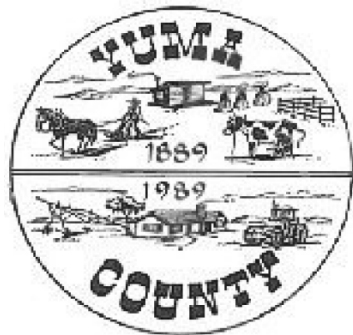


Yuma County, Colorado

Financial Report

December 31, 2013



**Yuma County, Colorado
Financial Report
December 31, 2013**

Table of Contents

	Page
INDEPENDENT AUDITOR'S REPORT	A1 – A3
Management's Discussion and Analysis	B1 – B9
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	C1
Statement of Activities	C2
Fund Financial Statements:	
Balance Sheets - Governmental Funds	C3
Reconciliation of Fund Balance to Statement of Net Position - Governmental Funds	C4
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	C5
Reconciliation of the Statement of Revenues, Expenditures And Changes in Fund Balances of Governmental Funds To the Statement of Activities	C6
Statement of Fiduciary Net Position - Fiduciary Funds	C7
Notes to the Financial Statements	D1 – D21
Required Supplementary Information:	
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual:	
General Fund	E1
Road and Bridge Fund	E2
Human Services Fund	E3
Grant Fund	E4
Water Authority Public Improvement District	E5

**Yuma County, Colorado
Financial Report
December 31, 2013**

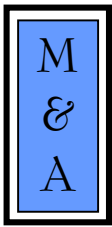
**Table of Contents
(Continued)**

Supplementary Information:

Combining Balance Sheet - Non-major Governmental Funds	F1
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Non-major Governmental Funds	F2
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual – Non-Major Special Revenue Funds:	
Capital Acquisitions Fund	F3
Landfill Fund	F4
Landfill Closure Fund	F5
Recreation Fund	F6
Conservation Trust Fund	F7
Useful Public Service Fund	F8
Sheriff's Victim Assistance and Grant Fund	F9
TASK Force Fund	F10
Separation of Employment Fund	F11
Self-Insurance Fund	F12
Annual Schedule of Revenues and Expenditures for Roads, Bridges and Streets	F13 - F14

Reports and Schedules for Reporting Requirements of OMB Circular A-133:

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed In Accordance with <i>Governmental Auditing Standards</i>	G1 – G2
Report on Compliance With Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance With OMB Circular A-133	G3 – G4
Schedule of Findings and Questioned Costs	G5
Schedule of Prior Audit Findings and Questioned Costs	G6
Schedule of Expenditures of Federal Awards	G7



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INDEPENDENT AUDITOR'S REPORT

**To the Board of County Commissioners
Yuma County, 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 Yuma 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 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 U.S. generally accepted accounting principles; 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 an opinion on these financial statements based on our audit. We conducted our audit in accordance with U.S. generally accepted auditing standards 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 includes performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including 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 County's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. 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 financial statement presentation.

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

Member: American Institute of Certified Public Accountants

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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 Yuma County, Colorado, as of December 31, 2013, and the respective changes in financial position thereof for the year then ended in accordance with U.S. generally accepted accounting principles.

Other Matters

U. S. generally accepted accounting principles require that Management's Discussion and Analysis in Section B 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 U.S. generally accepted auditing standards, 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.

The budgetary comparison information in section E is not a required part of the basic financial statements but is supplementary information required by U.S. generally accepted accounting principles. The budgetary comparison information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statements themselves, and other additional procedures in accordance with U.S. generally accepted auditing standards. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's financial statements taken as a whole. The combining fund financial statements, individual fund budgetary information, and the Local Highway Finance Report listed in the accompanying table of contents are presented for purposes of additional analysis and are not a required part of the County's financial statements. The combining fund financial statements, the individual fund budgetary information, and the Local Highway Finance Report are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with U.S. generally accepted auditing standards. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

**To the Board of County Commissioners
Yuma County, Colorado**

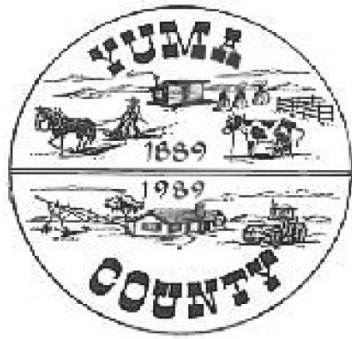
Additionally, the Schedule of Expenditures of Federal Awards included in the Single Audit section are presented for the purpose of additional analysis, as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and are not a required part of the County's financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statements themselves, and other additional procedures in accordance with U.S. generally accepted auditing standards. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 26, 2014, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

**McMahan and Associates, L.L.C.
September 26, 2014**

MANAGEMENT'S DISCUSSION AND ANALYSIS



Yuma County, Colorado

Management's Discussion and Analysis

December 31, 2013

As management of Yuma County, Colorado (the "County"), we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended December 31, 2013.

Financial Highlights

- The assets of Yuma County exceeded its liabilities at the close of the most recent fiscal year by \$36,609,961 (net position). Of this amount, \$16,093,821 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net position increased by \$1,279,027. A large portion of this is due to increases in property tax revenue and charges for services offset by a small decrease in total expenses.
- As of the close of the current fiscal year, the County governmental funds reported combined ending fund balances of \$21,469,085, an increase of \$1,339,530.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements are comprised of three components: 1) government-wide financial statements; 2) fund financial statements; and 3) notes to the financial statements. This report also provides other supplementary information in addition to the financial statements themselves.

Government-wide Financial Statements: The government-wide financial statements are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private-sector business.

The Statement of Net Position presents information on all of the County's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The Statement of Activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods.

The government-wide financial statements include not only the County itself (known as the primary government), but also two legally separate districts for which the County is financially accountable. The Yuma County Water Authority Public Improvement District is reported as a blended component unit of the County (as a special revenue fund) and the Yuma County Water Authority is reported as a discretely presented component unit. Financial information for the Yuma County Water Authority is reported separately from the financial information presented for the County.

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities). The governmental activities of the County include general government, judicial, public safety, health and human services, community auxiliary services, culture and recreation, public works (roads and bridges), and landfill.

The government-wide fund financial statements can be found on pages C1 and C2 of this report.

Fund Financial Statements: A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into two categories: 1) governmental funds; and 2) fiduciary funds.

Governmental Funds: Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements. The County's major governmental funds include the General Fund, Road and Bridge Fund, Human Services Fund, Grant Fund, and the Water Authority Public Improvement District, a blended component unit. The County also reports a number of non-major governmental funds. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. The Balance Sheet and the Statement of Revenues, Expenditures and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

General Fund: Administration of general County operations is accomplished through various departments within the General Fund. At the beginning of 2013, the fund balance was \$10,280,204; at the end of 2013, the fund balance was \$10,953,313. The following is a listing of the General Fund departments listed by function.

Administrative Operations:

- The Commissioners' Office coordinates County operations, financial reporting and accounting, budget preparation, and GIS mapping.
- The Commissioners' Attorney works under direction of the Commissioners.
- The Planning and Zoning Office monitors the change of land use within the County.
- The Assessor's Office appraises and assesses taxes for all property within the County.
- The Treasurer's Office collects taxes, fees and handles all County banking needs.
- The Clerk & Recorder's Office operates motor vehicle, recordings, runs all elections, and operates the driver's license department.
- The custodial staff under direction of the County Administrator oversees maintenance of the Courthouse and of the Health and Human Services building.

Judicial:

- The District Attorney's Office provides judicial services jointly with other counties within the district.

Public Safety:

- The Sheriff's Department, County Jail, Coroner's Office, Emergency Communication Center, and the Emergency Preparedness provide public safety.

Health

Health service agencies are:

- Wray, Yuma, Idalia, and South Y-W are the four ambulance services within the county licensed by the Board of County Commissioners. The Yuma Ambulance Agency is operating on its own revenue. When needed the County assists with purchases and maintains the ambulances for three agencies: Wray, Idalia and South Y-W. The agencies provide personnel, supplies and general operating costs for their ambulance agency.
- NE Colorado Health Department (NCHD) provides health care in Yuma County and five other regional counties.
- Centennial Mental Health Center Incorporated provides mental health counseling and services to Yuma County and nine other counties.

Community Auxiliary Services:

- Yuma County Fair is held during the month of August each year, under direction of the County Commissioners through the Yuma County Fair Board.
- The County is providing financial assistance to the Irrigation Research Foundation to support agriculture research.
- Economic Development provides assistance to retain current businesses and assists in attracting new business into the County.
- The Veterans' Office assists veterans living in the County.
- W-Y Communications is used to handle charges for communications towers and phone lines necessary for fire and ambulance communications.
- Yuma County provides funding to the Eastern Colorado Developmentally Disabled, Inc., which in turn provides services for developmentally disabled individuals in Yuma County and nine other counties.
- The Yuma County Water Authority Public Improvement District, which is reported as a blended component unit of the County, was created to address an imminent threat to the economic viability of a significant area within Yuma County and to assist in the State of Colorado's compliance with its obligations under a compact by purchasing surface water rights in the North Fork of the Republican River basin.

Intergovernmental Co-Operations:

- The County, in partnership with other counties of the region, supports the Extension Service, NE Colorado Association of Local Governments, NE Colorado Bookmobile, and NE Colorado Transportation Authority.
- The W-Y Communications Center dispatches E911 calls from Yuma and Washington Counties. Its operational revenues come from Washington County, Yuma County, and the Authority Board, which handles the telephone surcharge.

The County supports the Landfill along with the City of Yuma, City of Wray, and the Town of Eckley.

Governmental Funds - Special Revenue Funds: The County's special revenue funds account for specific revenues that are legally restricted to expenditures for particular purposes. The County's special revenue funds include the Road and Bridge Fund, Landfill Fund, Landfill Closure Fund, Human Services Fund, Recreation Fund, Conservation Trust Fund, Self Insurance Fund, Capital Acquisition Fund, Useful Public Service Fund, Sheriff's Victim Assistance and Grant Fund, Water Authority Public Improvement District Fund, TASK Force Fund, Separation of Employment Fund, and Gravel Fund.

Fiduciary Funds - Agency Funds: The County has assets held as an agent for other governments and/or other funds. The County Treasurer holds agency funds on behalf of other governments. The County Clerk is holding funds for the State of Colorado and others. The Employees' Section 125 Plan, Sheriff's funds, Public Trustee and Payroll Clearing Funds also had funds at year end. Sheriff's funds consist of the Sheriff's Inmate and Commissary account and Reserve Training and Equipment account. The Junior Livestock Sale fund holds funds for livestock sales from the County Fair auction. Information regarding the agency funds is available on page C7.

Notes and Schedules 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 in Section D of this report.

Schedules:

- The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found in Section F.
- The Annual *Schedule of Revenues and Expenditures for Roads, Bridges and Streets* is part of the Local Highway Finance Report sent to the State of Colorado (the "State").

The County uses fund accounting to ensure compliance with finance-related legal requirements. The County adopts annual appropriated budgets for all its funds in accordance with the requirements of the State of Colorado Budget Law. Budgetary comparison schedules have been provided to demonstrate compliance and can be found in sections E and F of this report.

Government-wide Financial Analysis:

As previously mentioned, the government-wide financial statements are designed to provide readers with a broad overview and long-term analysis of the County's finances, in a manner similar to a private-sector business. The following graph shows the County's net position for 2013 and 2012:

Yuma County's Net Position:

	Governmental Activities	
	2013	2012
Assets:		
Current and other assets	\$ 28,301,204	26,821,384
Capital assets, net	32,294,085	33,366,507
Total Assets	60,595,289	60,187,891
Liabilities:		
Other liabilities	4,182,594	4,380,109
Long-term liabilities	13,282,138	14,037,473
Total Liabilities	17,464,732	18,417,582
Deferred Inflows of Resources:		
Unavailable revenue	6,520,596	6,439,375
Total Deferred Inflows of Resources	6,520,596	6,439,375
Net Position:		
Net investment in Capital Assets	19,697,740	19,973,824
Restricted	818,400	910,544
Unrestricted	16,093,821	14,446,566
Total Net Position	\$ 36,609,961	35,330,934

Traditionally, the largest portion of any county investments is in its capital assets: land, water rights, buildings and improvements, equipment, machinery, and specialized tools necessary to deliver and/or provide services to the residents. Capital assets of the County account for 53% of its total assets; these assets are not an available source of payment of future spending.

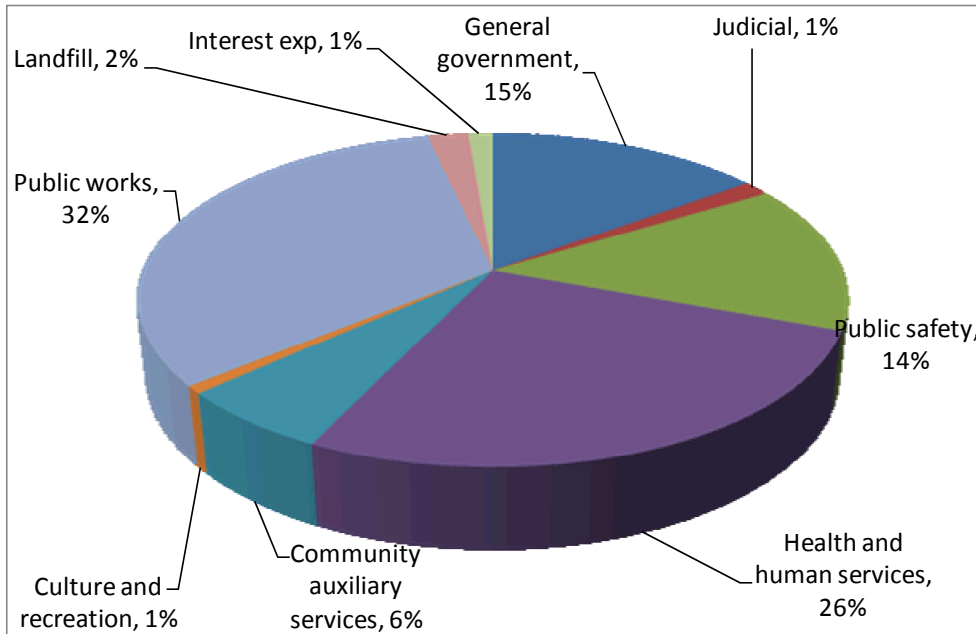
The County's net position increased \$1,279,027 during the current fiscal year. This increase is mostly attributable to conservative spending by reducing expenses over prior year.

Yuma County's Governmental Activities

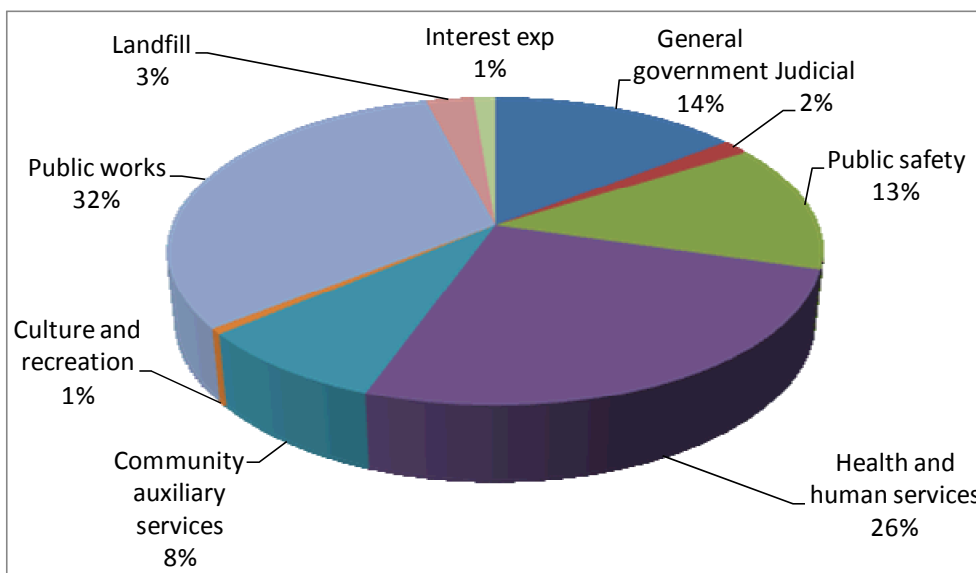
	Governmental Activities	
	<u>2013</u>	<u>2012</u>
Revenues:		
Program revenues:		
Charges for services	\$ 1,533,598	1,542,570
Grants and contributions	4,657,822	4,861,393
General revenues:		
Property taxes	7,255,139	7,482,389
Specific ownership taxes	687,958	613,667
Highway users tax	2,779,408	2,758,920
Interest & other revenue	245,640	253,840
Total Revenues	<u>17,159,565</u>	<u>17,512,779</u>
Expenses:		
General government	2,292,629	2,371,254
Judicial	256,473	233,213
Public safety	2,140,817	2,324,934
Health and human services	4,119,741	4,240,002
Community auxiliary services	1,313,132	980,306
Culture and recreation	93,387	117,174
Public works	5,023,349	5,213,839
Landfill	441,029	350,454
Interest expense	199,981	212,324
Total Expenses	<u>15,880,538</u>	<u>16,043,500</u>
Change in Net Position	1,279,027	1,469,279
Net Position - Beginning of Year	<u>35,330,934</u>	<u>33,861,655</u>
Net Position - End of Year	<u>\$ 36,609,961</u>	<u>35,330,934</u>

For 2013, the County had less available property tax revenues.

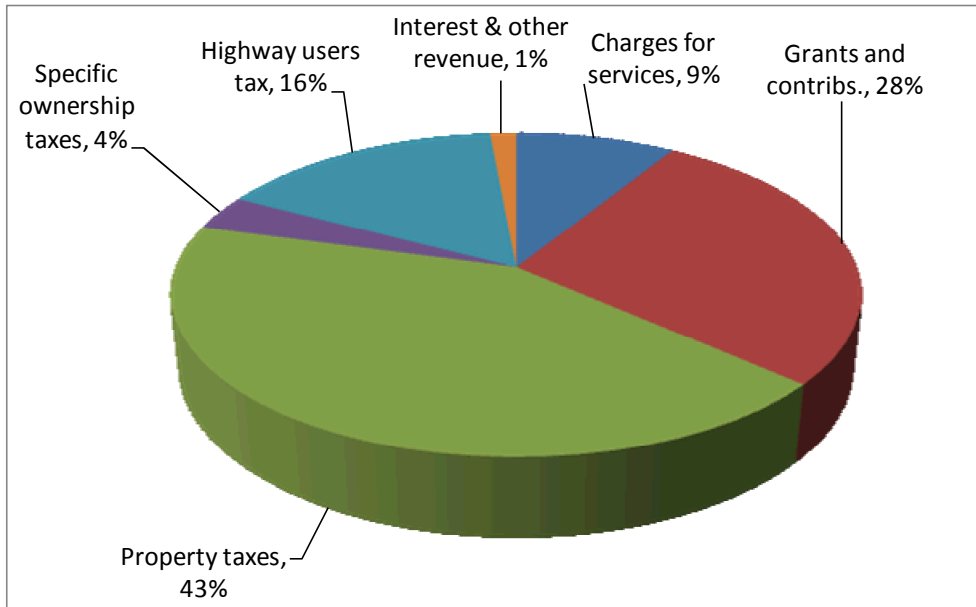
The following graph depicts the County's 2012 expenses:



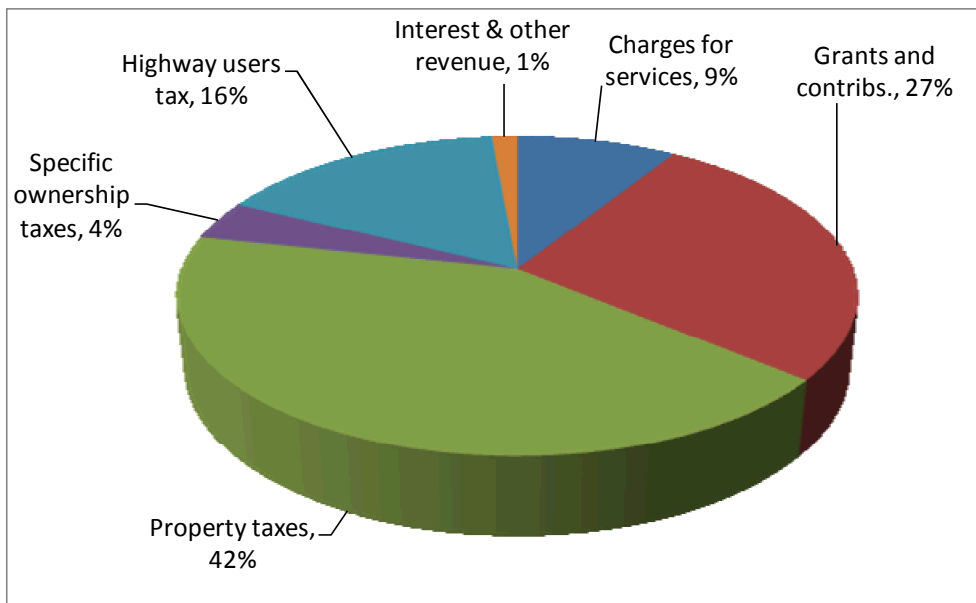
The following graph depicts the County's 2013 expenses:



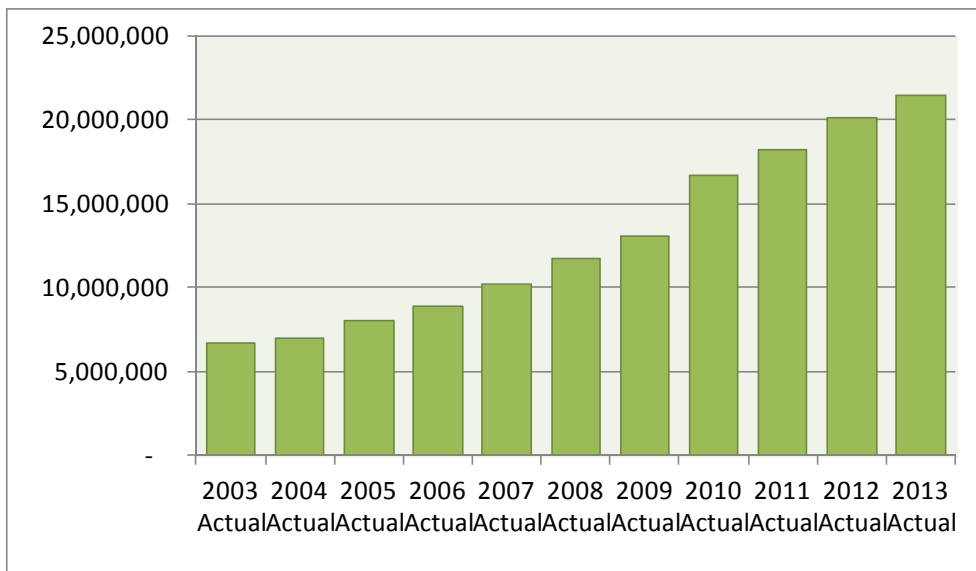
The following graph shows the County's 2012 revenue sources:



The following graph shows the County's 2013 revenue sources:



The graph below shows the County's total actual combined fund balances for fiscal years 2003 through 2013.



Next Year's Budget and Rates:

The County's General Fund balance at the end of fiscal year 2013 was \$10,953,313. A reserve is necessary to start the year and provide basic services to the residents and visitors of the County. An adequate reserve at the year-end on which to operate a minimum of three months or 25% is considered necessary, for the majority of the property tax revenue is received in April of each year. The County had a General Fund balance of 203% of 2013 expenditures of \$5,401,288.

Budget Variances:

The County was required to amend the budgets of various funds for the current fiscal year. General Fund departments received a budgetary increase totaling \$72,250 to cover general operating expenditures over the original budgeted amounts. Departments receiving budgetary increases were Planning and zoning, Clerk and Drivers License, Fair, and Building Maintenance.

The details of the individual departments of the General Fund and other fund budgets can be found in Sections E and F of this report.

Capital Assets and Debt Administration:

During the current fiscal year, the County purchased heavy equipment and made improvements to various buildings. A detailed description of this and other capital assets additions, capital asset disposals, and depreciation expense is included in the Notes to the Financial Statements. During 2013, net capital assets of the County decreased by a net of \$1,072,422.

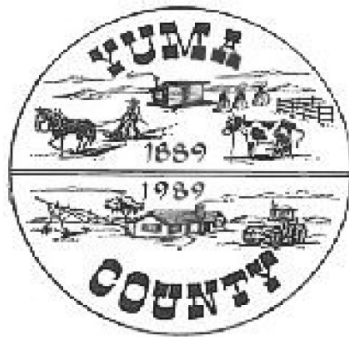
As of the end of the current fiscal year, the County's total long-term liabilities by \$755,335; this decrease was mainly the result of principal payments on General Obligation debt and a note payable. A detailed description of the County's long-term liabilities is included in the Notes to the Financial Statements.

Next Year's Budget

During the current fiscal year, fund balance in the General Fund and the special revenue funds increased to \$10,953,313 and \$10,515,772, respectively. The County anticipates the General Fund will use approximately \$618,255 of beginning fund balance during 2014. The County anticipates approximately \$2,185,088 of special revenue fund balances for spending in the 2014 fiscal year budget. In 2014 the County anticipates the Road and Bridge Fund will use \$422,696, the Human Services Fund will use \$41,091, the Self Insurance Fund will use \$96,998, the Recreation Fund will use \$109,287, the Conservation Trust Fund will use \$29,800, the Useful Public Service Fund will use \$1,385, the Water Authority will use \$10,755, the Landfill Fund will use \$106,523, the Sheriff's trust will use \$6,223, the Drug Task Force Fund will use \$116,100, and the Capital Acquisition Fund will use \$1,054,330, the Landfill Closure Fund will use \$75,000, the Separation of Employment Fund will use \$115,000. The County anticipates increased or no change in fund balances for the remaining special revenue funds.

Request for Information: This financial report is designed to provide a general overview of the County's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Yuma County Administrative Office, 310 Ash Street, Suite A, Wray, Colorado 80758.

GOVERNMENT-WIDE FINANCIAL STATEMENTS



Yuma County, Colorado
Statement of Net Position
December 31, 2013

	Primary Governmental Activities	Component Unit Yuma County Water Authority
Assets:		
Cash and investments	21,392,386	187,580
Receivables, net:		
Taxes	6,173,231	-
Accounts	81,661	-
Due from other governments	375,920	-
Inventory	278,006	-
Capital assets not being depreciated:		
Land	520,061	739,564
Water rights	20,139,000	-
Depreciable capital assets	32,104,748	-
Accumulated depreciation	(20,469,724)	-
Total Assets	60,595,289	927,144
Liabilities:		
Accounts payable	311,526	107
Accrued interest payable	121,068	-
Advanced Water Lease Revenue	3,750,000	-
Compensated absences:		
Due in more than one year	418,871	-
Notes payable:		
Due within one year	427,559	-
Due in more than one year	7,548,321	-
Bonds payable:		
Due in more than one year	375,000	-
Due in more than one year	4,245,465	-
Landfill post closure liability	266,922	-
Total Liabilities	17,464,732	107
Deferred Inflows of Resources:		
Unavailable revenue - property taxes	6,173,231	-
Unavailable revenue - other	347,365	-
Total Deferred Inflow of Resources	6,520,596	-
Net Position:		
Net investment in capital assets	19,697,740	739,564
Restricted for:		
Emergencies	449,000	4,000
Other purposes	369,400	-
Unrestricted	16,093,821	183,473
Total Net Position	36,609,961	927,037

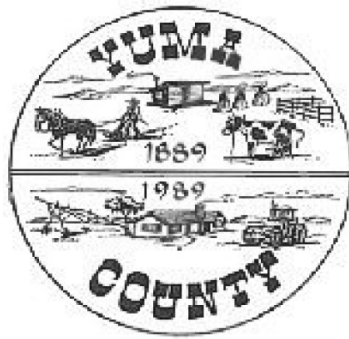
The accompanying notes are an integral part of these financial statements.

Yuma County, Colorado
Statement of Activities
For the Year Ended December 31, 2013

	Primary Government				Net (Expense) Revenue and Changes in Net Position	Component Units	
	Expenses	Charges for Services	Program Revenues			Governmental Activities	Yuma County Water Authority
			Operating Grants and Contributions	Capital Grants and Contributions			
Functions/Programs:							
Governmental activities:							
General government	2,292,629	943,114	621,555	-	(727,960)		
Judicial	256,473	-	74,825	-	(181,648)		
Public safety	2,140,817	50,842	115,959	32,480	(1,941,536)		
Health and human services	4,119,741	-	3,256,880	-	(862,861)		
Community auxiliary services	1,313,132	250,000	-	453,273	(609,859)		
Culture and recreation	93,387	-	42,547	-	(50,840)		
Public works	5,023,349	29,047	45,303	15,000	(4,933,999)		
Landfill	441,029	260,595	-	-	(180,434)		
Interest expense	199,981	-	-	-	(199,981)		
Total Primary Government	<u>15,880,538</u>	<u>1,533,598</u>	<u>4,157,069</u>	<u>500,753</u>	<u>(9,689,118)</u>		
Component Units:							
Yuma County Water Authority	148,381	29,413	80,830	-		(38,138)	
Total Component Units	<u>148,381</u>	<u>29,413</u>	<u>80,830</u>	<u>-</u>		<u>(38,138)</u>	
General Revenues:							
Taxes:							
Property tax, levied for general purposes					6,128,820	-	
Property tax, levied for debt service					1,126,319	-	
Specific ownership tax					687,958	-	
Highway user tax					2,779,408	-	
Other taxes					209,231	-	
Investment earnings including unrealized loss					(39,641)	-	
Gain (loss) on sale of assets					(70,878)	-	
Grants and contributions not restricted by programs					146,928	-	
Total General Revenues					<u>10,968,145</u>	<u>-</u>	
Change in Net Position					1,279,027	(38,138)	
Net Position - Beginning of Year (Restated)					35,330,934	965,175	
Net Position - End of Year					<u>36,609,961</u>	<u>927,037</u>	

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

FUND FINANCIAL STATEMENTS



**Yuma County, Colorado
Balance Sheets
Governmental Funds
December 31, 2013**

	<u>General</u>	<u>Road and Bridge</u>	<u>Human Services</u>	<u>Grant</u>	<u>Water Authority Public Imp. District</u>	<u>Non-major Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets:							
Cash and investments	10,991,082	5,132,924	766,052	113,470	514,847	3,874,011	21,392,386
Taxes receivable	4,010,576	605,754	239,523	-	958,093	359,285	6,173,231
Accounts receivable	81,063	-	-	-	-	598	81,661
Due from other governments	-	244,418	86,486	26,019	11,701	7,296	375,920
Inventory	-	278,006	-	-	-	-	278,006
Total Assets	<u>15,082,721</u>	<u>6,261,102</u>	<u>1,092,061</u>	<u>139,489</u>	<u>1,484,641</u>	<u>4,241,190</u>	<u>28,301,204</u>
Liabilities:							
Accounts payable	118,832	125,865	25,466	3,300	-	38,060	311,523
Total Liabilities	<u>118,832</u>	<u>125,865</u>	<u>25,466</u>	<u>3,300</u>	<u>-</u>	<u>38,060</u>	<u>311,523</u>
Deferred Inflows of Resources:							
Unavailable revenue - property taxes	4,010,576	605,754	239,523	-	958,093	359,285	6,173,231
Unavailable revenue - other	-	-	237,886	109,479	-	-	347,365
Total Deferred Inflow of Resources	<u>4,010,576</u>	<u>605,754</u>	<u>477,409</u>	<u>109,479</u>	<u>958,093</u>	<u>359,285</u>	<u>6,520,596</u>
Fund Balances:							
Nonspendable	-	278,006	-	-	-	-	278,006
Restricted	449,000	15,000	-	26,710	-	327,690	818,400
Committed	4,816,859	5,236,477	589,186	-	526,548	1,073,948	12,243,018
Assigned	5,687,454	-	-	-	-	2,442,207	8,129,661
Total Fund Balances	<u>10,953,313</u>	<u>5,529,483</u>	<u>589,186</u>	<u>26,710</u>	<u>526,548</u>	<u>3,843,845</u>	<u>21,469,085</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>15,082,721</u>	<u>6,261,102</u>	<u>1,092,061</u>	<u>139,489</u>	<u>1,484,641</u>	<u>4,241,190</u>	<u>28,301,204</u>

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

Yuma County, Colorado
Reconciliation of Fund Balance to Statement of Net Position
Governmental Funds
December 31, 2013

Amounts reported for governmental activities in the Statement of Net Assets are different because:

Total Fund Balance on Governmental Funds	21,469,085
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds. This represents the County capital assets at cost.	52,763,809
Accumulated depreciation on capital assets are recorded on the government wide financial statements to charge the cost of the asset over its estimated useful life.	(20,469,724)
Rent revenue for governmental funds is recognized when measurable and available. However, in the Statement of Activities, rent revenue is recognized over the term of the lease. This represents the amount of advanced water lease revenue.	(3,750,000)
Long-term liabilities are not due and payable in the current period and therefore, are not reported in the funds. This represents the County's compensated absences at year end.	(418,871)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds. This represents the County's accrued interest at year end.	(121,068)
Long-term liabilities are not due and payable in the current period and therefore, are not reported in the funds. This represents the County's notes payable at year end.	(7,975,883)
Long-term liabilities are not due and payable in the current period and therefore, are not reported in the funds. This represents the County's bonds payable at year end.	(4,620,465)
Long-term liabilities are not due and payable in the current period and therefore, are not reported in the funds. This represents the County's landfill closure and post closure liability at year end.	(266,922)
Net Position of Governmental Activities	<u><u>36,609,961</u></u>

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

Yuma County, Colorado
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
December 31, 2013

	General	Road and Bridge	Human Services	Grant	Water Authority Public Imp. District	Non-major Governmental Funds	Total Governmental Funds
Revenues:							
Taxes	4,710,137	1,400,077	284,111	-	1,245,214	422,453	8,061,992
Permits and licenses	4,225	500	-	-	-	-	4,725
Intergovernmental revenue	132,867	2,926,114	3,256,880	1,187,139	-	154,856	7,657,856
Charges for services	1,086,128	29,047	-	-	-	295,197	1,410,372
Investment income including unrealized loss	(40,022)	-	-	-	-	381	(39,641)
Miscellaneous	179,536	4,124	-	1,653	569	37,371	223,253
Total Revenues	<u>6,072,871</u>	<u>4,359,862</u>	<u>3,540,991</u>	<u>1,188,792</u>	<u>1,245,783</u>	<u>910,258</u>	<u>17,318,557</u>
Expenditures:							
General government	1,953,251	-	-	15,794	-	529,402	2,498,447
Judicial	183,825	-	-	74,825	-	-	258,650
Public safety	1,984,034	-	-	644,900	-	235,142	2,864,076
Culture and recreation	-	-	-	-	-	166,959	166,959
Public works	-	3,821,701	-	-	-	158,583	3,980,284
Health and human services	141,622	-	3,528,817	-	-	-	3,670,439
Community auxiliary services	601,370	-	-	453,273	33,987	-	1,088,630
Landfill	-	-	-	-	-	368,851	368,851
Debt service:							
Principal	-	-	-	-	793,150	-	793,150
Interest	-	-	-	-	398,616	-	398,616
Bond issuance cost	-	-	-	-	-	-	-
Total Expenditures	<u>4,864,102</u>	<u>3,821,701</u>	<u>3,528,817</u>	<u>1,188,792</u>	<u>1,225,753</u>	<u>1,458,937</u>	<u>16,088,102</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>1,208,769</u>	<u>538,161</u>	<u>12,174</u>	<u>-</u>	<u>20,030</u>	<u>(548,679)</u>	<u>1,230,455</u>
Other Financing Sources (Uses):							
Transfers in	-	-	-	-	-	548,185	548,185
Transfers (out)	(537,185)	-	-	-	-	(11,000)	(548,185)
Sale of assets	1,525	-	-	-	-	107,550	109,075
Total Other Financing Sources (Uses)	<u>(535,660)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>644,735</u>	<u>109,075</u>
Net Change in Fund Balance	673,109	538,161	12,174	-	20,030	96,056	1,339,530
Fund Balances - Beginning of Year	<u>10,280,204</u>	<u>4,991,322</u>	<u>577,012</u>	<u>26,710</u>	<u>506,518</u>	<u>3,747,789</u>	<u>20,129,555</u>
Fund Balances - End of Year	<u>10,953,313</u>	<u>5,529,483</u>	<u>589,186</u>	<u>26,710</u>	<u>526,548</u>	<u>3,843,845</u>	<u>21,469,085</u>

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

Yuma County, Colorado
Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
December 31, 2013

Net Change in Fund Balances of Governmental Funds 1,339,530

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

Governmental funds report the effect of premiums and discounts when the debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. The following amounts represent the net effect of these differences in the treatment of long-term debt and related items:

Premium on bonds issued	3,188
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Rent revenue for governmental funds is recognized when measurable and available. However, in the Statement of Activities, rent revenue is recognized over the term of the lease. This represents the net effect of the difference in the treatment of this lease revenue.	250,000
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Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

Capital outlay	985,298	
Depreciation expense	(1,877,766)	(892,468)

Governmental funds report asset sales if proceeds are received. The government wide financial statements report the sale of capital assets at the proceeds less the book value of the assets. Thus, the change in net position differs from the change in fund balance by the cost of the capital assets sold.	(179,953)
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Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore, are not reported as expenditures in governmental funds.

Change in landfill closure and post closure liability	(53,381)	
Change in accrued interest payable	6,583	
Change in accrued compensated absences	12,378	(34,420)

Repayment of debt obligations are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. This is the amount of repayments.	793,150
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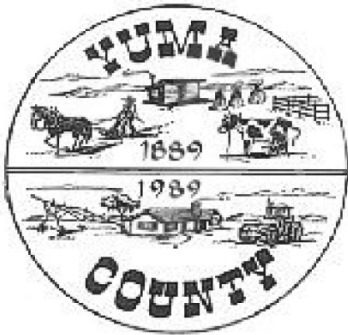
Change in Net Position of Governmental Activities	1,279,027
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Yuma County, Colorado
Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2013

	<u>County Treasurer</u>	<u>Public Trustee</u>	<u>Employees' Section 125 Plan</u>	<u>Sheriff's Commissary and Trust</u>	<u>Payroll Clearing</u>	<u>Junior Livestock</u>	<u>Total</u>
Assets:							
Cash and investments	1,093,744	18,516	17,175	28,473	3,204	807	1,161,919
Accounts receivable	-	-	-	-	46,834	-	46,834
Total Assets	<u>1,093,744</u>	<u>18,516</u>	<u>17,175</u>	<u>28,473</u>	<u>50,038</u>	<u>807</u>	<u>1,208,753</u>
Liabilities:							
Due to other governments	726,090	-	-	-	-	-	726,090
Due to inmates	-	-	-	28,473	-	-	28,473
Due to fiduciary funds	367,654	-	-	-	-	-	367,654
Due to others	-	18,516	17,175	-	50,038	807	86,536
Total Liabilities	<u>1,093,744</u>	<u>18,516</u>	<u>17,175</u>	<u>28,473</u>	<u>50,038</u>	<u>807</u>	<u>1,208,753</u>

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

NOTES TO THE FINANCIAL STATEMENTS



Yuma County, Colorado
Notes to the Financial Statements
December 31, 2013

I. Summary of Significant Accounting Policies

Yuma County (the “County”) was formed in 1889 and is a statutory county located in eastern Colorado. An elected Board of Commissioners is responsible for setting policy, appointing administrative personnel and adopting an annual budget in accordance with state statutes. The County’s major operations include administration, health and human services, police protection, road maintenance, and landfill operations.

The County’s financial statements are prepared in accordance with generally accepted accounting principles (“GAAP”). The Governmental Accounting Standards Board (“GASB”) is responsible for establishing GAPP for state and local governments through its pronouncements (Statements and Interpretations).

A. Reporting Entity

The reporting entity consists of (a) the primary government; i.e., the County, and (b) organizations for which the County is financially accountable. The County is considered financially accountable for legally separate organizations if it is able to appoint a voting majority of an organization’s governing body and is either able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the County. Consideration is also given to other organizations which are fiscally dependent; i.e., unable to adopt a budget, levy taxes, or issue debt without approval by the County. Organizations for which the nature and significance of their relationship with the County are such that exclusion would cause the reporting entity’s financial statements to be misleading or incomplete are also included in the reporting entity.

The Yuma County Water Authority Public Improvement District (the “Water Authority Public Improvement District”) serves all of the citizens of the County and is governed by a board comprised of the County Commissioners. The Water Authority Public Improvement District was created to address an imminent threat to the economic viability of a significant area within Yuma County and to assist in the State of Colorado’s compliance with its obligations under a compact by purchasing surface water rights in the North Fork of the Republican River basin. The Water Authority Public Improvement District, a blended component unit, is reported as a special revenue fund.

The Yuma County Water Authority (the “Water Authority”) serves all of the citizens of the County and is governed by a board appointed by member jurisdictions, which include Yuma County, the City of Wray, the City of Yuma, and the Town of Eckley. The Water Authority was created to develop water resources, systems and facilities for the benefit of member jurisdictions. The Water Authority is reported as a discretely presented component unit.

Resource flows (except those that affect the statement of net position/balance sheet only, such as loans and repayments) between a primary government and its discretely presented component units are reported as external transactions—that is, as revenues and expenses. Resource flows between the primary government and blended component units are classified as interfund transactions in the financial statements.

During 2013, the County contributed \$50,215 to the Water Authority.

Yuma County, Colorado
Notes to the Financial Statements
December 31, 2013
(Continued)

I. Summary of Significant Accounting Policies (continued)

B. Government-wide and Fund Financial Statements

The County's basic financial statements include both government-wide (reporting the County as a whole) and fund financial statements (reporting the County's major funds and aggregate non-major funds). Government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the County. Both of the government-wide financial statements categorize primary activities as either governmental or business-type. Governmental activities are normally supported by taxes and intergovernmental revenues. Business-type activities rely to a significant extent on fees and charges for support. The County does not have any business-type activities.

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

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

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

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, sales taxes, franchise taxes, licenses, other government revenues and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

Yuma County, Colorado
Notes to the Financial Statements
December 31, 2013
(Continued)

I. Summary of Significant Accounting Policies (continued)

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

The County reports the following major governmental funds:

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

The *Road and Bridge Fund* accounts for the County's share of state revenues that are legally restricted for the maintenance of highways and roads within the County's boundaries and to account for property taxes and other revenues restricted for highway and road purposes.

The *Human Services Fund* administers the County's state and federal revenues that are restricted for the provision of health and human services to the residents of the County.

The *Grant Fund* is used to account for major grants received from state and federal sources.

The *Water Authority Public Improvement District Fund* accounts for the activities of this district, a blended component unit.

The County Reports the following additional fund type:

Fiduciary funds account for monies held on behalf of other governments in the Treasurer's and Clerk's offices; the Employee's Section 125 Plan Fund is held for County employees health and welfare reimbursements; the Sheriff's Funds are held for inmates; the Public Trustee is a state statutorily mandated position, whose financial transactions are independent of the County; and Payroll Reimbursements are held for other entities for which the County provides payroll services. These agency funds are combined on the fiduciary fund financial statement.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Yuma County, Colorado
Notes to the Financial Statements
December 31, 2013
(Continued)

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts

1. Cash and Investments

The County Treasurer is responsible for central cash management for all funds, as well as other entities falling under its jurisdiction.

Cash and investments held by the County Treasurer may include demand deposits, short-term investments with original maturities of three months or less from the date of acquisition, certificates of deposit, and long-term investments in U.S. governments.

Investments are stated at fair value.

2. Receivables

Receivables are reported net of an allowance for uncollectible accounts.

3. Property Taxes

Property taxes are assessed in one year as a lien on the property, but not collected by the governmental unit until the subsequent year. In accordance with GAAP, the assessed but uncollected property taxes have been recorded as a receivable and as deferred inflow of resources.

4. Inventory

All inventories are valued at cost using the first-in / first-out (FIFO) method.

5. Capital Assets

Capital assets, which include land, water rights, buildings, building improvements, equipment, vehicles, and infrastructure assets, are reported in the government-wide financial statements. Capital assets, other than infrastructure assets, are defined by the County as assets with an initial cost of \$5,000 or more and an estimated useful life in excess of two years. Infrastructure assets are capitalized when the asset has an initial cost of \$10,000 or more. Such assets are recorded at cost where historical records are available and at estimated historical costs where no historical records exist. Donated capital assets are recorded at estimated fair value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable. Capital outlay for projects is capitalized as projects are constructed. Interest incurred during the construction phase is capitalized as part of the value of the assets.

Yuma County, Colorado
Notes to the Financial Statements
December 31, 2013
(Continued)

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts (continued)

5. Capital Assets (continued)

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Land improvements	15
Buildings, improvements & infrastructure	10-40
Machinery, equipment and software	3-10
Vehicles	5-7

6. Deferred Revenue

For governmental funds, deferred revenues arise when potential revenue does not meet both the “measurable” and “available” criteria for recognition in the current period.

7. Interfund Receivables and Payables

Balances at year-end between funds are reported as “due to / from other funds” in the fund financial statements. Residual balances are eliminated in the government-wide financial statements.

8. Compensated Absences

Vested or accumulated leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts of vested or accumulated personal leave that are not expected to be liquidated with expendable available financial resources are reported in the government-wide financial statements. In accordance with provisions of GASB No.16 *Accounting for Compensated Absences*, no liability is recorded for non-vesting accumulating rights.

9. Long-term Debt

In the government-wide financial statements long-term debt is reported as a liability. Bond premiums and discounts are deferred and amortized over the life of the bonds using the bonds outstanding method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as debt issuance costs, during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs are reported as debt service expenditures in fund financial statements.

Yuma County, Colorado
Notes to the Financial Statements
December 31, 2013
(Continued)

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts (continued)

10. Deferred Outflows and 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 and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The government only has one item that qualifies for reporting in this category. It is deferred charges reported in the government-wide statement of net position. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

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 and so will not be recognized as an inflow of resources (revenue) until that time. The government has only two types of items that qualify for reporting in this category. Accordingly, the items, unavailable property tax revenue and unavailable revenue – other, are deferred and recognized as inflows of resources in the period that the amounts become available.

11. Interfund Transactions

Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures or expenses initially made from it that are properly applicable to another fund, are recorded as expenditures or expenses in the reimbursing fund as a reduction of expenditures or expenses in the fund that is reimbursed. All other interfund transactions, except for quasi-external transactions and reimbursements, are reported as transfers.

12. Categories and Classification of Fund Balance

Governmental accounting standards establish fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Fund balance classifications include Non-spendable, Restricted, Committed, Assigned, and Unassigned. These classifications reflect not only the nature of funds, but also provide clarity to the level of restriction placed upon fund balance. Fund Balance can have different levels of restraint, such as external versus internal compliance requirements. Unassigned fund balance is a residual classification within the General Fund. The General Fund should be the only fund that reports a positive unassigned balance. In all other funds, unassigned is limited to negative residual fund balance. For further details of the various fund balance classifications refer to Note III.G.

Yuma County, Colorado
Notes to the Financial Statements
December 31, 2013
(Continued)

I. Summary of Significant Accounting Policies (continued)

E. Significant Accounting Policies

1. Restricted and Unrestricted Resources

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

2. Use of Estimates

The preparation of financial statements in conformity with GAAP requires the County's management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amount of revenues and expenditures or expenses during the reported period. Actual results could differ from those estimates.

II. Stewardship, Compliance, and Accountability

A. Budgetary Information

Budgets are adopted on a basis consistent with generally accepted accounting principles, and Colorado statutes which require that all funds of the County be budgeted. Annual appropriations are adopted for all funds. Expenditures may not legally exceed appropriations at the fund level. All appropriations lapse at year-end.

As required by Colorado Statutes, the County followed the required timetable noted below in preparing, approving, and enacting its budget for 2013.

1. For the 2013 budget year, prior to August 25, 2012, the County Assessor was to have sent to the County a certified assessed valuation of all taxable property within the County's boundaries. The County Assessor may change the assessed valuation on or before December 10, 2012 only once by a single notification.
2. On or before October 15, 2012, the County Administrator submitted to the County Commissioners a recommended budget which detailed the necessary property taxes needed along with other available revenues to meet the County's operating requirements.
3. Prior to December 15, 2012, the County computed and certified to the County Commissioners a rate of levy that derived the necessary property taxes as computed in the proposed budget.
4. After a required publication of "Notice of Proposed Budget" and a public hearing, the County adopted the proposed budget and an appropriating resolution, which legally appropriated expenditures for the upcoming year.
5. After adoption of the budget resolution, the County may make the following changes: a) it may transfer appropriated money between funds; b) it may approve supplemental appropriations to the extent of revenues in excess of estimated revenues in the budget; c) it may approve emergency appropriations; and d) it may reduce appropriations for which originally estimated revenues are insufficient.

Yuma County, Colorado
Notes to the Financial Statements
December 31, 2013
(Continued)

II. Stewardship, Compliance, and Accountability (continued)

A. Budgetary Information (continued)

Taxes levied in one year are collected in the succeeding year. Thus, taxes certified in 2012 were collected in 2013 and taxes certified in 2013 will be collected in 2014. Taxes are due on January 1st in the year of collection; however, they may be paid in either one installment (no later than April 30th) or two equal installments (not later than February 28th and June 15th) without interest or penalty. Taxes that are not paid within the prescribed time bear interest at the rate of one percent (1%) per month until paid. Unpaid amounts and the accrued interest thereon become delinquent on June 16th.

During the year, supplemental appropriations were necessary. The budgetary comparison statements reflect the original budget and the final budget after legally authorized revisions were made.

B. TABOR Amendment

In November 1992, Colorado voters amended Article X of the Colorado Constitution by adding Section 20, commonly known as the Taxpayer's Bill of Rights ("TABOR"). TABOR contains revenue, spending, tax and debt limitations that apply to the State of Colorado and local governments. TABOR requires, with certain exceptions, advance voter approval for any new tax, tax rate increase, mill levy above that for the prior year, extension of any expiring tax, or tax policy change directly causing a net tax revenue gain to any local government.

Except for refinancing bonded debt at a lower interest rate or adding new employees to existing pension plans, TABOR requires advance voter approval for the creation of any multiple-fiscal year debt or other financial obligation unless adequate present cash reserves are pledged irrevocably and held for payments in all future fiscal years.

TABOR also requires local governments to establish an emergency reserve to be used for declared emergencies only. Emergencies, as defined by TABOR, exclude economic conditions, revenue shortfalls, or salary or fringe benefit increases. These reserves are required to be 3% or more of fiscal year spending for fiscal years ending after December 31, 1995. Fiscal year spending excludes bonded debt service. The County has reserved a portion of the December 31, 2013 year-end fund balance in the General Fund for this purpose, in the amount \$449,000, which is the approximate required reserve. The Water Authority has restricted \$4,000 for this purpose at December 31, 2013.

Yuma County, Colorado
Notes to the Financial Statements
December 31, 2013
(Continued)

II. Stewardship, Compliance, and Accountability (continued)

B. TABOR Amendment (continued)

On November 2, 2004, The County's electorate approved the following ballot question:

“Shall Yuma County be authorized to collect, retain, and spend all revenues and other funds collected from any sources, effective for taxes that are due January 1, 2005 and continuing thereafter, provided that Yuma County’s property tax mill levy rate shall not be increased without voter approval; and shall the revenues be spent for County purposes as a voter approved revenue change and exception to the limits which would otherwise apply in Article X, Section 20 and including the limitations of C.R.S. 29-1-301.”

The County's management believes it is in compliance with the financial provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of its provisions, including the interpretation of how to calculate fiscal year spending limits, will require judicial interpretation.

III. Detailed Notes on All Funds

A. Deposits and Investments

The County's deposits are entirely covered by the Federal Depository Insurance Corporation (“FDIC”) or by collateral held under Colorado’s Public Deposit Protection Act (“PDPA”). The FDIC insures the first \$250,000 of the County’s deposits at each financial institution. Deposit balances over \$250,000 are collateralized as required by PDPA. The County had the following deposits and investments and related maturities:

	Standard & Poors Rating	Carrying Amounts	Less than one year	Less than five years
<i>Deposits:</i>				
Cash on hand	<i>Not Rated</i>	\$ 5,817	5,817	-
Checking	<i>Not Rated</i>	1,682,352	1,682,352	-
Savings	<i>Not Rated</i>	505,762	505,762	-
Certificates of deposit	<i>Not Rated</i>	1,050,000	1,050,000	-
<i>Investments:</i>				
Pools	<i>AAAm</i>	7,698,472	7,698,472	-
Agencies	<i>AAA</i>	11,799,482	11,799,482	-
Total		<u>\$ 22,741,885</u>	<u>22,741,885</u>	<u>-</u>

Financial statement captions:

Cash and investments:	
Governmental funds	\$ 21,392,386
Fiduciary funds	1,161,919
Yuma County Water Authority	187,580
Total	<u>\$ 22,741,885</u>

Yuma County, Colorado
Notes to the Financial Statements
December 31, 2013
(Continued)

III. Detailed Notes on All Funds (continued)

A. Deposits and Investments (continued)

The investment pools represent investments in COLOTRUST and C-SAFE which are 2a7-like pools. The fair value of the pools is determined by the pools' share price. The County has no regulatory oversight for the pools.

Interest Rate Risk. As a means of limiting its exposure to interest rate risk, the County diversifies its investments by security type and institution, and limits holdings in any one type of investment with any one issuer. The County coordinates its investment maturities to closely match cash flow needs and restricts the maximum investment term to less than five years from the purchase date. As a result of the limited length of maturities the County has limited its interest rate risk.

Credit Risk. State law and County policy limit investments to those authorized by State statutes including U.S. agencies and 2a7-like pools. The County's general investment policy is to apply the prudent-person rule: Investments are made as prudent person would be expected to act, with discretion and intelligence, to seek reasonable income, preserve capital, and, in general, avoid speculative investments

Concentration of Credit Risk. The County diversifies its investments by security type and institution. Investments may only be made in those financial institutions which are insured or issued by the Federal Deposit Insurance Corporations, the Federal Home Mortgage Association, the Federal Savings and Loan Insurance Corporation, and Congressional authorized mortgage lenders and investments that are federally guaranteed. Financial institutions holding County funds must provide the County a copy of the certificate from the Banking Authority that states that the institution is an eligible public depository.

B. Receivables

Receivables as of year-end for the County's funds are as follows. The County considers all receivables collectible and therefore, has not provided a reserve for uncollectible accounts receivable.

	<u>General</u>	<u>Road and Bridge</u>	<u>Human Services</u>	<u>Grant</u>	<u>Public Imp. District</u>	<u>Non-Major Funds</u>
Receivables:						
Taxes	\$ 4,010,576	605,754	239,523	-	958,093	359,285
Accounts	81,063	-	-	-	-	598
Intergovernmental	-	244,418	86,486	26,019	11,701	7,296
Net receivables	<u>\$ 4,091,639</u>	<u>850,172</u>	<u>326,009</u>	<u>26,019</u>	<u>969,794</u>	<u>367,179</u>

Yuma County, Colorado
Notes to the Financial Statements
December 31, 2013
(Continued)

III. Detailed Notes on All Funds (continued)

C. Capital Assets

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

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 520,061	-	-	520,061
Water rights	20,139,000	-	-	20,139,000
Total capital assets, not being depreciated	<u>20,659,061</u>	<u>-</u>	<u>-</u>	<u>20,659,061</u>
Capital assets, being depreciated:				
Buildings and other improvements	6,177,195	252,521	(120,102)	6,309,614
Equipment	11,620,356	732,777	(888,114)	11,465,019
Infrastructure - Roads and bridges	14,330,115	-	-	14,330,115
Total capital assets being depreciated	<u>32,127,666</u>	<u>985,298</u>	<u>(1,008,216)</u>	<u>32,104,748</u>
Less accumulated depreciation for:				
Buildings and other improvements	(2,513,217)	(204,482)	83,141	(2,634,558)
Equipment	(8,514,758)	(924,185)	745,121	(8,693,822)
Infrastructure - Roads and bridges	(8,392,245)	(749,099)	-	(9,141,344)
Total accumulated depreciation	<u>(19,420,220)</u>	<u>(1,877,766)</u>	<u>828,262</u>	<u>(20,469,724)</u>
Total capital assets being depreciated, net	<u>12,707,446</u>	<u>(892,468)</u>	<u>(179,954)</u>	<u>11,635,024</u>
Governmental activities capital assets, net	<u>\$ 33,366,507</u>	<u>(892,468)</u>	<u>(179,954)</u>	<u>32,294,085</u>

Capital asset activity for the past year was as follows for the Water Authority:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities - Component unit:				
Capital assets, not being depreciated:				
Water rights	\$ 739,564	-	-	739,564
Total capital assets, not being depreciated	<u>739,564</u>	<u>-</u>	<u>-</u>	<u>739,564</u>
Governmental activities capital assets - Component unit	<u>\$ 739,564</u>	<u>-</u>	<u>-</u>	<u>739,564</u>

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

	<u>Depreciation Expense</u>
Governmental activities:	
General government	\$ 124,251
Public safety	109,551
Health and human services	46,773
Community auxiliary services	131,317
Public works	1,404,299
Landfill	61,575
Total depreciation expense - governmental activities	<u>\$ 1,877,766</u>

Yuma County, Colorado
Notes to the Financial Statements
December 31, 2013
(Continued)

III. Detailed Notes on All Funds (continued)

D. Interfund Receivables, Payables and Transfers

Transfers for 2013 were as follows:

<u>Transferred from</u>	<u>Transferred to</u>	<u>Amount</u>	<u>Reason</u>
General Fund	Landfill Fund	\$ 92,235	Fund landfill operations
Landfill Fund	Landfill Closure Fund	5,000	Fund closure costs
Landfill Fund	Capital Acquisition Fund	6,000	Fund lease payment
General Fund	Capital Acquisition Fund	381,149	Fund capital outlay
General Fund	Sheriff's Victim Assistance and Grant Fund	13,801	Fund grant costs
General Fund	Separation of employment fund	50,000	Fund retirement costs
Total		<u>\$ 548,185</u>	

E. Operating Leases

The County is committed to leases for office equipment, computer systems and equipment and gravel. These leases are considered, for accounting purposes, to be operating leases, and therefore, the liability and the related assets have not been recorded on these financial statements

F. Long-term Liabilities

1. General Obligation Bonds, Series 2008

The Water Authority Public Improvement District, a blended component unit of the County, issued \$5,780,000 of general obligations bonds in 2008, the proceeds of which were used to acquire water rights. These bonds bear interest at annual rates ranging from 3.25% to 4.60%. Starting in 2010, principal payments ranging from \$100,000 to \$555,000 are due annually on December 1, through 2023. Starting in 2010, interest payments are due June 1 and December 1, through 2023.

The General Obligation Bonds, Series 2008 also bear supplemental interest for the period from the delivery of the bonds through the payment of supplemental interest registered coupons, which matured at \$225,000 on December 1, 2010.

These bonds constitute general obligations of the Water Authority Public Improvement District.

2. Colorado Water Conservation Board ("CWCB") Note Payable

The Water Authority Public Improvement District entered into a loan agreement with the CWCB in 2008 in the amount of \$9,595,000, the proceeds of which were used to acquire water rights. This note bears interest at an annual rate of 2.25%. Starting in 2010, aggregate principal and interest payments of \$607,016 are due June 1, through 2029.

The loan constitutes a general obligation of the Water Authority Public Improvement District.

Yuma County, Colorado
Notes to the Financial Statements
December 31, 2013
(Continued)

III. Detailed Notes on All Funds (continued)

F. Long-term Liabilities (continued)

3. Compensated Absences

The County has a policy for the accumulation of personal leave payouts, subject to certain maximum limits. In accordance with GAAP, the County's approximate liability for personal leave and compensation time pay earned by employees at December 31, 2013 has been reflected in the government-wide financial statements. This liability is generally liquidated by the Separation of Employment Fund.

4. Landfill Closure Costs – Contingent Liability

State and federal laws and regulations require that the County place a final cover on its landfill when closed and perform certain maintenance and monitoring functions at the landfill site for thirty years after closure. In addition to operating expenses relating to current activities of the landfill, a liability provision is being recognized based on the future closure and post closure care. Closure and post closure care costs are recognized based on the amount of the landfill used during the year.

The estimated liability for landfill closure and post closure care costs has a balance of \$266,922 at December 31, 2013, which is based upon 25% usage (estimated percentage filled) of the landfill. It is estimated that an additional \$540,489 will be recognized as closure and post closure care expenses between the date of the balance sheet and 2080; the date the landfill is expected to be filled to capacity. The estimated total current cost of the landfill closure and post closure costs of \$807,411 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 as of December 31, 2013. Closure and post closure costs are estimated to be \$765,569 and \$41,842, respectively. However, the actual costs of closure and post closure may be higher due to inflation, changes in technology, or changes in landfill laws and regulations.

The County is required by state and federal laws and regulations to provide adequate financial resources to pay for all closure and post closure care. The remaining portion of anticipated future inflation costs and additional costs that might arise from changes in post closure requirements (due to changes in technology or more rigorous environmental regulations, for example) may need to be covered by charges to future landfill users, taxpayers, or both.

Yuma County, Colorado
Notes to the Financial Statements
December 31, 2013
(Continued)

III. Detailed Notes on All Funds (continued)

F. Long-term Liabilities (continued)

5. Activity and Debt Service Schedules

Long-term liability activity for the year ended December 31, 2013, was as follows:

	<u>Balance January 1, 2013</u>	<u>Additions</u>	<u>(Reductions)</u>	<u>Balance December 31, 2013</u>	<u>Due Within One Year</u>
General Obligation Bonds, Series 2008	\$ 4,998,653	-	(378,188)	4,620,465	375,000
Notes payable	8,394,030	-	(418,150)	7,975,880	427,559
Accrued compensated absences	431,249	-	(12,378)	418,871	-
Landfill closure costs	213,541	53,381	-	266,922	-
Total	<u>\$ 14,037,473</u>	<u>53,381</u>	<u>(808,716)</u>	<u>13,282,138</u>	<u>802,559</u>

Aggregate annual debt service requirements at December 31, 2013, are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 802,559	376,082	1,178,641
2015	827,179	352,400	1,179,579
2016	862,015	326,964	1,188,979
2017	887,073	300,305	1,187,378
2018	917,357	271,746	1,189,103
2018-2022	5,044,331	886,325	5,930,656
2023-2027	2,793,447	241,632	3,035,079
2028-2029	446,919	10,056	456,975
	<u>12,580,880</u>	<u>2,765,510</u>	<u>15,346,390</u>
Add: Deferred amounts			
Premium on bonds	15,465		
Total Debt	<u>\$ 12,596,345</u>		

Yuma County, Colorado
Notes to the Financial Statements
December 31, 2013
(Continued)

III. Detailed Notes on All Funds (continued)

G. Fund Balance

The County classifies governmental fund balances as follows:

Non-spendable - includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual requirements.

Spendable Fund Balance:

Restricted – includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts constrained due to constitutional provisions or enabling legislation.

Committed – includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority which is the County Commissioners. The County's original budget legislation begins with combining historical data, assessment of needs for the upcoming year and the County Commissioners' platform to review, and/or make changes to each department's budget. Before year end, a budgetary committee will meet again with each department for final review and approval of preliminary budget. The Budget is then formally presented to the County Commissioners via an advertised public process for their review, revisions and final approval by year end. All subsequent budget requests made during the year, after the County Commissioners approval, must be presented via a public process and again approval by the County Commissioners.

Assigned – includes spendable fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund Balance may be assigned by the County Commissioners or its management designee.

Unassigned - includes residual positive fund balance within a general fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

The County uses restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. The County does not have a formal minimum fund balance policy.

Yuma County, Colorado
Notes to the Financial Statements
December 31, 2013
(Continued)

III. Detailed Notes on All Funds (continued)

G. Fund Balance (continued)

Fund balance classifications are reported in the aggregate on the face of the balance sheet. The components of each classification are as follows:

	<u>General</u>	<u>Road and Bridge</u>	<u>Human Services</u>	<u>Grant</u>	<u>Water Authority Public Imp. District</u>
Nonspendable:					
Inventory	\$ -	278,006	-	-	-
Total Nonspendable:	\$ -	278,006	-	-	-
Restricted:					
Constitutionally required emergency reserve	\$ 449,000	-	-	-	-
Road impact fees	\$ -	15,000	-	-	-
Capital projects and purchases	-	-	-	26,710	-
Total Restricted:	\$ 449,000	15,000	-	26,710	-
Committed:					
Accrued compensation	\$ 229,822	-	-	-	-
Water Purchases	810,000	-	-	-	526,548
Commitment for future projects	3,777,037	-	-	-	-
Maintenance and monitoring monitoring	-	5,236,477	-	-	-
Human services	-	-	589,186	-	-
Total Committed:	\$ 4,816,859	5,236,477	589,186	-	526,548
Assigned:					
Budget assignments	\$ 5,687,454	-	-	-	-
Total Assigned:	\$ 5,687,454	-	-	-	-
	<u>Landfill Fund</u>	<u>Landfill Closure Fund</u>	<u>Recreation Fund</u>	<u>Conservation Trust Fund</u>	<u>Capital Acquisitions Fund</u>
Restricted:					
Maintenance and monitoring	\$ -	88,746	-	-	-
Culture and recreation	-	-	-	46,925	-
Total Restricted:	\$ -	88,746	-	46,925	-
Assigned:					
Capital projects and purchases	\$ -	-	-	-	1,147,730
Culture and recreation	-	-	1,126,604	-	-
Landfill	167,873	-	-	-	-
Total Assigned:	\$ 167,873	-	1,126,604	-	1,147,730

Yuma County, Colorado
Notes to the Financial Statements
December 31, 2013
(Continued)

III. Detailed Notes on All Funds (continued)

G. Fund Balance (continued)

	Useful Public Fund	Sheriff's Victim Assistance and Grant Fund	Task Force Fund	Separation of Employment Fund	Self Insurance Fund
Restricted:					
Accrued compensation	\$ -	-	-	-	-
Public safety	19,385	56,541	116,093	-	-
Total Restricted:	<u>19,385</u>	<u>56,541</u>	<u>116,093</u>	<u>-</u>	<u>-</u>
Committed:					
Accrued compensation	-	-	-	84,214	-
County insurance	-	-	-	-	989,734
Total Committed:	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>84,214</u>	<u>989,734</u>

IV. Other Information

A. Employee Retirement Plans

1. Defined Contribution Pension Plan (401a)

Under a defined contribution pension plan, the benefits a participant will receive depend solely on the amount contributed to the participant's account plus the returns earned on investments of those contributions.

Participation is mandatory for all employees after one year of employment. Eligible employees contribute 5% of their base pay, and the County contributes 5% of their base pay. The plan has a five (5) year vesting period and is distributed upon an employee's separation from service, disability, or death.

The contribution requirements of the retirement plan participants and the County are established, and may be amended, by the County Commissioners. During 2013, the County matched the employees' required employer contributions, which amounted to \$183,052. The County's total payroll for 2013 was \$4,472,201 and covered payroll was \$3,661,038. The plan is administered by the Colorado Counties Officers and Employees Retirement Association ("CCOERA").

As the County is not the trustee and does not administer the plan, the plan is not included in the financial statements. The County has no liability for losses under the plan but does have the duty of due care that would be required of an ordinary prudent investor.

2. Deferred Compensation Plan (Section 457)

The County offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all County employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until separation from service or death.

The County has no liability for losses under the plan, does not administer the plan and is not the trustee of the plan; therefore, the plan is not included in the financial statements.

Yuma County, Colorado
Notes to the Financial Statements
December 31, 2013
(Continued)

IV. Other Information (continued)

B. Cafeteria Plan

The County offers a cafeteria plan organized under Internal Revenue Code Section 125 that includes the following benefits: accident and/or term life insurance, health insurance premiums, unreimbursed health expense, and dependant day care reimbursement. No cost to the County is recognized, as the plan is a salary reduction plan.

C. Post Employment Health Care Benefits

All County employees covered by COBRA insurance may continue their health insurance following a reduction in work hours or termination of employment. Employees who elect continued coverage must pay for premiums from the termination date of coverage and monthly thereafter. No cost to the County is recognized as participants make payments directly to the CTSI – County Health Pool for their premium cost.

D. Commitments and Contingencies

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the County expects such amounts, if any, to be immaterial.

During the normal course of business, the County incurs claims and other assertions against it from various agencies and individuals. Management of the County believes that none of these claims or assertions is significant enough that they would materially affect the fairness of the presentation of the financial statements at December 31, 2013.

E. Risk Management

The County is exposed to various risks of loss related to workers compensation; general liability; unemployment; torts; theft of, damage to, and destruction of assets; and errors and omissions. The County has acquired commercial coverage for these risks and claims, if any, are not expected to exceed the commercial insurance coverage. The County has also joined the following self-insurance pools to obtain insurance coverage. The pools are groups of other Colorado counties that have associated to obtain various types of insurance.

Yuma County, Colorado
Notes to the Financial Statements
December 31, 2013
(Continued)

IV. Other Information (continued)

E. Risk Management (continued)

The County is a member of the Colorado Counties Casualty and Property Pool (“CAPP”) and the County Worker’s Compensation Pool (“CWCP”). CAPP and CWCP have a legal obligation for claims against its members to the extent that funds are available in their annually established loss funds; amounts are available from insurance providers under excess specific and aggregate insurance contracts. Losses incurred in excess of loss funds are direct liabilities of the participating members. CAPP and CWCP have indicated that the amount of any excess losses would be billed to members in proportion to their contributions in the year such excess occurs, although they are not legally required to do so. The ultimate liability, if any, to the County resulting from claims not covered by CAPP and CWCP is not presently determinable. Management is of the opinion that the final outcome of such claims, if any, will not have a materially adverse effect on the County’s financial statements.

1. 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 (“CAAP”), a public entity risk pool currently operating as a common risk management and insurance program for member counties. The County pays an annual contribution to CAPP for its property and casualty insurance coverage. The intergovernmental agreement of formation of CAPP provides that the Pool will be financially self-sustaining through member contributions and additional assessments, if necessary, and 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.

2. County Workers’ Compensation Pool

The County is exposed to various risks of loss related to injuries of employees while on the job. As previously explained, the County joined together with other counties in the State of Colorado to form the County Worker’s Compensation Pool (“CWCP”), a public entity risk pool currently operating as a common risk management and insurance program for member counties.

The County pays an annual contribution to CWCP for its workers’ compensation insurance coverage. The intergovernmental agreement of formation of CWCP provides that the Pool will be financially self-sustaining through member contributions and additional assessments, if necessary, and 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.

F. Other Employee Benefits

The County utilizes the CTSI – County Health Pool to provide health insurance benefits. The County provides basic, major medical, life, voluntary dental and vision coverage to all full-time employees and their eligible dependents. The plan is funded by the County and employee contributions, and benefits are administered through the CTSI – County Health Pool.

Yuma County, Colorado
Notes to the Financial Statements
December 31, 2013
(Continued)

IV. Other Information (continued)

G. Intergovernmental Agreements

1. W-Y Combined Communications Center

The W-Y Combined Communications Center (the "Center") was formed by intergovernmental agreement to provide emergency and dispatch services to the public safety providers in the Washington and Yuma County area. During 2013, the following entities provided the financial support to the Center:

Yuma County	\$	420,000
Washington County		209,511
Washington-Yuma Counties E911 Authority		60,000
RETAC Coordinator		93,748
Total		<u><u>\$ 783,259</u></u>

The following are the condensed, audited financial statements of the Center at December 31, 2013:

Statement of Net Position

Assets:

Current other assets	\$	93,341
Capital assets, net		8,184
Total Assets		<u><u>101,525</u></u>

Liabilities and Equity:

Liabilities:

Other liabilities	3,994
Long-term liabilities	59,595
Total Liabilities	<u><u>63,589</u></u>

Net Position:

Net investment in capital assets	8,184
Unrestricted	29,752
Total Net Position	<u><u>\$ 37,936</u></u>

Statement of Activities:

Revenues:

Allocation governments	\$	783,259
Other		355
Total Revenues		<u><u>783,614</u></u>

Expenditures:

Salaries and benefits	716,644
Other	78,397
Total Expenditures	<u><u>795,041</u></u>

Change in Net Position	(11,427)
Net Position - Beginning of Year	49,363
Net Position - End of Year	<u><u>\$ 37,936</u></u>

Complete separate financial statements of the Center may be obtained from the County.

Yuma County, Colorado
Notes to the Financial Statements
December 31, 2013
(Continued)

IV. Other Information (continued)

G. Intergovernmental Agreements (continued)

2. Republican River Water Conservation District

The Yuma County Water Authority Public Improvement District, a blended component unit of the County, entered into an agreement with the Republican River Water Conservation District (the "Conservation District") in 2008 whereby the Water Authority Public Improvement District is leasing certain water rights to the Conservation District for \$5,000,000. The lease term is for twenty years and expires December 31, 2028. The related revenue was received by the Water Authority Public Improvement District in 2008. This revenue was recognized on the fund financial statements in 2008. However, for the government-wide financial statements, the revenue is recognized evenly over the twenty year lease term. For the year ended December 31, 2013 the government-wide financial statements include earned revenue of \$250,000 and advanced water lease revenue of \$3,750,000.

H. Significant Taxpayers

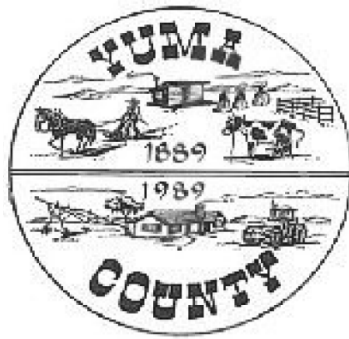
Thirty-one percent (31%) of all County property taxes were paid by ten taxpayers. The following are the top ten taxpayers in the County:

Name	Assessed Value	Tax Dollars
AUGUSTUS ENERGY PARTNERS, LLC	\$ 14,702,400	977,429
CHEYENNE PLAINS GAS PIPELINE CO	14,516,300	935,282
NOBLE ENERGY, INC	12,637,830	831,220
ROSEWOOD RESOURCES, INC	11,552,220	804,735
BNSF RAILWAY COMPANY	8,497,200	547,675
PDC ENERGY, INC	5,780,220	381,933
MUPHY-BROWN LLC	5,040,790	364,492
MOUNTAIN PETROLEUM CORPORATION	5,384,350	349,341
OVERLAND PASS PIPELINE CO, LLC	5,418,700	349,054
Y-W ELEC ASSN INC	68,214,416	347,867
Totals	\$ 151,744,426	5,889,028

I. Implementation of Government Accounting Standards Board Statement No. 65, *Items Previously Reported as Assets and Liabilities*

During 2013, the Town implemented Government Accounting Standards Board Statement No. 65, *Items Previously Reported as Assets and Liabilities*, which requires bond issuance costs, previously reported as an asset and amortized, to be recognized as an outflow at the time such costs are incurred. As such, the financial statements report a restatement of the Town's beginning governmental net position by \$398,531, the unamortized debt issuance costs at December 31, 2012.

REQUIRED SUPPLEMENTARY INFORMATION



Yuma County, Colorado
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (GAAP) Basis and Actual
For the Year Ended December 31, 2013
(With Comparative Actual Amounts for 2012)

	2013			2012	
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Revenues:					
Taxes:					
General property taxes	4,696,852	4,696,852	4,691,661	(5,191)	4,853,190
Interest and delinquent taxes	7,000	7,000	18,476	11,476	8,988
Intergovernmental revenue:					
State sources	80,086	80,086	89,414	9,328	80,906
Federal sources	18,000	18,000	43,453	25,453	22,462
Licenses and permits	3,600	3,600	4,225	625	9,256
Charges for services	813,750	813,750	1,086,128	272,378	1,043,970
Investment income including unrealized loss	50,000	50,000	(40,022)	(90,022)	53,003
Other	48,900	48,900	179,536	130,636	63,470
Total Revenues	<u>5,718,188</u>	<u>5,718,188</u>	<u>6,072,871</u>	<u>354,683</u>	<u>6,135,245</u>
Expenditures:					
General government:					
Administrative	176,000	176,000	147,523	28,477	151,946
Commissioners	465,000	465,000	440,561	24,439	445,465
Attorney	40,000	40,000	11,744	28,256	8,222
Planning and zoning	47,700	63,000	62,230	770	21,781
County Clerk	296,900	307,000	306,395	605	293,688
County Treasurer	251,000	251,000	220,068	30,932	227,581
County Assessor	387,800	387,800	357,991	29,809	348,633
GIS mapping	61,400	61,400	50,143	11,257	52,505
Elections	102,600	102,600	53,775	48,825	80,925
Building maintenance	264,300	283,300	244,380	38,920	217,915
Drivers license	52,200	56,000	55,456	544	48,316
Assessor maps	5,000	5,000	2,986	2,014	2,540
Judicial:					
District Attorney	183,825	183,825	183,825	-	170,545
Public Safety:					
Sheriff	692,399	692,399	685,275	7,124	637,480
Jail	812,200	812,200	799,185	13,015	699,308
Coroner	55,000	55,000	53,400	1,600	56,509
E-911 communications	420,000	420,000	420,000	-	406,000
Emergency preparedness	30,836	30,836	26,174	4,662	26,013
Health and Human Services:					
Northeast Colorado Health Department	97,010	97,010	97,010	-	97,010
Centennial Mental Health	21,025	21,025	21,025	-	21,466
Emergency medical services	60,500	60,500	12,818	47,682	17,025
Eastern CO Services for Developmentally Disabled	10,769	10,769	10,769	-	14,210
Community Auxiliary Services:					
W-Y Communications tower	3,000	3,000	1,709	1,291	1,965
Irrigation research	4,000	4,000	4,000	-	4,000
Golden Plains Extension	192,000	192,000	182,412	9,588	172,583
Northeast Colorado Bookmobile	25,003	25,003	25,003	-	25,003
Veterans' Officer	9,000	9,000	8,469	531	7,891
County fair	236,815	260,865	216,804	44,061	209,664
County express	53,153	53,153	53,153	-	53,153
County economic development	131,000	131,000	45,000	86,000	130,801
Northeastern Colorado Association of Local Gov'ts.	14,604	14,604	14,604	-	14,278
Water expenditures	51,000	51,000	50,215	785	50,215
Total Expenditures	<u>5,253,039</u>	<u>5,325,289</u>	<u>4,864,102</u>	<u>461,187</u>	<u>4,714,636</u>
Excess (Deficiency) of Revenues Over Expenditures	465,149	392,899	1,208,769	815,870	1,420,609
Other Financing (Uses):					
Transfers (out)	(811,965)	(811,965)	(537,185)	274,780	(636,526)
Sale of assets	-	-	1,525	1,525	2,061
Total Other Financing (Uses)	<u>(811,965)</u>	<u>(811,965)</u>	<u>(535,660)</u>	<u>276,305</u>	<u>(634,465)</u>
Net Change in Fund Balance	<u>(346,816)</u>	<u>(419,066)</u>	673,109	<u>1,092,175</u>	786,144
Fund Balances - Beginning of Year			10,280,204		9,494,060
Fund Balances - End of Year			<u>10,953,313</u>		<u>10,280,204</u>

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

Yuma County, Colorado
Road and Bridge Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (GAAP) Basis and Actual
For the Year Ended December 31, 2013
(With Comparative Actual Amounts for 2012)

	<u>2013</u>			<u>2012</u>
	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Budget Variance Positive (Negative)</u>	<u>Actual</u>
Revenues:				
Taxes:				
General property taxes	710,469	709,599	(870)	732,452
Specific ownership taxes	504,000	687,958	183,958	613,667
Interest and delinquent taxes	500	2,520	2,020	1,294
Total Local Sources	<u>1,214,969</u>	<u>1,400,077</u>	<u>185,108</u>	<u>1,347,413</u>
Intergovernmental revenues:				
Federal sources	80,050	44,934	(35,116)	78,593
State sources	3,312,600	2,881,180	(431,420)	2,958,963
Total Intergovernmental revenues	<u>3,392,650</u>	<u>2,926,114</u>	<u>(466,536)</u>	<u>3,037,556</u>
Permits and licenses	500	500	-	500
Charges for services	14,500	29,047	14,547	73,061
Other Revenue	<u>-</u>	<u>4,124</u>	<u>4,124</u>	<u>-</u>
Total Revenues	<u>4,622,619</u>	<u>4,359,862</u>	<u>(262,757)</u>	<u>4,458,530</u>
Expenditures:				
Public Works:				
Maintenance of condition	80,000	46,657	33,343	66,365
Administration and general	2,631,000	2,325,489	305,511	2,266,671
Construction and capital outlay	1,600,000	1,428,906	171,094	1,421,848
Reclamation	48,000	11,949	36,051	14,703
Grants and other	465,000	8,700	456,300	-
Total Expenditures	<u>4,824,000</u>	<u>3,821,701</u>	<u>1,002,299</u>	<u>3,769,587</u>
Excess (Deficiency) of Revenues				
Net Change in Fund Balance	<u>(201,381)</u>	538,161	<u>739,542</u>	738,105
Fund Balances - Beginning of Year		<u>4,991,322</u>		<u>4,253,217</u>
Fund Balances - End of Year		<u>5,529,483</u>		<u>4,991,322</u>

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

Yuma County, Colorado
Human Services Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (GAAP) Basis and Actual
For the Year Ended December 31, 2013
(With Comparative Actual Amounts for 2012)

	<u>2013</u>			<u>2012</u>
	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Budget Variance Positive (Negative)</u>	<u>Actual</u>
Revenues:				
Local sources:				
General property taxes	276,191	284,111	7,920	290,557
Total local sources	<u>276,191</u>	<u>284,111</u>	<u>7,920</u>	<u>290,557</u>
Program revenues:				
Federal and State	3,243,383	3,256,880	13,497	3,343,544
Total Revenues	<u>3,519,574</u>	<u>3,540,991</u>	<u>21,417</u>	<u>3,634,101</u>
Expenditures:				
Colorado works	276,001	265,292	10,709	235,575
Child care	127,086	102,174	24,912	102,921
Child care grants	-	15,597	(15,597)	29,467
Administration & medical exams	244,019	237,853	6,166	248,798
Child welfare	650,112	709,356	(59,244)	790,021
Independent living	6,717	2,577	4,140	7,780
Core services	213,912	115,816	98,096	134,225
Child support	62,146	43,081	19,065	60,874
Employment first	4,690	9,709	(5,019)	13,807
LEAP - Low Energy Assistance Program	211,348	140,977	70,371	143,356
AND - Aid for Needy Disabled	52,676	54,534	(1,858)	76,483
Aid for Blind	-	-	-	(1,066)
OAP - Old Age Pension	255,122	302,182	(47,060)	258,065
HCA (Home Care Allowance)	28,651	12,021	16,630	18,298
Food stamps	1,395,716	1,444,281	(48,565)	1,501,778
Non-Allocated Programs	15,000	17,361	(2,361)	17,064
Other programs	3,077	53,015	(49,938)	52,290
IV-E and parental fees	-	25,337	(25,337)	-
IV-D retained collections	(14,614)	(22,350)	7,736	(22,027)
TANF collections	293	4	289	761
Total Expenditures	<u>3,531,952</u>	<u>3,528,817</u>	<u>3,135</u>	<u>3,668,470</u>
Net Change in Fund Balance	<u>(12,378)</u>	12,174	<u>24,552</u>	(34,369)
Fund Balances - Beginning of Year		<u>577,012</u>		<u>611,381</u>
Fund Balances - End of Year		<u>589,186</u>		<u>577,012</u>

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

Yuma County, Colorado
Special Revenue Funds
Grant Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (GAAP) Basis and Actual
For the Year Ended December 31, 2013
(With Comparative Actual Amounts for 2012)

	2013			Final Budget Variance Positive (Negative)	2012
	Original Budget	Original and Final Budget	Actual		Actual
Revenues:					
Intergovernmental grants	1,939,246	1,939,246	1,187,139	(752,107)	1,238,050
Miscellaneous	34,045	34,044	1,653	(32,391)	1,071
Total Revenues	<u>1,973,291</u>	<u>1,973,290</u>	<u>1,188,792</u>	<u>(784,498)</u>	<u>1,239,121</u>
Expenditures:					
General government	555,905	497,304	15,794	481,510	12,619
Judicial	77,825	77,825	74,825	3,000	82,600
Public safety	970,871	970,871	644,900	325,971	1,104,302
Community auxiliary services	395,400	454,000	453,273	727	39,600
Total Expenditures	<u>2,000,001</u>	<u>2,000,000</u>	<u>1,188,792</u>	<u>811,208</u>	<u>1,239,121</u>
Net Change in Fund Balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances - Beginning of Year			<u>26,710</u>		<u>26,710</u>
Fund Balances - End of Year			<u>26,710</u>		<u>26,710</u>

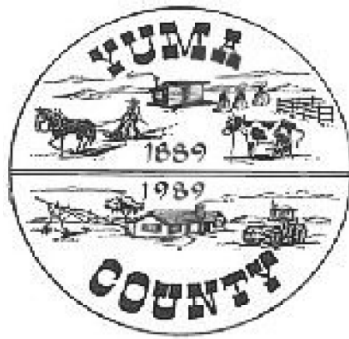
The accompanying notes are an integral part of these financial statements.

Yuma County, Colorado
Special Revenue Funds
Water Authority Public Improvement District
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (GAAP) Basis and Actual
For the Year Ended December 31, 2013
(With Comparative Actual Amounts for 2012)

	2013			Final Budget Variance Positive (Negative)	2012
	Original Budget	Original and Final Budget	Actual		Actual
Revenues:					
Taxes:					
General property taxes	1,124,594	1,124,594	1,124,149	(445)	1,158,925
Specific ownership taxes	72,000	72,000	118,895	46,895	105,148
Interest and delinquent taxes	-	-	2,170	2,170	1,782
Other		500	569	69	182
Total Revenues	<u>1,196,594</u>	<u>1,197,094</u>	<u>1,245,783</u>	<u>48,689</u>	<u>1,266,037</u>
Expenditures:					
Community Auxiliary Services:					
Administration and general	236,200	236,200	33,987	202,213	35,010
Debt Service:					
Principal	790,838	790,838	793,150	(2,312)	763,949
Interest	400,928	400,928	398,616	2,312	420,242
Total Expenditures	<u>1,427,966</u>	<u>1,427,966</u>	<u>1,225,753</u>	<u>202,213</u>	<u>1,219,201</u>
Net Change in Fund Balance	<u>(231,372)</u>	<u>(230,872)</u>	20,030	<u>250,902</u>	46,836
Fund Balances (deficit) - Beginning of Year			<u>506,518</u>		<u>459,682</u>
Fund Balances - End of Year			<u>526,548</u>		<u>506,518</u>

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

SUPPLEMENTARY INFORMATION



Yuma County, Colorado
Combining Balance Sheet
Non-Major Governmental Funds
December 31, 2013

	Special Revenue										
	Capital Acquisitions Fund	Landfill Fund	Landfill Closure Fund	Recreation Fund	Conservation Trust Fund	Useful Public Service	Sheriff's Victim Assistance and Grant Fund	TASK Force Fund	Separation of Employment Fund	Self Insurance Fund	Total Non-major Governmental Funds
Assets:											
Cash and investments	1,173,094	178,009	88,746	1,126,604	46,925	18,949	50,750	116,986	84,214	989,734	3,874,011
Property taxes receivable	-	-	-	239,523	-	-	-	-	-	119,762	359,285
Accounts receivable	-	-	-	-	-	598	-	-	-	-	598
Due from other governments	-	1,352	-	-	-	-	5,944	-	-	-	7,296
Total Assets	<u>1,173,094</u>	<u>179,361</u>	<u>88,746</u>	<u>1,366,127</u>	<u>46,925</u>	<u>19,547</u>	<u>56,694</u>	<u>116,986</u>	<u>84,214</u>	<u>1,109,496</u>	<u>4,241,190</u>
Liabilities:											
Accounts payable	25,364	11,488	-	-	-	162	153	893	-	-	38,060
Total Liabilities	<u>25,364</u>	<u>11,488</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>162</u>	<u>153</u>	<u>893</u>	<u>-</u>	<u>-</u>	<u>38,060</u>
Deferred Inflows of Resources:											
Unavailable revenue - property taxes	-	-	-	239,523	-	-	-	-	-	119,762	359,285
Total Deferred Inflow of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>239,523</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>119,762</u>	<u>359,285</u>
Fund Balances:											
Restricted	-	-	88,746	-	46,925	19,385	56,541	116,093	-	-	327,690
Committed	-	-	-	-	-	-	-	-	84,214	989,734	1,073,948
Assigned	1,147,730	167,873	-	1,126,604	-	-	-	-	-	-	2,442,207
Total Fund Balances	<u>1,147,730</u>	<u>167,873</u>	<u>88,746</u>	<u>1,126,604</u>	<u>46,925</u>	<u>19,385</u>	<u>56,541</u>	<u>116,093</u>	<u>84,214</u>	<u>989,734</u>	<u>3,843,845</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>1,173,094</u>	<u>179,361</u>	<u>88,746</u>	<u>1,366,127</u>	<u>46,925</u>	<u>19,547</u>	<u>56,694</u>	<u>116,986</u>	<u>84,214</u>	<u>1,109,496</u>	<u>4,241,190</u>

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

Yuma County, Colorado
Combining Statement of Revenues Expenditures and Changes in Fund Balance
Non-Major Governmental Funds
For the Year Ended December 31, 2013

	Special Revenue									
	Capital Acquisitions Fund	Landfill Fund	Landfill Closure Fund	Recreation Fund	Conservation Trust Fund	Useful Public Service Fund	Sheriff's Victim Assistance and Grant Fund	TASK Force Fund	Separation of Employment Fund	Self Insurance Fund
Revenues:										
Taxes	-	-	-	281,585	-	-	-	-	140,868	422,453
Intergovernmental	-	-	-	142	42,502	-	75,546	36,595	71	154,856
Charges for services	-	260,595	-	-	-	6,712	27,890	-	-	295,197
Investment income	-	-	101	-	73	-	-	207	-	381
Other sources	-	-	-	-	-	184	-	-	37,187	37,371
Total Revenues	<u>-</u>	<u>260,595</u>	<u>101</u>	<u>281,727</u>	<u>42,575</u>	<u>6,896</u>	<u>103,436</u>	<u>36,802</u>	<u>178,126</u>	<u>910,258</u>
Expenditures:										
General government	286,188	-	-	-	-	-	-	35,687	207,527	529,402
Public safety	-	-	-	-	-	6,055	106,300	122,787	-	235,142
Culture and recreation	-	-	-	93,346	73,613	-	-	-	-	166,959
Public works	158,583	-	-	-	-	-	-	-	-	158,583
Landfill	-	368,851	-	-	-	-	-	-	-	368,851
Total Expenditures	<u>444,771</u>	<u>368,851</u>	<u>-</u>	<u>93,346</u>	<u>73,613</u>	<u>6,055</u>	<u>106,300</u>	<u>122,787</u>	<u>207,527</u>	<u>1,458,937</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(444,771)</u>	<u>(108,256)</u>	<u>101</u>	<u>188,381</u>	<u>(31,038)</u>	<u>841</u>	<u>(2,864)</u>	<u>(85,985)</u>	<u>(35,687)</u>	<u>(548,679)</u>
Other Financing Sources (Uses):										
Transfers in	387,149	92,235	5,000	-	-	-	13,801	-	50,000	548,185
Transfers (out)	-	(11,000)	-	-	-	-	-	-	-	(11,000)
Sale of assets	104,926	2,624	-	-	-	-	-	-	-	107,550
Total Other Financing Sources (Uses)	<u>492,075</u>	<u>83,859</u>	<u>5,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,801</u>	<u>-</u>	<u>50,000</u>	<u>644,735</u>
Net Change in Fund Balance	<u>47,304</u>	<u>(24,397)</u>	<u>5,101</u>	<u>188,381</u>	<u>(31,038)</u>	<u>841</u>	<u>10,937</u>	<u>(85,985)</u>	<u>14,313</u>	<u>96,056</u>
Fund Balances - Beginning of Year	<u>1,100,426</u>	<u>192,270</u>	<u>83,645</u>	<u>938,223</u>	<u>77,963</u>	<u>18,544</u>	<u>45,604</u>	<u>202,078</u>	<u>69,901</u>	<u>3,747,789</u>
Fund Balances - End of Year	<u>1,147,730</u>	<u>167,873</u>	<u>88,746</u>	<u>1,126,604</u>	<u>46,925</u>	<u>19,385</u>	<u>56,541</u>	<u>116,093</u>	<u>84,214</u>	<u>3,843,845</u>

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

Yuma County, Colorado
Capital Acquisitions Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (GAAP) Basis and Actual
For the Year Ended December 31, 2013
(With Comparative Actual Amounts for 2012)

	<u>2013</u>		<u>Budget Variance Positive (Negative)</u>	<u>2012</u>
	<u>Original and Final Budget</u>	<u>Actual</u>		<u>Actual</u>
Revenues:				
Total Revenues	-	-	-	-
Expenditures:				
General government	412,338	286,188	126,150	7,265
Public works	887,662	158,583	729,079	293,800
Total Expenditures	<u>1,300,000</u>	<u>444,771</u>	<u>855,229</u>	<u>301,065</u>
Excess (Deficiency) of Revenues Over Expenditures	(1,300,000)	(444,771)	855,229	(301,065)
Other Financing Sources:				
Transfers in	387,149	387,149	-	496,490
Sale of assets	-	104,926	104,926	-
Total Other Financing Sources	<u>387,149</u>	<u>492,075</u>	<u>104,926</u>	<u>496,490</u>
Net Change in Fund Balance	<u>(912,851)</u>	47,304	<u>960,155</u>	195,425
Fund Balances - Beginning of Year		<u>1,100,426</u>		<u>905,001</u>
Fund Balances - End of Year		<u>1,147,730</u>		<u>1,100,426</u>

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

Yuma County, Colorado
Special Revenue Funds
Landfill Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (GAAP) Basis and Actual
For the Year Ended December 31, 2013
(With Comparative Actual Amounts for 2012)

	2013		Budget Variance Positive (Negative)	2012
	Original and Final Budget	Actual		Actual
Revenues:				
Local governmental contributions	108,275	108,275	-	113,859
Charges for services	77,500	151,637	74,137	141,827
Other	-	683	683	433
Total Revenues	<u>185,775</u>	<u>260,595</u>	<u>74,820</u>	<u>256,119</u>
Expenditures:				
Operations	337,400	331,827	5,573	291,824
Capital outlay	45,000	37,024	7,976	26,945
Total Expenditures	<u>382,400</u>	<u>368,851</u>	<u>13,549</u>	<u>318,769</u>
Excess (Deficiency) of Revenues Over Expenditures	(196,625)	(108,256)	88,369	(62,650)
Other Financing Sources (Uses):				
Transfers in	92,235	92,235	-	92,235
Transfers (out)	(11,000)	(11,000)	-	(11,000)
Sale of assets	-	2,624	2,624	-
Total Other Financing Sources	<u>81,235</u>	<u>83,859</u>	<u>2,624</u>	<u>81,235</u>
Net Change in Fund Balance	<u>(115,390)</u>	<u>(24,397)</u>	<u>90,993</u>	18,585
Fund Balances - Beginning of Year		<u>192,270</u>		<u>173,685</u>
Fund Balances - End of Year		<u>167,873</u>		<u>192,270</u>

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

Yuma County, Colorado
Special Revenue Funds
Landfill Closure Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (GAAP) Basis and Actual
For the Year Ended December 31, 2013
(With Comparative Actual Amounts for 2012)

	2013			2012
	Original and Final Budget	Actual	Budget Variance Positive (Negative)	Actual
Revenues:				
Interest	-	101	101	197
Total Revenues	<u>-</u>	<u>101</u>	<u>101</u>	<u>197</u>
Expenditures:				
Closure costs	75,000	-	75,000	-
Total Expenditures	<u>75,000</u>	<u>-</u>	<u>75,000</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures	(75,000)	101	75,101	197
Other Financing Sources:				
Transfers in	5,000	5,000	-	5,000
Total Other Financing Sources	<u>5,000</u>	<u>5,000</u>	<u>-</u>	<u>5,000</u>
Net Change in Fund Balance	<u>(70,000)</u>	5,101	<u>75,101</u>	5,197
Fund Balances - Beginning of Year		<u>83,645</u>		<u>78,448</u>
Fund Balances - End of Year		<u>88,746</u>		<u>83,645</u>

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

Yuma County, Colorado
Special Revenue Funds
Recreation Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (GAAP) Basis and Actual
For the Year Ended December 31, 2013
(With Comparative Actual Amounts for 2012)

	<u>2013</u>			<u>2012</u>
	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Budget Variance Positive (Negative)</u>	<u>Actual</u>
Revenues:				
Local Sources:				
General property taxes	281,149	280,589	(560)	289,622
Delinquent taxes and interest	600	996	396	511
Intergovernmental	90	142	52	142
Other	500	-	(500)	361
Total Revenues	<u>282,339</u>	<u>281,727</u>	<u>(612)</u>	<u>290,636</u>
Expenditures:				
Culture and recreation	<u>350,000</u>	<u>93,346</u>	<u>256,654</u>	<u>180,832</u>
Total Expenditures	<u>350,000</u>	<u>93,346</u>	<u>256,654</u>	<u>180,832</u>
Net Change in Fund Balance	<u>(67,661)</u>	188,381	<u>256,042</u>	109,804
Fund Balances - Beginning of Year		<u>938,223</u>		<u>828,419</u>
Fund Balances - End of Year		<u>1,126,604</u>		<u>938,223</u>

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

Yuma County, Colorado
Special Revenue Funds
Conservation Trust Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (GAAP) Basis and Actual
For the Year Ended December 31, 2013
(With Comparative Actual Amounts for 2012)

	<u>2013</u>			Final Budget Variance Positive (Negative)	<u>2012</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>		<u>Actual</u>
Revenues:					
Conservation Trust lottery revenue	30,000	30,000	42,502	12,502	39,237
Interest	200	200	73	(127)	142
Total Revenues	<u>30,200</u>	<u>30,200</u>	<u>42,575</u>	<u>12,375</u>	<u>39,379</u>
Expenditures:					
Parks and recreation	60,000	74,000	73,613	387	8,452
Total Expenditures	<u>60,000</u>	<u>74,000</u>	<u>73,613</u>	<u>387</u>	<u>8,452</u>
Net Change in Fund Balance	<u>(29,800)</u>	<u>(43,800)</u>	(31,038)	<u>12,762</u>	30,927
Fund Balances - Beginning of Year			<u>77,963</u>		<u>47,036</u>
Fund Balances - End of Year			<u>46,925</u>		<u>77,963</u>

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

Yuma County, Colorado
Special Revenue Funds
Useful Public Service Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (GAAP) Basis and Actual
For the Year Ended December 31, 2013
(With Comparative Actual Amounts for 2012)

	2013		Budget Variance Positive (Negative)	2012
	Original and Final Budget	Actual		Actual
Revenues:				
Charges for services	6,000	6,712	712	4,620
Other	200	184	(16)	1,159
Total Revenues	6,200	6,896	696	5,779
Expenditures:				
Programs	7,240	6,055	1,185	5,907
Total Expenditures	7,240	6,055	1,185	5,907
Fund Balances - Beginning of Year		18,544		18,672
Fund Balances - End of Year		19,385		18,544

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

Yuma County, Colorado
Special Revenue Funds
Sheriff's Victim Assistance and Grant Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (GAAP) Basis and Actual
For the Year Ended December 31, 2013
(With Comparative Actual Amounts for 2012)

	2013			Final Budget Variance Positive (Negative)	2012
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Federal grants	51,597	51,597	48,622	(2,975)	26,751
State grants	19,856	20,424	20,424	-	19,856
Other sources	6,000	6,000	6,500	500	7,044
Charges for services	5,450	6,000	27,890	21,890	11,783
Total Revenues	82,903	84,021	103,436	19,415	65,434
Expenditures:					
Public safety	102,390	112,390	106,300	6,090	71,111
Total Expenditures	102,390	112,390	106,300	6,090	71,111
Excess (Deficiency) of Revenues Over Expenditures	(19,487)	(28,369)	(2,864)	25,505	(5,677)
Other Financing Sources:					
Transfers in	13,801	13,801	13,801	-	13,801
Total Other Financing Sources	13,801	13,801	13,801	-	13,801
Net Change in Fund Balance	(5,686)	(14,568)	10,937	25,505	8,124
Fund Balances - Beginning of Year			45,604		37,480
Fund Balances - End of Year			56,541		45,604

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

Yuma County, Colorado
Special Revenue Funds
TASK Force Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (GAAP) Basis and Actual
For the Year Ended December 31, 2013
(With Comparative Actual Amounts for 2012)

	2013		Budget Variance Positive (Negative)	2012
	Original and Final Budget	Actual		Actual
Revenues:				
Intergovernmental:				
Federal grants	18,000	13,678	(4,322)	71,219
Local match	161,900	22,500	(139,400)	23,250
Other	-	417	417	2,751
Investment income	100	207	107	524
	180,000	36,802	(143,198)	97,744
Total Revenues				
Expenditures:				
Public safety	180,000	122,787	57,213	115,603
	180,000	122,787	57,213	115,603
Total Expenditures				
Net Change in Fund Balance	-	(85,985)	(85,985)	(17,859)
Fund Balances - Beginning of Year		202,078		219,937
Fund Balances - End of Year		116,093		202,078

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

Yuma County, Colorado
Special Revenue Funds
Separation of Employment Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (GAAP) Basis and Actual
For the Year Ended December 31, 2013
(With Comparative Actual Amounts for 2012)

	<u>2013</u>		Budget Variance Positive (Negative)	<u>2012</u>
	Original and Final Budget	Actual		Actual
Expenditures:				
Personal leave	115,000	35,687	79,313	42,511
Total Expenditures	<u>115,000</u>	<u>35,687</u>	<u>79,313</u>	<u>42,511</u>
Excess (Deficiency) of Revenues Over Expenditures	(115,000)	(35,687)	79,313	(42,511)
Other Financing Sources:				
Transfers in	50,000	50,000	-	40,000
Transfers (out)	-	-	-	-
Total Other Financing Sources	<u>50,000</u>	<u>50,000</u>	<u>-</u>	<u>40,000</u>
Net Change in Fund Balance	<u>(65,000)</u>	14,313	<u>79,313</u>	(2,511)
Fund Balances - Beginning of Year		<u>69,901</u>		<u>72,412</u>
Fund Balances - End of Year		<u>84,214</u>		<u>69,901</u>

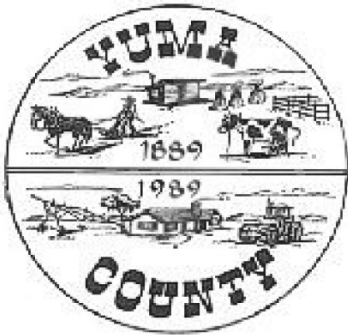
The accompanying notes are an integral part of these financial statements.

Yuma County, Colorado
Special Revenue Funds
Self-Insurance Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (GAAP) Basis and Actual
For the Year Ended December 31, 2013
(With Comparative Actual Amounts for 2012)

	2013		Budget Variance Positive (Negative)	2012
	Original and Final Budget	Actual		Actual
Revenues:				
Taxes:				
General property taxes	140,464	140,370	(94)	144,813
Delinquent taxes and interest	205	498	293	256
Total Taxes	140,669	140,868	199	145,069
Other:				
Intergovernmental	40	71	31	70
Miscellaneous	10,000	37,187	27,187	22,633
Total Other	10,040	37,258	27,218	22,703
Total Revenues	150,709	178,126	27,417	167,772
Expenditures:				
General government:				
Insurance premiums and claims	227,000	207,527	19,473	167,192
Total Expenditures	227,000	207,527	19,473	167,192
Net Change in Fund Balance	(76,291)	(29,401)	46,890	580
Fund Balances - Beginning of Year		1,019,135		1,018,555
Fund Balances - End of Year		989,734		1,019,135

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

**ANNUAL SCHEDULE OF REVENUES AND
EXPENDITURES FOR ROADS, BRIDGES AND STREETS**



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

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

This Information From The Records Of County of Yuma	Prepared By: Linda Briggs Phone: 970-332-5796
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I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES	III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES
---	---

ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway disbursements:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	1,464,377
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	2,280,252
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)	1,358,617	c. Other	45,237
4. Miscellaneous local receipts (from page 2)	48,671	d. Total (a. through c.)	45,237
5. Transfers from toll facilities		4. General administration & miscellaneous	
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	
a. Bonds - Original Issues		6. Total (1 through 5)	3,789,866
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)	1,407,288	b. Redemption	
B. Private Contributions		c. Total (a. + b.)	0
C. Receipts from State government (from page 2)	2,907,526	2. Notes:	
D. Receipts from Federal Government (from page 2)	45,049	a. Interest	
E. Total receipts (A.7 + B + C + D)	4,359,862	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)	3,789,866

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
	4,959,486	4,359,862	3,789,866	5,529,482	0

Notes and Comments:

Funds to the City of Wray 19,395
Funds to the City of Yuma 25,841
TOTAL 45,237

LOCAL HIGHWAY FINANCE REPORT	STATE:	County / Yuma
	Colorado	
	YEAR ENDING (mm/yy):	12/13

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	710,746	a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes		c. Parking Garage Fees	
2. Infrastructure & Impact Fees		d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	4,124
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other	647,870	g. Other Misc. Receipts + W Sugar impact fee	41,015
6. Total (1. through 5.)	647,870	h. Other Permits	3,532
c. Total (a. + b.)	1,358,617	i. Total (a. through h.)	48,671
	(Carry forward to page 1)		(Carry forward to page 1)

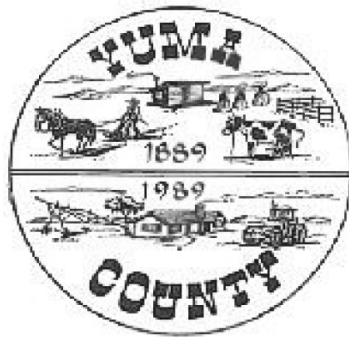
ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	2,779,408	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	41,461	d. Federal Transit Admin	
d. Other (Specify) - DOLA Grant		e. U.S. Corps of Engineers	
e. Other (Specify) - Severance tax	86,657	f. Other Federal	45,049
f. Total (a. through e.)	128,118	g. Total (a. through f.)	45,049
4. Total (1. + 2. + 3.f)	2,907,526	3. Total (1. + 2.g)	
			(Carry forward to page 1)

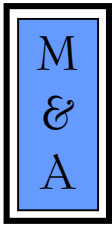
III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs			0
b. Engineering Costs			0
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements			0
(3). System Preservation			0
(4). System Enhancement & Operation		1,464,377	1,464,377
(5). Total Construction (1) + (2) + (3) + (4)	0	1,464,377	1,464,377
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	1,464,377	1,464,377
			(Carry forward to page 1)

Notes and Comments:

**REPORTS AND SCHEDULES FOR REPORTING REQUIREMENTS
OF OMB CIRCULAR A-133**





MCMAHAN AND ASSOCIATES, L.L.C.

Certified Public Accountants and Consultants

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENTAL AUDITING STANDARDS

Independent Auditor's Report

**To the Board of County Commissioners
Yuma County, Colorado
County, Colorado**

We have audited, in accordance with U.S. generally accepted auditing standards 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, each major fund, and the aggregate remaining fund information of Yuma 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 September 26, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit on 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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the County'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.

Member: American Institute of Certified Public Accountants

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**To the Board of County Commissioners
Yuma County, Colorado**

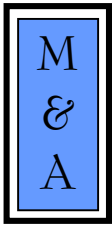
Compliance and Other Matters

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 County's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* in considering the County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

**McMahan and Associates, L.L.C.
September 26, 2014**



MCMAHAN AND ASSOCIATES, L.L.C.

Certified Public Accountants and Consultants

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REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

Independent Auditor's Report

**To the Board of County Commissioners
Yuma County, Colorado
County, Colorado**

Report on Compliance for Each Major Program

We have audited the Yuma 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 each of the County's major federal programs for the year ended December 31, 2013. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with U.S. generally accepted auditing standards; 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 on the County's compliance with those requirements.

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 each of its major federal programs for the year ended December 31, 2013.

Member: American Institute of Certified Public Accountants

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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, we considered the County's internal control over compliance with types of requirements that could have a direct and material effect on each major federal program to determine our 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 or on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a 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 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 charges with governance.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to indentify 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 in 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.

McMahan and Associates, L.L.C.
September 26, 2014

Yuma County, Colorado, Colorado
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2013

Part I: Summary of Auditor's Results

Financial Statements

Type of auditor's report issued	Unmodified
Internal control over financial reporting:	
Material weakness identified	None noted
Significant deficiency identified	None noted
Noncompliance material to financial statements noted	None noted

Federal Awards

Internal control over major programs:	
Material weakness identified	None noted
Significant deficiency identified	None noted
Type of auditor's report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133	None noted
Major program – Capitalization Grants for Homeland Security Grant Program	CFDA #97.067
Dollar threshold used to identify Type A from Type B programs	\$300,000
Identified as low-risk auditee	Yes

Part II: Findings Related to Financial Statements

Findings related to financial statements as required by Government Auditing Standards	None noted
Auditor-assigned reference number	Not applicable

Part III: Findings Related to Federal Awards

Internal control findings	None noted
Compliance findings	None noted
Questioned costs	None noted
Auditor-assigned reference number	Not applicable

Yuma County, Colorado
SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2013
(Continued)

Note: There were no findings for the fiscal year ended December 31, 2012.

Yuma County, Colorado
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2013

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Major Program (Yes/No)</u>	<u>2013 Expenditures</u>
Department of Human Services:			
Passed through Colorado Department of Health and Human Services:			
TANF CO Works	93.558	No	236,413
Title IV-D - Admin	93.563	No	60,754
Low income energy assistance program	93.568	No	131,900
CCDF - Discretionary	93.575	No	8,024
CCDF	93.596	No	71,511
Child care - Title IVB	93.645	No	14,296
Foster Care - Title IV-E	93.658	No	87,226
Adoption	93.659	No	21,751
Block Grant - Title XX	93.667	No	58,298
Independent Living - Title IV-E	93.674	No	2,577
Medical Assistance Program - Title XIX	93.778	No	61,158
Adjustment to federal assistance	93.000	No	693
Total Department of Human Services			<u>754,601</u>
Department of Agriculture:			
Passed through Colorado Department of Human Services:			
Food Stamps - Administration	10.561	No	80,083
Total Department of Agriculture			<u>80,083</u>
Department of Homeland Security:			
Homeland Security Grant Program	97.067	Yes	643,751
Emergency Management Performance Grants (EMPG)	97.042	No	13,087
Total Department of Homeland Security			<u>656,838</u>
Department of Housing and Urban Development:			
Community Development Block Grant	14.228	No	453,273
Department of Justice:			
Community Oriented Police Services	16.710	No	13,687
State Criminal Alien Assistance Program (SCAAP)	16.606	No	21,610
Passed through the Colorado Division of Criminal Justice:			
Victims of Crime Act	16.575	No	24,946
Sex Offender Registration and Notification (SORNA)	16.580	No	23,646
Total Department of Justice			<u>83,889</u>
Total Expenditures			<u>2,028,684</u>

Notes to the Schedule of Expenditures of Federal Awards For the Year Ended December 31, 2013.

Note 1. Basis of Presentation:

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

Note 2. Determining the Value of Non-Cash Awards Expended:

Food Issuances: Fair market value of food issuances at the time recipient receives award and the assessed value provided by the federal agency. Food Distribution: Fair market value of food distributions at the time recipient receives award and the assessed value provided by the federal agency.

Note 3. Subrecipients:

The County passes-through certain Federal assistance received from the Department of Housing and Urban Development to a not-for-profit agency (The Northeast Revolving Loan Fund) (sub recipient). As described in Note 1, the County records expenditures of Federal awards to sub recipients when paid in cash. The sub recipient agencies have certain compliance responsibilities related to administering these Federal Programs. Under Federal Circular A-133, the County is responsible for monitoring sub recipients to help assure that Federal awards are used for authorized purposes in compliance with laws, regulations, and the provisions of contracts or grant agreements, and that performance goals are achieved