

Washington County, Colorado

Financial Statements

For the Year Ended December 31, 2013

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Independent Auditors' Report

To the Board of County Commissioners
Washington County, Colorado
Akron, Colorado

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Washington County (the County) 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 Auditing 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 auditors' 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 discretely presented component unit, each major fund, and the aggregate remaining fund information of the County as of December 31, 2013, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As described in Note L to the financial statements, in 2013, the County adopted new accounting guidance, GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. 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 the management's discussion and analysis and budgetary comparison information listed in the table of contents 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 County's basic financial statements. The other supplementary information and local highway finance report are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

The other supplementary information, the local highway finance report and the schedule of expenditures of federal awards 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 other supplementary information, the local highway finance report, and the schedule of expenditures of federal awards 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 our report dated July 25, 2014 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting.

Lauer, Szabo & Associates, P.C.

Sterling, Colorado
July 25, 2014

WASHINGTON COUNTY, COLORADO

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Management's Discussion and Analysis for Washington County offers readers a narrative overview and analysis of the County's financial activities for the fiscal year ended December 31, 2013. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in the financial statements and notes to the financial statements.

FINANCIAL HIGHLIGHTS

- The assets of the County exceeded its liabilities at the close of 2013 by \$20,200,900. Of this amount, \$11,776,091 may be used to meet the County's ongoing obligations to its citizens and creditors.
- The County's total net position increased by \$2,137,447 for the current year.
- As of December 31, 2013, the County's governmental funds reported combined ending fund balances of \$12,823,767, an increase of \$1,892,884 in comparison with the prior year.
- Unassigned fund balance for the General Fund was \$2,157,051 at December 31, 2013.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to Washington County's Basic Financial Statements. The Basic Financial Statements contain three components: government-wide financial statements, fund financial statements, and notes to the financial statements. In addition, this report contains other Required Supplementary Information and a Supplemental Information section that presents combining statements for non-major governmental funds along with actual and budgetary comparison schedules.

The basic financial statements include two kinds of statements that present different views of the County:

- The first two statements are government-wide financial statements that provide both long-term and short-term information about the County's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the County government, reporting the County's operations in more detail than the government-wide statements.
 - Governmental Fund statements tell how general government services like judicial, public safety, health and welfare, auxiliary services, culture and recreation and public works were financed in the short-term as well as what remains for future spending.
 - The Fiduciary Fund statement provides information about Agency Fund assets held by the County which is acting solely as a trustee of agent for the benefit of others, to whom the resources belong.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements. In addition to these required components, a section is included with combining and individual fund statements that provide further detail about our non-major governmental funds described as special revenue funds, each of which are added together and presented in single columns in each of the basic financial statements.

GOVERNMENT-WIDE STATEMENTS

The government-wide statements report information about the County as a whole using accounting methods similar to those used by private-sector companies.

The statement of net position includes all of Washington 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 Washington County is improving or deteriorating.

The statement of activities presents information showing how Washington 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 fiscal periods.

The government-wide financial statements of the County are divided into one category:

- Governmental activities: Most of the County's basic services are included here, such as general government, judicial, public safety, health and welfare, auxiliary services, culture and recreation and public works. Property taxes and state and federal grants finance most of these activities.

FUND FINANCIAL STATEMENTS

The fund financial statements provide more detailed information about the County's most significant funds, not the County as a whole. Funds are accounting devices that the County uses to keep track of specific sources of funding and spending for particular purposes.

- Some funds are required by state law and by bond covenants.
- The County Board of Commissioners establishes other funds to control and manage resources for particular purposes (i.e. TV translator fund, Conservation trust fund) or show that certain taxes and grants are used appropriately (i.e. Special Revenue Funds).

The County has two kinds of funds:

- **Governmental funds:** Most of the County's basic services are included in governmental funds, which focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the County's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, additional information is provided on the subsequent page of the governmental funds statement that explains the relationship (or differences) between the two types of statements. Washington County adopts an annual appropriated budget for all funds. A budgetary comparison statement has been provided for all funds to demonstrate compliance with this budget.
- **Fiduciary funds:** The County is the trustee, or fiduciary, for the Treasurer's Fund, the Hospital Memorial Fund and certain accounts of the Sheriff. The Treasurer, by statute, collects and distributes all property tax revenues to other County funds and local governments. The County is responsible for ensuring that the assets reported in this fund are used for their intended purpose. All of the County's fiduciary activities are reported in a separate statement of fiduciary net position, while only the activities of the Hospital Memorial Fund (a private-purpose trust fund) are reported in the statement of changes in fiduciary net position. These balances are excluded from the County's government-wide financial statements because the County cannot use these assets to finance its operations.

Notes to the financial statements

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

FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE

Net position. As discussed earlier, net position may serve as a useful indicator of a government's financial position. As of December 31, 2013, the County's net position was \$20,200,900.

Total net position for the County increased \$2,137,447.

Description of net position is as follows:

○ Net investment in capital assets	\$ 7,871,870
○ Restricted for emergencies	\$ 391,000
○ Restricted for culture and recreation	\$ 161,939
○ Unrestricted	\$11,776,091

TABLE 1**Net Position (in thousands)**

	Governmental Activities		Component Unit Activities		Total	
	2013	2012	2013	2012	2013	2012
Capital assets, net	\$ 11,884	\$ 12,347	\$ 206	\$ 235	\$ 12,090	\$ 12,582
Other assets	17,260	15,364	886	922	18,146	16,286
Total assets	\$ 29,144	\$ 27,711	\$ 1,092	\$ 1,157	\$ 30,236	\$ 28,868
Current liabilities	\$ 313	\$ 4,196	\$ 82	\$ 100	\$ 395	\$ 4,296
Long-term liabilities	4,644	5,431	33	31	4,677	5,462
Total liabilities	4,957	9,627	115	131	5,072	9,758
Deferred inflows of resources	3,986	-	-	-	3,986	-
Net investment in capital assets	7,872	7,506	206	235	8,078	7,741
Restricted	553	508	-	-	553	508
Unrestricted	11,776	10,070	771	791	12,547	10,861
Total net position	20,201	18,084	977	1,026	21,178	19,110
Total liabilities and net position	\$ 29,144	\$ 27,711	\$ 1,092	\$ 1,157	\$ 30,236	\$ 28,868

Investment in capital assets (land, buildings and equipment) is 39% of Washington County's net position. Washington County uses these capital assets to provide services to citizens; consequently these assets are not available for future spending.

In addition, a portion of Washington County's net position (3%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (58%) may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of 2013, Washington County is able to report positive balances in all three categories of net position.

Changes in net position

The County's total revenue of \$13,820,177 was more than program expenses of \$11,682,730 for an increase in net position of \$2,137,447.

TABLE 2**Changes in net position (in thousands)**

	Governmental Activities		Component Unit Activities		Total	
	2013	2012	2013	2012	2013	2012
Program revenue						
Charges for services	\$ 4,148	\$ 4,257	\$ 2,088	\$ 1,958	\$ 6,236	\$ 6,215
Operating grants	4,009	3,821	19	27	4,028	3,848
Capital grants	52	93	-	-	52	93
General revenues						
Property taxes	3,838	3,623	-	-	3,838	3,623
Specific ownership taxes	501	108	-	-	501	108
Sales Tax	524	526	-	-	524	526
Other taxes	31	1	-	-	31	1
Unrestricted earnings	84	79	1	1	85	80
Miscellaneous	434	448	28	44	462	492
Sale of assets	199	49	-	-	199	49
Total revenues	13,820	13,005	2,136	2,030	15,956	15,035
Program expenses						
General government	1,888	1,747	-	-	1,888	1,747
Judicial and public safety	3,471	3,688	-	-	3,471	3,688
Health and welfare	1,783	1,769	2,185	2,070	3,968	3,839
Auxiliary services	860	808	-	-	860	808
Culture and recreation	69	70	-	-	69	70
Public works	3,399	3,063	-	-	3,399	3,063
Interest and fiscal charges	212	218	-	-	212	218
Total expenses	11,682	11,363	2,185	2,070	13,867	13,433
Change in net position	2,138	1,642	(49)	(40)	2,089	1,602
Net position at beginning of year	18,063	16,442	1,026	1,066	19,089	17,508
Net position at end of year	\$ 20,201	\$ 18,084	\$ 977	\$ 1,026	\$ 21,178	\$ 19,110

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

Governmental funds overview. Washington County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. As described earlier, the County's governmental funds provide information on short-term inflows and outflows, as well as what remains for future spending. Such information is useful in assessing the County's financing requirements. For example, unrestricted fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At the end of 2013, Washington County reported a combined fund balance of \$12,823,767. This amount was \$1,892,884 more than 2012. Of the total combined fund balance, \$2,157,051 consists of unassigned fund balance, the portion of fund balance which serves as a measure of current available financial resources.

The restricted fund balance represents resources not available for spending or those on which legal restrictions have been placed. The County's restricted fund balance makes up \$552,939 of the combined total and includes the following:

- | | |
|---|-----------|
| ➤ Restricted for emergencies | \$391,000 |
| ➤ Restricted for culture and recreation | \$161,939 |

General Fund. The general Fund of Washington County accounts for all transactions not accounted for in other funds. As the county's major operating fund, the General Fund accounts for ordinary operating expenditures financed primarily by property and related taxes. The General Fund completed the year with a fund balance of \$2,218,879.

Road & Bridge Fund. The Road and Bridge Fund accounts for monies generated by property taxes, sales tax, highway users tax and other sources and expended for highway and road maintenance and repair. The Road & Bridge completed the year with a fund balance of \$5,294,930.

Social Services Fund. The Social Services Fund accounts for monies received from property taxes and state and federal grants expended for social welfare programs. The Social Services Fund completed the year with a fund balance of \$472,593.

GENERAL FUND BUDGETARY HIGHLIGHTS

Over the course of the year, the Board of County Commissioners revised the County's budget one time. The reasons for amending the budget are:

- Supplemental appropriations to increase revenue and expenditure accounts due to the receipt of unanticipated grant and operational revenue.
- Unanticipated expenses from fund balance.

Revenue appropriations exceeded the budgeted amounts in several funds. The amounts of revenue over budget were functions of receiving grants, operational excess, conservatively budgeting revenues from state agencies and sales tax received for health care use. A factor in these revenue overages was that the Jr. Livestock Sale was better than the previous 10 years.

The funds requiring supplemental expenditures included the Jr. Livestock Sale, two of the four health care entities, Contingency Fund, Sheriff and County Jail, Extension Service, Telecommunication Escrow, Medical Reserve Corp., Maintenance, Emergency Management and the Nursing Home Operational account. Otherwise expenditures were held in check because of an asserted effort by the elected officials and management team to watch the budgets carefully and only purchase the necessities.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets. Washington County's investment in capital assets for its governmental activities as of December 31, 2013, amounts to \$11,883,942 (net of accumulated depreciation). This amount includes a broad range of capital assets, including land, buildings, equipment, improvements and other infrastructure.

Washington County remains committed to the upkeep and maintenance of the County's largest assets. More detailed information about the County's capital assets is presented in table 3 and in Note E to the financial statements.

TABLE 3

Capital assets, net of depreciation (in thousands)

	Governmental Activities		Component Unit Activities		Total	
	2013	2012	2013	2012	2013	2012
Land and improvements	\$ 256	\$ 256	\$ 11	\$ 11	\$ 267	\$ 267
Construction in progress	71	54	-	-	71	54
Equipment	11,310	11,342	417	412	11,727	11,754
Buildings	10,742	10,710	822	822	11,564	11,532
Infrastructure	3,161	3,161	-	-	3,161	3,161
Accumulated depreciation	(13,656)	(13,176)	(1,044)	(1,010)	(14,700)	(14,186)
Total	\$ 11,884	\$ 12,347	\$ 206	\$ 235	\$ 12,090	\$ 12,582

Long-term debt. The County had \$4,643,809 in debt outstanding at year-end. More detailed information about the County's long-term debt is presented in Table 4 and Note F to the financial statements.

TABLE 4

Long-term debt (in thousands)

	Governmental Activities		Component Unit Activities		Total	
	2013	2012	2013	2012	2013	2012
Landfill closure and postclosure costs	\$ 488	\$ 468	\$ -	\$ -	\$ 488	\$ 468
Bonds payable, net	4,012	4,842	-	-	4,012	4,842
Compensated absences	144	121	-	-	144	121
Total	\$ 4,644	\$ 5,431	\$ -	\$ -	\$ 4,644	\$ 5,431

SIGNIFICANT ISSUES

In November of 2001 Washington County opened the doors to the Justice Center. Certificates of Participation were issued for the funding of the construction. In 2011 Washington County refinanced the debt on the Justice Center, lowering the payment and easing the burden on the operations of the Justice Center. The Justice Center continues to be financially viable while having ups and downs with inmate counts from other agencies. This has stabilized with the approval of a contract with the Department of Corrections in 2012. It continues to operate without tax dollars other than the portion paid for Washington County inmates. The Justice Center will be paid off in September of 2021.

In November 2006, a Referendum was approved by the voters in Washington County to charge a 1½ % sale and use tax to be used solely for the operations of the Health Care Fund entities – Ambulance, Medical Clinic and the Nursing Home. This sale and use tax continues to support the Health Care entities. Fortunately over the past several years the census at the Washington County Nursing Home has remained high enough that he has been self-sufficient. If this were to change, difficult decisions will be made regarding what Health care in Washington County looks like. As the full implementation of the Affordable Healthcare Act continues, Washington County is very cognizant of what these changes will due to the Health Care entities that are supported by operations and sales and use tax dollars.

LONG-TERM FINANCIAL PLANNING

Washington County worked through several open grants during the 2013 fiscal year. The biggest issue that the Washington County Commissioners are working on is the long range plan for building a new nursing home. This project has been in the planning stages for several years and is becoming close to reality. The Washington County Commissioners have also appointed a committee to look at the possibilities of a new building at the Fairgrounds Complex to further update the existing facilities. Washington County continues to be responsible with all funds and is planning for future needs.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Washington County is in good financial position. In preparing the 2014 budget, revenue was anticipated for non-county prisoners in order to defray the cost of maintaining and staffing the Justice Center. The County will continue to be cautious with their spending, while continuing the contract with the State Department of Corrections.

The effect on the Health Care Fund of receiving the 1 ½% sales and use tax has in turn helped other areas of the County by eliminating Health Care's portion of property taxes. The sales and use tax revenue anticipated in 2014 has been cautiously budgeted to receive less dollars than previous years. This tax has allowed for long range planning by the Health Care Team of Washington County. With the ability to operate these entities without property tax dollars, it has effectively prolonged the efficiencies of all the Departments of Washington County as well as the other health and safety entities of the county.

Rising health insurance costs continue to be worrisome for Washington County. In the 2014 budget was generated anticipating a 14% cost increase in health insurance. Health insurance costs will continue to be a point of concern for Washington County in the future.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the County's finances and to demonstrate the County's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Finance Department, 150 Ash Avenue, Akron, Colorado, 80720, or by telephone at (970) 345-2701.

Basic Financial Statements

The basic financial statements of the County include the following:

Government-wide financial statements. The government-wide statements display information about the reporting government as a whole, except for its fiduciary activities.

Fund financial statements. The fund financial statements display information about major funds individually and nonmajor funds in the aggregate for governmental and enterprise funds.

Notes to the financial statements. The notes communicate information essential for fair presentation of the financial statements that is not displayed on the face of the financial statements. As such, the notes are an integral part of the basic financial statements.

WASHINGTON COUNTY, COLORADO
Statement of Net Position
December 31, 2013

	Primary Government	
	Governmental Activities	Component Unit
Assets		
Cash and cash investments	\$ 11,835,299	\$ 433,062
Receivables	5,039,036	429,032
Inventories	214,888	
Prepaid items	171,000	18,931
Restricted cash and cash investments		4,794
Capital assets, net of depreciation	11,883,942	206,230
Total assets	\$ 29,144,165	\$ 1,092,049
Liabilities		
Accounts payable	\$ 186,399	\$ 42,191
Accrued salaries and benefits		40,027
Unearned revenues	126,438	
Noncurrent liabilities		
Due within one year	480,653	
Due in more than one year	4,163,156	33,035
Total liabilities	4,956,646	115,253
Deferred inflows of resources		
Deferred property tax revenues	3,986,619	
Total deferred inflows of resources	3,986,619	-
Net position		
Net investment in capital assets	7,871,870	206,230
Restricted for:		
Emergencies	391,000	
Culture and recreation	161,939	
Unrestricted	11,776,091	770,566
Total net position	20,200,900	976,796
Total liabilities and net position	\$ 29,144,165	\$ 1,092,049

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

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WASHINGTON COUNTY, COLORADO
Statement of Activities
For the Year Ended December 31, 2013

	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities				
General government	\$ 1,888,411	\$ 455,319	\$ 86,688	
Public safety and judicial	3,471,450	3,316,452		\$ 48,125
Health and welfare	1,782,900	295,424	623,164	3,902
Auxiliary services	860,274			
Culture and recreation	68,785		28,186	
Public works	3,399,048	80,365	3,271,175	
Interest and fiscal charges	211,862			
Total governmental activities	<u>11,682,730</u>	<u>4,147,560</u>	<u>4,009,213</u>	<u>52,027</u>
Total primary government	<u>\$ 11,682,730</u>	<u>\$ 4,147,560</u>	<u>\$ 4,009,213</u>	<u>\$ 52,027</u>
Component unit				
Washington County Nursing Home	<u>\$ 2,185,076</u>	<u>\$ 2,088,155</u>	<u>\$ 18,877</u>	<u>\$ -</u>
		General revenues		
		Taxes		
		Property taxes, levied for general purposes		
		Specific ownership taxes		
		Sales taxes		
		Other taxes		
		Unrestricted earnings on investments		
		Miscellaneous		
		Sale of assets		
		Total general revenues		
		Change in net position		
		Net position at beginning of year, as restated		
		Net position at end of year		

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

<u>Primary Government</u>	
<u>Net Governmental Activities</u>	<u>Component Unit</u>
\$ (1,346,404)	
(106,873)	
(860,410)	
(860,274)	
(40,599)	
(47,508)	
<u>(211,862)</u>	
 (3,473,930)	
 (3,473,930)	
	\$ (78,044)
 3,838,467	
500,704	
523,922	
31,493	
84,252	501
433,546	28,543
198,993	
<u>5,611,377</u>	<u>29,044</u>
2,137,447	(49,000)
<u>18,063,453</u>	<u>1,025,796</u>
<u>\$ 20,200,900</u>	<u>\$ 976,796</u>

WASHINGTON COUNTY, COLORADO
Balance Sheet
Governmental Funds
For the Year Ended December 31, 2013

	General Fund	Road and Bridge Fund	Human Services Fund	Justice Center Fund
Assets				
Cash and cash investments	\$ 2,215,341	\$ 4,700,635	\$ 545,082	\$ 1,700,438
Property taxes receivable	3,228,725	164,731	230,623	
Other receivable	2,600	184,523	2,140	257,690
Grants receivable	25,480	287,634		
Note receivable			9,583	
Due from other entities			23,780	
Due from other funds	750			2,431
Inventories		183,029		
Prepaid items				
Total assets	\$ 5,472,896	\$ 5,520,552	\$ 811,208	\$ 1,960,559
Liabilities				
Accounts payable	\$ 21,861	\$ 60,141	\$ 481	\$ 37,375
Client trust accounts			3,171	
Cash held for others				
Due to other funds	3,431	750		
Due to county treasurer				
Unearned revenues			104,340	
Total liabilities	25,292	60,891	107,992	37,375
Deferred inflows of resources				
Deferred property tax revenues	3,228,725	164,731	230,623	
Total deferred inflows of resources	3,228,725	164,731	230,623	-
Fund balance				
Nonspendable for:				
Inventories		183,029		
Prepays				
Note receivable			9,583	
Restricted for:				
Emergencies	61,828			
Culture and recreation				
Committed to:				
Capital projects				
Culture and recreation				
Debt service				330,916
Health and welfare			463,010	
Public safety				1,592,268
Public works		5,111,901		
Unassigned	2,157,051			
Total fund balance	2,218,879	5,294,930	472,593	1,923,184
Total liabilities, deferred inflows of resources and fund balance	\$ 5,472,896	\$ 5,520,552	\$ 811,208	\$ 1,960,559

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

Other Governmental Funds	Total Governmental Funds
\$ 2,673,803	\$ 11,835,299
362,540	3,986,619
121,987	568,940
	313,114
	9,583
	23,780
1,000	4,181
31,859	214,888
171,000	171,000
<u>\$ 3,362,189</u>	<u>\$ 17,127,404</u>
\$ 27,090	\$ 146,948
	3,171
31,895	31,895
	4,181
4,385	4,385
22,098	126,438
<u>85,468</u>	<u>317,018</u>
362,540	3,986,619
<u>362,540</u>	<u>3,986,619</u>
31,859	214,888
171,000	171,000
	9,583
329,172	391,000
161,939	161,939
663,252	663,252
111,696	111,696
	330,916
653,050	1,116,060
	1,592,268
792,213	5,904,114
	2,157,051
<u>2,914,181</u>	<u>12,823,767</u>
<u>\$ 3,362,189</u>	<u>\$ 17,127,404</u>

WASHINGTON COUNTY, COLORADO

**Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
December 31, 2013**

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

Total fund balance - governmental funds	\$ 12,823,767
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.	11,883,942
Certain receivables will be collected in the next fiscal year, but are not available soon enough to pay for the current period's expenditures, and therefore are deferred in the funds.	137,000
Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds.	<u>(4,643,809)</u>
Net position of the governmental activities	<u><u>\$ 20,200,900</u></u>

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

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WASHINGTON COUNTY, COLORADO
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
For the Year Ended December 31, 2013

	General Fund	Road and Bridge Fund	Human Services Fund	Justice Center Fund
Revenues				
Taxes	\$ 3,140,111	\$ 659,335	\$ 222,095	-
Intergovernmental	115,764	3,271,170	583,546	\$ 20,741
Fines and forfeitures	2,169			
Licenses and permits	9,397	14,725		
Charges for services	682,943	3,530		3,077,262
Miscellaneous	415,462	946		2,112
Total revenues	4,365,846	3,949,706	805,641	3,100,115
Expenditures				
Current				
General government	1,638,827	34,146		26,087
Public safety and judicial	1,289,749			1,863,236
Health and welfare	75,249		803,617	
Auxiliary services	818,799			
Culture and recreation				
Public works		2,354,093		
Miscellaneous	97,059			
Capital outlay	1,014	569,169		16,863
Debt service				
Principal				558,953
Interest and fiscal charges				152,378
Total expenditures	3,920,697	2,957,408	803,617	2,617,517
Excess of revenues over (under) expenditures	445,149	992,298	2,024	482,598
Other financing sources				
Loan proceeds				
Proceeds from sale of assets	500	3,670		
Total other financing sources	500	3,670	-	-
Net change in fund balance	445,649	995,968	2,024	482,598
Fund balance at beginning of year	1,773,230	4,298,962	470,569	1,440,586
Fund balance at end of year	<u>\$ 2,218,879</u>	<u>\$ 5,294,930</u>	<u>\$ 472,593</u>	<u>\$ 1,923,184</u>

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

Other Governmental Funds	Total Governmental Funds
\$ 873,045	\$ 4,894,586
71,019	4,062,240
	2,169
	24,122
386,181	4,149,916
98,278	516,798
<hr/>	<hr/>
1,428,523	13,649,831
30,003	1,729,063
	3,152,985
836,822	1,715,688
	818,799
40,781	40,781
161,912	2,516,005
	97,059
113,474	700,520
295,345	854,298
4,364	156,742
<hr/>	<hr/>
1,482,701	11,781,940
(54,178)	1,867,891
20,823	20,823
	4,170
<hr/>	<hr/>
20,823	24,993
(33,355)	1,892,884
2,947,536	10,930,883
<hr/>	<hr/>
\$ 2,914,181	\$ 12,823,767
<hr/>	<hr/>

WASHINGTON COUNTY, COLORADO
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2013

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

Net change in fund balances - governmental funds	\$ 1,892,884
Because some revenues will not be collected for several months after the fiscal year ends, they are not considered "available" revenues in the governmental funds. They are, however, recorded as revenues in the statement of activities.	(28,648)
Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities, those costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation expense in the statement of activities. This is the amount by which depreciation exceeded capital outlays in the current period.	(713,747)
In the statement of activities, no gain (loss) on the sale of land and buildings is reported, whereas in the governmental funds, the proceeds from the sale increase (decrease) financial resources. Thus, the change in net position differs from the change in fund balance by the cost of the capital assets sold.	194,823
In the statement of activities, certain operating expenses are measured by the amounts incurred or earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid).	(42,086)
The issuance of long-term debt provide current financial resources in the governmental funds, however, issuing debt increases long-term liabilities in the government-wide statement of net position.	(20,822)
Payments related to general obligation bonds are reported as expenditures in the governmental funds, however, these payments reduce long-term liabilities in the statement of net position and do not result in expenses in the statement of activities.	<u>855,043</u>
Change in net position of governmental activities	<u>\$ 2,137,447</u>

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

WASHINGTON COUNTY, COLORADO
Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2013

	Private Purpose Trust Fund	Total Agency Funds
Assets		
Cash and cash investments	\$ 4,941	\$ 357,119
Due from other funds		4,385
	<u>4,941</u>	<u>361,504</u>
Total assets	<u>\$ 4,941</u>	<u>\$ 361,504</u>
Liabilities		
Due to other governments or agencies		\$ 361,504
		<u>361,504</u>
Total liabilities	\$ -	361,504
Net position		
Held in trust for private purposes	4,941	
	<u>4,941</u>	<u>-</u>
Total net position	<u>4,941</u>	<u>-</u>
Total liabilities and net position	<u>\$ 4,941</u>	<u>\$ 361,504</u>

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

WASHINGTON COUNTY, COLORADO
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended December 31, 2013

	Private Purpose Trust Fund
Additions	
Earnings on investments	\$ 134
Deductions	
	-
Net increase in net position	134
Net position at beginning of year	4,807
Net position at end of year	<u>\$ 4,941</u>

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

WASHINGTON COUNTY, COLORADO
Notes to Financial Statements

Note A – Summary of significant accounting policies

This summary of Washington County’s significant accounting policies is presented to assist the reader in interpreting the financial statements and other data in this report. The policies are considered essential and should be read in conjunction with the accompanying financial statements.

The financial statements of the County have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to local government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial principles. The more significant of the County’s accounting policies are described below.

A.1 – Reporting entity

The financial reporting entity consists of (1) the primary government, (2) organizations for which the primary government is financially accountable and (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity’s financial statements to be misleading or incomplete. The reporting entity’s financial statements should present the funds of the primary government (including its blended component units, which are, in substance, part of the primary government) and provide an overview of the discretely presented component units. Blended component units, although legally separate entities, are, in substance, part of the County’s operations. Discretely presented component units, if any, are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the County.

The County has examined other entities that could be included as defined in number 2 and 3 above. Based on these criteria, the Washington County Nursing Home is included in the County’s basic financial statements using discrete presentation. The Washington County Nursing Home is a 34 bed nursing facility located in Akron, Colorado. The facility became operational under County control on May 11, 1996. It has an uncompensated nine-member board. Separate financial statements are available at the administrative office in Akron, Colorado.

A.2 – Fund accounting

The County uses funds to report its financial position and results of operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

Funds are classified into three categories: governmental, proprietary and fiduciary. Each category, in turn, is divided into separate “fund types.”

WASHINGTON COUNTY, COLORADO
Notes to Financial Statements

Note A – Summary of significant accounting policies (continued)

Governmental funds are used to account for all or most of a government's general activities, including the collection and disbursement of earmarked funds (special revenue funds), major capital projects (capital projects fund), and the servicing of general long-term debt (debt service fund). The following are the County's major governmental funds:

General Fund – The General Fund is the operating fund of the County. It is used to account for most of the day-to-day operations of the County which are financed from sales and use taxes, property taxes and other general revenues. Activities financed by the general fund include those of line and staff departments within the County, except for activities of the enterprise funds.

Road and Bridge Fund – This 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 and a portion of road and bridge taxes is allocated to cities and towns for use in their road and street activities.

Human Services Fund – This fund administers social services programs under state and federal regulations. Programs include, but are not limited to, Medicaid, food stamps, foster care programs, senior service programs, job training services, and Temporary Assistance to Needy Families (TANF). Colorado counties are required by law to maintain a Human Services Fund.

Justice Center Fund – This fund records costs related to County housing of detainees as well as costs of leasing the building constructed for the County to maintain adequate housing for incarcerated individuals. Operations include housing and transportation for local detainees as well as individuals detained under other jurisdictions that have contracted with the County for housing.

Proprietary funds focus on the determination of the changes in net position, financial position and cash flows and are classified as either enterprise or internal service. Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. The County does not have any proprietary funds.

Fiduciary funds focus on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds. Trust funds are used to account for assets held by the County under a trust agreement for individuals, private organizations or other governments and are therefore not available to support the County's own programs. The County has one private-purpose trust fund and two agency funds.

WASHINGTON COUNTY, COLORADO
Notes to Financial Statements

Note A – Summary of significant accounting policies (continued)

Note A.3 – Basis of presentation

Government-wide financial statements – The statement of net position and the statement of activities display information about the County as a whole. These statements include the financial activities of the primary government except for fiduciary funds. The statements distinguish between those activities of the County that are governmental and those that are considered business-type activities.

The government-wide statements are prepared using the economic resources measurement focus and the accrual basis of accounting. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements therefore include reconciliations with a brief explanation to better identify the relationship between the government-wide statements and the statements for governmental funds.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the County and for each function or program of the County's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore are clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues, which are not classified as program revenues, are presented as general revenues of the County, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the County.

Fund financial statements – Fund financial statements report detailed information about the County. The focus of governmental and enterprise fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by fund type.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources management focus. The financial statements for governmental funds are a balance sheet, which generally includes only current assets and current liabilities, and a statement of revenues, expenditures and changes in fund balance, which reports the sources (revenues and other financing sources) and uses (expenditures and other financing uses) of current financial resources.

WASHINGTON COUNTY, COLORADO
Notes to Financial Statements

Note A – Summary of significant accounting policies (continued)

All proprietary fund types are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operations of these funds are included on the statement of net position. The statement of revenues, expenses and changes in fund net position presents increases (revenues) and decreases (expenses) in net total assets. The statement of cash flows provides information about how the County finances and meets the cash flow needs of its proprietary activities.

Fiduciary funds focus on net position and changes in net position and are reported using accounting principles similar to proprietary funds. The County's fiduciary funds are presented in the fiduciary fund financial statements by type (private-purpose trust and agency). Since by definition these assets are being held for the benefit of a third party and cannot be used to address the activities or obligations of the County, these funds are not incorporated into the government-wide financial statements.

A.4 – Basis of accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Proprietary and fiduciary funds also use the accrual basis of accounting.

Revenues – exchange and nonexchange transactions – Revenues resulting from exchange transactions, in which each party gives and receives essentially equal value, are recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenues are recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the County, available means expected to be received within sixty days of fiscal year-end.

Nonexchange transactions, in which the County receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenues from property taxes are recognized in the fiscal year for which the taxes are levied. State equalization monies are recognized as revenues during the period in which they are appropriated. Revenues from grants, entitlements and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the County must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the County on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

WASHINGTON COUNTY, COLORADO
Notes to Financial Statements

Note A – Summary of significant accounting policies (continued)

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year-end: property taxes collected within sixty days after year-end, interest, certain charges for services and certain grants.

Unearned revenue – Unearned revenues arise when potential revenue does not meet both the “measurable” and “available” criteria for recognition in the current period. Unearned revenues also arise when resources are received by the City before it has a legal claim to them, as when grant monies are received prior to meeting eligibility requirements. In subsequent periods, when both revenue recognition criteria are met, or when the City has a legal claim to the resources, the liability for unearned revenue is removed and the revenue is recognized.

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 government has no items that qualify for reporting in this category.

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. The government has only one type of item that qualifies for reporting in this category. Accordingly, the item, deferred property tax revenues, is reported on both the statement of net position and the governmental funds balance sheet. These amounts are deferred and recognized as an inflow of resources in the period for which they are levied and that the amounts become available.

Expenses/expenditures – On the accrual basis of accounting, expenses are recognized at the time they are incurred. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

A.5 – Encumbrances

Encumbrance accounting is utilized by the County to record purchase orders, contracts and other commitments for the expenditure of monies to assure effective budgetary control and accountability. Encumbrances outstanding at year-end are canceled and reappropriated in the ensuing year’s budget.

WASHINGTON COUNTY, COLORADO
Notes to Financial Statements

Note A – Summary of significant accounting policies (continued)

A.6 – Cash and cash investments

The Washington County Treasurer maintains a cash and investment pool that is available for use by all County funds. Each funds' portion of this pool is displayed as "cash and cash investments."

A.7 – Cash and cash equivalents

For the purposes of the statement of cash flows, the County considers all highly liquid debt instruments with an original maturity of three months or less to be cash equivalents.

A.8 – Short-term interfund receivables/payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as internal balances on the government-wide statement of net position, and are classified as due from other funds or due to other funds on the balance sheet.

A.9 – Receivables

The County has elected the reserve method of accounting for uncollectible accounts receivable. Amounts included in the reserve are based on accounting policies established by the Colorado Department of Human Services. All payments in arrears of social service accounts receivable are included in the allowance for doubtful accounts.

A.10 – Inventories

Inventories in the Road and Bridge and Health Care Funds consist of construction and maintenance supplies as well as health care supplies and are recorded at the lower of cost or market using the first-in, first-out method. Inventories in this fund are offset by a fund balance reserve which indicates that it does not constitute "available spendable resources" even though it is a component of net current assets.

A.11 – Capital assets

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position, but are not reported in the fund financial statements. Capital assets utilized by the proprietary funds are reported both in the business-type activities column of the government-wide statement of net position and in the respective fund financial statements.

WASHINGTON COUNTY, COLORADO
Notes to Financial Statements

Note A – Summary of significant accounting policies (continued)

All capital assets with a unit cost greater than \$5,000 are capitalized at cost (or estimated historical cost, if actual cost is not available) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair value on the date received. Improvements to assets are capitalized; the cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not. Infrastructure assets, consisting of certain improvements other than buildings (such as parking facilities, sidewalks, landscaping and lighting systems) are capitalized on a prospective basis beginning in 2004.

All reported capital assets are depreciated with the exception of land costs. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

Buildings	30 years
Equipment	5 years
Vehicles	5 years
Infrastructure	10 years

A.12 – Compensated absences

The County reports compensated absences in accordance with the provisions of GASB Statement No. 16, “Accounting for Compensated Absences.” The County has adopted a personnel policy which provides for annual sick and vacation leave.

Vacation time off with pay is available to eligible employees to provide opportunities for rest, relaxation and personal pursuits. Eligible full-time employees accrue vacation leave at the rate of eight hours per month. The amount of paid vacation leave employees receive each year increases with the length of their employment. Vacation leave is a vested benefit and is reported as a liability on the statement of net position

Sick leave time off with pay is available to eligible employees who are unable to report to work due to illness or injury to himself or herself or an eligible family member. Eligible employees accrue sick leave benefits at the rate of eight hours per month. Upon voluntary resignation or retirement, an employee will be paid one-fourth of accumulated unused sick leave. This portion is considered to be a vested benefit and is reported as a liability on the statement of net position.

For governmental fund financial statements, the current portion of unpaid compensated absences is the amount expected to be paid using expendable available resources. These amounts are recorded in the account “accrued compensated absences” in the fund from which the employees who have accumulated unpaid leave are paid. The noncurrent portion of the liability is not reported.

WASHINGTON COUNTY, COLORADO
Notes to Financial Statements

Note A – Summary of significant accounting policies (continued)

The amounts recorded as liabilities for all applicable compensated absences include salary-related payments associated with the payment of compensated absences, using the rates in effect at the balance sheet date.

A.13 – Accrued liabilities and long-term obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements.

In general, payables and accrued liabilities that will be paid from governmental funds are reported on the governmental fund financial statements regardless of whether they will be liquidated with current resources. However, the noncurrent portion of compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they will be paid with current, expendable, available financial resources. Capital lease obligations and other long-term obligations that will be paid from governmental funds are not recognized as a liability in the fund financial statements until due.

A.14 – Fund balance

The Governmental Accounting Standards Board (GASB) has issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* (GASB 54). This Statement defines the different type of fund balances that a governmental entity must use for financial reporting purposes.

GASB 54 requires the fund balance amounts to be properly reported within one of the fund balance categories listed below.

Nonspendable, such as fund balance associated with inventories, prepaid expenditures, long-term loans and notes receivable, and property held for resale (unless the proceeds are restricted, committed or assigned),

Restricted fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation,

Committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the Board of County Commissioners (the County's highest level of decision-making authority),

Assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed, and

WASHINGTON COUNTY, COLORADO
Notes to Financial Statements

Note A – Summary of significant accounting policies (continued)

Assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed, and

Unassigned fund balance is the residual classification for the County's general fund and includes all spendable amounts not contained in the other classifications.

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

When both restricted and unrestricted resources are available in governmental funds, the County applies expenditures against restricted fund balance first, and followed by committed fund balance, assigned fund balance and unassigned fund balance.

A.15 – Net position

Net position represents the difference between assets and liabilities. Net investment in assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position are reported as restricted when there are liabilities imposed on their use either through the enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The County applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

A.16 – Interfund transactions

Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. In general, the effect of interfund activity has been eliminated from the government-wide financial statements.

WASHINGTON COUNTY, COLORADO
Notes to Financial Statements

Note A – Summary of significant accounting policies (continued)

A.17 – Extraordinary and special items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the board of county commissioners and that are either unusual in nature or infrequent in occurrence. The County had no items that qualify for reporting as special items.

Note B – Cash and investments

Cash and deposits

Colorado State statutes govern the County's deposits of cash. The Public Deposit Protection Acts (PDPA) for banks and savings and loans require state regulators to certify eligible depositories for public deposits. The PDPA require eligible depositories with public deposits in excess of federal insurance levels to create a single institution collateral pool of defined eligible assets. Eligible collateral includes obligations of the United States, obligations of the State of Colorado or Colorado local governments and obligations secured by first lien mortgages on real property located in the state. The pool is to be maintained by another institution or held in trust for all uninsured public deposits as a group and not held in any individual government's name. The fair value of the assets in the pool must be at least equal to 102% of the aggregate uninsured deposits.

Custodial credit risk – deposits – Custodial credit risk is the risk that in the event of a bank failure, the County's deposits may not be returned to it. The County does not have a deposit policy for custodial credit risk. At year-end, the County had total deposits of \$12,468,219, of which \$1,250,000 was insured and \$11,218,219 was collateralized with securities held by the pledging institution's trust department or agent in the County's name.

WASHINGTON COUNTY, COLORADO
Notes to Financial Statements

Note B – Cash and investments (continued)

Investments

Authorized investments - Investment policies are governed by Colorado State Statutes and the County's own investment policies and procedures. Investments of the County may include:

- Obligations of the United States Government such as treasury bills, notes and bonds
- Certain international agency securities
- General obligation and revenue bonds of United States local government entities
- Bankers acceptances of certain banks
- Commercial paper
- Local government investment pools
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts

At year-end, the County had the following investment that was not categorized because it is not evidenced by specific securities due to the nature of the investment pool:

<u>Investment type</u>	<u>Fair value</u>	<u>Investment maturities (in years)</u>		
		<u>Less than 1</u>	<u>1-5</u>	<u>6-10</u>
Municipal bonds	\$ 148,798	\$ -	\$ 148,798	\$ -
Corporate bonds	766,314	-	766,314	-
United States Treasuries	306,561	306,561	-	-
Annuity contracts	<u>1,784,382</u>	<u>-</u>	<u>1,784,382</u>	<u>-</u>
Total	<u>\$ 3,006,055</u>	<u>\$ 306,561</u>	<u>\$ 2,699,494</u>	<u>\$ -</u>

Interest rate risk - The County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing rates.

WASHINGTON COUNTY, COLORADO
Notes to Financial Statements

Note B – Cash and investments (continued)

Credit risk – State law limits investments in commercial paper, corporate bonds, and mutual bond funds to the top two ratings issued by nationally recognized statistical rating organizations. The County has no investment policy that would further limit its investment choices. As of December 31, 2013, the County's investments in municipal bonds were rated A to Aa by Moody's Investors Service, Inc. and AA by Standard & Poor's. The County's investments in corporate bonds were rated A by Moody's Investors Service, Inc. and A to AA by Standard & Poor's.

The following table provides a reconciliation of cash and cash investments on the statement of net position:

Cash	\$ 8,276,547
Certificates of deposit	1,352,613
Investments	<u>3,006,055</u>
Total cash and cash investments	<u>\$ 12,632,215</u>
<u>Statement of net position</u>	
Cash and cash investments – primary government	\$ 11,835,299
Cash and cash investments – component unit	433,062
Restricted cash and cash investments – component unit	<u>4,794</u>
Subtotal	12,273,155
<u>Statement of fiduciary net position</u>	
Cash and cash investments – private purpose trust fund	4,941
Cash and cash investments – agency funds	<u>357,119</u>
Subtotal	<u>362,060</u>
Total	<u>\$ 12,635,215</u>

WASHINGTON COUNTY, COLORADO
Notes to Financial Statements

Note C – Receivables

Receivables at year-end consist of the following:

	<u>Governmental Activities</u>	<u>Component Unit</u>	<u>Total Receivables</u>
Property taxes	\$ 3,986,619	\$ -	\$ 3,986,619
Other	705,940	-	705,940
Accounts	-	166,937	166,937
Grants	313,114	-	313,114
Notes	9,583	-	9,583
Due from other entities	<u>23,780</u>	<u>262,095</u>	<u>285,875</u>
Total	<u>\$ 5,039,036</u>	<u>\$ 429,032</u>	<u>\$ 5,468,068</u>

Property taxes are levied on December 15th and attach as a lien on property the following January 1st. They are payable in full by April 30th or are due in two equal installments on February 28th and June 15th. Washington County bills and collects property taxes for all taxing entities within the County. The tax receipts collected by the county are remitted to the County in the subsequent month.

Note D – Interfund transactions

The following is a summary of interfund borrowings and transfers for the year as presented in the fund financial statements:

<u>Due From</u>	<u>Due To</u>	<u>Amount</u>
Justice Center Fund	General Fund	\$ 2,431
General Fund	Road and Bridge Fund	750
Other Governmental Funds	General Fund	<u>1,000</u>
Totals		<u>\$ 4,181</u>

All balances resulted from the time lag between the dates that (1) interfund reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

WASHINGTON COUNTY, COLORADO
Notes to Financial Statements

Note E – Capital assets

Capital asset activity for the year was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions/ Transfers</u>	<u>Ending Balance</u>
Governmental activities				
Land	\$ 256,232	\$ -	\$ -	\$ 256,232
Construction in progress	54,015	17,262	-	71,277
Equipment	11,342,168	1,016,755	(1,049,341)	11,309,582
Buildings	10,710,064	31,515	-	10,741,579
Infrastructure	3,160,855	-	-	3,160,855
Accumulated depreciation	<u>(13,176,333)</u>	<u>(1,373,415)</u>	<u>894,165</u>	<u>(13,655,583)</u>
Net capital assets – governmental activities	<u>\$ 12,347,001</u>	<u>\$ (307,883)</u>	<u>\$ (155,176)</u>	<u>\$ 11,883,942</u>

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions/ Transfers</u>	<u>Ending Balance</u>
Component unit				
Land	\$ 3,365	\$ -	\$ -	\$ 3,365
Site improvements	7,523	-	-	7,523
Buildings and improvements	822,293	-	-	822,293
Equipment	411,439	5,532	-	416,971
Accumulated depreciation	<u>(1,010,096)</u>	<u>(33,826)</u>	<u>-</u>	<u>(1,043,922)</u>
Net capital assets – component unit	<u>\$ 234,524</u>	<u>\$ (28,294)</u>	<u>\$ -</u>	<u>\$ 206,320</u>

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

Governmental activities	
General government	\$ 31,197
Public safety and judicial	354,546
Health and welfare	81,021
Auxiliary services	37,692
Culture and recreation	28,004
Public works	<u>840,955</u>
Total governmental activities	<u>\$ 1,373,415</u>

WASHINGTON COUNTY, COLORADO
Notes to Financial Statements

Note F – Long-term debt

The following is a summary of the changes in long-term debt for the year:

	<u>Beginning Balances</u>	<u>Additions</u>	<u>Reductions/ Adjustments</u>	<u>Ending Balances</u>	<u>Due within one year</u>
Governmental activities					
Landfill closure and postclosure	\$ 468,371	\$ 19,929	\$ -	\$ 488,300	\$ -
Bond payable	5,004,726	-	(559,698)	4,445,028	480,653
Notes payable	274,522	20,823	(295,345)	-	-
Deferred amount on refunding	(437,994)	(50,827)	55,865	(432,956)	-
Compensated absences	<u>121,280</u>	<u>22,157</u>	<u>-</u>	<u>143,437</u>	<u>-</u>
Total	<u>\$ 5,430,905</u>	<u>\$ 12,082</u>	<u>\$ (799,178)</u>	<u>\$ 4,643,809</u>	<u>\$ 480,653</u>

Landfill closure and postclosure liability will be primarily liquidated by the Landfill Fund. The bonds payable and related liabilities will be primarily liquidated by the Justice Center Fund. The compensated absences attributable to the governmental activities will be liquidated primarily by the major governmental funds. The County believes that the current portion of compensated absences is negligible and is therefore not reported.

Landfill closure and postclosure care costs

The Governmental Accounting Standards Board has adopted Statement No. 18, Accounting for Municipal Solid Waste Landfill Closure and Postclosure Care Costs, which provides guidance for the accounting and financial reporting of these closure and postclosure care costs. State and federal laws and regulations require the County to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the County reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The \$488,300 reported as landfill closure and postclosure care liability at year-end represents the cumulative amount reported to date based on 33.01 percent usage of the estimated capacity of the landfill. The County will recognize the remaining estimated cost of closure and postclosure care of \$990,933 as the remaining estimated capacity is filled. The estimated total current cost of the landfill closure and postclosure cost (\$1,479,233) is based on the amount that would be paid if all equipment, facilities, and services required to close, monitor and maintain the landfill were acquired at year-end. Closure and postclosure costs are estimated to be \$318,875 and \$1,160,358, respectively. The County expects to close the cell in the year 2043. Actual costs may be higher due to inflation, changes in technology, or changes in regulations. The County is required by state and federal laws and regulations to demonstrate financial assurance. The County is in compliance with these requirements through the local government financial test.

WASHINGTON COUNTY, COLORADO
Notes to Financial Statements

Note F – Long-term debt (continued)

Bonds payable

General obligation bonds payable consist of the following individual issues:

\$5,618,265 general obligation refunding bonds, dated October 6, 2011, due in monthly installments beginning on November 6, 2011 of \$55,153; fixed annual interest rate of 3.15% with final payment due August 6, 2021. \$ 4,445,028

The following schedule represents the County's debt service requirements to maturity for all outstanding bonded indebtedness:

<u>Year ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 480,653	\$ 126,026	\$ 606,679
2015	544,774	117,057	661,831
2016	562,184	99,647	661,831
2017	580,151	81,680	661,831
2018	598,691	63,139	661,830
2019-2021	<u>1,678,575</u>	<u>73,161</u>	<u>1,751,736</u>
Totals	<u>\$ 4,445,028</u>	<u>\$ 560,710</u>	<u>\$ 5,005,738</u>

Prior year defeasance of debt

In prior years, the County defeased certain general obligation bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the County's financial statements. At year-end, \$4,495,095 of bonds outstanding are considered defeased.

WASHINGTON COUNTY, COLORADO
Notes to Financial Statements

Note G – Risk management

Colorado Workers' Compensation Pool

The County is exposed to various risks of loss related to injuries of employees while on the job. The County joined together with other counties in the State of Colorado to form the County Workers' Compensation Pool (CWCP), a public entity risk pool currently operating as a common risk management and insurance program for its workers' compensation insurance coverage. The County's financial contribution for the year was \$167,597. The intergovernmental agreement of formation of the CWCP provides that the pool will be financially self-sustaining through member contributions and additional assessments, if necessary, and the pool will purchase excess insurance through commercial companies for members' claims in excess of a specified self-insured retention, which is determined each policy year. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Colorado Counties Casualty and Property Pool

The County is exposed to various risks of loss related to property and casualty losses. The County 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 County's financial contribution for the year was \$137,351. The intergovernmental agreement of formation of the CAPP provides that the pool will be financially self-sustaining through member contributions and additional assessments, if necessary, and the pool will purchase excess insurance through commercial companies for members' claims in excess of a specified self-insured retention, which is determined each policy year.

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; claims relating to professional liability; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. There has been no significant reduction in insurance coverage from the prior year in any of the major categories of risk.

WASHINGTON COUNTY, COLORADO
Notes to Financial Statements

Note H – Pension plans

The County contributes to the Colorado County Officials and Employees Retirement Plan (the Plan), a cost-sharing, multiple-employer defined contribution plan administered by the Colorado County Officials and Employees Retirement Association (CCOERA). The Plan was established by the State Legislature under Title 24, Article 54 of the Colorado Revised Statutes (CRS), as amended, in order to provide benefits at retirement to employees and officers of the County. At year-end, there were 107 plan members. Plan members are required to contribute at a rate of 3% of covered salary. The County is required to contribute 3% of covered payroll. In accordance with the provisions of the Plan, the County and its employees and officers each contributed \$96,231 to the Plan during the year. Plan provisions and contribution requirements are established and may be amended under Title 24, Article 54, Part 101 of the CRS, as amended. CCOERA issues a publicly available annual financial report that includes financial statements and required supplementary information for the Plan. That report may be obtained by writing to CCOERA, 4949 South Syracuse, Suite 400, Denver, Colorado 80237 or by calling (303) 713-9400 in the Denver metro area, or 1-800-352-0313 from outside the metro area.

Note I – Deferred compensation plans

The County has a deferred compensation plan created in accordance with the Internal Revenue Code Section 457. The plan is administered by an independent plan administrator through an administrative service agreement. The plan is available to all County employees working a minimum of twenty hours per week. Employees defer a portion of their salary until future years. Deferred compensation is not available to employees until termination, retirement, death or financial hardship.

Amendments to the laws governing Section 457 deferred compensation plans substantially became effective January 1, 1997. The County approved plan amendments such that plan assets are held in trust for the exclusive benefit of the plan participants and their beneficiaries. The assets will not be diverted to any other purpose.

WASHINGTON COUNTY, COLORADO
Notes to Financial Statements

Note J – Joint venture

The County participates in the County Technical Services, Inc. Insurance Pool (the Pool). This joint venture does not meet the criteria for inclusion within the reporting entity because the Pool:

- is financially independent and responsible for its own financing deficits and entitled to its own surpluses,
- has a separate governing board from that of the County,
- has a separate management which is responsible for day to day operations and is accountable to the separate governing board,
- governing board and management have the ability to significantly influence operations by approving budgetary requests and adjustments, signing contracts, hiring personnel, exercising control over facilities and determining the outcome or disposition of matters affecting the recipients of services provided, and
- has absolute authority over all funds and fiscal responsibility including budgetary responsibility and reporting to state agencies and controls fiscal management.

The County has one member on the board. This board has final authority for all budgeting and financing of the joint venture.

Separate financial statements of the County Technical Services, Inc. Insurance Pool are available by contacting their administrative office in Denver, Colorado.

Note K – Commitments and contingencies

Federal and state funding

The County receives revenues from various federal and state grant programs which are subject to final review and approval by the grantor agencies. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time although the County expects such amounts, if any, to be immaterial.

TABOR Amendment

In November 1992, Colorado voters passed an amendment, commonly known as the Taxpayer's Bill of Rights (TABOR), to the State Constitution (Article X, Section 20) which limits the revenue raising and spending abilities of state and local governments. The limits on property taxes, revenue, and "fiscal year spending" include allowable annual increases tied to inflation and local growth. Fiscal year spending as defined by the amendment excludes spending from certain revenue and financing sources such as federal funds, gifts, property sales, fund transfers, damage awards, and fund reserves (balances). The amendment requires voter approval for any increase in mill levy or tax rates, new taxes, or

WASHINGTON COUNTY, COLORADO
Notes to Financial Statements

Note K – Commitments and contingencies (Continued)

creation of multi-year debt. Revenue earned in excess of the “spending limit” must be refunded or approved to be retained by the County under specified voting requirements by the entire electorate. In 1996, the voters of the County approved a ballot initiative permitting the County to retain, appropriate, and utilize, by retention for reserve, carryover fund balance, or expenditure, the full proceeds and revenues received from every source whatsoever, without limitation, in this fiscal year and all subsequent fiscal years notwithstanding any limitation of Article X, Section 20 of the Colorado Constitution. TABOR is complex and subject to judicial interpretation.

The County believes it is in compliance with the requirements of TABOR. However, the County has made certain interpretations of TABOR’s language in order to determine its compliance. The County has restricted funds in the amount of \$391,000 in the Contingent Fund and General Fund in satisfaction of this requirement.

Local government investment laws

The County Treasurer has invested funds in two annuity contracts with a fair value at year-end of \$1,784,382 with maturity dates of four years from the date of purchase. Colorado Revised Statutes limit the maturity date for annuity contracts to no more than three years from the date of purchase. This may be a violation of local government investment laws.

The County Treasurer has also invested funds in a municipal bond with a fair value at year-end of \$52,381 which has received only one rating of “Aa3” from Moody’s Investors Service, Inc. Colorado Revised Statutes require that general obligations of any state other than Colorado have at least two credit ratings at or above “AA” or its equivalent from nationally recognized statistical rating organizations. This may be a violation of local government investment laws.

Note L – Restatement of Beginning Net Position

The County adopted GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. This statement requires that debt issuance costs, except for any portion related to prepaid insurance costs, to be recognized as an expense in the period incurred. Due to this adoption, the County’s beginning net position in the governmental activities has been restated in the current period as follows:

Net position at beginning of year, as originally reported	\$ 18,083,623
Unamortized debt issuance costs at beginning of year	<u>(20,170)</u>
Net position at beginning of year, as restated	<u>\$ 18,063,453</u>

WASHINGTON COUNTY, COLORADO
Notes to Financial Statements

Note M - Noncash program activity

Schedule of EBT Authorizations, Warrant Expenditures and Total Expenditures

Program	A	B	C	D	E
	County EBT Authorizations	County Share of Authorizations	Expenditures by County Warrant	County EBT Authorizations plus Expenditures by County Warrant (Col. A + Col. C)	Total Expenditures (Col. B + Col. C)
Colorado works	46,011	9,353	69,014	115,025	78,367
Child care	28,537	5,108	25,028	53,565	30,136
Child welfare	256,344	55,267	342,391	598,735	397,658
County administration	-	-	118,917	118,917	118,917
Core services	45,408	-	19,501	64,909	19,501
Adult protective services	-	-	17,331	17,331	17,331
Child support	-	-	58,422	58,422	58,422
Low-income home energy assistance	67,934	-	7,237	75,171	7,237
Aid to needy disabled	4,440	888	-	4,440	888
Old age pension	58,255	-	2,449	60,704	2,449
Food assistance job search	-	-	18,077	18,077	18,077
Title XX training	-	-	18,863	18,863	18,863
Parental fee	-	-	2,880	2,880	2,880
Enhanced funding	-	-	486	486	486
Miscellaneous	-	-	32,405	32,405	32,405
Subtotal	506,929	70,616	733,001	1,239,930	803,617
Food assistance	358,557	-	-	358,557	-
Grand total	865,486	70,616	733,001	1,598,487	803,617

- A. Welfare payments authorized by the Washington County Department of Human Services. These debit cards or by electronic funds transfer (EFT).
- B. County share of EBT authorizations. These amounts are settled monthly by a reduction of State cash advances to the county.
- C. Expenditures made by county warrants or other county payment methods.
- D. This represents the total cost of the welfare programs that are administered by Washington County.
- E. This total matches the expenditures on the Human Services Fund - Budgetary Comparison Schedule.

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**Required Supplementary Information
(Other than MD&A)**

Required supplementary information includes financial information and disclosures that are required by the Governmental Accounting Standards Board but are not considered a part of the basic financial statements. Such information includes:

- Budgetary Comparison Schedule – General Fund
- Budgetary Comparison Schedule – Road and Bridge Fund
- Budgetary Comparison Schedule – Human Services Fund
- Budgetary Comparison Schedule – Justice Center Fund

WASHINGTON COUNTY, COLORADO
General Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Taxes				
General property	\$ 3,107,362	\$ 3,107,362	\$ 3,109,941	\$ 2,579
Delinquent taxes and interest	1,950	1,950	7,605	5,655
Tax advertising	5,500	5,500	4,560	(940)
Tax sale			2,262	2,262
Severance tax	18,000	18,000	15,743	(2,257)
Total taxes	3,132,812	3,132,812	3,140,111	7,299
Intergovernmental				
Federal and state grants	86,372	87,372	114,064	26,692
Cigarette taxes	900	900	500	(400)
State veterans affairs	1,200	1,200	1,200	-
Total intergovernmental	88,472	89,472	115,764	26,292
Fines and forfeitures	4,700	4,700	2,169	(2,531)
Licenses and permits	12,000	12,000	9,397	(2,603)
Charges for services				
Public trustee's fees	9,000	9,000	7,763	(1,237)
County clerk's fees	172,500	172,500	190,493	17,993
County treasurer's fees	235,000	235,000	222,136	(12,864)
Sheriff's fees	24,300	24,300	39,990	15,690
Rents	16,000	16,000	23,361	7,361
Law enforcement contracts	199,200	199,200	199,200	-
Total charges for services	656,000	656,000	682,943	26,943
Miscellaneous				
County fair	260,075	310,775	299,402	(11,373)
Earnings on investments	40,400	40,400	82,578	42,178
Insurance proceeds			1,831	1,831
Other revenues	28,665	28,665	31,651	2,986
Total miscellaneous	329,140	379,840	415,462	35,622
Total revenues	4,223,124	4,274,824	4,365,846	91,022

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Favorable (Unfavorable)
Expenditures				
General government				
Commissioners	235,090	235,090	228,292	6,798
Attorney	140,291	140,291	111,761	28,530
Planning and zoning	6,950	6,950	3,028	3,922
Auditor - contract services	22,500	22,500	21,650	850
Administration	319,365	319,365	299,509	19,856
Clerk	276,728	276,728	261,324	15,404
Elections	38,800	38,800	36,221	2,579
Public trustee	14,725	14,725	8,995	5,730
Treasurer	190,521	190,521	186,418	4,103
Assessor	283,767	283,767	235,904	47,863
Maintenance	242,180	245,725	245,725	-
Total general government	1,770,917	1,774,462	1,638,827	135,635
Judicial and public safety				
District attorney	90,000	90,000	90,000	-
Sheriff	801,256	903,364	900,040	3,324
Jail	175,200	179,096	179,096	-
Coroner	60,606	60,606	49,331	11,275
Emergency preparedness	70,770	71,282	71,282	-
Total judicial and public safety	1,197,832	1,304,348	1,289,749	14,599
Health and welfare				
Allocations to other agencies	80,324	80,324	75,249	5,075

(continued)

WASHINGTON COUNTY, COLORADO
General Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2013

(continued)

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Auxiliary services				
Extension service	201,563	210,887	210,887	-
County fair	290,523	341,237	338,469	2,768
Fairgrounds complex	41,659	41,659	40,873	786
Bookmobile	5,180	5,180	5,180	-
Veterans office	8,819	8,819	7,202	1,617
Economic development	8,360	8,360	6,479	1,881
Fiscal agent services		52	52	-
W-Y communication center	216,128	216,128	209,657	6,471
Total auxiliary services	772,232	832,322	818,799	13,523
Miscellaneous				
Treasurer's fees and other	93,074	93,074	97,059	(3,985)
Capital outlay		1,014	1,014	-
Total expenditures	3,914,379	4,085,544	3,920,697	164,847
Excess of revenues over (under) expenditures	308,745	189,280	445,149	255,869
Other financing sources				
Proceeds from sale of assets			500	500
Total other financing sources	-	-	500	500
Net change in fund balance	\$ 308,745	\$ 189,280	445,649	\$ 256,369
Fund balance at beginning of year			1,773,230	
Fund balance at end of year			\$ 2,218,879	

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WASHINGTON COUNTY, COLORADO
Road and Bridge Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Taxes				
General property	\$ 158,539	\$ 158,539	\$ 158,244	\$ (295)
Specific ownership	325,000	481,590	500,704	19,114
Delinquent taxes and interest	105	105	387	282
Total taxes	483,644	640,234	659,335	19,101
Intergovernmental				
Highway users tax	2,735,000	2,907,368	2,942,373	35,005
State grant		78,954		(78,954)
Motor vehicle fees	25,500	25,500	26,899	1,399
Mineral lease	7,007	7,007	7,012	5
Flood disaster revenue		7,253	294,886	287,633
Total intergovernmental	2,767,507	3,026,082	3,271,170	245,088
Licenses and permits	5,500	14,725	14,725	-
Charges for services				
Easements and fees	5,000	5,000	3,530	(1,470)
Rents	5,465	5,465		(5,465)
Total charges for services	10,465	10,465	3,530	(6,935)
Miscellaneous				
Miscellaneous	300	300	946	646
Total miscellaneous	300	300	946	646
Total revenues	3,267,416	3,691,806	3,949,706	257,900
Expenditures				
General government				
Treasurer's fees	25,000	25,000	28,634	(3,634)
Remittance to municipalities	5,450	5,450	5,512	(62)
Total general government	30,450	30,450	34,146	(3,696)

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Public works				
Construction	420,000	420,000	337,294	82,706
Maintenance of condition	1,756,035	1,756,035	1,784,574	(28,539)
Administrative	228,035	228,035	232,225	(4,190)
Total public works	2,404,070	2,404,070	2,354,093	49,977
Capital outlay	600,000	600,000	569,169	30,831
Total expenditures	3,034,520	3,034,520	2,957,408	77,112
Excess of revenues over (under) expenditures	232,896	657,286	992,298	335,012
Other financing sources				
Proceeds from sale of assets		3,670	3,670	-
Total other financing sources	-	3,670	3,670	-
Net change in fund balance	\$ 232,896	\$ 660,956	995,968	\$ 335,012
Fund balance at beginning of year			4,298,962	
Fund balance at end of year			\$ 5,294,930	

WASHINGTON COUNTY, COLORADO
Human Services Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Taxes				
General property	\$ 221,884	\$ 221,884	\$ 222,018	\$ 134
Delinquent taxes and interest	25	25	77	52
Total taxes	221,909	221,909	222,095	186
Intergovernmental				
Colorado works	61,590	61,590	60,453	(1,137)
Child care	27,900	27,900	20,786	(7,114)
Child welfare	320,741	320,741	284,246	(36,495)
County administration	87,932	87,932	87,991	59
Core services	45,111	45,111	12,982	(32,129)
Child support	32,010	32,010	40,915	8,905
Low-income home energy assistance	11,700	11,700	7,237	(4,463)
Old age pension	3,300	3,300	2,449	(851)
Food assistance job search	10,400	10,400	15,168	4,768
Adult protective services			13,865	13,865
Federal and state incentives	3,500	3,500	5,662	2,162
Senate Bill 80	1,000	1,000		(1,000)
Parental fee	5,000	5,000	2,880	(2,120)
Enhanced funding	5,000	5,000	486	(4,514)
Title XX training	16,000	16,000	15,091	(909)
Miscellaneous	11,400	11,400	13,335	1,935
Total intergovernmental	642,584	642,584	583,546	(59,038)
Total revenues	864,493	864,493	805,641	(58,852)

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Favorable
				(Unfavorable)
Expenditures				
Health and welfare				
Colorado works	71,000	71,000	78,367	(7,367)
Child care	33,000	33,000	30,136	2,864
Child welfare	339,250	339,250	397,658	(58,408)
County administration	139,900	139,900	118,917	20,983
Core services	67,000	67,000	19,501	47,499
Child support	48,500	48,500	58,422	(9,922)
Low-income home energy				
assistance	11,700	11,700	7,237	4,463
Old age pension	3,300	3,300	2,449	851
Food assistance job search	20,500	20,500	18,077	2,423
Adult protective services			17,331	(17,331)
Senate Bill 80	1,000	1,000		1,000
Parental fee	5,000	5,000	2,880	2,120
Enhanced funding			486	(486)
Title XX training	20,000	20,000	18,863	1,137
Aide to the needy disabled			888	(888)
Miscellaneous	14,500	14,500	32,405	(17,905)
Total health and welfare	774,650	774,650	803,617	(28,967)
Appropriated reserves	43,988	43,988		43,988
Total expenditures	818,638	818,638	803,617	15,021
Excess of revenues over				
expenditures	\$ 45,855	\$ 45,855	2,024	\$ (43,831)
Fund balance at beginning of year			470,569	
Fund balance at end of year			\$ 472,593	

WASHINGTON COUNTY, COLORADO
Justice Center Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Intergovernmental				
Grant revenues			\$ 20,741	\$ 20,741
Charges for services				
Inmate housing and related revenues	\$ 3,074,423	\$ 3,074,423	3,077,262	2,839
Miscellaneous				
Other revenues	800	800	2,112	1,312
Total revenues	3,075,223	3,075,223	3,100,115	24,892
Expenditures				
General government				
Treasurer's fees	30,752	30,752	26,087	4,665
Public safety				
Salaries and benefits	1,273,515	1,273,515	1,035,702	237,813
Operating expenditures	694,808	694,808	618,181	76,627
Purchased services	204,830	204,830	199,419	5,411
Miscellaneous	14,750	14,750	9,934	4,816
Total public safety	2,187,903	2,187,903	1,863,236	324,667
Capital outlay	100,000	100,000	16,863	83,137
Debt service				
Principal	509,453	509,453	558,953	(49,500)
Interest and fiscal charges	152,378	152,378	152,378	-
Total debt service	661,831	661,831	711,331	(49,500)
Total expenditures	2,980,486	2,980,486	2,617,517	362,969
Excess of revenues over (under) expenditures	\$ 94,737	\$ 94,737	482,598	\$ 387,861
Fund balance at beginning of year			1,440,586	
Fund balance at end of year			\$ 1,923,184	

WASHINGTON COUNTY, COLORADO
Notes to Required Supplementary Information

Note A – Budgetary data

Annual budgets are established for all funds of the County. Budgets for all funds are adopted on a basis consistent with generally accepted accounting principles.

An appropriated budget for the entity as a whole is prepared on a detailed basis. Revenues are budgeted by source. Expenditures are budgeted by department and the major divisions thereof and by each independent office and agency and by the principal objects of expenditure. The legal level of control is considered to be at the individual fund level and expenditures may not exceed appropriations at this level. All budget revisions at this level are subject to final review and approval by the Board of County Commissioners. Within these control levels, management may transfer appropriations without the Board of County Commissioners approval. Revisions to the budget were made throughout the year.

The County follows these procedures in establishing the budgetary data reflected in the financial statements:

- Prior to October 15th, the budget officer submits to the Board of County Commissioners a proposed operating budget for the fiscal year commencing the following January 1st for all funds, except agency funds.
- The budget is prepared using the modified accrual basis of accounting.
- Public hearings are conducted to obtain taxpayer comments.
- Prior to December 31st, the budget is legally adopted through passage of adoption and appropriation resolutions.

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Other Supplementary Information

Other supplementary information includes financial statements and schedules not required by the Governmental Accounting Standards Board, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

Such statements and schedules include:

- Combining Statements and Budgetary Comparison Schedules – Nonmajor Governmental Funds
- Budgetary Comparison Schedule – Hospital Memorial Fund

WASHINGTON COUNTY, COLORADO
Nonmajor Governmental Funds
Combining Balance Sheet
For the Year Ended December 31, 2013

	Special Revenue Funds			
	Television Translator Fund	Conservation Trust Fund	Capital Expenditures Fund	Contingent Fund
Assets				
Cash and cash investments	\$ 113,522	\$ 155,036	\$ 673,200	\$ 329,172
Property taxes receivable	32,946		197,809	
Other receivables		6,903		
Due from other funds				
Inventory				
Prepaid items				
Total assets	\$ 146,468	\$ 161,939	\$ 871,009	\$ 329,172
Liabilities and fund balance				
Liabilities				
Accounts payable	\$ 1,826		\$ 10,285	
Due to county treasurer				
Cash held for others				
Unearned other revenues				
Total liabilities	1,826	\$ -	10,285	\$ -
Deferred inflows of resources				
Deferred property tax revenues	32,946		197,809	
Total deferred inflows of resources	32,946	-	197,809	-
Fund balance				
Nonspendable for:				
Inventory				
Prepays				
Restricted for:				
Emergencies				329,172
Culture and recreation		161,939		
Committed to:				
Capital projects			662,915	
Culture and recreation	111,696			
Health and welfare				
Public works				
Total fund balance (deficit)	111,696	161,939	662,915	329,172
Total liabilities, deferred inflows of resources and fund balance	\$ 146,468	\$ 161,939	\$ 871,009	\$ 329,172

Special Revenue Funds

Nursing Home Construction Fund	Solid Waste Disposal Fund	Medical Reserve Corp Fund	Health Care Fund	Total Nonmajor Governmental Funds
\$ 337	\$ 792,871 131,785 5,617	\$ 14,638	\$ 595,027 109,467 1,000 31,859 171,000	\$ 2,673,803 362,540 121,987 1,000 31,859 171,000
<u>\$ 337</u>	<u>\$ 930,273</u>	<u>\$ 14,638</u>	<u>\$ 908,353</u>	<u>\$ 3,362,189</u>
	\$ 1,890 4,385	\$ 1,597	\$ 11,492 31,895 22,098	\$ 27,090 4,385 31,895 22,098
\$ -	6,275	1,597	65,485	85,468
	131,785			362,540
-	131,785	-	-	362,540
			31,859 171,000	31,859 171,000
337				329,172 161,939
	792,213	13,041	640,009	663,252 111,696 653,050 792,213
337	792,213	13,041	842,868	2,914,181
<u>\$ 337</u>	<u>\$ 930,273</u>	<u>\$ 14,638</u>	<u>\$ 908,353</u>	<u>\$ 3,362,189</u>

WASHINGTON COUNTY, COLORADO
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended December 31, 2013

	Special Revenue Funds			
	Television Translator Fund	Conservation Trust Fund	Capital Expenditures Fund	Contingent Fund
Revenues				
Taxes	\$ 63,453		\$ 158,631	\$ 31,857
Intergovernmental	3	\$ 28,183	8	
Charges for services				
Miscellaneous	2,255	157		
Total revenues	65,711	28,340	158,639	31,857
Expenditures				
Current				
General government	1,904		4,827	18,430
Culture and recreation	40,781			
Public works				
Health and welfare				
Capital outlay			81,041	
Debt service				
Principal				195,935
Interest and fiscal charges				1,146
Total expenditures	42,685	-	85,868	215,511
Excess of revenues over (under) expenditures	23,026	28,340	72,771	(183,654)
Other financing sources				
Loan proceeds				
Net change in fund balance	23,026	28,340	72,771	(183,654)
Fund balance (deficit) at beginning of year	88,670	133,599	590,144	512,826
Fund balance at end of year	\$ 111,696	\$ 161,939	\$ 662,915	\$ 329,172

Special Revenue Funds

Nursing Home Construction Fund	Solid Waste Disposal Fund	Medical Reserve Corp Fund	Health Care Fund	Total Nonmajor Governmental Funds
	\$ 95,180		\$ 523,924	\$ 873,045
	5	\$ 17,435	25,385	71,019
	62,110		324,071	386,181
\$ 337	1,180		94,349	98,278
337	158,475	17,435	967,729	1,428,523
	3,477		1,365	30,003
	161,912			40,781
1,011		4,394	831,417	161,912
17,263			15,170	836,822
			99,410	113,474
			3,218	295,345
18,274	165,389	4,394	950,580	4,364
(17,937)	(6,914)	13,041	17,149	1,482,701
20,823				(54,178)
2,886	(6,914)	13,041	17,149	20,823
(2,549)	799,127	-	825,719	(33,355)
\$ 337	\$ 792,213	\$ 13,041	\$ 842,868	\$ 2,947,536
				2,914,181

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WASHINGTON COUNTY, COLORADO
Television Translator Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Taxes				
General property	\$ 63,416	\$ 63,416	\$ 63,298	\$ (118)
Delinquent taxes and interest	6	6	155	149
Total taxes	63,422	63,422	63,453	31
Intergovernmental				
Grants			3	3
Miscellaneous				
Other revenues		615	2,255	1,640
Total revenues	63,422	64,037	65,711	1,674
Expenditures				
General government				
Treasurer's fees	1,400	1,400	1,904	(504)
Culture and recreation				
Insurance	1,397	1,397	1,397	-
Repairs and maintenance	27,334	27,334	21,704	5,630
Utilities	15,000	15,000	17,680	(2,680)
Total culture and recreation	43,731	43,731	40,781	2,950
Total expenditures	45,131	45,131	42,685	2,446
Excess of revenues over expenditures	<u>\$ 18,291</u>	<u>\$ 18,906</u>	23,026	<u>\$ 4,120</u>
Fund balance at beginning of year			<u>88,670</u>	
Fund balance at end of year			<u>\$ 111,696</u>	

WASHINGTON COUNTY, COLORADO
Conservation Trust Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Intergovernmental				
Lottery funds	\$ 22,500	\$ 22,500	\$ 28,183	\$ 5,683
Miscellaneous				
Earnings on investments			157	157
Other revenues	10,250	10,250		(10,250)
Total miscellaneous	10,250	10,250	157	(10,093)
Total revenues	32,750	32,750	28,340	(4,410)
Expenditures				
Culture and recreation				
Improvements	50,000	50,000		50,000
Excess of revenues over (under) expenditures	\$ (17,250)	\$ (17,250)	28,340	\$ 45,590
Fund balance at beginning of year			133,599	
Fund balance at end of year			\$ 161,939	

WASHINGTON COUNTY, COLORADO
Capital Expenditures Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Taxes				
General property	\$ 158,539	\$ 158,539	\$ 158,244	\$ (295)
Delinquent taxes and interest	25	25	387	362
Total taxes	158,564	158,564	158,631	67
Intergovernmental				
Impact assistance			8	8
Grants	17,500	17,500		(17,500)
Total intergovernmental	17,500	17,500	8	(17,492)
Total revenues	176,064	176,064	158,639	(17,425)
Expenditures				
General government				
Treasurer's fees	5,264	5,264	4,827	437
Capital outlay	204,500	204,500	81,041	123,459
Total expenditures	209,764	209,764	85,868	123,896
Excess of revenues over (under) expenditures	<u>\$ (33,700)</u>	<u>\$ (33,700)</u>	72,771	<u>\$ 106,471</u>
Fund balance at beginning of year			<u>590,144</u>	
Fund balance at end of year			<u>\$ 662,915</u>	

WASHINGTON COUNTY, COLORADO
Contingent Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Taxes				
General property	\$ 31,835	\$ 31,835	\$ 31,776	\$ (59)
Delinquent taxes and interest	9	9	81	72
Total revenues	31,844	31,844	31,857	13
Expenditures				
General government				
Treasurer's fees	1,750	1,750	956	794
Contingency reserve	35,000	214,555	17,474	197,081
Total general government	36,750	216,305	18,430	197,875
Debt service				
Principal			195,935	(195,935)
Interest and fiscal charges			1,146	(1,146)
Total debt service	-	-	197,081	(197,081)
Total expenditures	36,750	216,305	215,511	794
Excess of revenues over (under) expenditures	<u>\$ (4,906)</u>	<u>\$ (184,461)</u>	(183,654)	<u>\$ 807</u>
Fund balance at beginning of year			512,826	
Fund balance at end of year			<u>\$ 329,172</u>	

WASHINGTON COUNTY, COLORADO
Nursing Home Construction Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Earnings on investments	\$ -	\$ -	\$ 337	\$ 337
Expenditures				
Health and welfare				
Operating expenditures			1,011	(1,011)
Capital outlay	5,750,000	5,750,000	17,263	5,732,737
Total expenditures	5,750,000	5,750,000	18,274	5,731,726
Excess of revenues under expenditures	(5,750,000)	(5,750,000)	(17,937)	5,732,063
Other financing sources				
Loan proceeds	6,000,000	6,000,000	20,823	(5,979,177)
Net change in fund balance	\$ 250,000	\$ 250,000	2,886	\$ (247,114)
Fund balance (deficit) at beginning of year			(2,549)	
Fund balance at end of year			\$ 337	

WASHINGTON COUNTY, COLORADO
Solid Waste Disposal Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Taxes				
General property	\$ 95,123	\$ 95,123	\$ 94,946	\$ (177)
Delinquent taxes and interest	4	4	234	230
Total taxes	95,127	95,127	95,180	53
Intergovernmental				
Impact assistance	4	4	5	1
Charges for services				
Landfill charges	110,247	110,247	62,110	(48,137)
Miscellaneous				
Interest on investments	6,552	6,552	1,180	(5,372)
Total revenues	211,930	211,930	158,475	(53,455)
Expenditures				
General government				
Treasurer's fees	3,697	3,697	3,477	220
Public works				
Salaries and benefits	78,054	78,054	68,484	9,570
Operating expenditures	62,000	71,897	84,273	(12,376)
Purchased services	11,960	11,960	9,155	2,805
Total public works	152,014	161,911	161,912	(1)
Total expenditures	155,711	165,608	165,389	219
Excess of revenues over (under) expenditures	\$ 56,219	\$ 46,322	(6,914)	\$ (53,236)
Fund balance at beginning of year			799,127	
Fund balance at end of year			\$ 792,213	

WASHINGTON COUNTY, COLORADO
Medical Reserve Corp Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Intergovernmental				
Grant revenues	\$ -	\$ 17,435	\$ 17,435	\$ -
Expenditures				
Health and welfare				
Operating expenditures		4,394	4,394	-
Excess of revenues over expenditures	\$ -	\$ 13,041	13,041	\$ -
Fund balance at beginning of year			-	
Fund balance at end of year			\$ 13,041	

WASHINGTON COUNTY, COLORADO
Health Care Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Taxes				
General property	\$ 1	\$ 1		\$ (1)
Delinquent taxes and interest	5	5	\$ 2	(3)
Sales tax	400,000	518,620	523,922	5,302
Total taxes	400,006	518,626	523,924	5,298
Intergovernmental				
Grant revenues	12,000	12,000	25,385	13,385
Charges for services				
Clinic services	229,800	229,800	209,223	(20,577)
Ambulance services	110,000	110,000	114,848	4,848
Total charges for services	339,800	339,800	324,071	(15,729)
Miscellaneous				
Contributions			700	700
Administrative reimbursement	89,781	89,781	80,675	(9,106)
Miscellaneous	6,500	6,500	12,974	6,474
Total miscellaneous	96,281	96,281	94,349	(1,932)
Total revenues	848,087	966,707	967,729	1,022
Expenditures				
General government				
Treasurer's fees	1,250	1,250	1,365	(115)
Health and welfare				
Administrative				
Scholarship recruitment	15,000	15,000	13,599	1,401
Ambulance				
Salaries and benefits	222,619	222,619	229,131	(6,512)
Operating expenditures	57,030	212,606	48,230	164,376
Purchased services	11,900	11,900	19,476	(7,576)
Total ambulance	291,549	447,125	296,837	150,288

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Clinic				
Salaries and benefits	238,854	238,854	241,860	(3,006)
Operating expenditures	163,570	163,570	154,194	9,376
Purchased services	8,250	8,250	32,244	(23,994)
Total clinic	410,674	410,674	428,298	(14,618)
Nursing home				
Salaries and benefits	91,872	91,872	82,645	9,227
Operating expenditures	2,350	66,829	3,082	63,747
Operating subsidy	30,000	30,000	6,956	23,044
Total nursing home	124,222	188,701	92,683	96,018
Total health and welfare	841,445	1,061,500	831,417	230,083
Capital outlay	69,000	69,000	15,170	53,830
Debt service				
Principal			99,410	(99,410)
Interest and fiscal charges			3,218	(3,218)
Total debt service	-	-	102,628	(102,628)
Total expenditures	911,695	1,131,750	950,580	181,170
Excess of revenues over (under) expenditures	<u>\$ (63,608)</u>	<u>\$ (165,043)</u>	17,149	<u>\$ 182,192</u>
Fund balance at beginning of year			825,719	
Fund balance at end of year			<u>\$ 842,868</u>	

WASHINGTON COUNTY, COLORADO
Hospital Memorial Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Earnings on investments	\$ -	\$ -	\$ 134	\$ 134
Expenditures				
Scholarships				-
Excess of revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	134	<u>\$ 134</u>
Net position at beginning of year			<u>4,807</u>	
Net position at end of year			<u>\$ 4,941</u>	

**Colorado Department of Highways
Local Highway Finance Report**

This calendar-year report of receipts and expenditures is required by the Colorado Department of Highways to maintain Statewide accountability for moneys used for highway and street purposes. To ensure data accuracy, House Bill 1008 mandates that this report be included in the County's financial statements.

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

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

This Information From The Records Of (Washington County):	Prepared By: Chris Packer Phone: (970) 345-2701
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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)	906,464
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	1,486,048
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	
2. General fund appropriations		b. Snow and ice removal	
3. Other local imposts (from page 2)	670,601	c. 2013 Flood recovery expense	5,327
4. Miscellaneous local receipts (from page 2)	22,388	d. Total (a. through c.)	5,327
5. Transfers from toll facilities		4. General administration & miscellaneous	266,372
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	
a. Bonds - Original Issues		6. Total (1 through 5)	2,664,212
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)	692,989	b. Redemption	
B. Private Contributions		c. Total (a. + b.)	0
C. Receipts from State government (from page 2)	3,022,368	2. Notes:	
D. Receipts from Federal Government (from page 2)	14,265	a. Interest	
E. Total receipts (A.7 + B + C + D)	3,729,622	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)	2,664,212

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
	4,003,121	3,729,622	2,664,212	5,068,532	(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	158,632	a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes	26,899	c. Parking Garage Fees	
2. Infrastructure & Impact Fees		d. Parking Meter Fees	
3. Licns	3,481	e. Sale of Surplus Property	3,670
4. Licenses		f. Charges for Services	18,455
5. Specific Ownership &/or Other	481,590	g. Other	
6. Total (1. through 5.)	511,970	h. Other (utility credits, refunds)	263
c. Total (a. + b.)	670,601	i. Total (a. through h.)	22,388
	(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	2,386,513	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	7,253
b. Project Match		c. HUD	
c. Motor Vehicle Registrations		d. Federal Transit Admin	
d. Other- DOT improvement Grant	115,000	e. U.S. Corps of Engineers	
e. Other (FASTER BILL FUNDING)	520,855	f. Other Federal	7,012
f. Total (a. through e.)	635,855	g. Total (a. through f.)	14,265
4. Total (1. + 2. + 3.f)	3,022,368	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		569,170	569,170
(4). System Enhancement & Operation		337,294	337,294
(5). Total Construction (1) + (2) + (3) + (4)	0	906,464	906,464
d. Total Capital Outlay (Lines I.a. + 1.b. + 1.c.5)	0	906,464	906,464
			(Carry forward to page 1)

Notes and Comments:

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Single Audit Section

In July 1996, the Single Audit Act Amendments of 1996 (the Act) was signed into law. As a result of the new Act, the Office of Management and Budget issued a revision to Circular A-133 titled *Audits of States, Local Governments, and Nonprofit Organizations*. This Circular was finalized and released in June 1997. The following schedules and reports are included in the County's financial statements in accordance with the requirements of the Act.

WASHINGTON COUNTY, COLORADO
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2013

Federal Grantor/Pass-through Grantor/ Program or Cluster Title	Federal CFDA Number	Federal Expenditures
<u>U.S. Department of Justice</u>		
Pass-through programs from:		
Colorado Division of Criminal Justice:		
Crime Victim Assistance	16.575	\$ 9,462
Violence Against Women Formula Grants	16.588	13,036
State Criminal Alien Assistance Program	16.606	973
		<hr/>
Total U.S. Department of Justice		23,471
<u>U.S. Department of Homeland Security</u>		
Pass-through program from:		
Colorado Office of Emergency Management:		
Emergency Management Performance Grant	97.042	34,078
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	252,759
		<hr/>
Total U.S. Department of Homeland Security		286,837
<u>U.S. Department of Health and Human Services</u>		
Pass-through programs from:		
Colorado Department of Human Services:		
Child Support Enforcement	93.563	52,345
Low-Income Home Energy Assistance	93.568	70,011
Stephanie Tubbs Jones Child Welfare Services Program	93.645	6,226
Foster Care - Title IV-E	93.658	98,922
Adoption Assistance	93.659	24,418
Social Services Block Grant	93.667	74,833
Other Federal Assistance	93.XXX	(13)
		<hr/>
Total U.S. Department of Health and Human Services		326,742
<u>SNAP Cluster</u>		
U.S. Department of Agriculture:		
Pass-through program from:		
Supplemental Nutrition Assistance Program	10.551	302
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	44,321
		<hr/>
Total SNAP Cluster		44,623

See accompanying Notes to Schedule of Expenditures of Federal Awards

Federal Grantor/Pass-through Grantor/ Program or Cluster Title	Federal CFDA Number	Federal Expenditures
<u>TANF Cluster</u>		
U.S. Department of Health and Human Services:		
Pass-through program from:		
Colorado Department of Human Services: Temporary Assistance for Needy Families	93.558	112,348
Total TANF Cluster		112,348
<u>CCDF Cluster</u>		
U.S. Department of Health and Human Services:		
Pass-through program from:		
Colorado Department of Human Services: Child Care and Development Block Grant	93.575	5,033
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	28,560
Total Child Care Cluster		33,593
<u>Medicaid Cluster</u>		
U.S. Department of Health and Human Services:		
Pass-through program from:		
Colorado Department of Human Services: Medical Assistance Program	93.778	22,313
Total Medicaid Cluster		22,313
Total expenditures of federal awards		\$ 849,927

WASHINGTON COUNTY, COLORADO
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2013

Note A – Basis of presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Washington County, Colorado and is presented on the modified accrual basis of accounting. The information in the schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Note B – Subrecipients

Of the federal expenditures presented in the Schedule of Expenditures of Federal Awards, the County provided federal awards to subrecipients as follows:

<u>Program title</u>	<u>Federal CFDA No.</u>	<u>Amount</u>
Temporary assistance to needy families	93.558	\$ <u>41,244</u>



**Independent Auditors' Report on Internal Control Over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards***

To the Board of County Commissioners
Washington County
Akron, Colorado

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Washington County, Colorado (the County), 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, and have issued our report thereon dated July 25, 2014.

Internal Control over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Lauer, Szabo & Associates, P.C.

Sterling, Colorado
July 25, 2014



**Independent Auditors' Report on Compliance For Each Major Program
and on Internal Control Over Compliance Required by OMB Circular A-133**

To the Board of County Commissioners
Washington County
Akron, Colorado

Report on Compliance for Each Major Federal Program

We have audited Washington County, Colorado's (the County) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on the County's major federal program for the year ended December 31, 2013. The County's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for the County's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the County's compliance.

Opinion on Each Major Federal Program

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

Report on Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

Lauer, Szabo & Associates, P.C.

Sterling, Colorado
July 25, 2014

WASHINGTON COUNTY, COLORADO
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2013

Summary of auditors' results

1. The auditors' report expresses an unmodified opinion on the financial statements of Washington County, Colorado (the County).
2. No significant deficiencies relating to the audit of the financial statements are reported in the Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
3. No instances of noncompliance material to the financial statements of the County were disclosed during the audit.
4. No significant deficiencies relating to the audit of the major federal award programs are reported in the Independent Auditors' Report on Compliance for Each Major Program and on Internal Control over Compliance Required by OMB Circular A-133.
5. The auditors' report on compliance for the major federal award programs of the County expresses an unmodified opinion on all major federal award programs.
6. The audit did not disclose any findings relative to the major federal award programs of the County.
7. The program tested as a major program was:

Disaster Grants – Public Assistance (Presidentially Declared Disasters)	CFDA No. 97.036
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8. The threshold for distinguishing Types A and B programs was \$300,000.
9. The County qualified as a low-risk auditee.

Findings – financial statement audit

We noted no findings that are required to be reported under *Government Auditing Standards*.

Findings and questioned costs – major federal award programs audit

We noted no findings or questioned costs that are required to be reported in accordance with OMB Circular A-133.

Prior year findings

There were no findings or questioned costs reported for the year December 31, 2012.