	286,708	309,526
Total revenues	20,415,216	20,051,846
Expenses		
General government	3,273,597	3,605,836
Public safety	3,958,816	3,915,214
Public works	10,702,164	9,778,610
Public health and welfare	4,772,559	4,891,206
Culture and recreation	258,751	233,795
Auxiliary services	122,504	127,400
Interest on long-term debt	497,548	504,475
Total expenses	23,585,939	23,056,536
Change in net position	(3,170,723)	(3,004,690)
Net position - Beginning (Restated)	85,134,285	88,138,975
Net position - Ending	\$ 81,963,562	\$ 85,134,285

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 \$6,526,644, of which \$5,195,861 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 \$728,545. This is an increase of \$487,310 from the prior year. Revenues increased for almost all line items. The expenditure decrease was the result of lower capital outlay costs and continued monitoring of costs by County officials. In addition, costs for other funds, which were previously absorbed by the General Fund were charged to those funds, based on the cost allocation plan or the nature of the expenditure.

The Road and Bridge Special Revenue Fund had a total fund balance of \$2,278,089 as of December 31, 2013, of which \$1,687,127 is assigned. The Road and Bridge Special Revenue Fund's fund balance decreased by \$477,436 from the previous year. In the current year, intergovernmental revenues were lower than in 2012. In 2012, an additional \$286,342 in intergovernmental revenues were received for a major road project. Expenditures were also higher than in 2012. Infrastructure chip and seal repair costs were \$516,522 more than last year.

The Human Services Special Revenue Fund's fund balance was \$557,624 at the end of the current fiscal year. The Human Services Special Revenue Fund's fund balance decreased \$40,915 from the previous year. This loss was primarily the result of expenditures of restricted IOG funds of \$31,179 which were received in the prior year. In addition, the Fund purchased a new vehicle for \$29,884. The cost of that vehicle will be recouped as it is depreciated.

The Sales and Use Tax Special Revenue Fund's fund balance was \$1,631,603 at the end of the current fiscal year. The Sales and Use Tax Special Revenue Fund's fund balance decreased \$821,018 from the previous year. Combined with capital outlay expenditure reductions totaling \$272,196, sales and use taxes increased almost enough to offset the loss of intergovernmental revenue of \$1,102,412. A major construction project, County 194, was completed in 2013.

Capital Assets

The County invested \$3,897,624 in capital assets for its governmental-type activities for the year ended December 31, 2013. This investment in capital assets consists primarily of infrastructure, equipment and vehicles.

Long-Term Debt

At December 31, 2013 the County had total long-term debt of \$10,453,403. At this time, the County was not in compliance with the bond covenants related to General Fund fund balance 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 \$185,000, instead of \$6,200,000. In addition, long-term debt includes capital leases used to finance equipment and software purchases, compensated absences, and amounts owed as the result of a legal settlement, the titan missile complex and the underpayment of employee benefits.

Next Year's Budgets

The County has appropriated \$24,953,781 for spending in the 2014 fiscal year budget. Budgeted 2014 revenue of \$22,036,522 and the use of accumulated fund balances will be sufficient to cover the appropriated expenditures in 2014.

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, 2013

	Primary Government
	Governmental Activities
ASSETS	
Cash and investments	\$ 4,895,138
Cash and investments - Restricted	1,100,656
Prepaid expenses	8,234
Receivables	849,850
Due from other governments	76,895
Property taxes receivable	7,429,443
Inventory of supplies	269,964
Capital assets, not being depreciated	
Land, water rights and construction in progress	5,102,194
Capital assets, net of accumulated depreciation	
Buildings, equipment and infrastructure	80,539,867
Total assets	100,272,241
 DEFERRED OUTFLOWS OF RESOURCES	
Deferred charge on debt refunding	289,203
 LIABILITIES	
Accounts payable	435,942
Accrued interest payable	40,943
Due to other governments	88,885
Unearned revenues	27,028
Noncurrent liabilities	
Due within one year	7,324,230
Due in more than one year	3,129,173
Total liabilities	11,046,201
 DEFERRED INFLOWS OF RESOURCES	
Unavailable revenue-property taxes	7,551,681
 NET POSITION	
Net investment in capital assets	76,300,012
Restricted	1,897,628
Unrestricted	3,765,922
Total net position	\$ 81,963,562

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, 2013

<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>Capital Grants and Contributions</u>	<u>Revenue and Changes in Net Position</u>
Primary government:					
Governmental activities:					<u>Governmental Activities</u>
General government	\$ 3,273,597	\$ 1,341,295	\$ -	\$ -	\$ (1,932,302)
Public safety	3,958,816	964,070	105,574	76,553	(2,812,619)
Public works	10,702,164	197,742	2,426,145	136,073	(7,942,204)
Public health and welfare	4,772,559	174,838	4,012,545	-	(585,176)
Culture and recreation	258,751	-	-	-	(258,751)
Auxiliary services	122,504	-	-	-	(122,504)
Interest on long-term debt	497,548	-	30,448	-	(467,100)
Total primary government	<u>\$ 23,585,939</u>	<u>\$ 2,677,945</u>	<u>\$ 6,574,712</u>	<u>\$ 212,626</u>	<u>(14,120,656)</u>

General revenues:	
Taxes	10,432,981
Grants not restricted to a specific program	215,685
Investment earnings	14,559
Other	286,708
Total general revenues	<u>10,949,933</u>
Change in net assets	(3,170,723)
Net position - Beginning (Restated)	85,134,285
Net position - Ending	<u>\$ 81,963,562</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, 2013

	Special Revenue Funds			
	General	Road and Bridge	Human Services	Sales and Use Tax Fund
ASSETS				
Cash and investments with Treasurer	\$ 89,839	\$ 1,732,467	\$ 591,791	\$ 1,425,390
Cash and investments with Treasurer - Restricted	518,202	205,974	-	-
Accounts receivable	229,249	163,508	-	223,123
Assessments receivable	-	-	-	-
Due from other funds	171,411	-	29,904	-
Due from other governments	-	-	76,895	-
Property taxes receivable	4,263,250	2,482,584	391,987	-
Prepaid expenses	8,234	-	-	-
Inventory of supplies	1,154	268,810	-	-
Total assets	<u>\$ 5,281,339</u>	<u>\$ 4,853,343</u>	<u>\$ 1,090,577</u>	<u>\$ 1,648,513</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 242,090	\$ 67,986	\$ 35,607	\$ -
Due to other funds	47,454	14,130	-	16,910
Due to other governments	-	-	88,885	-
Unearned revenue	-	10,554	16,474	-
Total liabilities	<u>289,544</u>	<u>92,670</u>	<u>140,966</u>	<u>16,910</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue-property taxes	<u>4,263,250</u>	<u>2,482,584</u>	<u>391,987</u>	<u>-</u>
FUND BALANCES				
Nonspendable				
Prepaid expenses	8,234	-	-	-
Inventory	1,154	268,810	-	-
Restricted				
Emergency reserves	200,775	116,178	13,323	-
Contingency	18,202	-	-	-
Debt service	500,000	-	-	-
Capital asset purchases	-	205,974	-	-
Conservation trust	-	-	-	-
Donations	3,000	-	-	-
Assigned				
Transportation	-	1,687,127	-	-
Public health and welfare	-	-	544,301	-
Public safety	-	-	-	-
Capital outlay	-	-	-	1,631,603
Retirement	-	-	-	-
Unassigned				
General fund (deficit)	(2,820)	-	-	-
Total fund balances	<u>728,545</u>	<u>2,278,089</u>	<u>557,624</u>	<u>1,631,603</u>
TOTAL LIABILITIES FUND BALANCES	<u>\$ 5,281,339</u>	<u>\$ 4,853,343</u>	<u>\$ 1,090,577</u>	<u>\$ 1,648,513</u>

<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 1,055,651	\$ 4,895,138
376,480	1,100,656
111,732	727,612
122,238	122,238
17,550	218,865
-	76,895
291,622	7,429,443
-	8,234
-	269,964
<u>\$ 1,975,273</u>	<u>\$ 14,849,045</u>

\$ 90,259	\$ 435,942
140,371	218,865
-	88,885
-	27,028
<u>230,630</u>	<u>770,720</u>

<u>413,860</u>	<u>7,551,681</u>
----------------	------------------

-	8,234
-	269,964
28,892	359,168
-	18,202
154,314	654,314
221,866	427,840
438,104	438,104
-	3,000
-	1,687,127
77,724	622,025
132,134	132,134
252,492	1,884,095
25,257	25,257
-	(2,820)
<u>1,330,783</u>	<u>6,526,644</u>
<u>\$ 1,975,273</u>	<u>\$ 14,849,045</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, 2013

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

Total fund balance - Total governmental funds	\$ 6,526,644
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	85,642,061
Other assets, net of accumulated amortization, are not financial resources and, therefore, are not reported in the funds.	289,203
Accrued interest payable is not included in the funds.	(40,943)
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>(10,453,403)</u>
Net position of governmental activities	<u><u>\$ 81,963,562</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, 2013

	<u>Special Revenue Funds</u>			
	<u>General</u>	<u>Road and Bridge</u>	<u>Human Services</u>	<u>Sales and Use Tax Fund</u>
REVENUES				
Taxes	\$ 5,376,341	\$ 2,604,536	\$ 388,382	\$ 1,741,399
Special assessments	-	-	-	-
Licenses and permits	530,811	-	-	-
Intergovernmental	235,100	2,480,463	3,922,476	88,000
Charges for services	1,351,919	197,742	-	-
Net investment income	6,013	4,378	691	-
Miscellaneous	204,334	1,644	88,369	-
Total revenues	<u>7,704,518</u>	<u>5,288,763</u>	<u>4,399,918</u>	<u>1,829,399</u>
EXPENDITURES				
Current				
General government	2,860,790	72,518	-	54,335
Public safety	3,272,317	10,872	-	-
Public works	-	5,151,623	-	-
Public health and welfare	63,666	-	4,410,949	45,372
Culture and recreation	102,216	-	-	-
Auxiliary services	122,504	-	-	-
Debt service	743,536	737,160	-	-
Capital outlay	218,377	859,967	29,884	2,550,710
Total expenditures	<u>7,383,406</u>	<u>6,832,140</u>	<u>4,440,833</u>	<u>2,650,417</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES				
	<u>321,112</u>	<u>(1,543,377)</u>	<u>(40,915)</u>	<u>(821,018)</u>
OTHER FINANCING SOURCES (USES)				
Capital lease financing	153,125	1,065,941	-	-
Transfers in	23,073	-	-	-
Transfers (out)	(10,000)	-	-	-
Total other financing sources (uses)	<u>166,198</u>	<u>1,065,941</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES				
	487,310	(477,436)	(40,915)	(821,018)
FUND BALANCES - BEGINNING OF YEAR - Restated				
	<u>241,235</u>	<u>2,755,525</u>	<u>598,539</u>	<u>2,452,621</u>
FUND BALANCES - END OF YEAR				
	<u>\$ 728,545</u>	<u>\$ 2,278,089</u>	<u>\$ 557,624</u>	<u>\$ 1,631,603</u>

Nonmajor Governmental Funds	Total Governmental Funds
\$ 322,323	\$ 10,432,981
30,448	30,448
-	530,811
246,536	6,972,575
597,473	2,147,134
3,477	14,559
2,141	296,488
<u>1,202,398</u>	<u>20,424,996</u>
222,381	3,210,024
208,461	3,491,650
34,593	5,186,216
194,608	4,714,595
131,956	234,172
-	122,504
138,819	1,619,515
226,186	3,885,124
<u>1,157,004</u>	<u>22,463,800</u>
<u>45,394</u>	<u>(2,038,804)</u>
221,866	1,440,932
10,000	33,073
(23,073)	(33,073)
<u>208,793</u>	<u>1,440,932</u>
254,187	(597,872)
1,076,596	7,124,516
<u>\$ 1,330,783</u>	<u>\$ 6,526,644</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, 2013

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

Net change in fund balances - Total governmental funds \$ (597,872)

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	3,885,124
Loss on disposal of assets	(29,108)
Donation of assets	12,500
Depreciation	(6,138,017)

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	(1,440,932)
Additional long-term liabilities for titan missile complex	(25,000)
Principal payments made	1,218,653

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	(6,885)
Change in accrued interest	(1,025)
Amortization of deferred loss on refunding	(48,161)

Change in net position of governmental activities \$ (3,170,723)

These financials 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, 2013

	<u>Treasurer</u>	<u>Agency Funds Public Trustee</u>	<u>Sheriff's Office</u>	<u>Total</u>
ASSETS				
Cash and investments	\$ 1,210,910	\$ 43,061	\$ 37,907	\$ 1,291,878
Due from other governments	132,938	-	-	132,938
Total assets	<u>1,343,848</u>	<u>43,061</u>	<u>37,907</u>	<u>1,424,816</u>
LIABILITIES				
Due to other governments	902,085	-	-	902,085
Other liabilities	74,101	-	37,907	112,008
Outstanding checks payable	367,662	-	-	367,662
Escrow deposits held by public trustee	-	43,061	-	43,061
Total liabilities	<u>1,343,848</u>	<u>43,061</u>	<u>37,907</u>	<u>1,424,816</u>
NET POSITION				
Held in trust	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

These financials 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, 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), Foxwood Estates and Foxwood Ranches Public Improvement District (Foxwood Estates) and Meadow Station Subdivision Public Improvement District (Meadow Station). These entities are reported as blended component units within the debt and debt service funds of the County. 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. For both Foxwood Estates and Meadow Station, the County Commissioners are the board of the District. In addition, the County is obligated in some manner for the debt of these Districts. The financial statements of the component units are found only in this document.

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 *Human Services Fund* accounts for federal and state resources received by the County for various social programs as well as a portion of the County property taxes designated for this purpose.
- 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 three non-major governmental funds that account for debt service requirements of the following special improvement districts: 1) Chaparral Valley, 2) Meadows Station, and 3) Foxwood Estates.

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

The General, Law Enforcement Assistance, and Chaparral Valley Funds exceeded their appropriated expenditures in 2013. This may be a violation of Colorado State Statute. The General Fund, which exceeded budget expenditures and operating transfers out by \$301,371, incurred additional costs related to several departments including budget and payroll and building inspection costs. In addition, capital outlay and debt service costs exceeded the anticipated budget. The Law Enforcement Assistance Fund, which exceeded budgeted expenditures and operating transfers out by \$54,859, incurred additional costs as the surcharges on tickets which are remitted to the state were included in both revenues and expenditures this year. Also, additional capital outlay and debt service costs were incurred. Debt service costs exceeded budgeted expenditures in Chaparral Valley Fund, due to owners paying off their entire assessment and those funds being used to pay additional principal on the bonds. Total expenditures exceeded budgeted expenditures by \$5,734 for Chaparral Valley Fund. The County will continue to monitor budget to actual variances to determine if supplemental appropriations of approved budgets are necessary.

ELBERT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balances

Cash and Investments - Except for cash held by third parties (cash and investments with trustee and unexpended lease proceeds), 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.

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.

ELBERT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balances (Continued)

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 deferred outflow of resources.

Deferred Outflows/Inflows of Resources – In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/ expenditure) until then. The County reports deferred charges on refunding of bonds as deferred outflows of resources.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. Deferred inflows of resources include property taxes and special assessments earned but levied for a subsequent period.

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.

ELBERT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balances (Continued)

Unassigned – All other spendable amounts. At December 31, 2013, the General Fund had negative unassigned fund balance of \$2,820. Management anticipates eliminating this deficit through continued cost saving 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. Currently the Retirement Fund 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 unearned 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, 2013 are classified in the accompanying financial statements as follows:

Statement of net position:

Cash and investments	\$ 4,895,138
Cash and investments – Restricted	1,100,656
Total cash and investments - Statement of net position	5,995,794
Statement of fiduciary net position	1,291,878
	\$ 7,287,672

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

Cash on hand	\$ 46,724
Deposits with financial institutions	5,452,144
Investments	1,788,804
Total cash and investments	\$ 7,287,672

ELBERT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE 3 - CASH AND INVESTMENTS (CONTINUED)

Deposits with Financial Institutions

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local 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 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, 2013, the County's cash deposits had a bank balance of \$5,531,185 and a carrying balance of \$5,452,144. At December 31, 2013, of the County's deposits \$511,151 was covered by the Federal Deposit Insurance Corporation (FDIC), \$4,592,194 was covered by the PDPA and \$427,840 was uninsured and uncollateralized, held in trust by Kansas State Bank. Were the bank to fail these amounts would be offset by the amount of capital lease principal owed.

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)

Investments (Continued)

As of December 31, 2013, the County had the following investments:

	Weighted Average Maturity	Fair Value
COLOTRUST	40 days to reset	
	68 days to maturity	\$ 1,276,913
Money Market Funds	31 days to maturity	511,891
		\$ 1,788,804

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 related to contingencies to be restricted by the State of Colorado statutes. Those amounts total \$18,202 at December 31, 2013. There is \$427,840 of unexpended lease proceeds which are held by lessor and reported in the Road and Bridge Fund. The County also considers cash held for special assessment debt to be restricted to payment of debt service. At December 31, 2013, this restricted special assessment cash and investments were \$154,614. Restricted cash and investments at December 31, 2013 totaled \$1,100,656.

ELBERT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE 4 - CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2013 was as follows:

	Balance at December 31, 2012	Increases	Decreases	Balance at December 31, 2013
Primary Government				
Capital assets, not being depreciated:				
Water rights	\$ 4,100,445	\$ -	\$ -	\$ 4,100,445
Land	687,312	22,300	-	709,612
Construction in progress	81,046	2,912,639	(2,701,548)	292,137
Total capital assets, not being depreciated	<u>4,868,803</u>	<u>2,934,939</u>	<u>(2,701,548)</u>	<u>5,102,194</u>
Capital assets, being depreciated:				
Buildings	11,174,298	36,426	-	11,210,724
Equipment	10,094,018	926,259	(258,181)	10,762,096
Infrastructure	165,206,286	2,701,548	-	167,907,834
Total capital assets, being depreciated	<u>186,474,602</u>	<u>3,664,233</u>	<u>(258,181)</u>	<u>189,880,654</u>
Less accumulated depreciation for:				
Buildings	(4,153,045)	(251,470)	-	(4,404,515)
Equipment	(6,211,238)	(1,317,002)	229,073	(7,299,167)
Infrastructure	(93,067,560)	(4,569,545)	-	(97,637,105)
Total accumulated depreciation	<u>(103,431,843)</u>	<u>(6,138,017)</u>	<u>229,073</u>	<u>(109,340,787)</u>
Total capital assets, being depreciated, net	<u>83,042,759</u>	<u>(2,473,784)</u>	<u>(29,108)</u>	<u>80,539,867</u>
Capital assets, net	<u>\$ 87,911,562</u>	<u>\$ 461,155</u>	<u>\$ (2,730,656)</u>	<u>\$ 85,642,061</u>

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

General government	\$ 56,688
Public safety	460,338
Public health and welfare	57,964
Public works	5,538,448
Culture and recreation	24,579
Total depreciation expense	<u>\$ 6,138,017</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, 2013:

	Balance at December 31, 2012	Additions	Reductions	Balance at December 31, 2013	Due Within One Year
Governmental Activities:					
Capital lease obligations	\$ 2,334,591	\$ 1,440,932	\$ 811,431	\$ 2,964,092	\$ 910,251
Special assessment debt	210,000	-	20,000	190,000	30,000
General obligation debt	745,000	-	40,000	705,000	40,000
Lease mortgage revenue bond	6,370,000	-	170,000	6,200,000	6,200,000
Due to insurance escrow	262,660	-	129,722	132,938	60,000
Legal settlement	95,000	-	47,500	47,500	47,500
Titan Missile Complex	-	25,000	-	25,000	5,000
Compensated absences	181,988	354,440	347,555	188,873	31,479
	<u>\$ 10,199,239</u>	<u>\$ 1,820,372</u>	<u>\$ 1,566,208</u>	<u>\$ 10,453,403</u>	<u>\$ 7,324,230</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 equipment and software 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, 2013 are as follows:

	<u>Governmental Activities</u>
Equipment and software	\$ 5,316,668
Less accumulated depreciation	<u>(3,050,820)</u>
Total	<u>\$ 2,265,848</u>

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%.

ELBERT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE 5 - LONG-TERM OBLIGATIONS (CONTINUED)

Capital Leases (Continued)

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%.

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%.

ELBERT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE 5 - LONG-TERM OBLIGATIONS (CONTINUED)

Capital Leases (Continued)

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 bulldozer 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%.

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%.

ELBERT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE 5 - LONG-TERM OBLIGATIONS (CONTINUED)

Capital Leases (Continued)

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%.

On June 17, 2013, the County entered into a capital lease obligation to purchase a motor grader. The County traded in existing equipment as part of the planned rotation of equipment and financed the remaining \$97,242. The lease is on a quarterly basis for 20 consecutive quarterly periods with payments of \$5,191, consisting of principal and interest with a rate of 2.80%.

On June 17, 2013, the County entered into a capital lease obligation to purchase a motor grader. The County traded in existing equipment as part of the planned rotation of equipment and financed the remaining \$99,937. The lease is on a quarterly basis for 20 consecutive quarterly periods with payments of \$5,335, consisting of principal and interest with a rate of 2.80%.

On August 28, 2013, the County entered into a capital lease obligation to purchase a four wheel drive loader. The County traded in existing equipment as part of the planned rotation of equipment and financed the remaining \$77,225. The lease is on a quarterly basis for 20 consecutive quarterly periods with payments of \$4,171, consisting of principal and interest with a rate of 3.30%.

On October 1, 2013, the County entered into a capital lease obligation to purchase a motor grader, which was fully financed at a value of \$269,220. The lease is on a quarterly basis for 20 consecutive quarterly periods with payments of \$14,963, consisting of principal and interest with a rate of 2.80%.

On June 4, 2013, the County entered into a capital lease obligation to purchase a motor grader, which was fully financed at a value of \$84,607. The lease is on a quarterly basis for 20 consecutive quarterly periods with payments of \$4,495, consisting of principal and interest with a rate of 2.59%.

On October 1, 2013, the County entered into a capital lease obligation to purchase an equipped police car, which was fully financed at a value of \$40,835. The lease is on a quarterly basis for 20 consecutive quarterly periods with payments of \$2,224, consisting of principal and interest with a rate of 3.68%.

On September 20, 2013, the County entered into a capital lease obligation to purchase two International dump trucks, which were fully financed at a value of \$437,908. The lease is on a quarterly basis for 20 consecutive quarterly periods with payments of \$23,841, consisting of principal and interest with a rate of 3.30%. At December 31, 2013, \$205,974 of these proceeds have not been expended.

On October 1, 2013, the County entered into a capital lease obligation to purchase five equipped police cars, which were fully financed at a value of \$221,866. The lease is on a quarterly basis for 20 consecutive quarterly periods with payments of \$11,890, consisting of principal and interest with a rate of 2.97%. At December 31, 2013, \$221,866 of these proceeds have not been expended.

ELBERT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE 5 - LONG-TERM OBLIGATIONS (CONTINUED)

On June 6, 2013, the County entered into a capital lease obligation to purchase software, which was fully financed at a value of \$112,290. The lease requires two additional annual payments of \$45,664 which includes an annual maintenance payment of \$8,234. Payments consist of principal only.

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, 2013, were as follows:

<u>Year Ending</u> <u>December 31,</u>	<u>Governmental</u> <u>Activities</u>
2014	\$ 910,251
2015	810,827
2016	624,464
2017	440,592
2018	177,958
Total minimum lease payments	<u>\$ 2,964,092</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, 2013 was \$190,000. The General Fund is currently contributing \$10,000 a year to the payment of this debt.

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, 2013 was \$425,000.

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, 2013 was \$280,000.

ELBERT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE 5 - LONG-TERM OBLIGATIONS (CONTINUED)

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 prepays 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, 2013, the outstanding principal balance of the COPs is \$3,265,000 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. Those covenants include furnishing the lender financial statements within 210 days of the fiscal year end, maintain an adequate General Fund fund balance by increasing fund balance to \$500,000 by December 31, 2015 and then maintaining that amount and lender approval of any new debt which exceeds \$300,000. The County has requested, and is awaiting, waiver of General Fund fund balance covenant for 2013. As of the date of this report, the County has not received such waiver from the lender. Accordingly, the \$6,200,000 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 \$185,000 would be due in one year and \$6,015,000 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>
2014	\$ 255,000	\$ 372,592	\$ 627,592
2015	230,000	359,280	589,280
2016	255,000	347,465	602,465
2017	260,000	334,353	594,353
2018	275,000	320,928	595,928
2019-2023	1,755,000	306,666	2,061,666
2024-2028	4,040,000	291,578	4,331,578
2029-2034	25,000	275,939	300,939
	<u>\$ 7,095,000</u>	<u>\$ 2,608,801</u>	<u>\$ 9,703,801</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, 2013, the County owes the Treasurer's office \$132,938 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, 2015 of \$47,500. At December 31, 2013 this amount is reported as part of long term obligations.

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 \$5,000 penalty. Also during 2013, the contractor restored the landfill and submitted a work completion report which was accepted by CDPHE. Under the terms of the plan, management expects the County to be required to monitor the site for five years at a cost not to exceed \$5,000 per year. Elbert County will be requesting that the contractor reimburse the County for any and all costs related to their unauthorized excavation.

ELBERT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE 5 - LONG-TERM OBLIGATIONS (CONTINUED)

The long-term obligations of the County have been and will continue to be liquidated by various County funds. The fund which pays an employee is used to liquidate compensated absences of the governmental activities. These funds include the General, Road and Bridge, Law Enforcement Assistance and Human Services Funds. In addition, the Road and Bridge Fund services the capital lease and legal settlement obligations. The General Fund services a capital lease, the Lease Mortgage Revenue Bond, insurance escrow debt and the reclamation of the Titan I Missile Complex. 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.

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, 2013, the County had a net investment in capital assets of \$76,300,012 calculated as follows:

	<u>Governmental Activities</u>
Net investment in capital assets:	
Capital assets, net	\$ 85,642,061
Loss on refunding (net of accumulated amortization)	289,203
Long-term obligations	<u>(9,631,252)</u>
Net investment in capital assets	<u><u>\$ 76,300,012</u></u>

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 \$1,897,628 as of December 31, 2013. The County's unrestricted net position as of December 31, 2013 is \$3,765,922.

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 2013. During the year ended December 31, 2013, participants made additional voluntary contributions. Additionally, certain participants participated in the Voluntary Deferred Compensation Plan during 2013. Information regarding the pension plan contributions for 2013 is as follows:

	2013	2012	2011	2010
Total payroll	\$ 6,275,931	\$ 6,267,038	\$ 6,250,695	\$ 6,855,314
Base salary - eligible	5,177,800	5,255,425	5,466,463	6,286,723
County contribution	202,946	208,475	218,168	251,353
Employee contribution	207,112	210,217	218,659	251,469

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.

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, 2013 was \$80,998. The future minimum annual rental commitments under these leases are as follows:

ELBERT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE 9 - COMMITMENTS AND CONTINGENCIES (CONTINUED)

Operating Leases (Continued)

<u>Year Ending</u> <u>December 31,</u>	<u>Minimum</u> <u>Lease</u> <u>Payments</u>
2014	\$ 55,051
2015	25,569
2016	18,275
2017	13,391
2018	3,348
Total	<u>\$ 115,634</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, 2013, the County does not believe the resolution of these 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.

NOTE 10 - TRANSFERS/INTERFUND RECEIVABLES & PAYABLES

<u>Transfers Out</u>	<u>Transfers In</u>		
	<u>General</u> <u>Fund</u>	<u>Nonmajor</u> <u>Governmental</u> <u>Funds</u>	<u>Total</u>
Nonmajor Governmental Funds	\$ 10,000	\$ 23,073	\$ 33,073
	<u>\$ 10,000</u>	<u>\$ 23,073</u>	<u>\$ 33,073</u>

The \$10,000 transfer from the General Fund to the Chaparral Valley Fund (Nonmajor Governmental Fund) is for debt service payments.

ELBERT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE 10 - TRANSFERS/INTERFUND RECEIVABLES & PAYABLES (CONTINUED)

The transfer to the General Fund of \$23,073 incorporates a transfer from the Law Enforcement Assistance Fund (Nonmajor Governmental Funds) for debt service expenditures related to the computer software capital lease.

Interfund Payables	Interfund Receivables			
	General	Human	Nonmajor	Total
	Fund	Services	Governmental	
		Fund	Funds	
General Fund	\$ -	\$ 29,904	\$ 17,550	\$ 47,454
Road and Bridge	14,130	-	-	14,130
Sales and Use Tax	16,910	-	-	16,910
Nonmajor Governmental				
Funds	140,371	-	-	140,371
	\$ 171,411	\$ 29,904	\$ 17,550	\$ 218,865

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.

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%.

ELBERT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE 11 - RISK MANAGEMENT (CONTINUED)

The Pools provide the following types of coverage:

	Self-Insured Retentions (Per Occurrence)	Excess Insurance Limits (Per Occurrence)
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.

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 RESTATEMENTS

The County has restated the January 1, 2013 fund balances in the General Fund, and the Contingency Fund as management believes the Contingency Fund should no longer be reported as a special revenue fund:

	<u>General Fund</u> <u>Fund Balance</u>
Balance previously recorded on January 1, 2013	\$ 223,033
Report the Contingency Fund as part of the General Fund	<u>18,202</u>
Restated January 1, 2013 Fund Balance	<u>\$ 241,235</u>

During the year ended December 31, 2013, the County was also required to implement GASB Statement Number 65, *Items Previously Reported as Assets and Liabilities*. This statement required 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 wrote off \$274,659 of debt origination costs. As a result, Net Position at January 1, 2013 decreased from \$85,408,944 to \$85,134,285.

NOTE 14 - SUBSEQUENT EVENTS

During 2014, the County Commissioners approved entering into a capital lease for four motor graders.

REQUIRED SUPPLEMENTARY INFORMATION

ELBERT COUNTY, COLORADO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
Year Ended December 31, 2013

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES			
Taxes	\$5,258,200	\$5,376,341	\$ 118,141
Licenses and permits	350,000	530,811	180,811
Intergovernmental	200,000	235,100	35,100
Charges for service	1,350,000	1,351,919	1,919
Net investment income	7,000	6,013	(987)
Miscellaneous	60,000	204,334	144,334
Total revenues	<u>7,225,200</u>	<u>7,704,518</u>	<u>479,318</u>
EXPENDITURES			
General government	2,939,688	2,860,790	78,898
Public safety	3,332,408	3,272,317	60,091
Public health and welfare	-	63,666	(63,666)
Culture and recreation	127,569	102,216	25,353
Auxiliary services	125,699	122,504	3,195
Debt Service	564,425	743,536	(179,111)
Capital outlay	-	218,377	(218,377)
Total expenditures	<u>7,089,789</u>	<u>7,383,406</u>	<u>(293,617)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>135,411</u>	<u>321,112</u>	<u>185,701</u>
OTHER FINANCING SOURCES (USES)			
Capital lease financing	-	153,125	153,125
Transfers in	135,644	23,073	(112,571)
Transfers (out)	(2,246)	(10,000)	(7,754)
Total other financing sources (uses)	<u>133,398</u>	<u>166,198</u>	<u>32,800</u>
NET CHANGE IN FUND BALANCE	268,809	487,310	218,501
FUND BALANCE - BEGINNING OF YEAR-RESTATED	<u>26,594</u>	<u>241,235</u>	<u>214,641</u>
FUND BALANCE - END OF YEAR	<u>\$ 295,403</u>	<u>\$ 728,545</u>	<u>\$ 433,142</u>

ELBERT COUNTY, COLORADO
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
GENERAL FUND
Year Ended December 31, 2013

	Original and Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Taxes			
Property taxes	\$ 4,230,700	\$ 4,250,839	\$ 20,139
Specific ownership taxes	1,020,000	1,117,107	97,107
Cigarette taxes	5,500	8,395	2,895
Other taxes	2,000	-	(2,000)
Total taxes	<u>5,258,200</u>	<u>5,376,341</u>	<u>118,141</u>
Licenses and permits			
Building and zoning fees	346,500	530,171	183,671
Liquor licenses	3,500	640	(2,860)
Total licenses and permits	<u>350,000</u>	<u>530,811</u>	<u>180,811</u>
Intergovernmental revenues			
VALE grant	75,000	75,079	79
Other intergovernmental revenues	125,000	160,021	35,021
Total intergovernmental revenues	<u>200,000</u>	<u>235,100</u>	<u>35,100</u>
Charges for services			
Sheriff	150,000	102,352	(47,648)
Clerk	650,000	642,592	(7,408)
Treasurer	425,000	467,165	42,165
Public trustee fees	110,000	49,293	(60,707)
Other	15,000	90,517	75,517
Total charges for services	<u>1,350,000</u>	<u>1,351,919</u>	<u>1,919</u>
Interest income	<u>7,000</u>	<u>6,013</u>	<u>(987)</u>
Miscellaneous revenues			
DUI insurance	1,000	-	(1,000)
Fair receipts	20,000	48,689	28,689
Insurance reimbursements	2,000	26,500	24,500
Other	37,000	129,145	92,145
Total miscellaneous revenues	<u>60,000</u>	<u>204,334</u>	<u>144,334</u>
Capital lease financing	-	153,125	153,125
Transfers in	<u>135,644</u>	<u>23,073</u>	<u>(112,571)</u>
Other financing sources	<u>135,644</u>	<u>176,198</u>	<u>40,554</u>
Total revenues	<u>\$ 7,360,844</u>	<u>\$ 7,880,716</u>	<u>\$ 519,872</u>

ELBERT COUNTY, COLORADO
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
Year Ended December 31, 2013

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
EXPENDITURES			
General government			
Office of Commissioners	\$ 277,090	\$ 274,459	\$ 2,631
Clerk of the Board	47,811	48,512	(701)
County attorney	111,516	91,769	19,747
Clerk and recorder	370,196	330,167	40,029
Clerk and recorder - Elections	68,071	61,515	6,556
County Treasurer	238,820	258,475	(19,655)
County Assessor	408,017	399,550	8,467
Maintenance of grounds and buildings	218,238	128,952	89,286
Central data processing	205,280	227,615	(22,335)
Other administration	273,100	154,179	118,921
Budget/payroll	211,733	370,101	(158,368)
District attorney	509,816	515,496	(5,680)
Total general government	<u>2,939,688</u>	<u>2,860,790</u>	<u>78,898</u>
Public safety			
County sheriff	2,612,511	2,664,468	(51,957)
County jail	-	-	-
County coroner	110,525	115,643	(5,118)
Judicial center	108,928	113,631	(4,703)
Building inspection	89,529	303,640	(214,111)
Community development services	341,239	2,700	338,539
Planning commission	7,000	4,878	2,122
Emergency communications and operations	62,676	67,357	(4,681)
Total public safety	<u>3,332,408</u>	<u>3,272,317</u>	<u>60,091</u>
Public health and welfare	<u>-</u>	<u>63,666</u>	<u>(63,666)</u>
Culture and recreation	127,569	102,216	25,353
Auxiliary services	125,699	122,504	3,195
Debt service	564,425	743,536	(179,111)
Capital outlay	-	218,377	(218,377)
Transfers out	2,246	10,000	(7,754)
Total expenditures	<u>\$ 7,092,035</u>	<u>\$ 7,393,406</u>	<u>\$ (301,371)</u>

ELBERT COUNTY, COLORADO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
ROAD AND BRIDGE SPECIAL REVENUE FUND
Year Ended December 31, 2013

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES			
Taxes	\$ 2,468,696	\$ 2,604,536	\$ 135,840
Intergovernmental	2,401,981	2,480,463	78,482
Charges for services	-	197,742	197,742
Net investment income	-	4,378	4,378
Miscellaneous	-	1,644	1,644
Total revenues	<u>4,870,677</u>	<u>5,288,763</u>	<u>418,086</u>
EXPENDITURES			
General government	169,789	72,518	97,271
Public safety	-	10,872	(10,872)
Public works	4,970,331	5,151,623	(181,292)
Debt service	784,033	737,160	46,873
Capital outlay	1,400,000	859,967	540,033
Total expenditures	<u>7,324,153</u>	<u>6,832,140</u>	<u>492,013</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(2,453,476)</u>	<u>(1,543,377)</u>	<u>910,099</u>
OTHER FINANCING SOURCES			
Capital lease proceeds	1,400,000	1,065,941	(334,059)
Transfers out	(45,644)	-	45,644
Total other financing sources	<u>1,354,356</u>	<u>1,065,941</u>	<u>(288,415)</u>
NET CHANGE IN FUND BALANCE	(1,099,120)	(477,436)	621,684
FUND BALANCE - BEGINNING OF YEAR	<u>2,111,264</u>	<u>2,755,525</u>	<u>644,261</u>
FUND BALANCE - END OF YEAR	<u>\$ 1,012,144</u>	<u>\$ 2,278,089</u>	<u>\$ 1,265,945</u>

ELBERT COUNTY, COLORADO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
HUMAN SERVICES SPECIAL REVENUE FUND
Year Ended December 31, 2013

	Original and Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Taxes	\$ 389,794	\$ 388,382	\$ (1,412)
Intergovernmental	4,991,490	3,922,476	(1,069,014)
Other	50,000	88,369	38,369
Net investment income	-	691	691
Total revenues	<u>5,431,284</u>	<u>4,399,918</u>	<u>(1,031,366)</u>
EXPENDITURES			
General government	9,000	-	9,000
Public health and welfare	5,378,720	4,410,949	967,771
Capital outlay	-	29,884	(29,884)
Total expenditures	<u>5,387,720</u>	<u>4,440,833</u>	<u>946,887</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	43,564	(40,915)	(84,479)
FUND BALANCE - BEGINNING OF YEAR	<u>673,370</u>	<u>598,539</u>	<u>(74,831)</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 716,934</u></u>	<u><u>\$ 557,624</u></u>	<u><u>\$ (159,310)</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, 2013

	Original and Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Sales tax	\$ 700,000	\$ 947,990	\$ 247,990
Use tax	384,000	793,409	409,409
Intergovernmental	120,000	88,000	(32,000)
Total revenues	<u>1,204,000</u>	<u>1,829,399</u>	<u>625,399</u>
EXPENDITURES			
General government	30,000	54,335	(24,335)
Public Works	-	45,372	(45,372)
Capital outlay	2,755,529	2,550,710	204,819
Total expenditures	<u>2,785,529</u>	<u>2,650,417</u>	<u>135,112</u>
NET CHANGE IN FUND BALANCE	(1,581,529)	(821,018)	760,511
FUND BALANCE - BEGINNING OF YEAR	<u>2,043,374</u>	<u>2,452,621</u>	<u>409,247</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 461,845</u></u>	<u><u>\$ 1,631,603</u></u>	<u><u>\$ 1,169,758</u></u>

ELBERT COUNTY, COLORADO
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2013

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.

SUPPLEMENTARY INFORMATION

**ELBERT COUNTY, COLORADO
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2013**

	Special Revenue Funds	Debt Service Funds	Total Nonmajor Governmental Funds
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Cash and investments with Treasurer	\$ 1,055,651	\$ -	\$ 1,055,651
Cash and investments with Treasurer - Restricted	221,866	154,614	376,480
Accounts receivable	111,732	-	111,732
Due from other funds	17,550	-	17,550
Assessments receivable	-	122,238	122,238
Property taxes receivable	213,754	77,868	291,622
TOTAL ASSETS	<u><u>\$ 1,620,553</u></u>	<u><u>\$ 354,720</u></u>	<u><u>\$ 1,975,273</u></u>
 LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 89,959	\$ 300	\$ 90,259
Due to other funds	140,371	-	140,371
Total liabilities	<u>230,330</u>	<u>300</u>	<u>230,630</u>
 DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue-property taxes	<u>213,754</u>	<u>200,106</u>	<u>413,860</u>
 FUND BALANCES			
Restricted			
Emergency reserves	28,892	-	28,892
Debt service	-	154,314	154,314
Conservation trust	438,104	-	438,104
Capital asset purchases	221,866	-	221,866
Assigned			
Public safety	132,134	-	132,134
Public health	77,724	-	77,724
Capital outlay	252,492	-	252,492
Retirement	25,257	-	25,257
Total fund balances	<u>1,176,469</u>	<u>154,314</u>	<u>1,330,783</u>
TOTAL LIABILITIES AND FUND BALANCES	<u><u>\$ 1,620,553</u></u>	<u><u>\$ 354,720</u></u>	<u><u>\$ 1,975,273</u></u>

ELBERT COUNTY, COLORADO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
Year Ended December 31, 2013

	Special Revenue Funds	Debt Service Funds	Total Nonmajor Governmental Funds
REVENUES			
Taxes	\$ 232,687	\$ 89,636	\$ 322,323
Special assessments	-	30,448	30,448
Charges for services	597,473	-	597,473
Intergovernmental	246,536	-	246,536
Miscellaneous	2,141	-	2,141
Net investment income	3,477	-	3,477
Total revenues	<u>1,082,314</u>	<u>120,084</u>	<u>1,202,398</u>
EXPENDITURES			
General government	220,867	1,514	222,381
Public safety	208,461	-	208,461
Public works	34,593	-	34,593
Culture and recreation	131,956	-	131,956
Public health and welfare	194,608	-	194,608
Capital outlay	226,186	-	226,186
Debt service	28,617	110,202	138,819
Total expenditures	<u>1,045,288</u>	<u>111,716</u>	<u>1,157,004</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES			
	<u>37,026</u>	<u>8,368</u>	<u>45,394</u>
OTHER FINANCING SOURCES (USES)			
Capital lease proceeds	221,866	-	221,866
Transfers in	-	10,000	10,000
Transfers (out)	(23,073)	-	(23,073)
Total other financing sources (uses)	<u>198,793</u>	<u>10,000</u>	<u>208,793</u>
NET CHANGE IN FUND BALANCES	235,819	18,368	254,187
FUND BALANCES - BEGINNING OF YEAR	<u>940,650</u>	<u>135,946</u>	<u>1,076,596</u>
FUND BALANCES - END OF YEAR	<u>\$ 1,176,469</u>	<u>\$ 154,314</u>	<u>\$ 1,330,783</u>

ELBERT COUNTY, COLORADO
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS
December 31, 2013

	<u>Law Enforcement Assistance</u>	<u>Impact Assistance</u>	<u>Public Health and Administration</u>
ASSETS			
Cash and investments with Treasurer	\$ 201,022	\$ 252,492	\$ 64,060
Cash and investments with Treasurer - Restricted	221,866	-	-
Accounts receivable	35,517	-	36,678
Due from other funds	-	-	-
Property taxes receivable	-	-	-
TOTAL ASSETS	<u>\$ 458,405</u>	<u>\$ 252,492</u>	<u>\$ 100,738</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 79,840	\$ -	\$ 3,765
Due to other funds	7,963	-	13,950
Total liabilities	<u>87,803</u>	<u>-</u>	<u>17,715</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES			
Restricted			
Emergency reserves	16,602	-	5,299
Conservation trust	-	-	-
Capital asset purchases	221,866	-	-
Assigned			
Public safety	132,134	-	-
Public health	-	-	77,724
Capital outlay	-	252,492	-
Retirement	-	-	-
Total fund balances	<u>370,602</u>	<u>252,492</u>	<u>83,023</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 458,405</u>	<u>\$ 252,492</u>	<u>\$ 100,738</u>

<u>Retirement</u>	<u>Conservation Trust</u>	<u>Total</u>
\$ 12,076	\$ 526,001	\$ 1,055,651
-	-	221,866
2,622	36,915	111,732
17,550	-	17,550
213,754	-	213,754
<u>\$ 246,002</u>	<u>\$ 562,916</u>	<u>\$ 1,620,553</u>

\$ -	\$ 6,354	\$ 89,959
-	118,458	140,371
-	124,812	230,330

<u>213,754</u>	<u>-</u>	<u>213,754</u>
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6,991	-	28,892
-	438,104	438,104
-	-	221,866
-	-	132,134
-	-	77,724
-	-	252,492
25,257	-	25,257
<u>32,248</u>	<u>438,104</u>	<u>1,176,469</u>
<u>\$ 246,002</u>	<u>\$ 562,916</u>	<u>\$ 1,620,553</u>

ELBERT COUNTY, COLORADO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS
Year Ended December 31, 2013

	<u>Law Enforcement Assistance</u>	<u>Impact Assistance</u>	<u>Public Health and Administration</u>
REVENUES			
Taxes	\$ -	\$ -	\$ -
Charges for services	331,547	91,088	174,838
Intergovernmental	12,980	-	81,972
Miscellaneous income	-	-	1,783
Net investment income	-	1,270	-
Total revenues	<u>344,527</u>	<u>92,358</u>	<u>258,593</u>
EXPENDITURES			
General government	-	711	-
Public safety	208,461	-	-
Public works	-	34,593	-
Culture and recreation	-	-	-
Public health and welfare	-	-	194,608
Debt service	28,617	-	-
Capital outlay	24,708	105,239	-
Total expenditures	<u>261,786</u>	<u>140,543</u>	<u>194,608</u>
EXCESS OF REVENUES			
OVER (UNDER) EXPENDITURES	<u>82,741</u>	<u>(48,185)</u>	<u>63,985</u>
OTHER FINANCING SOURCES (USES)			
Capital lease proceeds	221,866	-	-
Transfers (out)	(23,073)	-	-
Total other financing sources (uses)	<u>198,793</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	281,534	(48,185)	63,985
FUND BALANCES - BEGINNING OF YEAR	<u>89,068</u>	<u>300,677</u>	<u>19,038</u>
FUND BALANCES - END OF YEAR	<u><u>\$ 370,602</u></u>	<u><u>\$ 252,492</u></u>	<u><u>\$ 83,023</u></u>

<u>Retirement</u>	<u>Conservation Trust</u>	<u>Total</u>
\$ 232,687	\$ -	\$ 232,687
-	-	597,473
-	151,584	246,536
358	-	2,141
-	2,207	3,477
<u>233,045</u>	<u>153,791</u>	<u>1,082,314</u>
220,156	-	220,867
-	-	208,461
-	-	34,593
-	131,956	131,956
-	-	194,608
-	-	28,617
-	96,239	226,186
<u>220,156</u>	<u>228,195</u>	<u>1,045,288</u>
<u>12,889</u>	<u>(74,404)</u>	<u>37,026</u>
-	-	221,866
-	-	(23,073)
<u>-</u>	<u>-</u>	<u>198,793</u>
12,889	(74,404)	235,819
<u>19,359</u>	<u>512,508</u>	<u>940,650</u>
<u>\$ 32,248</u>	<u>\$ 438,104</u>	<u>\$ 1,176,469</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, 2013

	Law Enforcement Assistance		
	Original and Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Charges for services	\$ 230,000	\$ 331,547	\$ 101,547
Intergovernmental	-	12,980	12,980
Interest income	-	-	-
Miscellaneous income	-	-	-
Total revenues	<u>230,000</u>	<u>344,527</u>	<u>114,527</u>
EXPENDITURES			
General government	-	-	-
Public safety	230,000	208,461	21,539
Public works	-	-	-
Debt service	-	28,617	(28,617)
Capital outlay	-	24,708	(24,708)
Total expenditures	<u>230,000</u>	<u>261,786</u>	<u>(31,786)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>82,741</u>	<u>82,741</u>
OTHER FINANCING SOURCES (USES)			
Capital lease proceeds	-	221,866	221,866
Transfers out	-	(23,073)	(23,073)
Total other financing sources (uses)	<u>-</u>	<u>198,793</u>	<u>198,793</u>
NET CHANGE IN FUND BALANCES	-	281,534	281,534
FUND BALANCES - BEGINNING OF YEAR	<u>67,971</u>	<u>89,068</u>	<u>21,097</u>
FUND BALANCES - END OF YEAR	<u>\$ 67,971</u>	<u>\$ 370,602</u>	<u>\$ 302,631</u>

Impact Assistance

Original and Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 8,000	\$ 91,088	\$ 83,088
600	1,270	670
-	-	-
<u>8,600</u>	<u>92,358</u>	<u>83,758</u>
1,550	711	839
-	-	-
-	34,593	(34,593)
-	-	-
237,378	105,239	132,139
<u>238,928</u>	<u>140,543</u>	<u>98,385</u>
<u>(230,328)</u>	<u>(48,185)</u>	<u>182,143</u>
-	-	-
<u>-</u>	<u>-</u>	<u>-</u>
(230,328)	(48,185)	182,143
430,051	300,677	(129,374)
<u>\$ 199,723</u>	<u>\$ 252,492</u>	<u>\$ 52,769</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, 2013

	Public Health and Administration		
	Original and Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Intergovernmental	\$ 112,200	\$ 81,972	\$ (30,228)
Charges for services	103,055	174,838	71,783
Miscellaneous income	-	1,783	1,783
Total revenues	<u>215,255</u>	<u>258,593</u>	<u>43,338</u>
EXPENDITURES			
General government	-	-	-
Public health and welfare	215,255	194,608	20,647
Contingency	-	-	-
Total expenditures	<u>215,255</u>	<u>194,608</u>	<u>20,647</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>63,985</u>	<u>63,985</u>
OTHER FINANCING SOURCES (USES)			
Capital lease proceeds	-	-	-
Transfers out	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	-	63,985	63,985
FUND BALANCES - BEGINNING OF YEAR	<u>-</u>	<u>19,038</u>	<u>19,038</u>
FUND BALANCES - END OF YEAR	<u><u>\$ -</u></u>	<u><u>\$ 83,023</u></u>	<u><u>\$ 83,023</u></u>

Retirement

Original and Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 201,653	\$ 232,687	\$ 31,034
-	-	-
-	358	358
<u>201,653</u>	<u>233,045</u>	<u>31,392</u>
226,854	220,156	6,698
-	-	-
-	-	-
<u>226,854</u>	<u>220,156</u>	<u>6,698</u>
<u>(25,201)</u>	<u>12,889</u>	<u>38,090</u>
-	-	-
-	-	-
-	-	-
<u>(25,201)</u>	<u>12,889</u>	<u>38,090</u>
<u>25,684</u>	<u>19,359</u>	<u>(6,325)</u>
<u>\$ 483</u>	<u>\$ 32,248</u>	<u>\$ 31,765</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, 2013

	Conservation Trust		
	Original and Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	404,573	151,584	(252,989)
Interest income	2,000	2,207	207
Total revenues	<u>406,573</u>	<u>153,791</u>	<u>(252,782)</u>
EXPENDITURES			
General government	-	-	-
Culture and recreation	41,000	131,956	(90,956)
Capital outlay	610,601	96,239	514,362
Total expenditures	<u>651,601</u>	<u>228,195</u>	<u>423,406</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(245,028)</u>	<u>(74,404)</u>	<u>170,624</u>
OTHER FINANCING SOURCES (USES)			
Capital lease proceeds	-	-	-
Transfers (out)	(90,000)	-	90,000
Total other financing sources (uses)	<u>(90,000)</u>	<u>-</u>	<u>90,000</u>
NET CHANGE IN FUND BALANCES	(335,028)	(74,404)	260,624
FUND BALANCES - BEGINNING OF YEAR	<u>506,813</u>	<u>512,508</u>	<u>5,695</u>
FUND BALANCES - END OF YEAR	<u>\$ 171,785</u>	<u>\$ 438,104</u>	<u>\$ 266,319</u>

ELBERT COUNTY, COLORADO
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS - DEBT SERVICE FUNDS
December 31, 2013

	<u>Chaparral Valley</u>	<u>Meadows Station</u>	<u>Foxwood Estates</u>	<u>Total</u>
ASSETS				
Cash and investments with Treasurer -				
Restricted	\$ 16,505	\$ 81,133	\$ 56,976	\$ 154,614
Assessments receivable	122,238	-	-	122,238
Property tax receivable	-	54,067	23,801	77,868
TOTAL ASSETS	<u><u>\$ 138,743</u></u>	<u><u>\$ 135,200</u></u>	<u><u>\$ 80,777</u></u>	<u><u>\$ 354,720</u></u>
LIABILITIES AND FUND BALANCE				
LIABILITIES				
Accounts payable	\$ -	\$ 150	\$ 150	\$ 300
Total liabilities	<u>-</u>	<u>150</u>	<u>150</u>	<u>300</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	122,238	54,067	23,801	200,106
Total deferred inflows of resources	<u>122,238</u>	<u>54,067</u>	<u>23,801</u>	<u>200,106</u>
FUND BALANCE				
Restricted	16,505	80,983	56,826	154,314
Total fund balance	<u>16,505</u>	<u>80,983</u>	<u>56,826</u>	<u>154,314</u>
TOTAL LIABILITIES AND FUND BALANCE	<u><u>\$ 138,743</u></u>	<u><u>\$ 135,200</u></u>	<u><u>\$ 80,777</u></u>	<u><u>\$ 354,720</u></u>

ELBERT COUNTY, COLORADO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS - DEBT SERVICE FUNDS
Year Ended December 31, 2013

	<u>Chaparral Valley</u>	<u>Meadows Station</u>	<u>Foxwood Estates</u>	<u>Total</u>
REVENUES				
Taxes	\$ -	\$ 59,791	\$ 29,845	\$ 89,636
Special assessments	30,448	-	-	30,448
Total revenues	<u>30,448</u>	<u>59,791</u>	<u>29,845</u>	<u>120,084</u>
EXPENDITURES				
General government	1,064	300	150	1,514
Debt service	32,600	52,432	25,170	110,202
Total expenditures	<u>33,664</u>	<u>52,732</u>	<u>25,320</u>	<u>111,716</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES				
	<u>(3,216)</u>	<u>7,059</u>	<u>4,525</u>	<u>8,368</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	10,000	-	-	10,000
Total other financing sources (uses)	<u>10,000</u>	<u>-</u>	<u>-</u>	<u>10,000</u>
NET CHANGE IN FUND BALANCES	6,784	7,059	4,525	18,368
FUND BALANCES - BEGINNING OF YEAR	<u>9,721</u>	<u>73,924</u>	<u>52,301</u>	<u>135,946</u>
FUND BALANCES - END OF YEAR	<u>\$ 16,505</u>	<u>\$ 80,983</u>	<u>\$ 56,826</u>	<u>\$ 154,314</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, 2013

	Chaparral Valley		
	Original and Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Special assessments	\$ 18,020	\$ 30,448	\$ 12,428
Total revenues	<u>18,020</u>	<u>30,448</u>	<u>12,428</u>
EXPENDITURES			
General government	630	1,064	(434)
Debt service	27,300	32,600	(5,300)
Contingency	-	-	-
Total expenditures	<u>27,930</u>	<u>33,664</u>	<u>(5,734)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(9,910)	(3,216)	6,694
OTHER FINANCING SOURCES (USES)			
Transfers in	2,246	10,000	7,754
Total other financing sources (uses)	<u>2,246</u>	<u>10,000</u>	<u>7,754</u>
NET CHANGE IN FUND BALANCES	(7,664)	6,784	14,448
FUND BALANCES - BEGINNING OF YEAR	<u>7,664</u>	<u>9,721</u>	<u>2,057</u>
FUND BALANCES - END OF YEAR	<u>\$ -</u>	<u>\$ 16,505</u>	<u>\$ 16,505</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, 2013

	Meadows Station		
	Original and Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Taxes	\$ 53,330	\$ 59,791	\$ 6,461
Total revenues	<u>53,330</u>	<u>59,791</u>	<u>6,461</u>
EXPENDITURES			
General government	-	300	(300)
Debt service	52,432	52,432	-
Contingency	2,000	-	2,000
Total expenditures	<u>54,432</u>	<u>52,732</u>	<u>1,700</u>
NET CHANGE IN FUND BALANCES	(1,102)	7,059	8,161
FUND BALANCES - BEGINNING OF YEAR	<u>65,445</u>	<u>73,924</u>	<u>8,479</u>
FUND BALANCES - END OF YEAR	<u><u>\$ 64,343</u></u>	<u><u>\$ 80,983</u></u>	<u><u>\$ 16,640</u></u>

Foxwood Estates

<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
\$ 26,530	\$ 29,845	\$ 3,315
<u>26,530</u>	<u>29,845</u>	<u>3,315</u>
-	150	(150)
25,020	25,170	(150)
2,000	-	2,000
<u>27,020</u>	<u>25,320</u>	<u>1,700</u>
(490)	4,525	5,015
<u>46,985</u>	<u>52,301</u>	<u>5,316</u>
<u>\$ 46,495</u>	<u>\$ 56,826</u>	<u>\$ 10,331</u>

ELBERT COUNTY, COLORADO
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FIDUCIARY FUNDS
Year Ended December 31, 2013

	Balance January 1, 2013	Additions	Deductions	Balance December 31, 2013
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
ASSETS				
Cash - Treasurer	\$ 856,401	\$ 21,985,075	\$ (21,630,566)	\$ 1,210,910
Cash - Public Trustee	57,454	2,041,170	(2,055,563)	43,061
Cash - Sheriff	12,265	272,163	(246,521)	37,907
Due from other governments	262,660	-	(129,722)	132,938
TOTAL ASSETS	<u>\$ 1,188,780</u>	<u>\$ 24,298,408</u>	<u>\$ (24,062,372)</u>	<u>\$ 1,424,816</u>
LIABILITIES				
Due to other governments	\$ 852,113	\$ 21,543,312	\$ (21,493,340)	\$ 902,085
Other liabilities	85,339	346,264	(319,595)	112,008
Outstanding checks payable	193,874	367,662	(193,874)	367,662
Escrow deposits held by Public Trustee	57,454	2,041,170	(2,055,563)	43,061
TOTAL LIABILITIES	<u>\$ 1,188,780</u>	<u>\$ 24,298,408</u>	<u>\$ (24,062,372)</u>	<u>\$ 1,424,816</u>

OTHER SCHEDULES

ELBERT COUNTY, COLORADO
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
December 31, 2013

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			\$201,135 Capital Lease Dated December 28, 2011 with Principal and Interest of 2.55% Due Quarterly on the 28th		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
	2014	\$ 22,951	\$ 2,251	\$ 25,202	\$ 56,155	\$ 5,281	\$ 61,436	\$ 51,156	\$ 6,117	\$ 57,273	\$ 40,200	\$ 2,506
2015	23,616	1,586	25,202	57,794	3,642	61,436	53,093	4,180	57,273	41,238	1,469	42,707
2016	24,272	930	25,202	59,480	1,956	61,436	55,102	2,171	57,273	31,626	405	32,031
2017	18,670	257	18,927	30,388	329	30,718	36,354	308	36,662	-	-	-
2018	-	-	-	-	-	-	-	-	-	-	-	-
2019	-	-	-	-	-	-	-	-	-	-	-	-
2020	-	-	-	-	-	-	-	-	-	-	-	-
2021	-	-	-	-	-	-	-	-	-	-	-	-
2022	-	-	-	-	-	-	-	-	-	-	-	-
2023	-	-	-	-	-	-	-	-	-	-	-	-
2024	-	-	-	-	-	-	-	-	-	-	-	-
2025	-	-	-	-	-	-	-	-	-	-	-	-
2026	-	-	-	-	-	-	-	-	-	-	-	-
2027	-	-	-	-	-	-	-	-	-	-	-	-
2028	-	-	-	-	-	-	-	-	-	-	-	-
2029	-	-	-	-	-	-	-	-	-	-	-	-
Totals	\$ 89,509	\$ 5,024	\$ 94,533	\$ 203,817	\$ 11,208	\$ 215,026	\$ 195,705	\$ 12,776	\$ 208,481	\$ 113,064	\$ 4,380	\$ 117,444

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			\$150,800 Capital Lease Dated January 31, 2011 with Principal and Interest of 2.55% Due Quarterly on the 31st			\$150,800 Capital Lease Dated January 31, 2011 with Principal and Interest of 2.55% Due Quarterly on the 31st			\$78,008 Capital Lease Dated September 23, 2011 with Principal and Interest of 6.702% Due Monthly on the 15th		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
	2014	40,200	2,506	42,706	30,852	1,167	32,019	30,852	1,167	32,019	20,875	587
2015	41,238	1,469	42,707	31,649	371	32,020	31,649	371	32,020	-	-	-
2016	31,626	405	32,031	-	-	-	-	-	-	-	-	-
2017	-	-	-	-	-	-	-	-	-	-	-	-
2018	-	-	-	-	-	-	-	-	-	-	-	-
2019	-	-	-	-	-	-	-	-	-	-	-	-
2020	-	-	-	-	-	-	-	-	-	-	-	-
2021	-	-	-	-	-	-	-	-	-	-	-	-
2022	-	-	-	-	-	-	-	-	-	-	-	-
2023	-	-	-	-	-	-	-	-	-	-	-	-
2024	-	-	-	-	-	-	-	-	-	-	-	-
2025	-	-	-	-	-	-	-	-	-	-	-	-
2026	-	-	-	-	-	-	-	-	-	-	-	-
2027	-	-	-	-	-	-	-	-	-	-	-	-
2028	-	-	-	-	-	-	-	-	-	-	-	-
2029	-	-	-	-	-	-	-	-	-	-	-	-
Totals	\$ 113,064	\$ 4,380	\$ 117,444	\$ 62,501	\$ 1,538	\$ 64,039	\$ 62,501	\$ 1,538	\$ 64,039	\$ 20,875	\$ 587	\$ 21,462

(Continued)

ELBERT COUNTY, COLORADO
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
December 31, 2013

Principal and Interest Due in the Year Ending December 31,	\$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			\$183,000 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
	2014	\$ 25,450	\$ 979	\$ 26,429	\$ 25,450	\$ 979	\$ 26,429	\$ 18,485	\$ 197	\$ 18,682	\$ 37,939	\$ 1,278
2015	19,553	270	19,823	19,553	270	19,823	-	-	-	19,394	216	19,610
2016	-	-	-	-	-	-	-	-	-	-	-	-
2017	-	-	-	-	-	-	-	-	-	-	-	-
2018	-	-	-	-	-	-	-	-	-	-	-	-
2019	-	-	-	-	-	-	-	-	-	-	-	-
2020	-	-	-	-	-	-	-	-	-	-	-	-
2021	-	-	-	-	-	-	-	-	-	-	-	-
2022	-	-	-	-	-	-	-	-	-	-	-	-
2023	-	-	-	-	-	-	-	-	-	-	-	-
2024	-	-	-	-	-	-	-	-	-	-	-	-
2025	-	-	-	-	-	-	-	-	-	-	-	-
2026	-	-	-	-	-	-	-	-	-	-	-	-
2027	-	-	-	-	-	-	-	-	-	-	-	-
2028	-	-	-	-	-	-	-	-	-	-	-	-
2029	-	-	-	-	-	-	-	-	-	-	-	-
Totals	\$ 45,003	\$ 1,249	\$ 46,252	\$ 45,003	\$ 1,249	\$ 46,252	\$ 18,485	\$ 197	\$ 18,682	\$ 57,333	\$ 1,494	\$ 58,827

Principal and Interest Due in the Year Ending December 31,	\$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			\$ 223,880 Capital Lease Dated June 1, 2011 with Principal and Interest of 5.15% Due Monthly on the 31st		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
	2014	18,586	228	18,814	16,023	171	16,194	16,023	171	16,194	\$ 45,817	\$ 5,063
2015	-	-	-	-	-	-	-	-	-	48,233	2,647	50,880
2016	-	-	-	-	-	-	-	-	-	25,075	378	25,453
2017	-	-	-	-	-	-	-	-	-	-	-	-
2018	-	-	-	-	-	-	-	-	-	-	-	-
2019	-	-	-	-	-	-	-	-	-	-	-	-
2020	-	-	-	-	-	-	-	-	-	-	-	-
2021	-	-	-	-	-	-	-	-	-	-	-	-
2022	-	-	-	-	-	-	-	-	-	-	-	-
2023	-	-	-	-	-	-	-	-	-	-	-	-
2024	-	-	-	-	-	-	-	-	-	-	-	-
2025	-	-	-	-	-	-	-	-	-	-	-	-
2026	-	-	-	-	-	-	-	-	-	-	-	-
2027	-	-	-	-	-	-	-	-	-	-	-	-
2028	-	-	-	-	-	-	-	-	-	-	-	-
2029	-	-	-	-	-	-	-	-	-	-	-	-
Totals	\$ 18,586	\$ 228	\$ 18,814	\$ 16,023	\$ 171	\$ 16,194	\$ 16,023	\$ 171	\$ 16,194	\$ 119,125	\$ 8,088	\$ 127,213

(Continued)

ELBERT COUNTY, COLORADO
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
December 31, 2013

Principal and Interest Due in the Year Ending December 31,	\$ 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			\$ 97,242 Capital Lease Dated June 17, 2013 with Principal and Interest of 2.80% Due Quarterly on the 17th		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
	2014	\$ 37,403	\$ 2,571	\$ 39,974	\$ 36,318	\$ 2,497	\$ 38,815	\$ 50,394	\$ 3,854	\$ 54,248	\$ 18,635	\$ 2,132
2015	38,253	1,721	39,974	37,144	1,671	38,815	51,565	2,683	54,248	19,163	1,604	20,767
2016	39,123	851	39,974	37,988	827	38,815	52,764	1,484	54,248	19,707	1,060	20,767
2017	19,892	93	19,988	19,319	91	19,409	40,378	311	40,689	20,241	526	20,767
2018	-	-	-	-	-	-	-	-	-	5,181	11	5,192
2019	-	-	-	-	-	-	-	-	-	-	-	-
2020	-	-	-	-	-	-	-	-	-	-	-	-
2021	-	-	-	-	-	-	-	-	-	-	-	-
2022	-	-	-	-	-	-	-	-	-	-	-	-
2023	-	-	-	-	-	-	-	-	-	-	-	-
2024	-	-	-	-	-	-	-	-	-	-	-	-
2025	-	-	-	-	-	-	-	-	-	-	-	-
2026	-	-	-	-	-	-	-	-	-	-	-	-
2027	-	-	-	-	-	-	-	-	-	-	-	-
2028	-	-	-	-	-	-	-	-	-	-	-	-
2029	-	-	-	-	-	-	-	-	-	-	-	-
Totals	\$ 134,671	\$ 5,236	\$ 139,910	\$ 130,769	\$ 5,086	\$ 135,854	\$ 195,101	\$ 8,332	\$ 203,433	\$ 82,927	\$ 5,333	\$ 88,260

Principal and Interest Due in the Year Ending December 31,	\$ 99,937 Capital Lease Dated June 17, 2013 with Principal and Interest of 2.80% Due Quarterly on the 17th			\$ 77,225 Capital Lease Dated August 28, 2013 with Principal and Interest of 3.3% Due Quarterly on the 28th			\$ 269,222 Capital Lease Dated October 1, 2013 with Principal and Interest of 2.80% Due Quarterly on the 1st			\$ 84,607 Capital Lease Dated June 4, 2013 with Principal and Interest of 2.59% Due Quarterly on the 17th		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
	2014	\$ 19,151	\$ 2,192	\$ 21,343	\$ 14,599	\$ 2,084	\$ 16,683	\$ 51,075	\$ 6,378	\$ 57,453	\$ 16,268	\$ 1,708
2015	19,694	1,649	21,343	15,089	1,594	16,683.40	52,524	4,929	57,453	16,693	1,283	17,976
2016	20,253	1,090	21,343	15,606	1,077	16,683.40	54,013	3,440	57,453	17,130	846	17,976
2017	20,827	516	21,343	16,118	565	16,683.40	55,545	1,908	57,453	17,578	398	17,976
2018	5,300	36	5,336	8,261	81	8,341.70	42,692	398	43,090	4,465	30	4,495
2019	-	-	-	-	-	-	-	-	-	-	-	-
2020	-	-	-	-	-	-	-	-	-	-	-	-
2021	-	-	-	-	-	-	-	-	-	-	-	-
2022	-	-	-	-	-	-	-	-	-	-	-	-
2023	-	-	-	-	-	-	-	-	-	-	-	-
2024	-	-	-	-	-	-	-	-	-	-	-	-
2025	-	-	-	-	-	-	-	-	-	-	-	-
2026	-	-	-	-	-	-	-	-	-	-	-	-
2027	-	-	-	-	-	-	-	-	-	-	-	-
2028	-	-	-	-	-	-	-	-	-	-	-	-
2029	-	-	-	-	-	-	-	-	-	-	-	-
Totals	\$ 85,225	\$ 5,481	\$ 90,706	\$ 69,673	\$ 5,402	\$ 75,075	\$ 255,849	\$ 17,053	\$ 272,902	\$ 72,134	\$ 4,265	\$ 76,399

(Continued)

ELBERT COUNTY, COLORADO
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
December 31, 2013

Principal and Interest Due in the Year Ending December 31,	\$ 40,835 Capital Lease Dated October 1, 2013 with Principal and Interest of 3.68% Due Quarterly on the 17th			\$ 437,908 Capital Lease Dated September 20, 2013 with Principal and Interest of 3.30% Due Quarterly on the 20th			\$ 221,866 Capital Lease Dated November 14, 2012 with Principal and Interest of 2.30% Due Quarterly on the 31st			\$ 112,290 Capital Lease Dated June 4, 2013 with Principal Due Annually in March		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
	2014	\$ 7,580	\$ 1,317	\$ 8,897	\$ 82,597	\$ 12,769	\$ 95,366	\$ 41,787	\$ 5,774	\$ 47,561	\$ 37,430	\$ -
2015	7,863	1,034	8,897	85,357	10,009	95,366	43,042	4,519	47,561	37,430	-	37,430
2016	8,156	741	8,897	88,209	7,157	95,366	44,334	3,227	47,561	-	-	-
2017	8,460	437	8,897	91,156	4,210	95,366	45,666	1,895	47,561	-	-	-
2018	6,552	121	6,673	70,360	25,006	95,366	35,147	523	35,670	-	-	-
2019	-	-	-	-	-	-	-	-	-	-	-	-
2020	-	-	-	-	-	-	-	-	-	-	-	-
2021	-	-	-	-	-	-	-	-	-	-	-	-
2022	-	-	-	-	-	-	-	-	-	-	-	-
2023	-	-	-	-	-	-	-	-	-	-	-	-
2024	-	-	-	-	-	-	-	-	-	-	-	-
2025	-	-	-	-	-	-	-	-	-	-	-	-
2026	-	-	-	-	-	-	-	-	-	-	-	-
2027	-	-	-	-	-	-	-	-	-	-	-	-
2028	-	-	-	-	-	-	-	-	-	-	-	-
2029	-	-	-	-	-	-	-	-	-	-	-	-
Totals	\$ 38,611	\$ 3,650	\$ 42,261	\$ 417,679	\$ 59,151	\$ 476,830	\$ 209,976	\$ 15,938	\$ 225,914	\$ 74,860	\$ -	\$ 74,860

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
	2014	\$ 30,000	\$ 11,400	\$ 41,400	\$ 30,000	\$ 21,112	\$ 51,112	\$ 10,000	\$ 14,580	\$ 24,580	\$ 185,000	\$ 325,500
2015	-	9,600	9,600	30,000	19,762	49,762	10,000	14,130	24,130	190,000	315,788	505,788
2016	-	9,600	9,600	35,000	18,382	53,382	15,000	13,670	28,670	205,000	305,813	510,813
2017	-	9,600	9,600	35,000	16,738	51,738	15,000	12,965	27,965	210,000	295,050	505,050
2018	-	9,600	9,600	35,000	15,058	50,058	15,000	12,245	27,245	225,000	284,025	509,025
2019	-	9,600	9,600	40,000	13,343	53,343	15,000	11,510	26,510	235,000	272,213	507,213
2020	-	9,600	9,600	40,000	11,343	51,343	15,000	10,760	25,760	245,000	259,875	504,875
2021	-	9,600	9,600	40,000	9,323	49,323	15,000	10,003	25,003	260,000	247,013	507,013
2022	160,000	9,600	169,600	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	\$ 190,000	\$ 88,200	\$ 278,200	\$ 425,000	\$ 139,934	\$ 564,934	\$ 280,000	\$ 144,791	\$ 424,791	\$ 6,200,000	\$ 3,607,804	\$ 9,807,804

(Continued)

ELBERT COUNTY, COLORADO
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
December 31, 2013

Principal and Interest Due in the Year Ending December 31,	Total All Obligations		
	Principal	Interest	Total
2014	\$ 1,165,251	\$ 446,516	\$ 1,611,767
2015	1,040,827	408,467	1,449,294
2016	879,464	375,510	1,254,974
2017	700,592	346,197	1,046,792
2018	452,958	347,133	800,091
2019	290,000	306,666	596,666
2020	300,000	291,578	591,578
2021	315,000	275,939	590,939
2022	495,000	259,484	754,484
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	\$ 10,059,092	\$ 4,169,934	\$ 14,229,029

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

LOCAL HIGHWAY FINANCE REPORT	City or County: Elbert County
	YEAR ENDING : December 2013

This Information From The Records Of (example - City of _ or County of _ County of Elbert	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)	2,645,405
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	2,745,171
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	45,826
2. General fund appropriations		b. Snow and ice removal	128,126
3. Other local imposts (from page 2)	3,495,738	c. Other	790,335
4. Miscellaneous local receipts (from page 2)	1,951,941	d. Total (a. through c.)	964,287
5. Transfers from toll facilities		4. General administration & miscellaneous	1,935,255
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	0
a. Bonds - Original Issues		6. Total (1 through 5)	8,290,118
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	
7. Total (1 through 6)	5,447,679	b. Redemption	
B. Private Contributions		c. Total (a. + b.)	0
C. Receipts from State government (from page 2)	2,570,933	2. Notes:	
D. Receipts from Federal Government (from page 2)	48,073	a. Interest	
E. Total receipts (A.7 + B + C + D)	8,066,685	b. Redemption	
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	0
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total disbursements (A.6 + B.3 + C + D)	8,290,118

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

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

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	2,755,525	8,066,685	8,290,118	2,532,092	(0)

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT	STATE: Colorado
	YEAR ENDING (mm/yy): December 2013

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments	2,459,748	a. Interest on investments	4,472
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes	1,035,990	c. Parking Garage Fees	
2. Infrastructure & Impact Fees		d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	1,644
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other		g. Other Misc. Receipts - Lease Proceeds	1,741,837
6. Total (1. through 5.)	1,035,990	h. Other	203,988
c. Total (a. + b.)	3,495,738	i. Total (a. through h.)	1,951,941
	(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	2,426,145	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	144,788	d. Federal Transit Admin	
d. Other (Specify) - DOLA Grant		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	48,073
f. Total (a. through e.)	144,788	g. Total (a. through f.)	48,073
4. Total (1. + 2. + 3.f)	2,570,933	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			0
b. Engineering Costs			0
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements			0
(3). System Preservation			0
(4). System Enhancement & Operation		2,645,405	2,645,405
(5). Total Construction (1) + (2) + (3) + (4)	0	2,645,405	2,645,405
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	2,645,405	2,645,405
			(Carry forward to page 1)

Notes and Comments: