
San Juan County, Colorado

Financial Statements
and
Independent Auditor's Report

December 31, 2012

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INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
San Juan County, Colorado

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the San Juan County, Colorado, as of December 31, 2012, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information for major funds on pages 3-10 and 32-34 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the San Juan County, Colorado's basic financial statements. The combining and individual nonmajor fund financial statements, Schedule of revenues, expenditures and changes in fund balances and Local Highway Finance Report are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, Schedule of revenues, expenditures and changes in fund balances and Local Highway Finance Report are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, Schedule of revenues, expenditures and changes in fund balances and Local Highway Finance Report are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Blair and Associates, P.C.

Cedaredge, Colorado
October 2, 2013

SAN JUAN COUNTY
Management's Discussion and Analysis
Fiscal Year Ended December 31, 2012

As management of the San Juan County (the "County"), we offer readers of the County's basic financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended December 31, 2012. We encourage readers to consider the information presented here in conjunction with additional information provided in the financial statements.

FINANCIAL HIGHLIGHTS

- The County's assets exceeded its liabilities by \$ 5,691,092 (i.e. net position) as of December 31, 2012, an increase of \$ 472,954 in comparison to the prior year.
- Governmental funds reported combined ending fund balances of \$ 1,256,644 a decrease of \$ 497,049 in comparison with the prior year.
- The County's fund balance for the General Fund was \$ 686,336, a decrease of \$ 282,556 in comparison to the prior year.
- Total long-term liabilities increased by \$283,867 during the 2012 fiscal year with total new debt issued of \$ 424,711.
- General property tax, sales tax, and other tax totaled \$ 1,064,608, or 60% of general revenues.

OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The basic statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

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

The **statement of activities** presents information showing how the County's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*.

Thus, revenues and expenses reported in this statement for some items will result in cash flows in future periods (e.g. uncollected taxes and earned but unused personal time).

The government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (*Governmental Activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*Business-type Activities*). The Governmental Activities of the County include general government administration, police, fire, public works, and tourism.

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. Fund accounting is used to ensure and demonstrate compliance with finance-related legal requirements. The County's funds can be divided into two categories: 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 *short-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 short-term financing requirements. The accounting method is called *modified accrual* accounting.

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 activities in the *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 short-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 three major government funds, the General, Road and Bridge and Social Services Funds. Information is presented separately in the governmental fund balance sheets and in the governmental fund statement of revenues, expenditures, and changes in fund balances for those funds.

Fiduciary Funds-The County maintains one type of fiduciary fund.

Notes to Financial Statements

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position

As noted previously, net position may serve over time as a useful indicator of the County's financial position. For the year ended December 31, 2012, the County's combined assets exceeded liabilities by \$ 5,691,092. Of this amount, \$ 768,407 is unrestricted and available to meet the County's ongoing financial obligations.

By far the largest portion of net position is the investment in capital assets (net of related debt) of \$ 4,401,011 (77% of net position). This amount reflects the investment in all capital assets (e.g. infrastructure, land, buildings, and equipment) less any related debt used to acquire those assets that are still outstanding. These capital assets are used to provide services to citizens; consequently, these assets are not available for future spending. Although the investment in capital assets is reported net of debt, it should be noted that the resources needed to repay this debt must be provided from other sources since capital assets themselves cannot be used to liquidate these liabilities.

The following table summarizes the County's governmental net position for 2012:

Assets	Governmental Activities	
	2012	2011
Current and other assets	\$ 2,506,891	\$ 3,001,992
Capital assets	4,890,767	3,524,660
Total assets	<u>7,397,658</u>	<u>6,526,652</u>
Current Liabilities	386,593	303,820
Non-current liabilities		
Leases payable	<u>406,237</u>	<u>164,002</u>
Total liabilities	<u>792,830</u>	<u>467,822</u>
Deferred Inflow of Resources		
Deferred revenues	<u>947,173</u>	<u>960,692</u>
Net Position		
Investment in capital assets, net of related debt	4,401,011	3,318,771
Restricted	521,674	690,444
Unrestricted	<u>734,970</u>	<u>1,088,923</u>
Total net position	<u>\$ 5,657,655</u>	<u>\$ 5,098,138</u>

An additional portion of net position, \$ 521,674, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, \$ 734,970 (13% of net position), may be used to meet the government's ongoing obligations to citizens and creditors.

Change in Net Position

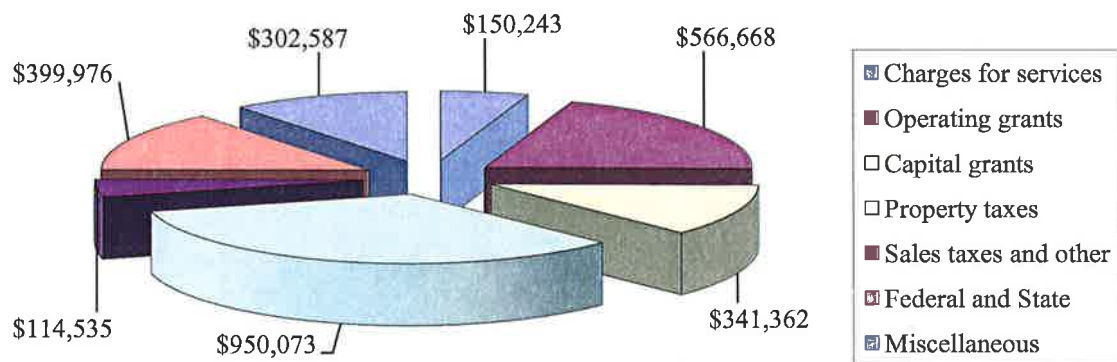
Governmental activities increased the County's net position by \$ 585,191 in 2012.

	Governmental Activities	
	2012	2011
Revenues		
Program revenues		
Charges for services	\$ 150,243	\$ 369,123
Operating grants	566,668	601,741
Capital grants	341,362	-
General revenues		
Property taxes	950,073	1,150,933
Sales taxes and other	114,535	196,278
Federal and State	399,976	349,808
Miscellaneous	302,587	56,971
Totals	<u>2,825,444</u>	<u>2,724,854</u>
Expenses		
General Government	883,082	1,005,934
Judicial	13,600	13,469
Public safety	612,703	649,210
Health and welfare	156,358	175,611
Public works	539,196	471,777
Tourism	35,314	44,129
Total expenses	<u>2,240,253</u>	<u>2,360,130</u>
Increase in net position	585,191	364,724
Beginning	<u>5,072,464</u>	<u>4,707,740</u>
Ending	<u>\$ 5,657,655</u>	<u>\$ 5,072,464</u>

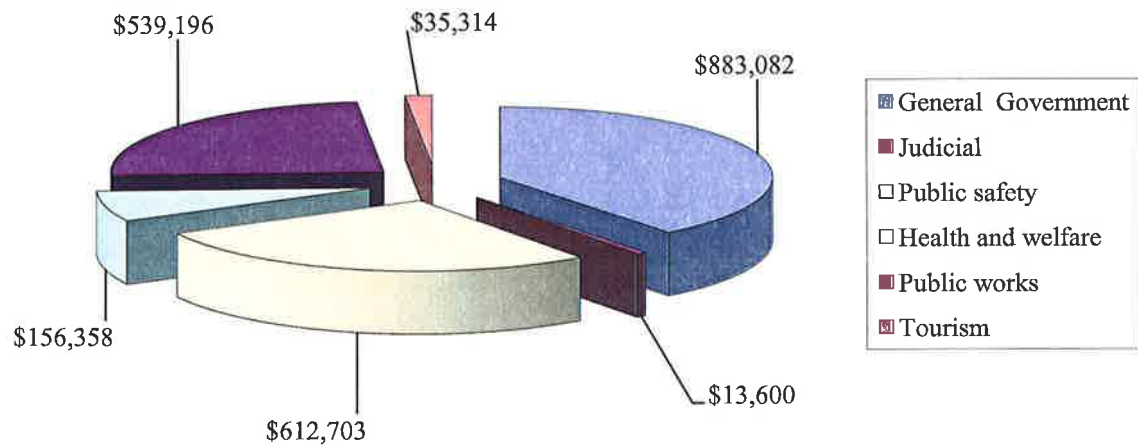
Governmental Activities

Governmental activities increased the County's net position by \$ 585,191.

Revenues by Source-Governmental Activities



Expenses by Department-Governmental Activities



FINANCIAL ANALYSIS OF GOVERNMENT'S FUNDS

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 the County's net resources available for spending at the end of the fiscal year.

As of the end of 2012 the County's governmental funds reported combined ending fund balances of \$ 1,256,644, a decrease of \$ 497,049 in comparison with the prior year. Of the combined ending fund balances for all governmental funds 31% of this total amount, \$ 383,954, constitutes unassigned fund balance, which is available for appropriation at the County's discretion. The remainder of the fund balance is reserved to indicate that it is not available for new spending because it is already committed to meet other obligations.

The County has three major governmental funds, the General, Road and Bridge and Social Services Funds. At the end of 2012, unassigned fund balance of the General Fund was \$ 383,954, while the total fund balance was \$ 686,336. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. The fund balance of the County's General Fund decreased by \$ 282,556 during 2012.

GENERAL FUND BUDGETARY HIGHLIGHTS

The County budgeted \$ 2,433,431 for 2012 expenditures. Actual expenditures were 2,346,140.

CAPITAL ASSET AND DEBT ADMINISTRATION

The County's investment in capital assets for its governmental and business-type activities as of December 31, 2012, was \$ 4,890,767. As required for this year by GASB34, the investment in capital assets includes land, buildings, building improvements, and equipment.

	Balance January 1, 2012	Additions	Dispositions	Balance December 31, 2012
Governmental Activities				
Capital assets not being depreciated				
Land	\$ 148,584	\$ -	\$ -	\$ 148,584
Total	148,584	-	-	148,584
Capital assets being depreciated				
Buildings	3,479,759	274,374	-	3,754,133
Equipment and vehicles	2,044,760	478,511	-	2,523,271
Infrastructure	-	783,902	-	783,902
Total	5,524,519	1,536,787	-	7,061,306
Less accumulated depreciation				
Buildings	(514,914)	(38,266)	-	(553,180)
Equipment and vehicles	(1,633,529)	(129,535)	-	(1,763,064)
Infrastructure	-	(2,879)	-	(2,879)
Total	(2,148,443)	(170,680)	-	(2,319,123)
Capital assets being depreciated, net	3,376,076	1,366,107	-	4,742,183
Total Governmental Activities capital assets	<u>\$ 3,524,660</u>	<u>\$ 1,366,107</u>	<u>\$ -</u>	<u>\$ 4,890,767</u>

Long-term Debt

	Balance January 1, 2012	Additions	Reductions	Balance December 31, 2012	Due within one year
Governmental Activities					
Leases payable	\$ 205,889	\$ 424,711	\$ 140,844	\$ 489,756	\$ 83,519
Total	<u>\$ 205,889</u>	<u>\$ 424,711</u>	<u>\$ 140,844</u>	<u>\$ 489,756</u>	<u>\$ 83,519</u>

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

- The County's General fund has a fund balance that will cover three months of normal operations.
- The Assessed Value for San Juan County decreased from 47,858,802 to 44,329,168.
- Revenues for San Juan County are projected to continue to decrease.
- The voters of San County approved a 1 cent sales tax increase beginning January 1, 2013 for emergency services.
- An Emergency Services Fund will be created.
- Due to the economy Durango Mountain Resort has not proceeded with the construction of single family homes in the Boyce Lake Village Development in San Juan County.
- The remediation of the Walsh Smelter Site has been completed.
- The Infrastructure to the Walsh Smelter Site has been completed.
- The Anvil Mountain Subdivision located on the former Walsh Smelter Site has been approved to allow for the development of up to 53 affordable and attainable housing units.
- The County has an intergovernmental agreement with the Town of Silverton to provide ambulance, law enforcement, planning, code enforcement and building inspector services.
- The Town and County will fund the operation of the Fire Authority.
- The County received a DOLA grant for the construction of a new building for the Fire Authority to house their fire trucks.

REQUEST FOR INFORMATION

The financial report is designed to provide a general overview of the County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in the report or request for additional financial information should be addressed to:

County Administrator
San Juan County
Silverton, CO

SAN JUAN COUNTY, COLORADO
STATEMENT OF NET POSITION
December 31, 2012

	Governmental Activities	Component Unit	Total
ASSETS			
Cash and cash equivalents	\$ 1,085,305	\$ 33,437	\$ 1,118,742
Restricted cash	384,389	-	384,389
Property taxes receivable	947,173	-	947,173
Accrued interest receivable	2,096	-	2,096
Accounts receivable	56,375	-	56,375
Due from other governmental units	31,553	-	31,553
Capital assets, net	4,890,767	-	4,890,767
Total assets	<u>7,397,658</u>	<u>33,437</u>	<u>7,431,095</u>
LIABILITIES			
Accounts payable	299,252	-	299,252
Due to other governmental units	3,822	-	3,822
Current portion of long term debt	83,519	-	83,519
Long-term liabilities			
Due more than one year:			
Leases payable	406,237	-	406,237
Total liabilities	<u>792,830</u>	<u>-</u>	<u>792,830</u>
Deferred Inflows of Resources			
Deferred revenue	<u>947,173</u>	<u>-</u>	<u>947,173</u>
NET POSITION			
Invested in capital assets	4,401,011	-	4,401,011
Restricted for:			
Emergencies	30,000	-	30,000
Capital purchases	268,742	-	268,742
Gravel	16,210	-	16,210
Other purposes	206,722	-	206,722
Unrestricted	734,970	33,437	768,407
Total net position	<u>\$ 5,657,655</u>	<u>\$ 33,437</u>	<u>\$ 5,691,092</u>

See accompanying notes to the basic financial statements

SAN JUAN COUNTY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2012

	Program Revenues					Component	Total
	Charges for Service and Fees	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Unit		
Functions/Programs	Expenses						
Primary government:							
Governmental activities:							
General government	\$ 883,082	\$ 108,728	\$ -	\$ (774,354)	\$ -	\$ (774,354)	
Judicial	13,600	-	-	(13,600)	-	(13,600)	
Public Safety	612,703	-	-	(612,703)	-	(612,703)	
Health and welfare	156,358	40,065	91,089	316,158	-	316,158	
Culture and recreation	-	-	630	630	-	630	
Tourism	35,314	-	48,674	13,360	-	13,360	
Public Works	539,196	1,450	426,275	(111,471)	-	(111,471)	
Total governmental activities	2,240,253	150,243	341,362	(1,181,980)	-	(1,181,980)	
Component Unit	\$ 2,381	\$ 10,144	\$ -	7,763	7,763	7,763	
General Revenues							
Taxes:							
Property taxes				950,073	-	950,073	
Sales taxes and miscellaneous				114,535	-	114,535	
Federal and state				399,976	-	399,976	
Sale of assets				120,000	-	120,000	
Miscellaneous				182,587	-	182,587	
Total General Revenues				1,767,171	-	1,767,171	
Changes in Net Position				585,191	7,763	592,954	
Net Position-January 1				5,072,464	25,674	5,098,138	
Net Position-December 31				\$ 5,657,655	\$ 33,437	\$ 5,691,092	

SAN JUAN COUNTY, COLORADO
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2012

	<u>General Fund</u>	<u>Road and Bridge</u>
ASSETS		
Cash and cash equivalents	\$ 524,486	\$ 338,533
Restricted Cash	302,382	74,866
Property taxes receivable	868,637	64,609
Accrued interest receivable	2,096	-
Accounts receivable	23,801	-
Due from other governmental units	-	22,770
Total assets	<u><u>\$ 1,721,402</u></u>	<u><u>\$ 500,778</u></u>
LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts payable	\$ 166,429	\$ 84,066
Due to other governmental units	-	-
Total liabilities	<u><u>166,429</u></u>	<u><u>84,066</u></u>
Deferred Inflows of Resources		
Deferred revenue	<u>868,637</u>	<u>64,609</u>
Fund balances:		
Restricted		
Emergencies	-	-
Parks and recreation	-	-
Committed		
Capital purchases	152,203	116,539
Gravel	-	16,210
Other purposes	150,179	-
Tourism	-	-
Health and human services	-	-
Assigned		
Highway and streets	-	219,354
Unassigned	<u>383,954</u>	<u>-</u>
Total fund balances	<u><u>686,336</u></u>	<u><u>352,103</u></u>
Total liabilities and fund balances	<u><u>\$ 1,721,402</u></u>	<u><u>\$ 500,778</u></u>

Social Services Fund	Other Governmental Funds	Total Governmental Funds
\$ 61,213	\$ 161,073	\$ 1,085,305
-	7,141	384,389
13,927	-	947,173
-	-	2,096
32,574	-	56,375
8,783	-	31,553
<u>\$ 116,497</u>	<u>\$ 168,214</u>	<u>\$ 2,506,891</u>

\$ 48,757	\$ -	\$ 299,252
3,822	-	3,822
<u>52,579</u>	<u>-</u>	<u>303,074</u>

<u>13,927</u>	<u>-</u>	<u>947,173</u>
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-	30,000	30,000
-	4,270	4,270
-	-	268,742
-	-	16,210
-	56,543	206,722
-	77,401	77,401
49,991	-	49,991
-	-	219,354
-	-	383,954
<u>49,991</u>	<u>168,214</u>	<u>1,256,644</u>
<u>\$ 116,497</u>	<u>\$ 168,214</u>	<u>\$ 2,506,891</u>

See accompanying notes to the basic financial statements

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

Total governmental fund balances	\$ 1,256,644
Amounts reported for governmental activities in the statement of activities are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	4,890,767
Long-term liabilities, including leases payable and compensated absences, are not due and payable in the current period and therefore are not reported in the funds.	
Leases payable	(489,756)
Net position of governmental activities	<u>\$ 5,657,655</u>

See accompanying notes to the basic financial statements

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

	General Fund	Road and Bridge	Social Services Fund
REVENUES			
Property Taxes	\$ 867,472	\$ 65,594	\$ 14,998
Sales Taxes	114,535	-	-
Intergovernmental	792,531	426,275	79,961
Charges for services	1,450	-	-
Fees	108,728	-	-
Miscellaneous	178,868	3,707	-
Total revenues	<u>2,063,584</u>	<u>495,576</u>	<u>94,959</u>
EXPENDITURES			
Current:			
General government	1,506,067	-	-
Judicial	13,600	-	-
Public safety	533,015	-	-
Health and welfare	70,661	-	85,697
Tourism	-	-	-
Public Works	-	396,447	-
Debt Service	12,624	149,160	-
Transfer to municipalities	-	72,161	-
Capital outlay	210,173	662,279	-
Total expenditures	<u>2,346,140</u>	<u>1,280,047</u>	<u>85,697</u>
Excess (deficiency) of revenues over expenditures	<u>(282,556)</u>	<u>(784,471)</u>	<u>9,262</u>
OTHER FINANCING SOURCES (USES)			
Loan Proceeds	-	424,711	-
Sale of assets	-	120,000	-
Total other financing sources (uses)	<u>-</u>	<u>544,711</u>	<u>-</u>
Net change to fund balance	(282,556)	(239,760)	9,262
Fund balance, January 1	968,892	591,863	40,729
Fund balance, December 31	<u>\$ 686,336</u>	<u>\$ 352,103</u>	<u>\$ 49,991</u>

Other Governmental Funds	Total Governmental Funds
\$ 2,009	\$ 950,073
-	114,535
49,304	1,348,071
-	1,450
-	108,728
12	182,587
<u>51,325</u>	<u>2,705,444</u>
6	1,506,073
-	13,600
-	533,015
-	156,358
35,314	35,314
-	396,447
-	161,784
-	72,161
-	872,452
<u>35,320</u>	<u>3,747,204</u>
<u>16,005</u>	<u>(1,041,760)</u>
-	424,711
-	120,000
-	<u>544,711</u>
16,005	(497,049)
152,209	1,753,693
<u>\$ 168,214</u>	<u>\$ 1,256,644</u>

See accompanying notes to the basic financial statements

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

Net change in fund balances - total governmental funds \$ (497,049)

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Capital Outlay	\$ 1,536,787	
Depreciation expense	<u>(170,680)</u>	1,366,107

The issuance of long-term debt provides current resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of the governmental funds. Neither transaction, however, has any effect on net assets. This is the amount by which issuance of long-term debt exceeded principal payments on debt in the current period.

Loan Proceeds	(424,711)	
Principal payment on long-term debt	<u>140,844</u>	

Change in net position of governmental funds \$ 585,191

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

Treasurer's
Agency Fund

Cash and investments	\$ 57,860
-----------------------------	------------------

Due to other governments	\$ 57,860
---------------------------------	------------------

See accompanying notes to the basic financial statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting policies of San Juan County, Colorado conform to generally accepted accounting principles (GAAP) as applicable to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following summary of significant accounting policies is presented to assist the reader in evaluating the County's financial statements.

A. Reporting Entity

San Juan County is located in western Colorado in Silverton, Colorado. The principal town is Silverton. San Juan County is a political subdivision of the State of Colorado, governed by an elected three-member Board of County Commissioners. The County has six other elected officials; the Assessor, the Clerk and Recorder, the Coroner, the Sheriff, the Surveyor and the Treasurer. San Juan County is included in the Ninth Judicial District. The County's General Fund accounts for all financial operating transactions of the offices of the elected officials and all San Juan County contributions to the Ninth Judicial District Attorney's office.

Discrete presented component unit. Emergency Telephone 911.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and user charges for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segments 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 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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

C. 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 the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. The County considers revenues to be available if they are collectible within 180 days except for property taxes which are considered available if they are collectible within sixty days after year-end. Property taxes, sales taxes, licenses, and interest associated with the current year are considered to be susceptible to accrual and so have been recognized as revenues of the current year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded when payment is due.

Under the terms of grant agreements, the County funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net position available to finance the program. It is the County's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then by general revenues.

The government 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 required to be accounted for in another fund.
- The *Road and Bridge Fund* records costs related to County road and bridge construction and maintenance. By State law, Colorado counties are required to maintain a road and bridge fund. A portion of road and bridge taxes is allocated to cities and towns for use in their road and street activities.
- The *Social Services Fund* accounts for the administration and operations of the County's public health and welfare system.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation–continued

The government reports the following non-major governmental funds:

- *Conservation Trust Fund* - reflects the receipt of the County's share of Colorado Lottery funds and money from other sources to be used for recreation purposes within the County.
- *Contingent Fund* - reflects the accumulation and disbursement of funds set aside to be used as needed for unforeseen contingencies.
- *Noxious Weed Fund* – reflects the accumulation and disbursement of funds set aside to be used for the purpose of controlling weeds.
- *Tourism Fund* – reflects the collection of lodging tax to be used to promote tourism in the country.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are certain charges between the County's funds and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues included all taxes.

D. Assets, Liabilities, and Net Position or Equity

1. Cash and Investments

The County considers cash and cash equivalents in funds to be cash on hand and demand deposits. In addition, because the treasury pool is sufficiently liquid to permit withdrawal of cash at any time without prior notice or penalty, equity in the pool is also deemed to be a cash equivalent.

2. Receivable and Payable Balances

Significant components of receivables and payables are disaggregated in the financial statements. All receivables are expected to be collected within one year. All material payables are expected to be paid within one year with the exception of the amounts for the accrual for capital leases.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

D. Assets, Liabilities, and Net Position or Equity continued

3. Property Taxes

Property taxes are levied in December and attach as an enforceable lien on property as of January 1 of the following year. Taxes are payable either in two installments due on February 28 and June 15 or in full on April 30. The County, through the San Juan County Treasurer, bills and collects its own property taxes as well as property taxes of all other taxing authorities within the County. Taxes levied in 2012 for collection in 2013 are recorded in governmental funds as taxes receivable and deferred inflows of resources as of December 31, 2012 since the amount is measurable but not available until 2013. An allowance for uncollectible taxes is not provided as the uncollectible amounts were determined to be negligible based upon an analysis of historical trends.

4. Interfund Transactions

Transactions between funds that would be treated as revenues, expenditures, or expenses if they involved organizations external to the County are accounted for as revenues, expenditures, or expenses in the funds involved. Transactions which constitute reimbursements of a fund for expenditures or expenses initially made from that fund which are properly applicable to another fund are recorded as expenditures or expenses in the reimbursing fund and as reductions of the expenditure or expense in the fund that is reimbursed. At year end, outstanding balances between funds are reported as “due to/from other funds.” Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.” These amounts are eliminated in the Total Column on the “statement of net position” column. Any residual balances outstanding between “discrete presented component units” and the “primary government” are reported on a separate line.

5. Capital Assets

Capital assets, which include property, plant equipment, and infrastructure assets (e.g., roads, bridges and similar items), are reported in the applicable governmental or business-type activities columns 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 a useful life of more than one year. All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are recorded at fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Depreciation on capital assets, with the exception of infrastructure, is provided on the straight-line basis over the following estimated useful lives:

Buildings and improvements	50 Years
Equipment and Furniture	7 to 10 Years

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

D. Assets, Liabilities, and Net Position or Equity continued

5. Capital Assets

For reporting infrastructure assets, a modified approach is allowed by GASB 34. This approach is in lieu of the depreciation of infrastructure assets. The County has elected to use this method of reporting infrastructure assets. The County must maintain two requirements in order to qualify to use this approach:

1. The County must manage the eligible infrastructure assets using an asset management system with specific characteristics.
2. The County must document that the eligible infrastructure assets are being preserved approximately at (or above) a condition level established and disclosed by the County.

San Juan qualifies as a Phase III county as per GASB Statement 34 and has elected to report infrastructure assets which were acquired and in service at January 1, 2004.

6. Long-term Obligations

In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, statement of net position. At December 31, 2012 the only long term debt that San Juan County had was from the accrual of capital leases.

7. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose.

8. Net Position

Net position represent the difference between assets and liabilities. Net position invested in capital assets, consists of capital assets, net of accumulated depreciation. Net position are reported as restricted when there are constraints placed on their use either by law through constitutional provisions or enabling legislation or through restrictions externally imposed by creditors, grantors, laws, or regulations of other governments.

The reserve for emergencies as required by Section 20 to Article X of the Colorado Constitution, also known as the Taxpayer's Bill of Rights (TABOR) is classified as restricted net position on the entity-wide statements.

As provided for in the amendment the voters of San Juan County approved in November 1995 a resolution authorizing the County to collect, retain and expend revenues collected from taxes and other sources in excess of these limits.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

D. Assets, Liabilities, and Net Position or Equity continued

9. Estimates

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

10. Contraband Proceeds

The Colorado Contraband Forfeiture Act requires the proceeds from the seizure of contraband be audited although they are not subject to the appropriations process. During 2012, the County had no proceeds from the seizures of contraband.

NOTE 2- STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

Annual budgets are adopted for all funds, except agency funds, of the County. The Budget Office submits a proposed operating budget for the following calendar year to the County Commissioners prior to October 15 of each year. The budget is prepared using the modified accrual basis of accounting. The operating budget includes proposed expenditures/expenses and the anticipated revenues. As required by statute, public hearings are conducted to obtain citizen's comments. Prior to the levy of property tax, the budget is legally adopted through the passage of a budget adoption and appropriation resolution.

B. Budgeted Level of Expenditures

The budgetary control is maintained at the department level for the general fund and at specific fund level for all other funds. Although the budget shows various classifications by object and by function, the department directors are authorized to transfer budgeted amounts within each of the object classifications. All annual appropriations lapse at year end. During 2012 supplemental appropriations were made.

All budget amounts presented in the accompanying supplementary information reflect the original budget and the final amended budget. The County could be in violation of Colorado Budget Law because expenditures exceeded budgetary amounts in the Road and Bridge Fund.

NOTE 3- CASH AND INVESTMENTS

A. Deposits

Title II, Article 10.5 of the Colorado Revised Statutes, (the Public Deposit Protection Act of 1989); require all public monies to be deposited in financial institutions that have been designated as eligible public depositories. Eligible public depositories must pledge eligible collateral, as promulgated by the State banking board, having a market value in excess of 102% of the aggregate uninsured public deposits. Eligible collateral must be held in a single financial institution collateral pool in the custody of any federal reserve bank or any branch thereof or of any depository trust company which is a member of the federal reserve system, and which is supervised by the State banking board. The Statutes further restrict such deposits to eligible public depositories having their principal offices within the State of Colorado. Collateral in the pool is considered to be held in the County's name under custodial credit risk category by pursuant to a private letter ruling from GASB regarding public deposits in the state of Colorado. At year end the carrying amount of the County's Primary Government's Funds and component unit deposits were \$ 677,629 and the bank balance was \$ 781,953. Of the bank balance \$ 446,819 was covered by FDIC insurance. The remaining \$ 335,134 was collateralized under the above referenced statute.

B. Investments

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local government entities may invest. Authorized investments include obligations of the United States and certain U.S. government agency securities; certain international agency securities; general obligation and revenue bonds of U.S. local government entities; bankers' acceptances of certain banks; commercial paper; written repurchase agreements collateralized by certain authorized securities; certain money market funds; guaranteed investments contracts and local government investment pools. The local government investment pool is the Colorado Government Liquid Asset Trust (COLOTRUST). This pooled investment vehicle was established by local government entities in Colorado to pool surplus funds for investment purposes. This pool is overseen by the State Securities Commission. COLOTRUST operates similarly to money market funds and each share valued at \$1.00. The investment pool is routinely monitored by the Colorado Division of Securities with regard to operations and investments. Investments consist of U.S. Treasury bills, notes and note strips, and repurchase agreements collateralized by U.S. Treasury Notes. The designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions of each pooled investment. All securities owned by each pooled investment are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by each pool investor. These pools are not required to and are not registered with the SEC. COLOTRUST's funds are rated AAAM by Standard and Poor's, Fitch's and Moody's rating services.

San Juan County
Notes to the Financial Statements
December 31, 2012

NOTE 3- CASH AND INVESTMENTS- continued

The County's investments carried at fair market value as of December 31, 2012 are:

	<u>Fair Value</u>	<u>Credit Risk</u>
Federal Farm Credit Bank	\$ 102,698	AAA
Federal National Mortgage Assn	151,725	AAA
Money Market Funds-LPL	4,233	N/R
ColoTrust (Governmental Pool)	625,190	AAAm
	<u>\$ 883,447</u>	

Table 1 - Summary of Combined Cash and Investments Held By Primary Government and Component Unit.

<u>Description</u>	<u>Cost</u>
Cash on hand	\$ 1,612
Demand deposits	92,495
Colotrust	625,190
Certificates of deposit and savings	585,134
Investments	258,656
Total	<u>\$ 1,563,087</u>

NOTE 4- CAPITAL ASSETS

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

	Balance January 1, 2012	Additions	Dispositions	Balance December 31, 2012
Governmental Activities				
Capital assets not being depreciated				
Land	\$ 148,584	\$ -	\$ -	\$ 148,584
Total	<u>148,584</u>	<u>-</u>	<u>-</u>	<u>148,584</u>
Capital assets being depreciated				
Buildings	3,479,759	274,374	-	3,754,133
Equipment and vehicles	2,044,760	478,511	-	2,523,271
Infrastructure	-	783,902	-	783,902
Total	<u>5,524,519</u>	<u>1,536,787</u>	<u>-</u>	<u>7,061,306</u>
Less accumulated depreciation				
Buildings	(514,914)	(38,266)	-	(553,180)
Equipment and vehicles	(1,633,529)	(129,535)	-	(1,763,064)
Infrastructure	-	(2,879)	-	(2,879)
Total	<u>(2,148,443)</u>	<u>(170,680)</u>	<u>-</u>	<u>(2,319,123)</u>
Capital assets being depreciated, net	<u>3,376,076</u>	<u>1,366,107</u>	<u>-</u>	<u>4,742,183</u>
Total Governmental Activities capital assets	<u>\$ 3,524,660</u>	<u>\$ 1,366,107</u>	<u>\$ -</u>	<u>\$ 4,890,767</u>

San Juan County
Notes to the Financial Statements
December 31, 2012

NOTE 4- CAPITAL ASSETS- continued

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

<i>Governmental activities:</i>	
General government	\$ 41,344
Public safety	79,185
Public works	<u>50,151</u>
Total depreciation expense-governmental Activities	<u>\$ 170,680</u>

NOTE 5- LONG-TERM LIABILITIES

	Balance January 1, 2012	Additions	Reductions	Balance December 31, 2012	Due within one year
Governmental Activities					
Leases payable	\$ 205,889	\$ 424,711	\$ 140,844	\$ 489,756	\$ 83,519
Total	<u>\$ 205,889</u>	<u>\$ 424,711</u>	<u>\$ 140,844</u>	<u>\$ 489,756</u>	<u>\$ 83,519</u>

The following items of equipment are included in the County's liability under capital lease at December 31, 2012.

D6R Caterpillar – The amount of \$ 216,800 represents the present value of the balance due in future years for least payments. Since this liability also consists of a lease which contains a provision that the title to the lease asset is transferred to the lessor at the end of the lease term, the least is considered a capital lease and has been so recorded. The annual interest rate is 4.50%.

	Future Minimum Lease payments	Principal	Interest
2013	\$ 24,937	\$ 19,770	\$ 5,167
2014	24,937	20,659	4,278
2015	24,937	21,589	3,348
2016	24,937	22,561	2,376
2017	24,937	23,576	1,361
2018	<u>6,971</u>	<u>6,671</u>	<u>300</u>
Total	<u>\$ 131,656</u>	<u>\$ 114,826</u>	<u>\$ 16,830</u>

San Juan County
Notes to the Financial Statements
December 31, 2012

NOTE 5- LONG-TERM LIABILITIES- continued

Fire Truck – The County entered into a least-purchase agreement on December 23, 2009 with Daimier Truck Financial to lease fire truck. The amount of the lease was for \$ 80,171, at an annual interest rate of 5% payable in seven payments at \$ 13,892.

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 22,244	\$ 5,540	\$ 27,784
2014	11,975	1,917	13,892
2015	12,583	1,309	13,892
2016	13,221	671	13,892
Total	<u>\$ 60,023</u>	<u>\$ 9,437</u>	<u>\$ 69,460</u>

New Shop Building – The County entered into a lease purchase agreement on March 29, 2012 with Citizens State Bank to purchase Lots 16 through 19 of block 32 in the Town of Silverton, Colorado. The amount of the lease was \$ 262,711.49 with \$ 82,711.49 paid up front. The remaining principal was \$ 180,000 payable in 15 annual \$ 12,000 principal payments plus interest paid at 4.750%. Payments are due April 1st of each year below.

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 12,000	\$ 8,620	\$ 20,620
2014	12,000	7,980	19,980
2015	12,000	7,410	19,410
2016	12,000	6,859	18,859
2017	12,000	6,270	18,270
2018-2022	60,000	22,813	82,813
2023-2027	60,000	8,556	68,556
Total	<u>\$ 180,000</u>	<u>\$ 68,507</u>	<u>\$ 248,507</u>

Two Motor Graders – The County entered into a lease purchase agreement with John Deere in 2012 to purchase two motor graders. The amount of the lease was \$ 162,000.00. The remaining principal was \$ 162,000 payable in 5 annual \$ 41,511.45 principal payments plus interest paid at 8.9%. Payments are due September 25th of each year below.

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 29,505	\$ 12,007	\$ 41,512
2014	32,131	9,381	41,512
2015	34,990	6,521	41,511
2016	38,281	3,407	41,688
Total	<u>\$ 134,907</u>	<u>\$ 31,316</u>	<u>\$ 166,223</u>

NOTE 6- RESERVATIONS AND DESIGNATIONS OF FUND BALANCE

Reservations of fund balance either indicate that a portion of fund balance is legally segregated for a specific future use or indicate that a portion of fund balance is not appropriable.

Reserves

The County has established reservations of fund equity as follows:

- Fund balance reserved for capital purchases such as sheriff's vehicles, ambulances, computer equipment, courthouse restoration, fire truck, and four wheeler.
- Fund balance reserved for gravel purchases for Road and Bridge Fund,
- Fund balance reserved for other purposes such as county barn, CDOT contract, historical archives and DMR housing.
- Fund balance reserved for emergencies represents a reserve for declared emergencies. The amendment to the State Constitution known as the Taxpayer's Bill of Rights (TABOR), requires that the County reserve a certain percentage of its fiscal year spending, as defined in the amendment, for declared emergencies. Emergency, as defined in the amendment, excludes economic conditions, revenue shortfalls or salary or fringe benefit increases. For 2012 the amount of fiscal year spending to be reserved is three percent. Unused reserves carry over to subsequent years. The County carries its emergency reserve, as required and defined in TABOR, in the contingency fund.

NOTE 7- RETIREMENT PLAN

San Juan County is a member employer of the Colorado County Officials and Employees Retirement Association (CCOERA). This association was formed by Colorado State Statute to provide retirement benefits to employees of Colorado local governments. CCOERA administers two different retirement plans a 401(a) Defined Contribution Plan and a 457 Deferred Compensation Plan.

San Juan County provides pension benefits for all of its full-time employees through a defined contribution plan with the Colorado County Officials and Employees Retirement Association Retirement Plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are eligible to participate one year from the date of employment. Elected officials are eligible to participate immediately. Participation is mandatory for all eligible employees and for all elected officials. Both the County and the employee contribute 3% of the employee's monthly base salary to the plan. Employees may also make additional contributions up to a maximum of 10% of compensation. The County's contribution for each employee (and interest allocated to the employee's account) is 100% vested after five years. If an elected official fails to become re-elected, they immediately become fully vested. Any non-vested County contributions forfeited by an employee who leaves the County's employment are remitted to the County.

The County's total payroll was \$ 849,353 in 2012. The total payroll covered by the pension plan was \$ 781,366 in 2012. The total contribution paid was \$ 59,012 in 2012, \$ 23,441 by the employees and \$ 35,571 by the County.

The County has no liability for losses under the plan.

Complete financial statements for the retirement plans may be obtained from the CCOERA, 4949 S. Syracuse St., Suite 400, Denver, Colorado, 80237.

San Juan County
Notes to the Financial Statements
December 31, 2012

NOTE 8- POST EMPLOYMENT BENEFITS

The County provides no post employment benefits to employees who retire from the County - - other than those mandated by the State and Federal governments. The "Consolidated Omnibus Budget Reconciliation Act of 1985" (COBRA), that is mandated by the Federal Government, requires that employers allow eligible employees the opportunity to purchase medical and dental insurance for various periods of time after their employment is discontinued. San Juan County complies with the Federal Statutes.

NOTE 9- NONCASH PROGRAM ACTIVITY

San Juan County, Colorado
Human Services Fund
Schedule of EBT Authorizations, Warrant Expenditures and Total Expenditures
For the Year Ended December 31, 2012

Program	EBT Authorization	County Share	Expenditures by Warrant	Total Authorizations and Warrants	Total Expenditures
Colorado Works	\$ 3,991	\$ 746	\$ 7,397	\$ 11,388	\$ 8,143
Child Care	-	-	1,826	1,826	1,826
Child Welfare	-	-	5,228	5,228	5,228
County Administrative	-	-	41,335	41,335	41,335
LEAP	33,049	-	709	33,758	709
Old Age Pension	3,960	-	1,072	5,032	1,072
Food Assistance Fraud	-	-	696	696	696
Food Assistance	119,903	-	-	119,903	119,903
Child Support	-	-	790	790	790
Child Care Quality Grant	-	-	21,029	21,029	21,029
Totals	<u>\$ 160,903</u>	<u>\$ 746</u>	<u>\$ 80,082</u>	<u>\$ 240,985</u>	<u>\$ 200,731</u>

- A. Welfare payments authorized by the San Juan County Department of Human Services. These County authorizations are paid by the Colorado Department of Human Services by QUEST debit cards or by electronic funds transfer (EFT).
- B. Welfare payments authorized by the San Juan County Department of Human Services. These County authorizations are paid by the Colorado Department of Human Services by QUEST debit cards or by electronic funds transfer (EFT).
- C. County share of EBT authorizations - these amounts are settled monthly by a reduction of State cash advances to the County.
- D. Expenditures made by County warrants or other County payment methods
- E. This represents the total cost of the welfare programs that are administered by San Juan County.
- F. This total matches the expenditures on the Social Services Department Fund Statement of Revenues, Expenditures, and Changes in Fund Balance.

NOTE 10-RISK MANAGEMENT

Colorado Counties Casualty and Property Pool

The County is exposed to various risks of loss related to property and casualty losses. The County has joined together with other Counties in the State of Colorado to form the Colorado Counties Casualty and Property Pool (CAPP), a public entity risk pool currently operating as a common risk management and insurance program for member counties. The Pool provides the County with general property, vehicle comprehensive and collision, and other liability insurance coverage. The County pays an annual contribution to CAPP for its property and casualty insurance coverage and the County Workers Compensation Pool (CWCP) for its general and workmen's compensation insurance coverage. The intergovernmental agreement of formation of CAPP and CWCP provides that the pool will be financially self-sustaining through member contributions and additional assessments, if necessary, and that the Pool will purchase insurance through commercial companies for members' claims in excess of a specified self-insured retention, which is determined each policy year.

NOTE 11-NEW ACCOUNTING PRONOUNCEMENTS

GASB 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position, implemented this year provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources. The Statement of Net Assets is renamed the Statement of Net Position and includes four components: assets, deferred outflows of resources, liabilities and deferred inflows of resources. The County has determined that property taxes revenue that are related to a future period have been recorded as deferred inflows.

GASB 65, Items Previously Reported as Assets and Liabilities, will be effective for the County beginning with its year ending December 31, 2012. This statement requires certain items that are currently reported as assets and liabilities to be reclassified as deferred outflows resources, deferred inflows of resources, or current-period outflows and inflows.

Supplementary Information

SAN JUAN COUNTY, COLORADO
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year Ended December 31, 2012

	Budgeted			
	Original	Final	Actual	Variance
REVENUES				
Taxes:				
Property	\$ 880,426	\$ 880,426	\$ 867,472	\$ (12,954)
Other	140,250	140,250	114,535	(25,715)
Intergovernmental	964,626	964,626	792,531	(172,095)
Licenses and permits	75	75	-	(75)
Charges for services	2,000	2,000	1,450	(550)
Fees	146,000	146,000	108,728	(37,272)
Miscellaneous	106,980	106,980	178,868	71,888
Total revenues	2,240,357	2,240,357	2,063,584	(176,773)
EXPENDITURES				
Assessor	110,250	110,250	105,863	4,387
Administrator	86,450	86,450	86,681	(231)
Board of County Commissioners	97,000	97,000	97,503	(503)
Clerk and Recorder	88,000	88,000	87,619	381
County Attorney	33,500	33,500	32,553	947
County Coroner	18,500	22,000	21,435	565
County Jail	25,000	48,000	45,462	2,538
Debt Service	-	-	12,624	(12,624)
District Attorney	15,915	15,915	13,600	2,315
Elections	25,000	25,000	20,395	4,605
Emergency Medical Services	86,400	86,400	86,579	(179)
Emergency Office	16,396	16,396	10,185	6,211
Veterans Officer	1,200	1,200	883	317
Fire department	33,360	33,360	27,999	5,361
Intergovernmental	819,930	819,930	855,750	(35,820)
Courthouse	51,000	51,000	45,672	5,328
Public Health	132,850	132,850	70,661	62,189
Miscellaneous	75,830	75,830	35,729	40,101
Treasurer's fees	55,000	55,000	38,918	16,082
Sheriff	357,300	357,300	351,540	5,760
Surveyor	2,500	2,500	1,100	1,400
Treasurer	85,550	85,550	87,216	(1,666)
Total department expenses	2,216,931	2,243,431	2,135,967	107,464
Capital Outlay	190,000	190,000	210,173	(20,173)
Net change to fund balance	(166,574)	(193,074)	(282,556)	(89,482)
Fund balance, January 1	923,284	923,284	968,892	45,608
Fund balance, December 31	\$ 756,710	\$ 730,210	\$ 686,336	\$ (43,874)

See accompanying notes to the basic financial statements

SAN JUAN COUNTY, COLORADO
ROAD AND BRIDGE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year Ended December 31, 2012

	Budgeted		Actual	Variance
	Original	Final		
REVENUES				
Property taxes	\$ 45,760	\$ 45,760	\$ 65,594	\$ 19,834
Intergovernmental:				
Federal shared revenues	131,000	131,000	109,554	(21,446)
State shared revenues	337,000	337,000	316,721	(20,279)
Total intergovernmental revenues	468,000	468,000	426,275	(41,725)
Miscellaneous:				
Refund of expenditures	1,300	1,300	1,417	117
Other miscellaneous revenues	5,000	5,000	2,290	(2,710)
Total miscellaneous revenues	6,300	6,300	3,707	(2,593)
Total revenues	520,060	520,060	495,576	(24,484)
EXPENDITURES				
Public works	436,295	447,695	389,709	57,986
Capital outlay	120,500	286,473	237,568	48,905
Debt service	41,500	41,500	149,160	(107,660)
Transfer to municipalities	54,776	54,776	72,161	(17,385)
Treasurer's fees	7,500	7,500	6,738	762
Total expenditures	660,571	837,944	855,336	(17,392)
Excess (deficiency) of revenues over expenditures	(140,511)	(317,884)	(359,760)	(41,876)
OTHER FINANCING SOURCES (USES)				
Sale of assets	28,520	28,520	120,000	91,480
Total other financing sources (uses)	28,520	28,520	120,000	91,480
Net change to fund balance	(111,991)	(289,364)	(239,760)	49,604
Fund balance, January 1	524,391	524,391	591,863	67,472
Fund balance, December 31	\$ 412,400	\$ 235,027	\$ 352,103	\$ 117,076

See accompanying notes to the basic financial statements

SAN JUAN COUNTY, COLORADO
SOCIAL SERVICES FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year Ended December 31, 2012

	Budgeted			
	Original	Final	Actual	Variance
REVENUES				
Taxes	\$ 14,909	\$ 14,909	\$ 14,998	\$ 89
Intergovernmental	108,696	108,696	79,961	(28,735)
Total revenues	<u>123,605</u>	<u>123,605</u>	<u>94,959</u>	<u>(28,646)</u>
EXPENDITURES				
Health and welfare	<u>131,250</u>	<u>131,250</u>	<u>85,697</u>	<u>45,553</u>
Total expenditures	<u>131,250</u>	<u>131,250</u>	<u>85,697</u>	<u>45,553</u>
Excess (deficiency) of revenues over expenditures	(7,645)	(7,645)	9,262	16,907
Fund balance, January 1	<u>71,908</u>	<u>71,908</u>	<u>40,729</u>	<u>31,179</u>
Fund balance, December 31	<u>\$ 64,263</u>	<u>\$ 64,263</u>	<u>\$ 49,991</u>	<u>\$ (14,272)</u>

See accompanying notes to the basic financial statements

SAN JUAN COUNTY, COLORADO
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS
December 31, 2012

	Conservation Trust	Contingent	Tourism	Noxious Weeds	Total Nonmajor Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 4,270	\$ 84,555	\$ 70,260	\$ 1,988	\$ 161,073
Restricted cash	-	-	7,141	-	7,141
Total assets	<u>\$ 4,270</u>	<u>\$ 84,555</u>	<u>\$ 77,401</u>	<u>\$ 1,988</u>	<u>\$ 168,214</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred Inflows of Resources					
Deferred revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances					
Reserved for:					
Emergencies	-	30,000	-	-	30,000
Unreserved:	4,270	54,555	77,401	1,988	138,214
Total fund balances	<u>4,270</u>	<u>84,555</u>	<u>77,401</u>	<u>1,988</u>	<u>168,214</u>
Total liabilities and fund balances	<u>\$ 4,270</u>	<u>\$ 84,555</u>	<u>\$ 77,401</u>	<u>\$ 1,988</u>	<u>\$ 168,214</u>

SAN JUAN COUNTY, COLORADO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS
Year Ended December 31, 2012

	Conservation Trust	Contingent	Tourism	Noxious Weeds	Total Nonmajor Governmental Funds
REVENUES					
Taxes	\$ -	\$ 2,009	\$ -	\$ -	\$ 2,009
Intergovernmental	630	-	48,674	-	49,304
Interest earnings	6	-	6	-	12
Total revenues	<u>636</u>	<u>2,009</u>	<u>48,680</u>	<u>-</u>	<u>51,325</u>
EXPENDITURES					
Current:					
General government	6	-	-	-	6
Tourism	-	-	35,314	-	35,314
Total expenditures	<u>6</u>	<u>-</u>	<u>35,314</u>	<u>-</u>	<u>35,320</u>
Net change to fund balance	630	2,009	13,366	-	16,005
Fund balance, January 1	<u>3,640</u>	<u>82,546</u>	<u>64,035</u>	<u>1,988</u>	<u>152,209</u>
Fund balance, December 31	<u>\$ 4,270</u>	<u>\$ 84,555</u>	<u>\$ 77,401</u>	<u>\$ 1,988</u>	<u>\$ 168,214</u>

SAN JUAN COUNTY, COLORADO
CONSERVATION TRUST FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year Ended December 31, 2012

	Budgeted			
	Original	Final	Actual	Variance
REVENUES				
Intergovernmental	\$ 250	\$ 250	\$ 630	\$ 380
Interest Income	-	-	6	6
Total revenues	<u>250</u>	<u>250</u>	<u>636</u>	<u>386</u>
EXPENDITURES				
General Government	<u>3,505</u>	<u>3,505</u>	<u>6</u>	<u>3,499</u>
Total expenditures	<u>3,505</u>	<u>3,505</u>	<u>6</u>	<u>3,499</u>
Net change to fund balance	(3,255)	(3,255)	630	3,885
Fund balance, January 1	<u>3,549</u>	<u>3,549</u>	<u>3,640</u>	<u>91</u>
Fund balance, December 31	<u>\$ 294</u>	<u>\$ 294</u>	<u>\$ 4,270</u>	<u>\$ 3,976</u>

SAN JUAN COUNTY, COLORADO
CONTINGENT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year Ended December 31, 2012

	Budgeted		Actual	Variance
	Original	Final		
REVENUES				
Taxes	\$ 7,000	\$ 7,000	\$ 2,009	\$ (4,991)
EXPENDITURES	10,000	10,000	-	10,000
Net change to fund balance	(3,000)	(3,000)	2,009	5,009
Fund balance, January 1	83,226	83,226	82,546	(680)
Fund balance, December 31	<u>\$ 80,226</u>	<u>\$ 80,226</u>	<u>\$ 84,555</u>	<u>\$ 4,329</u>

SAN JUAN COUNTY, COLORADO
TOURISM FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year Ended December 31, 2012

	Budgeted			
	Original	Final	Actual	Variance
REVENUES				
Intergovernmental	\$ 45,000	\$ 45,000	\$ 48,674	\$ 3,674
Interest income	-	-	6	6
Total revenues	<u>45,000</u>	<u>45,000</u>	<u>48,680</u>	<u>3,680</u>
EXPENDITURES				
Tourism	<u>45,000</u>	<u>45,000</u>	<u>35,314</u>	<u>9,686</u>
Total expenditures	<u>45,000</u>	<u>45,000</u>	<u>35,314</u>	<u>9,686</u>
Net change to fund balance	-	-	13,366	13,366
Fund balance, January 1	<u>34,760</u>	<u>34,760</u>	<u>64,035</u>	<u>29,275</u>
Fund balance, December 31	<u>\$ 34,760</u>	<u>\$ 34,760</u>	<u>\$ 77,401</u>	<u>\$ 42,641</u>

SAN JUAN COUNTY, COLORADO
NOXIOUS WEEDS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year Ended December 31, 2012

	Budgeted		Actual	Variance
	Original	Final		
REVENUES				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
General Government	1,000	1,000	-	1,000
Total expenditures	<u>1,000</u>	<u>1,000</u>	<u>-</u>	<u>1,000</u>
 Net change to fund balance	(1,000)	(1,000)	-	(1,000)
 Fund balance, January 1	1,988	1,988	1,988	-
Fund balance, December 31	<u>\$ 988</u>	<u>\$ 988</u>	<u>\$ 1,988</u>	<u>\$ (1,000)</u>

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

LOCAL HIGHWAY FINANCE REPORT	City or County: San Juan
	YEAR ENDING : December 2012
This Information From The Records Of (example - City of _ or County of _)	
Prepared By: Phone:	

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

ITEM	AMOUNT
A. Receipts from local sources:	
1. Local highway-user taxes	
a. Motor Fuel (from Item I.A.5.)	
b. Motor Vehicle (from Item I.B.5.)	
c. Total (a.+b.)	
2. General fund appropriations	351,302
3. Other local imposts (from page 2)	51,203
4. Miscellaneous local receipts (from page 2)	2,261
5. Transfers from toll facilities	
6. Proceeds of sale of bonds and notes:	
a. Bonds - Original Issues	
b. Bonds - Refunding Issues	
c. Notes	
d. Total (a. + b. + c.)	0
7. Total (1 through 6)	404,766
B. Private Contributions	
C. Receipts from State government (from page 2)	314,745
D. Receipts from Federal Government (from page 2)	109,554
E. Total receipts (A.7 + B + C + D)	829,066

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Local highway disbursements:	
1. Capital outlay (from page 2)	83,973
2. Maintenance:	148,675
3. Road and street services:	
a. Traffic control operations	
b. Snow and ice removal	195,709
c. Other	
d. Total (a. through c.)	195,709
4. General administration & miscellaneous	84,861
5. Highway law enforcement and safety	175,239
6. Total (1 through 5)	688,457
B. Debt service on local obligations:	
1. Bonds:	
a. Interest	
b. Redemption	
c. Total (a. + b.)	
2. Notes:	
a. Interest	6,015
b. Redemption	137,636
c. Total (a. + b.)	143,651
3. Total (1.c + 2.c)	143,651
C. Payments to State for highways	
D. Payments to toll facilities	
E. Total disbursements (A.6 + B.3 + C + D)	832,108

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
	280,773	829,066	832,108	277,731	(0)

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments	48,211	a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes		c. Parking Garage Fees	
2. Infrastructure & Impact Fees		d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other	2,992	g. Other Misc. Receipts	
6. Total (1. through 5.)	2,992	h. Other	2,261
c. Total (a. + b.)	51,203	i. Total (a. through h.)	2,261
(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	314,745	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	109,554
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations		d. Federal Transit Admin	
d. Other (Specify) - DOLA Grant		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	
f. Total (a. through e.)	0	g. Total (a. through f.)	109,554
4. Total (1. + 2. + 3.f)	314,745	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		83,973	83,973
(2). Capacity Improvements			0
(3). System Preservation			0
(4). System Enhancement & Operation			0
(5). Total Construction (1) + (2) + (3) + (4)	0	83,973	83,973
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	83,973	83,973
			(Carry forward to page 1)

Notes and Comments: