

KIOWA COUNTY, COLORADO

FINANCIAL STATEMENTS

DECEMBER 31, 2010

Amanda L. Brown

Certified Public Accountant

1220 Maine Street, 2nd Floor
P.O. Box 405
Eads, CO 81036

719-438-5445
fax 877-225-7026
amanda@amandalbrown.com

INDEPENDENT AUDITOR'S REPORT

Board of County Commissioners
Kiowa County, Colorado
Eads, Colorado

I have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Kiowa County, Colorado as of and for the year ended December 31, 2010, which collectively comprises the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. My responsibility is to express opinions on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinions.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Kiowa County, Colorado as of December 31, 2010, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, I have also issued my report dated July 26, 2011, on my consideration of Kiowa County's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing and do not 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* and should be considered in assessing the results of my audit.

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

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Kiowa County, Colorado basic financial statements as a whole. The combining and individual nonmajor fund financial statements and schedules, along with the Local Highway Finance Report and Social Service Schedule of EBT Authorizations, Warrant Expenditures and Total Expenditures are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the financial statements of Kiowa County, Colorado. The combining and individual non major fund financial statements and schedules, the Local Highway Finance Report, the Social Service Schedule of EBT Authorizations, Warrant Expenditures and Total Expenditures, and the schedule of expenditures of federal awards, are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The 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 themselves, and other procedures in accordance with auditing standards generally accepted in the United States of American. In my opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Amanda L. Brown, CPA

Eads, Colorado
July 26, 2011

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KIOWA COUNTY, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS
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The discussion and analysis of the Kiowa County financial performance provides an overview and analysis of the County's financial activities for the year ended on December 31, 2010. It should be read in conjunction with the accompanying basic financial statements.

FINANCIAL HIGHLIGHTS

- The County's total net assets increased by \$49,175 or .87% during the year.
- Governmental activities' net assets increased by \$111,219.
- Business-Type activities' net assets decreased by \$62,044.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of four parts – management's discussion and analysis, the basic financial statements, required supplementary information, and a section that presents combining statements for nonmajor governmental funds.

Basic financial statements - include two kinds of statements that present different views of the County.

- **Government-wide financial statements** provide both long-term and short-term information about the County's overall financial status. The required financial statements include statement of net assets, and statement of activities. The measurement focus is on economic resources and accrual accounting is used. Assets and liabilities include both financial and capital and are reported as short and long term. Revenues and expenses are included regardless of when cash is received or paid.
- **Fund Financial Statements** focus on the individual parts of the County reporting in more detail the County's operations.
 1. **Government Funds** show how general government services like public safety, public health, highways and streets, social services, culture and recreation, and general government administration were financed in the short term and what remains for future spending. The required financial statements are a balance sheet and statement of revenues, expenditures and changes in fund balance. Only assets expected to be used and liabilities that come due during the year or soon thereafter are included. Capital assets are not included as assets. The measurement focus is on current financial resources and modified accrual accounting is used to report revenues and expenses that are received during the year or soon thereafter.

KIOWA COUNTY, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS
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2. **Proprietary Funds** include activities, such as the Kiowa County Building Corporation, a blended component unit, and the Assisted Living Facility which are operated similar to private business with an economic resource focus and accrual accounting. The required financial statements include Statement of Net Assets, Statement of Revenues, expenses, and changes in Net Assets, and Statement of cash flows. All assets and liabilities, both financial and capital, long and short-term are provided and all revenues and expenses are included regardless of when cash is received or paid.

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

Required Supplementary Information includes budgetary comparison schedules for the General Fund and major special revenue funds.

Other Supplementary Information includes combining statements for nonmajor governmental funds and budget comparison schedules for all non major special revenue funds, capital project fund, fiduciary funds, and proprietary funds.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The government-wide statements report information about the County as a whole using accounting methods similar to those used by private-sector companies. The statement of net assets includes all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the County's net assets and how they have changed. Net assets, the difference between the County's assets and liabilities, is one way to measure the County's financial health, or position.

- Over time, increases or decreases in the County's net assets are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the County, additional non-financial factors need to be considered, such as changes in the County's property tax base and the condition of the County's roads.

The government-wide financial statements of the County are divided into two categories:

Governmental Activities – Most of the County's basic services are included here, such as public safety, public health, highways and streets, social services, culture and recreation, and general

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MANAGEMENT'S DISCUSSION AND ANALYSIS
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administration. Property taxes, intergovernmental revenue and charges for services finance most of these activities.

Business-type Activities – The County charges fees to customers to recover most of the costs of certain activities. The Kiowa County Building Corporation and Assisted Living Facility are included here.

FUND FINANCIAL STATEMENTS

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

- Some funds are required by State law and by bond covenants.
- The County Commissioners establish other funds to control and manage money for particular purposes or to show that it is properly using certain taxes and grants, such as the Road and Bridge Fund and the Conservation Trust Fund.

The County has three kinds of funds:

- Governmental Funds – Most of the County's basic services are included in the governmental funds, which focus on the flow of cash in and out and how balances remaining at the end of the year are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine the change in financial resources that can be spent in the near future to finance the County's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, additional information is provided on the subsequent page that explains the differences between them.
- Proprietary Funds – Services for which the County charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long and short-term financial information. The County's Kiowa County Building Corporation is a proprietary fund accounting for the construction of the assisted living facility. The County's Assisted Living Fund is a proprietary fund accounting for the operation of the assisted living facility.
- Fiduciary Funds: The County is the trustee, or fiduciary, for the Treasurer's Fund. The Treasurer, by statute, collects and distributes all property tax revenues to other County funds and local governments. The County is responsible for ensuring that the assets reported in this fund are used for their intended purpose. All of the County's fiduciary activities are

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MANAGEMENT'S DISCUSSION AND ANALYSIS
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reported in a separate statement of fiduciary net assets. These balances are excluded from the County's government-wide financial statements because the County cannot use these assets to finance its operations.

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

The County uses fund accounting to comply with finance-related legal requirements.

Governmental Funds – The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. This information is useful in assessing the County's financing requirements. For example, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

A summary of the County's net assets for the year is as follows:

	Governmental Activities		Business-Type Activities		Total	
	2010	2009	2010	2009	2010	2009
Current assets	\$5,185,033	\$5,038,841	\$ 189,489	\$ 192,042	\$ 5,374,522	\$ 5,230,883
Other Non-current Assets	63,654	56,949	9,563	9,833	73,217	66,782
Capital assets-net	2,889,858	3,078,772	2,314,387	2,377,894	5,204,245	5,456,666
Total assets	<u>8,138,545</u>	<u>8,174,562</u>	<u>2,513,439</u>	<u>2,579,769</u>	<u>10,651,984</u>	<u>10,754,331</u>
Current Liabilities	1,524,972	1,680,792	472,974	412,894	1,997,946	2,093,686
Non-current Liabilities	425,916	417,332	2,510,131	2,574,497	2,936,047	2,991,829
Total liabilities	<u>1,950,888</u>	<u>2,098,124</u>	<u>2,983,105</u>	<u>2,987,391</u>	<u>4,933,993</u>	<u>5,085,515</u>
Net assets	<u>\$6,187,657</u>	<u>\$6,076,438</u>	<u>\$ (469,666)</u>	<u>\$ (407,622)</u>	<u>\$ 5,717,991</u>	<u>\$ 5,668,816</u>
Net assets consist of:						
Invested in capital assets	2,884,341	3,050,047	(274,912)	(256,107)	2,609,429	2,793,940
Restricted net assets	190,435	189,511			190,435	189,511
Unrestricted net assets	<u>3,112,881</u>	<u>2,836,880</u>	<u>(194,754)</u>	<u>(151,515)</u>	<u>2,918,127</u>	<u>2,685,365</u>
Net assets	<u>\$6,187,657</u>	<u>\$6,076,438</u>	<u>\$ (469,666)</u>	<u>\$ (407,622)</u>	<u>\$ 5,717,991</u>	<u>\$ 5,668,816</u>

The net assets of the County's governmental funds as of December 31, 2010 was \$6,187,657 of which \$3,112,881 was unrestricted and is available for spending at the government's discretion. The remainder is invested in capital assets in the amount of \$2,884,341, restricted for Emergency Reserve in the amount of \$186,145, and restricted for the Clerk in the amount of \$4,290.

The General Fund is the main operating fund of the County. As of December 31, 2010, the General Fund balance was \$951,389 of which \$778,087 was unreserved. Unreserved fund balance represents 44% of 2010 General Fund expenditures.

**KIOWA COUNTY, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS
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A summary of the County's change in net assets for the year is as follows:

	Governmental Activities		Business-Type Activities		Total	
	2010	2009	2010	2009	2010	2009
Program revenues:						
Operating Grants and Contributions	\$2,273,472	\$1,999,412	\$ 5,326	\$ 273	\$2,278,798	\$ 1,999,685
Capital Grants and Contributions	19,850	353,472	-	-	19,850	353,472
Charges for services	275,505	296,999	587,835	402,615	863,340	699,614
Total Program Revenue	<u>2,568,827</u>	<u>2,649,883</u>	<u>593,161</u>	<u>402,888</u>	<u>3,161,988</u>	<u>3,052,771</u>
General Revenues:						
Taxes	1,670,995	1,610,630	163,973		1,834,968	1,610,630
Other	97,506	107,695	1,482	552	98,988	108,247
Insurance Proceeds	94,338	5,775	72,055		166,393	5,775
Investment earnings	64,059	95,221			64,059	95,221
Total General Revenue	<u>1,926,898</u>	<u>1,819,321</u>	<u>237,510</u>	<u>552</u>	<u>2,164,408</u>	<u>1,819,873</u>
Total Revenue	<u>4,495,725</u>	<u>4,469,204</u>	<u>830,671</u>	<u>403,440</u>	<u>5,326,396</u>	<u>4,872,644</u>
Expenses						
Kiowa County Bldg Corp			188,338	191,042	188,338	191,042
Assisted Living			704,377	417,929	704,377	417,929
General government	1,227,344	1,098,223			1,227,344	1,098,223
Judicial	37,820	29,266			37,820	29,266
Public safety	513,352	451,008			513,352	451,008
Highways and Streets	1,411,390	1,240,085			1,411,390	1,240,085
Health	402,357	365,226			402,357	365,226
Social Services	710,476	635,295			710,476	635,295
Culture and recreation	106,082	127,648			106,082	127,648
Total expenses	<u>4,408,821</u>	<u>3,946,751</u>	<u>892,715</u>	<u>608,971</u>	<u>5,301,536</u>	<u>4,555,722</u>
Change in net assets before transfers and special items	86,904	522,453	(62,044)	(205,531)	24,860	316,922
Transfers		(131,401)		131,401	-	-
Gain (Loss) on disposal of assets	24,315	1,631			24,315	1,631
Change in net assets	<u>111,219</u>	<u>392,683</u>	<u>(62,044)</u>	<u>(74,130)</u>	<u>49,175</u>	<u>318,553</u>
Beginning net assets	<u>6,076,438</u>	<u>5,683,755</u>	<u>(407,622)</u>	<u>(333,492)</u>	<u>5,668,816</u>	<u>5,350,263</u>
Ending net assets	<u>\$6,187,657</u>	<u>\$6,076,438</u>	<u>\$ (469,666)</u>	<u>\$ (407,622)</u>	<u>\$5,717,991</u>	<u>\$ 5,668,816</u>

Governmental Activities revenues in the amount of \$4,495,725 and gain on disposal of fixed assets of \$24,315 were greater than expenses of \$4,408,821 by \$111,219.

Business-Type activities revenues of \$830,671 were less than expenditures of \$892,715 by (\$62,044).

KIOWA COUNTY, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS
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BUDGETARY HIGHLIGHTS

Supplemental Appropriations were approved for the following funds: Public Health Agency Fund \$220,000, Social Service Fund \$55,000, Kiowa County Building Corp \$5,000, Assisted Living Fund \$100,000, and General Fund \$105,900.

The following were significant variations between actual and budget during the year:

- The Department of Social Services expenditures of \$712,594 exceeded budgeted expenditures of \$682,800 by \$29,794.
- The Capital Projects Fund actual revenues of \$81,201 were less than budgeted revenues of \$404,168 and actual expenditures of \$62,229 were less than budgeted expenditures of \$372,211 due to grants that were included in the budget, but not received.

CAPITAL ASSETS AND DEBT ADMINISTRATION

As of December 31, 2010, Kiowa County's investment in capital assets for its governmental and business type activities net of accumulated depreciation was \$5,204,245. Capital assets including buildings, improvements, and equipment are as follows:

	Governmental Activities		Business-Type Activities		Total	
	2010	2009	2010	2009	2010	2009
Land	\$ 43,000	\$ 43,000	\$ 1,068	\$ 1,068	\$ 44,068	\$ 44,068
Construction in Progress	35,446	13,631	-	-	35,446	13,631
Buildings & Improvements	2,399,730	2,388,262	2,392,359	2,392,359	4,792,089	4,780,621
Equipment	4,722,968	4,794,126	222,044	-	4,945,012	4,794,126
Infrastructure	24,704	-	-	222,044	24,704	222,044
Total	\$7,225,848	\$7,239,019	\$2,615,471	\$2,615,471	\$9,841,319	\$ 9,854,490
Accumulated Depreciation	(4,335,990)	(4,160,247)	(301,084)	(237,577)	(4,637,074)	(4,397,824)
Capital Assets, Net	<u>\$2,889,858</u>	<u>\$3,078,772</u>	<u>\$2,314,387</u>	<u>\$2,377,894</u>	<u>\$5,204,245</u>	<u>\$ 5,456,666</u>

This year's major capital asset additions included:

- West doors of the courthouse in the amount of \$11,468
- Construction in progress at the senior citizen building in the amount of \$21,815
- Infrastructure improvements of 2 miles of County Rd Z in the amount of \$24,704.
- Public Health minivan in the amount of \$16,000

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MANAGEMENT'S DISCUSSION AND ANALYSIS
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- **Long-term Debt** – As of December 31, 2010 the County's governmental activities long-term debt consisted of one capital lease in the amount of \$5,517 with annual payments of principal and interest in the amount of \$5,605, Landfill Closure Costs of \$329,525 and Compensated Absences of \$96,391.

As of December 31, 2010, the County's business-type long term debt consisted of three long term notes for the construction of the assisted living facility in the amount of \$2,589,299 with principal and interest payments totaling \$186,227 due in 2011. The County defaulted on two of these loans with the United States Department of Agriculture in the principal amount of \$1,500,000 during 2008.

ECONOMIC FACTORS AND 2011 BUDGETS AND RATES

- Property tax revenues were projected at \$1,509,153 which was a projected decrease of \$143,837 from the prior year.

Governmental activities revenues are budgeted at \$4,571,840, a decrease of \$19,624 from 2010 actual revenues. Expenditures for governmental activities are projected to be \$4,585,895 which is an increase of \$285,574 over 2010 actual expenditures.

Business-type activity revenues are budgeted at \$730,874, a decrease of \$99,797 from 2010 actual revenues. Expenses are budgeted at \$743,708, a decrease of \$70,059 from 2010 actual expenditures.

REQUESTS FOR INFORMATION

This financial report is designed to provide the citizens, taxpayers, customers and investors and creditors of Kiowa County, Colorado a general overview of the County's finances and to demonstrate the County's accountability. If you have questions about this report or need additional financial information, contact the Kiowa County Commissioners, Colorado P. O. Box 100, Eads, Colorado 81036.

KIOWA COUNTY, COLORADO
STATEMENT OF NET ASSETS
DECEMBER 31, 2010

ASSETS	PRIMARY GOVERNMENT		
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
Current Assets:			
Cash and Cash Investments	\$ 3,348,650	\$ 53,657	\$ 3,402,307
Intergovernmental Receivable	213,280		213,280
Accounts Receivable	17,030	9,205	26,235
Taxes Receivable	1,385,316	123,837	1,509,153
Interest Receivable	4,020		4,020
Prepaid Expenses	3,461	2,790	6,251
Inventory	213,276		213,276
Total Current Assets	<u>5,185,033</u>	<u>189,489</u>	<u>5,374,522</u>
Restricted Assets:			
Cash	<u>63,654</u>		<u>63,654</u>
Non-Current Assets:			
Loan Fees		10,800	10,800
Amortization of Loan Fees		(1,237)	(1,237)
Capital Assets			
Land	43,000	1,068	44,068
Construction in Progress	35,446		35,446
Buildings & Improvements	2,399,730	2,392,359	4,792,089
Equipment	4,722,968	222,044	4,945,012
Infrastructure	24,704		24,704
Accumulation Depreciation	(4,335,990)	(301,084)	(4,637,074)
Total Non-Current Assets	<u>2,889,858</u>	<u>2,323,950</u>	<u>5,213,808</u>
TOTAL ASSETS	<u>\$ 8,138,545</u>	<u>\$ 2,513,439</u>	<u>\$ 10,651,984</u>
LIABILITIES			
Current Liabilities:			
Current Portion of Long Term Debt	\$ 5,517	\$ 96,585	\$ 102,102
Accounts Payable	89,816	13,061	102,877
Payroll Liabilities	4,653	871	5,524
Security Key Deposits		5,125	5,125
Accrued Interest Payable		230,495	230,495
Due to other Governmentals	8,860		8,860
Deferred Revenue - Grants	30,810	3,000	33,810
Deferred Revenue - Property Taxes	1,385,316	123,837	1,509,153
Total Current Liabilities	<u>1,524,972</u>	<u>472,974</u>	<u>1,997,946</u>
Long-Term Liabilities:			
Notes Payable, net of current portion		2,492,714	2,492,714
Landfill Closure Payable	329,525		329,525
Accrued Compensated Absences	96,391	17,417	113,808
Capital Lease, net of current portion	-	-	-
Total Long-Term Liabilities	<u>425,916</u>	<u>2,510,131</u>	<u>2,936,047</u>
TOTAL LIABILITIES	<u>1,950,888</u>	<u>2,983,105</u>	<u>4,933,993</u>
NET ASSETS			
Invested in capital assets, net of related debt	2,884,341	(274,912)	2,609,429
Restricted for:			
Clerk	4,290		4,290
Emergency Reserve	186,145		186,145
Unrestricted	<u>3,112,881</u>	<u>(194,754)</u>	<u>2,918,127</u>
TOTAL NET ASSETS	<u>\$ 6,187,657</u>	<u>\$ (469,666)</u>	<u>\$ 5,717,991</u>

The notes to the financial statements are an integral part of this statement

KIOWA COUNTY, COLORADO
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2010

<u>FUNCTIONS / PROGRAMS</u>	<u>EXPENSES</u>	<u>PROGRAM REVENUES</u>		
		<u>CHARGES FOR SERVICES</u>	<u>OPERATING GRANTS AND CONTRIBUTIONS</u>	<u>CAPITAL GRANTS AND CONTRIBUTIONS</u>
PRIMARY GOVERNMENT:				
Governmental activities:				
General government	\$ 1,227,344	\$ 83,508	\$ 137,547	\$ 8,481
Judicial	37,820			
Public safety	513,352	99,251	148,065	
Highways and streets	1,411,390	2,925	1,278,323	
Health	402,357	7,433	142,605	
Social Services	710,476	61,758	555,406	
Culture and recreation	106,082	20,630	11,526	\$ 11,369
Total Governmental Activities	<u>4,408,821</u>	<u>275,505</u>	<u>2,273,472</u>	<u>19,850</u>
Business-Type Activities:				
Kiowa County Building Corporation	188,338	109,391		
Assisted Living	704,377	478,444	5,326	
Total Business-Type Activities	<u>892,715</u>	<u>587,835</u>	<u>5,326</u>	<u>-</u>
Total Primary Government	<u>\$ 5,301,536</u>	<u>\$ 863,340</u>	<u>\$ 2,278,798</u>	<u>\$ 19,850</u>

Property Taxes
Interest
Transfers
Insurance Proceeds
Special item -gain(loss) on sale of assets
Other
Total general revenues
Change in net assets
Net assets beginning
Net assets ending

The notes to the financial statements are an integral part of this statement

NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS

PRIMARY GOVERNMENT

GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
\$ (997,808)		\$ (997,808)
(37,820)		(37,820)
(266,036)		(266,036)
(130,142)		(130,142)
(252,319)		(252,319)
(93,312)		(93,312)
(62,557)		(62,557)
<u>(1,839,994)</u>	<u>-</u>	<u>(1,839,994)</u>
	(78,947)	(78,947)
	<u>(220,607)</u>	<u>(220,607)</u>
<u>-</u>	<u>(299,554)</u>	<u>(299,554)</u>
<u>\$ (1,839,994)</u>	<u>\$ (299,554)</u>	<u>\$ (2,139,548)</u>
\$ 1,670,995	\$ 163,973	\$ 1,834,968
64,059	-	64,059
-	-	-
94,338	72,055	166,393
24,315	-	24,315
97,506	1,482	98,988
<u>1,951,213</u>	<u>237,510</u>	<u>2,188,723</u>
111,219	(62,044)	49,175
6,076,438	(407,622)	5,668,816
<u>\$ 6,187,657</u>	<u>\$ (469,666)</u>	<u>\$ 5,717,991</u>

**KIOWA COUNTY, COLORADO
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2010**

	<u>GENERAL</u>	<u>ROAD AND BRIDGE FUND</u>	<u>SOCIAL SERVICES FUND</u>	<u>NONMAJOR GOVERNMENTAL FUNDS</u>	<u>TOTALS</u>
ASSETS					
Cash and Cash Investments	\$ 833,373	\$ 2,043,344	\$ 21,774	\$ 450,159	\$ 3,348,650
Intergovernmental Receivable	71,336	58,947	36,765	46,232	213,280
Accounts Receivable	1,060	175	15,795		17,030
Taxes Receivable	1,028,718	97,254	58,352	200,992	1,385,316
Interest Receivable	4,020				4,020
Due From Other Funds	22,945		2,090		25,035
Prepaid Expense	3,461				3,461
Inventory	861	212,197	218		213,276
Restricted Assets - Cash	45,654			18,000	63,654
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Assets	<u>\$ 2,011,428</u>	<u>\$ 2,411,917</u>	<u>\$ 134,994</u>	<u>\$ 715,383</u>	<u>\$ 5,273,722</u>
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts Payable	\$ 25,023	\$ 32,363	\$ 15,422	\$ 17,008	\$ 89,816
Payroll Liabilities	2,843	1,421		389	4,653
Due to Other Funds	2,090			22,945	25,035
Due to Other Governmentals			8,860		8,860
Deferred Revenue - Grant	1,365	4,823	24,622		30,810
Deferred Revenue - Property Taxes	1,028,718	97,254	58,352	200,992	1,385,316
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities	<u>1,060,039</u>	<u>135,861</u>	<u>107,256</u>	<u>241,334</u>	<u>1,544,490</u>
FUND BALANCE					
Reserved for:					
Restricted Cash	45,654			18,000	63,654
Emergencies	123,326			62,819	186,145
Prepays	3,461				3,461
Inventory	861	212,197			213,058
Unreserved, reported in:					
General Fund	778,087				778,087
Special Revenue Funds		2,063,859	27,738	201,601	2,293,198
Capital Projects Fund				191,629	191,629
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Fund Balance	<u>951,389</u>	<u>2,276,056</u>	<u>27,738</u>	<u>474,049</u>	<u>3,729,232</u>
Total Liability and Fund Balances	<u>\$ 2,011,428</u>	<u>\$ 2,411,917</u>	<u>\$ 134,994</u>	<u>\$ 715,383</u>	<u>\$ 5,273,722</u>

The notes to the financial statements are an integral part of this statement

KIOWA COUNTY, COLORADO
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE GOVERNMENT-WIDE STATEMENT OF NET ASSETS
DECEMBER 31, 2010

Total Fund Balances - Total Governmental Funds	\$	3,729,232
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The following amounts reported for governmental activities are not current financial resources. Therefore, they are not reported in the Governmental

Funds Balance Sheet.

Governmental Capital assets		7,225,848
Accumulated Depreciation		(4,335,990)

The following amounts reported for governmental activities are not due and payable in the current period. Therefore, they are not reported in the Governmental Funds Balance Sheet.

Compensated Absences		(96,391)
Landfill Closure Costs		(329,525)
Capital Lease		(5,517)

Net Assets of Governmental Activities

	\$	<hr style="border: 1px solid black;"/> 6,187,657 <hr style="border: 1px solid black;"/>
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**KIOWA COUNTY, COLORADO
GOVERNMENTAL FUNDS
COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>GENERAL</u>	<u>ROAD AND BRIDGE FUND</u>	<u>SOCIAL SERVICE FUND</u>	<u>NONMAJOR GOVERNMENTAL FUNDS</u>	<u>TOTALS</u>
REVENUES:					
Taxes	\$ 1,170,835	\$ 130,514	\$ 78,272	\$ 291,374	\$ 1,670,995
Fines, Licenses and Permits	50,272	2,700		170	53,142
Intergovernmental Revenue	219,593	1,278,323	555,206	163,911	2,217,033
Charges for Services	153,117	225	61,758	7,263	222,363
Interest Income	63,867			192	64,059
Donations	66,089		200	10,000	76,289
Miscellaneous	53,489	11,124	501	32,392	97,506
TOTAL REVENUES	<u>1,777,262</u>	<u>1,422,886</u>	<u>695,937</u>	<u>505,302</u>	<u>4,401,387</u>
EXPENDITURES:					
Operating					
General Government	1,125,276			35,279	1,160,555
Judicial	37,820				37,820
Public Safety	449,615			17,500	467,115
Highways and Streets		1,270,077			1,270,077
Health	4,162			392,882	397,044
Social Services			712,594		712,594
Culture and Recreation	83,332			7,959	91,291
Capital Outlay		24,704		49,283	73,987
Lease Payment - Principal				23,208	23,208
Lease Payment - Interest				1,630	1,630
TOTAL EXPENDITURES	<u>1,700,205</u>	<u>1,294,781</u>	<u>712,594</u>	<u>527,741</u>	<u>4,235,321</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	77,057	128,105	(16,657)	(22,439)	166,066
OTHER FINANCIAL SOURCES (USES):					
Insurance Proceeds	80,977	13,361			94,338
Transfer to Other Funds	(65,000)				(65,000)
Transfer From Other Funds				65,000	65,000
Sale of Fixed Assets	30,360	379			30,739
NET CHANGE IN FUND BALANCE	123,394	141,845	(16,657)	42,561	291,143
FUND BALANCES, BEGINNING OF YEAR	<u>827,995</u>	<u>2,134,211</u>	<u>44,395</u>	<u>431,488</u>	<u>3,438,089</u>
FUND BALANCES, END OF YEAR	<u>\$ 951,389</u>	<u>\$ 2,276,056</u>	<u>\$ 27,738</u>	<u>\$ 474,049</u>	<u>\$ 3,729,232</u>

The notes to the financial statements are an integral part of this statement

**KIOWA COUNTY, COLORADO
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2010**

Net change in fund balances - total governmental funds \$ 291,143

Amounts reported for governmental activities in the statement of net

Activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statements of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay	73,987
Depreciation expense	(256,477)

This is the current-period (increase)/decrease in the liability for compensated absences	(11,747)
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This is the current-period (increase)/decrease in the liability for landfill monitoring	(2,471)
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Repayment of capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets	23,208
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The statement of activities reports a gain or loss on the sale of the assets based on the proceeds received and the net book value of the assets at the time of sale. The loss on disposal is calculated as follows:

Cost of assets disposed	(87,158)
Accumulated depreciation of assets disposed	80,734

\$ 111,219

KIOWA COUNTY, COLORADO
PROPRIETARY FUNDS
STATEMENT OF NET ASSETS
DECEMBER 31, 2010

ASSETS	ASSISTED LIVING FUND	KIOWA COUNTY BUILDING CORP	TOTAL
Current Assets:			
Cash	\$ 53,656	\$ 1	\$ 53,657
Accounts Receivable	9,205		9,205
Taxes Receivable	123,837		123,837
Prepaid Insurance	2,790		2,790
Total Current Assets	<u>189,488</u>	<u>1</u>	<u>189,489</u>
Non-Current Assets:			
Loan Fees		10,800	10,800
Amortization of Loan Fees		(1,237)	(1,237)
Capital Assets			
Land		1,068	1,068
Building		2,392,359	2,392,359
Equipment		222,044	222,044
Accumulated Depreciation		(301,084)	(301,084)
Total Non-Current Assets	<u>-</u>	<u>2,323,950</u>	<u>2,323,950</u>
TOTAL ASSETS	<u>\$ 189,488</u>	<u>\$ 2,323,951</u>	<u>\$ 2,513,439</u>
LIABILITIES			
Current Liabilities:			
Current Portion Notes Payable		\$ 96,585	\$ 96,585
Accounts Payable	\$ 13,061		13,061
Payroll Liabilities	871		871
Security Key Deposits	5,125		5,125
Accrued Interest Payable		230,495	230,495
Deferred Revenue - Grants	3,000		3,000
Deferred Revenue - Property Taxes	123,837		123,837
Total Current Liabilities	<u>145,894</u>	<u>327,080</u>	<u>472,974</u>
Long-Term Liabilities:			
Notes Payable - USDA		1,454,711	1,454,711
Notes Payable - Bank Loan USDA Guarantee		1,038,003	1,038,003
Accrued Compensated Absences	17,417		17,417
Total Long-Term Liabilities	<u>17,417</u>	<u>2,492,714</u>	<u>2,510,131</u>
TOTAL LIABILITIES	<u>163,311</u>	<u>2,819,794</u>	<u>2,983,105</u>
NET ASSETS			
Invested in capital assets, net of related debt	-	(274,912)	(274,912)
Unrestricted	26,177	(220,931)	(194,754)
TOTAL NET ASSETS	<u>\$ 26,177</u>	<u>\$ (495,843)</u>	<u>\$ (469,666)</u>

The notes to the financial statements are an integral part of this statement

KIOWA COUNTY, COLORADO
PROPRIETARY FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>ASSISTED LIVING FUND</u>	<u>KIOWA COUNTY BUILDING CORP</u>	<u>TOTAL</u>
OPERATING REVENUES			
Charges	\$ 478,444		\$ 478,444
Rent		\$ 109,391	109,391
Miscellaneous	1,482		1,482
Total Operating Revenues	<u>479,926</u>	<u>109,391</u>	<u>589,317</u>
OPERATING EXPENSES			
Resident Care			
Salaries	208,533		208,533
Travel and Training	2,171		2,171
Food	41,809		41,809
Activities	907		907
Miscellaneous	902		902
Refunds and reimbursements	4,478		4,478
Operations and Maintenance			
Contract Labor	16,622		16,622
Repairs & Maintenance	86,940		86,940
Utilities	48,974		48,974
Rent	110,600		110,600
Supplies	14,743		14,743
Pool Maintenance	1,254		1,254
Miscellaneous	1,379		1,379
Administration			
Salaries	38,492		38,492
Payroll Taxes and Benefits	94,311		94,311
Insurance	11,200		11,200
Advertising	8,892		8,892
Professional Services	140	335	475
Supplies	8,300		8,300
Dues & Fees	1,470		1,470
Travel and Training	2,111		2,111
Miscellaneous	149	175	324
Depreciation		63,507	63,507
Amortization		270	270
Total Operating Expenses	<u>704,377</u>	<u>64,287</u>	<u>768,664</u>
Operating Income (Loss)	(224,451)	45,104	(179,347)
NON- OPERATING REVENUES (EXPENSES)			
Insurance Proceeds	72,055		72,055
Taxes	163,973		163,973
Grants	1,324		1,324
Interest Expense		(124,051)	(124,051)
Donations	4,002		4,002
Total Non-Operating Revenues (Expenses)	<u>241,354</u>	<u>(124,051)</u>	<u>117,303</u>
CHANGE IN NET ASSETS	16,903	(78,947)	(62,044)
NET ASSETS - BEGINNING OF YEAR	<u>9,274</u>	<u>(416,896)</u>	<u>(407,622)</u>
NET ASSETS - END OF YEAR	<u>\$ 26,177</u>	<u>\$ (495,843)</u>	<u>\$ (469,666)</u>

The notes to the financial statements are an integral part of this statement

**KIOWA COUNTY, COLORADO
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED DECEMBER 31, 2010**

	ASSISTED LIVING FUND	KIOWA COUNTY BUILDING CORP	TOTAL
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts From Customers	\$ 478,899	\$ 109,391	\$ 588,290
Payments to Suppliers for Goods and Services	(457,658)	(510)	(458,168)
Payments to Employees	(243,451)	-	(243,451)
Net Cash Provided (Used) by Operating Activities:	(222,210)	108,881	(113,329)
CASH FLOWS FROM NON CAPITAL FINANCING ACTIVITIES:			
Insurance Proceeds	72,055	-	72,055
Taxes	163,973	-	163,973
Grants	4,324	-	4,324
Donations	4,002	-	4,002
Transfer From Other Funds	-	-	-
Net Cash From Non Capital Financing Activities	244,354	-	244,354
CASH FLOWS FROM CAPITAL AND FINANCING ACTIVITIES:			
Principal Paid	-	(44,702)	(44,702)
Interest Paid	-	(64,178)	(64,178)
Net Cash Provided (Used) By Capital and Financing Activities	-	(108,880)	(108,880)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest Received	-	-	-
Net Cash Provided (Used) By Investing Activities	-	-	-
Net Increase (Decrease) in Cash and Cash Equivalents	22,144	1	22,145
CASH AND CASH EQUIVALENTS			
Beginning of Year	31,512	-	31,512
End of Year	\$ 53,656	\$ 1	\$ 53,657
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used) Operating Activities			
Net Operating Income (Loss)	\$ (224,451)	\$ 45,104	\$ (179,347)
Depreciation		63,507	63,507
Amortization		270	270
Changes in Assets and Liabilities			
(Increase) Decrease in Accounts Receivable	(1,557)		(1,557)
(Increase) Decrease in Prepaid Insurance	426		426
Increase (Decrease) in Accounts Payable	(1,315)		(1,315)
Increase (Decrease) in Payroll Liabilities	584		584
Increase (Decrease) in Security Key Deposits	530		530
Increase (Decrease) in Compensated Absences	3,573		3,573
Net Cash Provided By Operating Activities	\$ (222,210)	\$ 108,881	\$ (113,329)

The notes to the financial statements are an integral part of this statement

KIOWA COUNTY, COLORADO
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
DECEMBER 31, 2010

ASSETS

Cash with Clerk	\$ 702
Cash with Treasurer	
School District RE-1	2,999
School District RE-2	2,630
Town of Eads	694
Town of Haswell	41
Town of Sheridan Lake	39
Hospital District	2,925
Library District	68,492
West Kiowa Cemetery District	8,876
Pioneer Cemetery	4,768
Brandon-Sheridan Lake Cemetery	19,311
Towner Cemetery	11,733
West Kiowa Recreation District	10
Central Kiowa Recreation District	92
Sheridan Lake-Brandon Rec District	29,742
Towner Recreation District	11,456
Southeast Water Conservation District	9
Clerk's Clearing Fund	44,555
Treasurer's Clearing Fund	360,477
Public Trustee	248
Sheriff's Trust Fund	8
Brandon Tree Board	13
Towner Tree Board	7
	<hr/>
TOTAL ASSETS	<u><u>\$ 569,827</u></u>

LIABILITIES

Due to Taxing Districts	<u><u>\$ 569,827</u></u>
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The notes to the financial statements are an integral part of this statement

KIOWA COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010

(1) Summary of Significant Accounting Policies

The financial statements of Kiowa County, Colorado have been prepared in conformity with generally accepted accounting principles as applicable to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

A. Reporting Entity

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

Based on the above criteria, the Kiowa County Building Corporation is included in the County's basic financial statements using the blended presentation. The Kiowa County Building Corporation is a separate legal entity formed in 2004 for the purpose of financing the construction of the Assisted Living Project. The Corporation is included in the County's basic financial statements as an enterprise fund. The Corporation board includes two members of the Board of County Commissioners and the third director is appointed by the County Commissioners. There are no separately issued financial statements.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the County. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenue, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or activity are offset by program revenues. Direct expenses are those that are clearly

KIOWA COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010

identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchases, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported as general revenues.

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

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund 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.

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

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. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period, or soon enough thereafter, to pay liabilities of the current period. For this purpose, revenues are considered to be available if collected within 60 days after year-end. 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, franchise fees, licenses, 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. Sales tax collected and held at year end on behalf of the County is also recognized as revenue if collected within 60 days after year end. Expenditure-driven grants are recognized as revenue when qualifying expenditures have been incurred and all other grant

KIOWA COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010

requirements have been met. All other revenue items are considered to be measurable and available only when cash is received by the government.

Enterprise funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing goods and services in connection with an enterprise fund's ongoing operations. The principal operating revenues of the County's enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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.

Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board (GASB). Governments also have the option of following subsequent FASB guidance for their business-type activities and enterprise funds, subject to this same limitation. The County has elected not to follow subsequent FASB guidance.

D. Fund Accounting

The accounts of the County are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The County reports the following major governmental funds:

General Fund - The general fund is the general operating fund of the County. It is used to account for all financial resources except those required to be accounted for in another fund.

Road and Bridge Fund – This fund records costs related to county road and bridge construction and maintenance. By state law, Colorado counties are required to maintain a Road and Bridge Fund and a portion of road and bridge taxes is allocated to cities and towns for their road and street activities.

KIOWA COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010

Social Services Fund – This fund administers social services programs under state and federal regulations. Colorado counties are required by law to maintain a Social Services Fund.

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs (including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The following is the County's major proprietary fund:

Kiowa County Building Corporation – This fund is used to account for the financing of the construction of the Assisted Living Project.

Assisted Living Fund – This fund is used to account for the operations of the Assisted Living Facility.

Fiduciary funds focus on net assets and changes in net assets. The County has one agency fund.

E. Short-term interfund receivables/payables

The County from time to time authorizes advances between County funds. Interfund receivables and payables are classified as internal balances on the government-wide statement of net assets, and are classified as due to/from other funds on the balance sheet.

F. Receivables

For all revenue the County uses sixty days as receivable under the modified accrual basis of accounting.

G. Inventory

Inventory is valued at lower of cost (first in, first out) or market. Inventory in the special revenue fund consists of expendable supplies held for consumption. The cost is recorded as an expenditure at the time individual inventory items are purchased. Reported inventories are equally offset by a fund balance reserve which indicates that they do not constitute "available spendable resources" even though they are a component of net current assets.

H. Prepayments

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

KIOWA COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010

I. Capital Assets

Capital assets, which include property, plant, vehicles, equipment, and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items), are capitalized at actual or estimated costs. Donations of such assets are recorded at estimated fair value at the time of donation. Capital assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements.

Maintenance, repairs, and minor renovations are recorded as expenditures when incurred. Major additions and improvements are capitalized. When assets used in the operation of a government fund type are sold, the proceeds of the sale are recorded as revenues in the appropriate government fund. The County reports gains and losses on the disposal of capital assets (carrying value less sale proceeds, if any) in the government-wide statement of activities and enterprise fund operating statement. Interest incurred during the construction phase of capital assets of business-type activities is included in the capitalized value of the assets constructed.

Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. The County's capital assets are depreciated using the straight-line method over the estimated useful lives of the fixed assets. Depreciation of all capital assets used in governmental activities and by proprietary funds is charged as an expense against their operations. Estimated useful lives are

Motor Vehicles	8 to 10	years
Equipment	5 to 25	years
Buildings and Improvements	20 to 50	years

As a Phase 3 government, as defined in GASB 34, the County has elected to not report major general infrastructure assets retroactively; therefore, the government-wide financial statements do not reflect infrastructure assets completed prior to January 1, 2004.

J. Property Taxes

Property taxes are levied, assessed, become due and attach as an enforceable lien on property as of January 1. Taxpayers have the option of paying their taxes in full on or before April 30, or by paying in two installments of one half due by February 28 with the remaining one half due by June 15. Unpaid taxes become delinquent as of August 1 and are subject to collection procedures on or after October 1. The County bills and collects its own property taxes and also taxes for the schools, towns and special districts. Collections of the County taxes and remittance of them to the schools, towns, and special districts are accounted for in the agency funds. County property taxes are recognized when levied to the extent that they result in

KIOWA COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010

current receivables and deferred revenues and are recorded on the balance sheet of the appropriate fund.

K. Compensated Absences

Vacation and sick pay is accrued in the appropriate fund accounts according to the County's vacation and sick pay policy at the employee's prevailing wage as of the last day of the year. The liability for compensated absences does not exceed a normal year's accumulation.

L. Fund Equity

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

(2) Budgetary Information

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

1. Prior to October 15, each office submits to the Board of County Commissioners a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures.
2. A public hearing is conducted at the courthouse to obtain taxpayers comments.
3. Prior to January 1, the budget is legally enacted through passage of a resolution. Once enacted, budgets may be amended by passage of a supplemental appropriation. The final amended budget is used in the financial statements. All appropriations lapse at year end.
4. Budgets for the general, special revenue, capital projects and expendable trust funds are adopted on a basis consistent with generally accepted accounting principles. (GAAP).

The legal level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established at the individual fund level for all funds.

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed as an extension of formal budgetary integration in the general fund or the special revenue funds and capital projects funds. Encumbrances outstanding at year end, where material, are reported as reservations of fund balances since they do not constitute expenditures or liabilities.

KIOWA COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010

(3) Deposits and Investments

For the purposes of the statement of cash flows, the County considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

Deposits

The County reports investments at fair market value. The County's cash on hand and deposits are as follows:

Cash on hand	\$ 2,047
Cash in bank	633,741
Investments - Certificates of Deposit	<u>3,400,000</u>
Total Cash and Cash Investments	<u>\$ 4,035,788</u>

The following table provides a reconciliation of cash and cash investments in the financial statements:

Cash and Cash Investments	\$ 3,402,307
Restricted Cash	63,654
Agency Fund - Cash	<u>569,827</u>
Total	<u>\$ 4,035,788</u>

Custodial Credit Risk. Deposits are exposed to custodial credit risk (the risk that, in the event of the failure of a depository financial institution, the government would not be able to recover deposits or would not be able to recover collateral securities that are in the possession of an outside party), if they are not covered by depository insurance and are collateralized with securities held by the pledging financial institution, except for deposits collateralized by certain types of collateral pools including a single financial institution collateral pool where the fair value of the pool is equal to or exceeds all uninsured public deposits held by the financial institution (e.g. deposits insured by The Public Deposit Protection Act (PDPA)). Accordingly, none of the County's deposits as of December 31, 2010 are deemed to be exposed to custodial credit risk. The County has no policy regarding custodial credit risk for deposits.

All County investments are held in bank certificates of deposits. These certificates are either insured by FDIC or are covered under The Public Deposit Protection Act and are not exposed to any other investment risks.

Colorado statutes specify in which instruments the local government may invest, which include:

KIOWA COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010

1. Repurchase agreements in obligations of the United States;
2. Obligations of the United States or obligations unconditionally guaranteed by the United States;
3. General obligation or revenue bonds of any state, District of Columbia, U.S. territory or any of their subdivisions, with certain limitations;
4. Bankers acceptance issued by a state or national bank, with certain limitations;
5. Commercial paper, with certain limitations;
6. Any obligation, certificate of participation or lease/purchase of the investing public entity;
7. Money market fund, with certain limitations, which invest in the types of securities listed above;
8. Guaranteed investment contracts, with certain limitations;
9. Participation with other local governments in pooled investment funds (trusts). These trusts are supervised by participating governments, and must comply with the same restrictions on cash deposits and investments.

(4) Restricted Cash

Cash is restricted in the Capital Projects Fund for Ambulance replacement in the amount of \$18,000.

Cash is restricted in the General Fund for Clerk E-recording in the amount of \$4,290.

Cash is restricted in the General fund for the County Fair in the amount of \$41,364.

The County is required to maintain a reserve account in the amount of \$175,000 as a condition of the United States Department of Agriculture, Rural Development loan guarantee. As of December 31, 2010 the County has not funded this reserve account.

The County is required to maintain a reserve account as a condition of the United States Department of Agriculture, Rural Development direct loans. An annual deposit of \$8,004 is required for ten years for a total of \$80,040. As of December 31, 2010 the County has not funded this reserve account.

(5) Capital Assets

Governmental Activities

A summary of changes in governmental activity capital assets is as follows:

KIOWA COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010

	Dec. 31, 2009	Additions	Transfers Deletions	Dec. 31, 2010
Non-Depreciable assets:				
Land	\$ 43,000	\$ -	\$ -	\$ 43,000
Construction In Progress	13,631	21,815	-	35,446
Total non-depreciable assets	<u>56,631</u>	<u>21,815</u>	<u>-</u>	<u>78,446</u>
Depreciable assets:				
Buildings & Improvements	\$ 2,388,262	\$ 11,468	\$ -	\$ 2,399,730
Equipment	4,794,126	16,000	(87,158)	4,722,968
Infrastructure	-	24,704	-	24,704
Total depreciable assets	<u>7,182,388</u>	<u>52,172</u>	<u>(87,158)</u>	<u>7,147,402</u>
Total capital assets	<u>\$ 7,239,019</u>	<u>\$ 73,987</u>	<u>\$ (87,158)</u>	<u>\$ 7,225,848</u>
Less accumulated depreciation for:				
Buildings	\$ (688,259)	\$ (52,135)	\$ -	\$ (740,394)
Equipment	(3,471,988)	(204,301)	80,734	(3,595,555)
Infrastructure	-	(41)	-	(41)
Total accumulated depreciation	<u>\$(4,160,247)</u>	<u>\$ (256,477)</u>	<u>\$ 80,734</u>	<u>\$(4,335,990)</u>
Total capital assets, net	<u>\$ 3,078,772</u>	<u>\$ (182,490)</u>	<u>\$ (6,424)</u>	<u>\$ 2,889,858</u>

Depreciation Expense was charge to functions/programs of the County as follows:

General Government	\$ 61,260
Pubic Safety	41,838
Highways and Streets	134,315
Health	4,273
Culture and Recreation	<u>14,791</u>
Total depreciation expense – governmental activities	<u>\$ 256,477</u>

A summary of changes in business-type activity capital assets is as follows:

KIOWA COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010

	<u>Dec. 31, 2009</u>	<u>Additions</u>	<u>Transfers Deletions</u>	<u>Dec. 31, 2010</u>
Non-Depreciable assets:				
Land	\$ 1,068	\$ -	\$ -	\$ 1,068
Depreciable assets:				
Buildings	\$ 2,392,359	\$ -	\$ -	\$ 2,392,359
Equipment	222,044	-	-	222,044
Total depreciable assets	<u>2,614,403</u>	<u>-</u>	<u>-</u>	<u>2,614,403</u>
Total capital assets	<u>\$ 2,615,471</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,615,471</u>
Less accumulated depreciation for:				
Buildings	\$ (179,427)	\$ (47,847)	\$ -	\$ (227,274)
Equipment	(58,150)	(15,660)	-	(73,810)
Total accumulated depreciation	<u>\$ (237,577)</u>	<u>\$ (63,507)</u>	<u>\$ -</u>	<u>\$ (301,084)</u>
Total capital assets, net	<u>\$ 2,377,894</u>	<u>\$ (63,507)</u>	<u>\$ -</u>	<u>\$ 2,314,387</u>

Depreciation Expense was charge to functions/programs of the County as follows:

Kiowa County Building Corporation	<u>\$ 63,507</u>
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(6) Interfund Transactions

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

	<u>Interfund Receivable</u>	<u>Interfund Payables</u>
Social Service Fund	\$ 2,090	
Capital Projects Fund		\$ 22,945
General Fund	<u>22,945</u>	<u>2,090</u>
	<u>\$ 25,035</u>	<u>\$ 25,035</u>

All balances resulted from the time lag between the dates that interfund reimbursable expenditures occur, and payments between funds are made. All interfund receivables and payables at year end are planned to be eliminated in the subsequent year.

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
Public Health Agency Fund	General Fund	65,000

KIOWA COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010

The above transfer was for operational purposes.

(7) Pension Plans

The County provides pension benefits for all of its full-time employees through a defined contribution plan administered by COERA. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are eligible to participate after one year of service. The County rate of contribution is 3%. The employee must contribute 3% and may contribute more at their election. The County's contributions for each employee (and interest allocated to the employee's account) are fully vested after five years of continuous service. Plan provisions and contribution requirements are established and may be amended by the Commissioners.

The County's total payroll during 2010 was \$1,732,767. The County's contributions were calculated using the covered payroll of \$1,362,267. Both the County and the covered employees made the required contributions, amounting to \$40,868 and \$40,868 respectively for a total of \$81,736.

A deferred compensation plan under Section 457 of the Internal Revenue Code is also available to all eligible employees for voluntary contributions of up to a maximum specified by the Internal Revenue Service. Employees are eligible to participate after one year of service. The plan is administered by COERA and plan provisions are established and may be amended by the Commissioners. Employee's voluntary contributions for the year were \$29,675.

(8) Weisbrod Memorial County Hospital Fund

The Board of County Commissioners has adopted a service contract with the Kiowa County Hospital District, whereby the District assumes operation of the County Hospital. The County has agreed to transfer all funds from a mill levy to the District to meet obligations incurred by the hospital. Since the hospital is not operated by the County, this fund is included within the special revenue fund. The assets of the County are maintained and accounted for by the District.

(9) Landfill Closure and Post Closure Costs

Landfill

The County operates two solid waste landfills and is required by Federal and State laws and regulations to provide closure and post-closure future costs. The County is required to perform certain maintenance and monitoring functions for thirty years after closure. These costs are reported as liabilities in the Statement of Net Assets under Governmental Activities each year the landfill is operated based on landfill capacity used as of each balance sheet date.

KIOWA COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010

Haswell Site

As of December 31, 2010 the total liability for landfill closure is \$51,758 consisting of closure and post-closure costs of \$12,422 and \$39,336, respectively, based on use of 97% of the estimated capacity of the landfill. The County will recognize the remaining estimated cost of closure and post-closure of \$384 and \$1,217, respectively, as the remaining capacity is filled. The landfill is projected to have a life of 28 years with .9 year remaining on the present cell assuming no additional excavation. Future additional costs may be incurred depending on results of soil samples, test wells, changes to inflation, deflation, technology, or applicable federal and state regulations.

Closure and post-closure care financial assurances are being met by the local financial test.

The County has established test holes at the Haswell Site. These holes are dry and are monitored. Post closure costs for this site do not include water samples and testing, since there is no ground water. In the event the holes in the future show ground water, the 30 year post closure cost will be increased by approximately, \$3,000 per year to cover water samples and testing.

Eads Site

As of December 31, 2010 the total liability for landfill closure is \$277,767 consisting of closure and post-closure costs of \$113,803 and \$163,964, respectively, based on use of 93% of the estimated capacity of the landfill. The County will recognize the remaining estimated cost of closure and post-closure of \$8,566 and \$12,341, respectively, as the remaining capacity is filled. The landfill is projected to have a life of 36 years with 3.02 years remaining assuming no additional excavation. Future additional costs may be incurred depending on results of soil samples, test wells, changes to inflation, deflation, technology, or applicable federal and state regulations.

Closure and post-closure care financial assurances are being met by the local financial test.

(10) Risk Management

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters.

County Workers' Compensation Pool

In January 1986 due to the high cost of obtaining worker's compensation insurance the County joined together with other Counties in the State of Colorado to form the County Workers' Compensation Pool (CWCP), a public entity risk pool 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

KIOWA COUNTY, COLORADO
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2010

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. There have been no significant reductions in coverage from the prior year and settled claims have not exceeded coverage in any of the past three fiscal years.

Colorado Counties Casualty and Property Pool

In July 1986 the County due to the high cost of property and liability insurance joined together with other Counties in the State of Colorado to form the Colorado Counties Casualty and Property Pool (CAPP), a public entity risk pool 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. There have been no significant reductions in coverage from the prior year and settled claims have not exceeded coverage in any of the past three years.

(11) Long-Term Debt

For the benefit of the Hospital District, on October 25, 2001 the County entered into a capital lease for the purchase of the Wiley Clinic in the amount of \$125,000. The lease is payable with interest at 8% for ten years with payments due as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	<u>\$ 5,517</u>	<u>\$ 88</u>	<u>\$ 5,605</u>

During 2010 principal payments of \$16,999 were made on the above capital lease and interest payments of \$1,200 were made which are included as a direct expense under Health in the Statement of Activities.

On May 24, 2006 the County negotiated a long-term note from the United States Department of Agriculture, Rural Development for the purpose of constructing an assisted living facility in the amount of \$1,000,000 payable with interest at 4.375% according to the following schedule. The note is secured by a pledge of revenues and is collateralized by a deed of trust on the assisted living facility.

KIOWA COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Defaulted Payments - 2008	\$ -	\$ 43,750	\$ 43,750
Defaulted Payments - 2009	6,470	72,969	79,439
Defaulted Payments - 2010	11,481	43,239	54,720
2011	11,994	42,726	54,720
2012	12,529	42,191	54,720
2013	13,089	41,631	54,720
2014	13,673	41,047	54,720
2015	14,283	40,437	54,720
2016-2020	81,569	192,031	273,600
2021-2025	101,473	172,127	273,600
2026-2030	126,235	147,365	273,600
2031-2035	157,039	116,561	273,600
2036-2040	195,361	78,239	273,600
2041-2045	243,034	30,566	273,600
2046	11,770	79	11,849
	<u>\$ 1,000,000</u>	<u>\$ 1,104,958</u>	<u>\$ 2,104,958</u>

During 2008 the County defaulted on this loan by not making the scheduled note payments. Interest of \$43,750 was accrued for 2010 and is included as liability and a direct expense under Kiowa County Building Corporation in the Statement of Activities.

On May 24, 2006 the County negotiated a long-term note from the United States Department of Agriculture, Rural Development for the purpose of constructing an assisted living facility in the amount of \$500,000 payable with interest at 4.25% according to the following schedule. The note is secured by a pledge of revenues and is collateralized by a deed of trust on the assisted living facility.

KIOWA COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010

	Principal	Interest	Total
Defaulted Payments - 2008	\$ -	\$ 21,250	\$ 21,250
Defaulted Payments - 2009	3,319	35,388	38,707
Defaulted Payments - 2010	5,885	20,995	26,880
2011	6,140	20,740	26,880
2012	6,406	20,474	26,880
2013	6,684	20,196	26,880
2014	6,973	19,907	26,880
2015	7,275	19,605	26,880
2016-2020	41,390	93,010	134,400
2021-2025	51,168	83,232	134,400
2026-2030	63,261	71,139	134,400
2031-2035	78,209	56,191	134,400
2036-2040	96,690	37,710	134,400
2041-2045	119,538	14,862	134,400
2046	7,062	53	7,115
	<u>\$ 500,000</u>	<u>\$ 534,752</u>	<u>\$ 1,034,752</u>

During 2008 the County defaulted on this loan by not making the scheduled note payments. Interest of \$21,100 was accrued for 2010 and is included as a liability and a direct expense under Kiowa County Building Corporation in the Statement of Activities.

On May 24, 2006 the County negotiated a long-term note from Colorado East Bank & Trust guaranteed by United States Department of Agriculture, Rural Development for the purpose of constructing an assisted living facility in the amount of \$1,200,000 payable with variable interest beginning at 6.0% according to the following schedule. The note is collateralized by a deed of trust on the assisted living facility.

	Principal	Interest	Total
2011	\$ 51,296	\$ 53,331	\$ 104,627
2012	51,356	53,271	104,627
2013	54,118	50,509	104,627
2014	57,029	47,598	104,627
2015	60,096	44,531	104,627
2016-2020	478,322	158,345	636,667
2021-2023	337,082	25,310	362,392
	<u>\$ 1,089,299</u>	<u>\$ 432,895</u>	<u>\$ 1,522,194</u>

KIOWA COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010

During 2010, principal payments of \$44,702 were made on the above note, interest expense was \$59,201 and is included as a direct expense under Kiowa County Building Corporation in the Statement of Activities.

The changes in long-term debt during 2010 are summarized as follows:

	Balance Dec. 31, 2009	Additions	Payments	Balance Dec. 31, 2010	Due Within One Year
Governmental Activities:					
Compensated Absences	\$ 84,644	\$ 11,747	\$ -	\$ 96,391	\$ -
Landfill Closure Costs	327,054	2,471	-	329,525	-
Capital Leases Payable	28,725	-	(23,208)	5,517	5,517
	<u>\$ 440,423</u>	<u>\$ 14,218</u>	<u>\$ (23,208)</u>	<u>\$ 431,433</u>	<u>\$ 5,517</u>
Business-Type Activities:					
Notes Payable:					
Rural Development	\$ 1,000,000	\$ -	\$ -	\$ 1,000,000	\$ 29,945
Rural Development	500,000	-	-	500,000	15,344
CO East Bank & Trust	1,134,001	-	(44,702)	1,089,299	51,296
Compensated Absences	12,394	5,023	-	17,417	-
	<u>\$ 2,646,395</u>	<u>\$ 5,023</u>	<u>\$ (44,702)</u>	<u>\$ 2,606,716</u>	<u>\$ 96,585</u>
Total Long-Term Liabilities	<u><u>\$ 3,086,818</u></u>	<u><u>\$ 19,241</u></u>	<u><u>\$ (67,910)</u></u>	<u><u>\$ 3,038,149</u></u>	<u><u>\$ 102,102</u></u>

Compensated absences are normally paid from the funds reporting payroll and related expenditures, including the General Fund, Road and Bridge Fund, Social Service Fund, Public Health Agency Fund, and Assisted Living Fund.. Capital Leases are payable from the Capital Projects Fund and Hospital Fund. Landfill Closure Costs are payable from the General Fund.

(12) Operating Lease

Effective September 1, 2008, Kiowa County entered into an operating lease for 10 years with the Kiowa County Economic Development Foundation with rent payments to be determined annually and mutually agreed to by both parties. The lease payment due August 31, 2011 has been agreed upon in the amount of \$15,000.

KIOWA COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010

A lease payment of \$25,000 was made during 2010 and is included in General Government in the Statement of Activities.

The County has entered into various operating leases for office equipment. Future minimum lease payments as of December 31, 2010, under the operating leases are as follows:

2011	\$ 1,926
2012	572
2013	<u>238</u>
Total minimum lease payments	<u>\$ 2,736</u>

Total rental expense for the above operating leases was \$3,260 in 2010 and is included in Health, Public Safety, and Social Services in the Statement of Activities.

(13) Fund Deficit

As of December 31, 2010 the Kiowa County Building Corporation has deficit net assets of (\$495,843). This may be a violation of Colorado Revised Statutes.

(14) Joint Venture

District Attorney for the Fifteenth Judicial District is a joint venture between four counties. The District Attorney represents the people of the four counties and is established by state statute. The District Attorney is an elected office and the counties comprising the District other than approving their respective budgets do not exercise oversight responsibility, significantly affect operations, nor do they have any financial obligation beyond the budget. During 2010, the County made payments of \$26,849 to the Office of the District Attorney and are included in the general fund.

The report of the Office of District Attorney for the Fifteenth District may be obtained at the following address:

Office of the District Attorney
Fifteenth Judicial District
P. O. Box 1135
Lamar, Colorado 81052
719-336-7446

(15) Contingencies

In November 1992, the Colorado voters passed a constitutional amendment (Tabor Amendment) to the State Constitution (Article X, Section 20) which requires voter approval for any increases in mill levies, revenue limits, spending limits and creation of multi-year debt. In addition, the amendment requires that a 3% reserve be established for emergencies.

KIOWA COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010

The County has reserved \$62,819 within the Contingency Fund and \$123,326 within the General Fund for the emergency reserve under the Tabor Amendment.

The County believes that it is in compliance with the provisions of the Tabor Amendment. However, many provisions of the Tabor Amendment are complex and subject to further interpretation and will require judicial interpretation.

(16) Other Disclosures

Generally accepted accounting principles require disclosure excess of expenditures over appropriations. The Social Service Fund expenditures of \$712,594 exceeded appropriations of \$682,800.

KIOWA COUNTY, COLORADO
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2010

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE
				(NEGATIVE)
REVENUES				
Taxes	\$ 1,214,164	\$ 1,214,164	\$ 1,170,835	\$ (43,329)
Fines, Licenses and Permits	46,804	46,804	50,272	3,468
Intergovernmental Revenues	192,269	192,269	219,593	27,324
Charges for Services	147,026	147,026	153,117	6,091
Interest	55,000	55,000	63,867	8,867
Donations	31,972	31,972	66,089	34,117
Miscellaneous	27,772	27,772	53,489	25,717
TOTAL REVENUES	1,715,007	1,715,007	1,777,262	62,255
EXPENDITURES				
Operating				
General Government	1,083,288	1,180,188	1,125,276	54,912
Judicial	37,099	37,099	37,820	(721)
Public Safety	453,203	453,203	449,615	3,588
Health	4,407	4,407	4,162	245
Culture and Recreation	75,946	84,946	83,332	1,614
Capital Outlay	8,000	8,000	-	8,000
TOTAL EXPENDITURES	1,661,943	1,767,843	1,700,205	67,638
EXCESS OF REVENUES OVER				
(UNDER) EXPENDITURES	53,064	(52,836)	77,057	129,893
OTHER FINANCIAL SOURCES (USES)				
Insurance Proceeds	-	-	80,977	80,977
Transfer to other Funds	(65,000)	(65,000)	(65,000)	-
Sale of Fixed Assets	504	504	30,360	29,856
NET CHANGE IN FUND BALANCE	(11,432)	(117,332)	123,394	240,726
FUND BALANCE, BEGINNING OF YEAR	865,208	865,208	827,995	(37,213)
FUND BALANCE, END OF YEAR	\$ 853,776	\$ 747,876	\$ 951,389	\$ 203,513

The notes to the financial statements are an integral part of this statement

**KIOWA COUNTY, COLORADO
ROAD AND BRIDGE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2010**

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		POSITIVE (NEGATIVE)
REVENUES				
Taxes	\$ 132,682	\$ 132,682	\$ 130,514	\$ (2,168)
Licenses and Permits	707	707	2,700	1,993
Intergovernmental Revenue	1,214,632	1,214,632	1,278,323	63,691
Charges for Services	707	707	225	(482)
Miscellaneous	9,085	9,085	11,124	2,039
TOTAL REVENUES	1,357,813	1,357,813	1,422,886	65,073
EXPENDITURES:				
Operating				
Highways and Streets	1,298,789	1,298,789	1,270,077	28,712
Capital Outlay	100,000	100,000	24,704	75,296
TOTAL EXPENDITURES	1,398,789	1,398,789	1,294,781	104,008
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(40,976)	(40,976)	128,105	169,081
OTHER FINANCIAL SOURCES (USES):				
Insurance Proceeds	-	-	13,361	13,361
Sale of Fixed Assets	2,020	2,020	379	(1,641)
NET CHANGE IN FUND BALANCE	(38,956)	(38,956)	141,845	180,801
FUND BALANCE, BEGINNING OF YEAR	1,797,297	1,797,297	\$ 2,134,211	336,914
FUND BALANCE, END OF YEAR	\$ 1,758,341	\$ 1,758,341	\$ 2,276,056	\$ 517,715

The notes to the financial statements are an integral part of this statement

KIOWA COUNTY, COLORADO
SOCIAL SERVICES FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FINAL BUDGET</u>
				<u>POSITIVE</u>
				<u>(NEGATIVE)</u>
REVENUES				
Taxes	\$ 79,123	\$ 79,123	\$ 78,272	\$ (851)
Intergovernmental Revenues				
Administration	343,377	343,377	375,031	31,654
IV-D Administration	19,800	19,800	15,792	(4,008)
IV-D State Shared Incentives	-	-	3,113	3,113
IV-D Federal Incentives	-	-	586	586
Family Preservation	59,000	59,000	63,141	4,141
TANF Bonus	-	-	2,090	2,090
Commodities	2,500	2,500	10,269	7,769
Medicaid Transportation	40,000	40,000	75,327	35,327
Federal Lunch Claims	-	-	9,857	9,857
Charges for Services	83,000	83,000	61,758	(21,242)
Donations	-	-	200	200
Miscellaneous	1,000	1,000	501	(499)
	<u>627,800</u>	<u>627,800</u>	<u>695,937</u>	<u>68,137</u>
TOTAL REVENUES				
	<u>627,800</u>	<u>627,800</u>	<u>695,937</u>	<u>68,137</u>
EXPENDITURES:				
Operating				
Administration	471,000	471,000	524,291	(53,291)
Administration IV- D	30,000	30,000	21,209	8,791
Temporary Assistance For Needy Families	16,000	16,000	10,377	5,623
Aid to the Needy Disabled	1,200	1,200	2,266	(1,066)
Family Preservation	59,000	59,000	61,304	(2,304)
Child Care	4,000	4,000	3,728	272
Child Welfare	3,000	3,000	3,568	(568)
Medicaid Transportation	40,000	40,000	75,234	(35,234)
Home Care Allowance	100	100	75	25
General Assistance	1,000	1,000	273	727
Commodities	2,500	2,500	10,269	(7,769)
Supplemental Appropriation	-	55,000	-	55,000
	<u>627,800</u>	<u>682,800</u>	<u>712,594</u>	<u>(29,794)</u>
TOTAL EXPENDITURES				
	<u>627,800</u>	<u>682,800</u>	<u>712,594</u>	<u>(29,794)</u>
EXCESS OF REVENUES OVER				
(UNDER) EXPENDITURES	-	(55,000)	(16,657)	38,343
FUND BALANCES, BEGINNING OF YEAR	<u>43,900</u>	<u>43,900</u>	<u>44,395</u>	<u>495</u>
FUND BALANCES, END OF YEAR	<u>\$ 43,900</u>	<u>\$ (11,100)</u>	<u>\$ 27,738</u>	<u>\$ 38,838</u>

The notes to the financial statements are an integral part of this statement

**KIOWA COUNTY, COLORADO
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2010**

	CAPITAL PROJECTS FUND	WEISBROD MEMORIAL COUNTY HOSPITAL FUND	OFFICIALS AND EMPLOYEES RETIREMENT FUND
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Cash and Cash Investments	\$ 224,558	\$ 89,744	\$ 40,684
Cash Restricted Ambulance Reserve	18,000		
Intergovernmental Receivable	4,610		
Accounts Receivable			
Taxes Receivable	16,209	162,090	22,693
	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u><u>\$ 263,377</u></u>	<u><u>\$ 251,834</u></u>	<u><u>\$ 63,377</u></u>
LIABILITIES AND FUND BALANCE			
LIABILITIES			
Accounts Payable	\$ 14,594		
Payroll Liabilities			
Due To Other Funds	22,945		
Deferred Revenue - Grant			
Deferred Revenue - Property Taxes	16,209	\$ 162,090	\$ 22,693
	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u>53,748</u>	<u>162,090</u>	<u>22,693</u>
FUND BALANCE			
Reserved for:			
Emergencies			
Ambulance Replacement	18,000		
Unreserved	191,629	89,744	40,684
	<u> </u>	<u> </u>	<u> </u>
Total Fund Balance	<u>209,629</u>	<u>89,744</u>	<u>40,684</u>
Total Liability and Fund Balance	<u><u>\$ 263,377</u></u>	<u><u>\$ 251,834</u></u>	<u><u>\$ 63,377</u></u>

The notes to the financial statements are an integral part of this statement

CONTIN- GENT FUND	CONSER- VATION TRUST FUND	PUBLIC HEALTH AGENCY FUND	TOTALS
\$ 62,819	\$ 27,274	\$ 5,080	\$ 450,159
			18,000
		41,622	46,232
			-
			200,992
<u>\$ 62,819</u>	<u>\$ 27,274</u>	<u>\$ 46,702</u>	<u>\$ 715,383</u>
	1,000	\$ 1,414	\$ 17,008
		389	389
			22,945
			-
			200,992
	<u>1,000</u>	<u>1,803</u>	<u>241,334</u>
\$ 62,819			62,819
			18,000
	\$ 26,274	\$ 44,899	393,230
<u>62,819</u>	<u>26,274</u>	<u>44,899</u>	<u>474,049</u>
<u>\$ 62,819</u>	<u>\$ 27,274</u>	<u>\$ 46,702</u>	<u>\$ 715,383</u>

KIOWA COUNTY, COLORADO
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2010

	CAPITAL PROJECTS FUND	WEISBROD MEMORIAL COUNTY HOSPITAL FUND	OFFICIALS AND EMPLOYEES RETIREMENT FUND
REVENUES:			
Taxes	\$ 43,493	\$ 217,439	\$ 30,442
Fines, Licenses and Permits			
Intergovernmental Revenues	15,708	199	
Charges for Services			
Interest Income			
Donations	10,000		
Miscellaneous	12,000	18,199	
	81,201	235,837	30,442
TOTAL REVENUES	81,201	235,837	30,442
EXPENDITURES:			
Operating			
General Government	1,248		34,031
Public Safety	17,500		
Health		195,000	
Culture and Recreation	3,559		
Capital Outlay	33,283		
Lease Payment - Principal	6,209	16,999	
Lease Payment - Interest	430	1,200	
	62,229	213,199	34,031
TOTAL EXPENDITURES	62,229	213,199	34,031
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	18,972	22,638	(3,589)
OTHER FINANCIAL SOURCES (USES):			
Transfer From Other Funds			
NET CHANGE IN FUND BALANCE	18,972	22,638	(3,589)
FUND BALANCE, BEGINNING OF YEAR	190,657	67,106	44,273
FUND BALANCE, END OF YEAR	\$ 209,629	\$ 89,744	\$ 40,684

The notes to the financial statements are an integral part of this statement

CONTIN- GENT FUND	CONSER- VATION TRUST FUND	PUBLIC HEALTH AGENCY FUND	TOTALS
			\$ 291,374
		\$ 170	170
	\$ 5,598	142,406	163,911
		7,263	7,263
	192		192
			10,000
	1,487	706	32,392
<u>None</u>	<u>7,277</u>	<u>150,545</u>	<u>505,302</u>
			35,279
			17,500
		197,882	392,882
	4,400		7,959
		16,000	49,283
			23,208
			1,630
<u>None</u>	<u>4,400</u>	<u>213,882</u>	<u>527,741</u>
	2,877	(63,337)	(22,439)
		65,000	65,000
	2,877	1,663	42,561
62,819	23,397	43,236	431,488
<u>\$ 62,819</u>	<u>\$ 26,274</u>	<u>\$ 44,899</u>	<u>\$ 474,049</u>

KIOWA COUNTY, COLORADO
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2010

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE
				(NEGATIVE)
REVENUES				
Taxes	\$ 44,080	\$ 44,080	\$ 43,493	\$ (587)
Intergovernmental Revenues	348,088	348,088	15,708	(332,380)
Donations	-	-	10,000	10,000
Miscellaneous	12,000	12,000	12,000	-
TOTAL REVENUES	404,168	404,168	81,201	(322,967)
EXPENDITURES				
General Government	-	-	1,248	(1,248)
Public Safety	-	-	17,500	(17,500)
Culture and Recreation	-	-	3,559	(3,559)
Capital Outlay	365,574	365,574	33,283	332,291
Lease Payment - Principal	6,209	6,209	6,209	-
Lease Payment - Interest	428	428	430	(2)
TOTAL EXPENDITURES	372,211	372,211	62,229	309,982
NET CHANGE IN FUND BALANCE	31,957	31,957	18,972	(12,985)
FUND BALANCE, BEGINNING OF YEAR	272,974	272,974	190,657	(82,317)
FUND BALANCE, END OF YEAR	\$ 304,931	\$ 304,931	\$ 209,629	\$ (95,302)

The notes to the financial statements are an integral part of this statement

KIOWA COUNTY, COLORADO
WEISBROD MEMORIAL COUNTY HOSPITAL FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2010

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE
				(NEGATIVE)
REVENUES				
Taxes	\$ 220,158	\$ 220,158	\$ 217,439	\$ (2,719)
Intergovernmental Revenue	72	72	199	127
Lease Revenue	18,199	18,199	18,199	-
	<u>238,429</u>	<u>238,429</u>	<u>235,837</u>	<u>(2,592)</u>
TOTAL REVENUES				
	238,429	238,429	235,837	(2,592)
EXPENDITURES:				
Operating				
Health	195,000	195,000	195,000	-
Lease Payment - Principal	16,882	16,882	16,999	(117)
Lease Payment - Interest	1,317	1,317	1,200	117
	<u>213,199</u>	<u>213,199</u>	<u>213,199</u>	<u>-</u>
TOTAL EXPENDITURES				
	213,199	213,199	213,199	-
NET CHANGE IN FUND BALANCE	25,230	25,230	22,638	(2,592)
FUND BALANCE, BEGINNING OF YEAR	68,560	68,560	67,106	(1,454)
FUND BALANCE, END OF YEAR	<u>\$ 93,790</u>	<u>\$ 93,790</u>	<u>\$ 89,744</u>	<u>\$ (4,046)</u>

The notes to the financial statements are an integral part of this statement

KIOWA COUNTY, COLORADO
OFFICIAL AND EMPLOYEES RETIREMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2010

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE
				(NEGATIVE)
REVENUES				
Taxes	\$ 30,861	\$ 30,861	\$ 30,442	\$ (419)
Intergovernmental Revenue	15	15	-	(15)
TOTAL REVENUES	<u>30,876</u>	<u>30,876</u>	<u>30,442</u>	<u>(434)</u>
EXPENDITURES:				
Operating				
Pension Contributions	35,000	35,000	32,663	2,337
Fees	1,912	1,912	1,368	544
TOTAL EXPENDITURES	<u>36,912</u>	<u>36,912</u>	<u>34,031</u>	<u>2,881</u>
NET CHANGE IN FUND BALANCE	(6,036)	(6,036)	(3,589)	2,447
FUND BALANCE, BEGINNING OF YEAR	<u>43,220</u>	<u>43,220</u>	<u>44,273</u>	<u>1,053</u>
FUND BALANCE, END OF YEAR	<u><u>\$ 37,184</u></u>	<u><u>\$ 37,184</u></u>	<u><u>\$ 40,684</u></u>	<u><u>\$ 3,500</u></u>

The notes to the financial statements are an integral part of this statement

**KIOWA COUNTY, COLORADO
CONTINGENT FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2010**

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>(NEGATIVE)</u>
REVENUES				
Taxes				
Licenses and Permits				
Intergovernmental Revenue				
Charges for Services				
Miscellaneous				
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL REVENUES	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
EXPENDITURES:				
Operating				
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL EXPENDITURES	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	-	-	-
OTHER FINANCIAL SOURCES (USES):				
Sale of Fixed Assets				
	<hr/>	<hr/>	<hr/>	<hr/>
NET CHANGE IN FUND BALANCE	-	-	-	-
FUND BALANCE, BEGINNING OF YEAR	62,819	62,819	62,819	-
	<hr/>	<hr/>	<hr/>	<hr/>
FUND BALANCE, END OF YEAR	<u>\$ 62,819</u>	<u>\$ 62,819</u>	<u>\$ 62,819</u>	<u>\$ -</u>

The notes to the financial statements are an integral part of this statement

**KIOWA COUNTY, COLORADO
 CONSERVATION TRUST FUND
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 FOR THE YEAR ENDED DECEMBER 31, 2010**

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		POSITIVE (NEGATIVE)
REVENUES				
Intergovernmental Revenue	\$ 6,489	\$ 6,489	\$ 5,598	\$ (891)
Interest Income	211	211	192	(19)
Miscellaneous	1,687	1,687	1,487	(200)
TOTAL REVENUES	8,387	8,387	7,277	(1,110)
EXPENDITURES:				
Operating				
Culture and Recreation	13,470	13,470	4,400	9,070
Capital Outlay	-	-	-	-
TOTAL EXPENDITURES	13,470	13,470	4,400	9,070
NET CHANGE IN FUND BALANCE	(5,083)	(5,083)	2,877	7,960
FUND BALANCE, BEGINNING OF YEAR	23,551	23,551	23,397	(154)
FUND BALANCE, END OF YEAR	\$ 18,468	\$ 18,468	\$ 26,274	\$ 7,806

The notes to the financial statements are an integral part of this statement

**KIOWA COUNTY, COLORADO
PUBLIC HEALTH AGENCY FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2010**

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		POSITIVE (NEGATIVE)
REVENUES				
Fines, Licenses and Permits	\$ -	\$ -	\$ 170	\$ 170
Intergovernmental Revenue	-	-	142,406	142,406
Charges for Services	-	-	7,263	7,263
Miscellaneous	-	-	706	706
TOTAL REVENUES	<u>-</u>	<u>-</u>	<u>150,545</u>	<u>150,545</u>
EXPENDITURES:				
Operating				
Health	-	-	197,882	(197,882)
Capital Outlay	-	-	16,000	(16,000)
Supplemental Appropriation	-	220,000	-	220,000
TOTAL EXPENDITURES	<u>-</u>	<u>220,000</u>	<u>213,882</u>	<u>6,118</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	(220,000)	(63,337)	156,663
OTHER FINANCIAL SOURCES (USES):				
Transfer from Other Funds	-	-	65,000	65,000
NET CHANGE IN FUND BALANCE	-	(220,000)	1,663	221,663
FUND BALANCE, BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>43,236</u>	<u>43,236</u>
FUND BALANCE, END OF YEAR	<u><u>\$ -</u></u>	<u><u>\$ (220,000)</u></u>	<u><u>\$ 44,899</u></u>	<u><u>\$ 264,899</u></u>

The notes to the financial statements are an integral part of this statement

KIOWA COUNTY, COLORADO
ASSISTED LIVING FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN NET ASSETS - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	VARIANCE WITH
	<u>ORIGINAL</u>	<u>FINAL</u>		FINAL BUDGET
				POSITIVE
				(NEGATIVE)
REVENUES				
Charges	\$ 477,012	\$ 477,012	\$ 478,444	\$ 1,432
Miscellaneous	-	-	1,482	1,482
Insurance Proceeds	-	72,055	72,055	-
Taxes	164,666	164,666	163,973	(693)
Grants	-	-	1,324	1,324
Donations	-	-	4,002	4,002
Transfer From Other Funds	-	-	-	-
	<u>641,678</u>	<u>713,733</u>	<u>721,280</u>	<u>7,547</u>
TOTAL REVENUES				
	<u>641,678</u>	<u>713,733</u>	<u>721,280</u>	<u>7,547</u>
EXPENDITURES:				
Resident Care	231,168	231,168	258,800	(27,632)
Operations and Maintenance	202,260	202,260	280,512	(78,252)
Administration	182,538	182,538	165,065	17,473
Supplemental Appropriation	-	100,000	-	100,000
	<u>615,966</u>	<u>715,966</u>	<u>704,377</u>	<u>11,589</u>
TOTAL EXPENDITURES				
	<u>615,966</u>	<u>715,966</u>	<u>704,377</u>	<u>11,589</u>
NET CHANGE IN NET ASSETS	<u>25,712</u>	<u>(2,233)</u>	16,903	<u>19,136</u>
RECONCILIATION TO GAAP BASIS				
			<u>16,903</u>	
Change in Net Assets, GAAP			<u>\$ 16,903</u>	

The notes to the financial statements are an integral part of this statement

KIOWA COUNTY, COLORADO
KIOWA COUNTY BUILDING CORPORATION
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN NET ASSETS - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	VARIANCE WITH FINAL BUDGET
	<u>ORIGINAL</u>	<u>FINAL</u>		POSITIVE (NEGATIVE)
REVENUES				
Rent	\$ 120,000	\$ 120,000	\$ 109,391	\$ (10,609)
Transfer In From General Fund	-	-	-	-
TOTAL REVENUES	<u>120,000</u>	<u>120,000</u>	<u>109,391</u>	<u>(10,609)</u>
EXPENDITURES:				
Operating Expenses	1,075	1,075	510	565
Interest Expense	58,145	63,145	64,178	(1,033)
Debt Principal Payments	48,282	48,282	44,702	3,580
TOTAL EXPENDITURES	<u>107,502</u>	<u>112,502</u>	<u>109,390</u>	<u>3,112</u>
NET CHANGE IN NET ASSETS	<u>\$ 12,498</u>	<u>\$ 7,498</u>	1	<u>\$ (7,497)</u>
RECONCILIATION TO GAAP BASIS				
Plus Debt Principal Payments			44,702	
Less Accrued Interest			(59,873)	
Less Depreciation			(63,507)	
Less Amortization			<u>(270)</u>	
Change in Net Assets, GAAP			<u>\$ (78,947)</u>	

The notes to the financial statements are an integral part of this statement

**KIOWA COUNTY, COLORADO
SOCIAL SERVICES FUND
SCHEDULE OF EBT AUTHORIZATIONS, WARRANT
EXPENDITURES AND TOTAL EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2010**

KIOWA COUNTY, COLORADO
SOCIAL SERVICES FUND
SCHEDULE OF EBT AUTHORIZATIONS, WARRANT EXPENDITURES
AND TOTAL EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2010

<u>PROGRAM</u>	<u>COUNTY EBT AUTHORIZATIONS</u>	<u>COUNTY SHARE OF AUTHORIZATIONS</u>
OLD AGE PENSION	\$ 27,103	
LOW-INCOME ENERGY ASSISTANCE PROGRAM	57,040	
TEMPORARY ASSISTANCE FOR NEEDY FAMILIES	40,873	\$ 10,377
REGULAR ADMINISTRATION		
ADMINISTRATION IV-D		
FAMILY PRESERVATION		
CHILD WELFARE	16,740	3,141
CHILD CARE	22,084	3,728
AID TO THE NEEDY DISABLED	11,174	2,266
HOME CARE ALLOWANCE	1,659	75
MEDICAID TRANSPORTATION		
GENERAL ASSISTANCE		
	<hr/>	<hr/>
SUBTOTAL	176,673	19,587
	<hr/>	<hr/>
FOOD STAMPS	151,550	
COMMODITIES		10,269
	<hr/>	<hr/>
GRAND TOTAL	\$ 328,223	\$ 29,856
	<hr/> <hr/>	<hr/> <hr/>

The notes to the financial statements are an integral part of this statement.

EXPENDITURES BY COUNTY WARRANT	COUNTY EBT AUTHORIZATIONS PLUS EXPENDITURES BY COUNTY WARRANT	TOTAL EXPENDITURES
	\$ 27,103	
	57,040	
	40,873	\$ 10,377
\$ 524,291	524,291	524,291
21,209	21,209	21,209
61,304	61,304	61,304
427	17,167	3,568
	22,084	3,728
	11,174	2,266
	1,659	75
75,234	75,234	75,234
273	273	273
<u>682,738</u>	<u>859,411</u>	<u>702,325</u>
	151,550	
		<u>10,269</u>
<u>\$ 682,738</u>	<u>\$ 1,010,961</u>	<u>\$ 712,594</u>

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

LOCAL HIGHWAY FINANCE REPORT		City or County: Kiowa
		YEAR ENDING : December 2010
This Information From The Records Of (example - City of _ or County of Kiowa County)	Prepared By: Peggy Dunlap	Phone: 719-438-5810

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)	24,704
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	870,967
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	8,319
3. Other local imposts (from page 2)	128,274	c. Other	
4. Miscellaneous local receipts (from page 2)	27,789	d. Total (a. through c.)	8,319
5. Transfers from toll facilities		4. General administration & miscellaneous	386,851
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	
a. Bonds - Original Issues		6. Total (1 through 5)	1,290,841
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)	156,063	b. Redemption	
B. Private Contributions		c. Total (a. + b.)	0
C. Receipts from State government (from page 2)	1,276,623	2. Notes:	
D. Receipts from Federal Government (from page 2)	0	a. Interest	
E. Total receipts (A.7 + B + C + D)	1,432,686	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)	
			1,290,841

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

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

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	2,134,211	1,432,686	1,290,841	2,276,056	0

Notes and Comments:

REVISED		STATE:	
LOCAL HIGHWAY FINANCE REPORT		Colorado	
		YEAR ENDING (mm/yy):	
		December 2010	
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	115,059	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	379
4. Licenses		f. Charges for Services	225
5. Specific Ownership &/or Other	13,215	g. Other Misc. Receipts	24,485
6. Total (1. through 5.)	13,215	h. Other fees/permits	2,700
c. Total (a. + b.)	128,274	i. Total (a. through h.)	27,789
	(Carry forward to page 1)		(Carry forward to page 1)
III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL			
ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	1,269,827	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	6,796	d. Federal Transit Admin	
d. Other (Specify) - DOLA Grant		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	
f. Total (a. through e.)	6,796	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	1,276,623	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		24,704	24,704
(2). Capacity Improvements			0
(3). System Preservation			0
(4). System Enhancement & Operation			0
(5). Total Construction (1) + (2) + (3) + (4)	0	24,704	24,704
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	24,704	24,704
			(Carry forward to page 1)
Notes and Comments:			

KIOWA COUNTY, COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2010

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM	FEDERAL CFDA NUMBER	ARRA GRANT NUMBER	FEDERAL EXPENDITURES
U.S. Department of Agriculture			
Pass-through programs from Colorado Department of Human Services			
State Administrative Matching Grants for Food			
Stamp Program	10.561		22,637
Emergency Food Assistance Program (Administrative Costs)	10.568		1,761
Emergency Food Assistance Program (Food Commodities) (NOTE C)	10.569		2,968
Pass-through programs from Colorado Department of Public Health and Environment			
Child and Adult Care Food Program	10.558		9,857
U.S. Department of the Interior			
National Fire Plan - Rural Fire Assistance	15.242		3,304
Pass-through programs from Colorado Division of Wildlife			
Sport Fish Restoration Program	15.605		4,610
U.S. Department of Health & Human Services			
Pass-through programs from Colorado Department of Public Health and Environment			
Maternal and Child Health Services Block Grant to the States	93.994		1,000
Immunizations Grant	93.268		4,550
Public Health Emergency Preparedness	93.069		117,864
Pass-through program from Colorado Department of Local Affairs			
Community Services Block Grant	93.569		5,596
ARRA - Community Services Block Grant	93.710	0901COCOS2	3,630
Pass-through programs from Colorado Department of Human Services			
Medical Assistance Program (Medicaid; Title XIX)	93.778		21,778
Temporary Assistance for Needy Families (TANF)	93.558		106,216
Child Support Enforcement (Title IV-D)	93.563		45,326
Low-Income Home Energy Assistance	93.568		60,691
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596		175,221
Child Care and Development Block Grant	93.575		(108,797)
Child Welfare Services - State Grants	93.645		1,207
Foster Care - Title IV-E	93.658		34,770
Adoption Assistance	93.659		1,463
Social Services Block Grant	93.667		18,117
Pass-through program from Colorado Community Action Association			
Community Services Block Grant - Discretionary Awards	93.570		1,248
U.S. Department of Homeland Security			
Pass-through program from Colorado Department of Local Affairs- Office of Emergency Management			
Emergency Management Performance Grant	97.042		18,612
U.S. Department of Justice, Bureau of Justice Assistance			
Pass-through program from Colorado Division of Criminal Justice			
ARRA - Edward Byrne Memorial Justice Assistance Grant Program	16.803	2009-SU-B9-0020	60,273
			\$ 613,902
Total Expenditures of Federal Awards			\$ 613,902

See accompanying notes to schedule of expenditures of federal awards.

The notes to the financial statements are an integral part of this statements.

KIOWA COUNTY, COLORADO
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2010

NOTE A – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Kiowa County, Colorado and is presented on the 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, or used in the preparation of, the basic financial statements.

NOTE B – FOOD DISTRIBUTION

Nonmonetary assistance of \$2,968 is reported in the schedule at the fair market value of the commodities received and disbursed.

Amanda L. Brown

Certified Public Accountant

1220 Maine Street, 2nd Floor
P.O. Box 405
Eads, CO 81036

719-438-5445
fax 877-225-7026
amanda@amandalbrown.com

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

Board of County Commissioners
Kiowa County, Colorado
Eads, Colorado

I have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Kiowa County, Colorado as of and for the year ended December 31, 2010, which collectively comprise Kiowa County's basic financial statements and have issued my report thereon dated July 26, 2011. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered Kiowa County's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Kiowa County's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of Kiowa County's internal control over financial reporting.

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 entity's financial statements will not be prevented, or detected and corrected on a timely basis.

My consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. I did not

identify any deficiencies in internal control over financial reporting that I consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Kiowa County's financial statements are free of material misstatement, I 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 statements amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the board of directors, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Amanda L. Brown, CPA

Eads, Colorado
July 26, 2011

Amanda L. Brown

Certified Public Accountant

1220 Maine Street, 2nd Floor
P.O. Box 405
Eads, CO 81036

719-438-5445
fax 877-225-7026
amanda@amandalbrown.com

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Board of County Commissioners
Kiowa County, Colorado
Eads, Colorado

Compliance

I have audited the compliance of Kiowa County, Colorado with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2010. Kiowa County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Kiowa County's management. My responsibility is to express an opinion on Kiowa County's compliance based on my audit.

I conducted my audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that I 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 Kiowa County's compliance with those requirements and performing such other procedures as I considered necessary in the circumstances. I believe that my audit provides a reasonable basis for my opinion. My audit does not provide a legal determination on Kiowa County's compliance with those requirements.

In my opinion Kiowa County complied, in all material respects, with the 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, 2010.

Internal Control Over Compliance

Management of Kiowa County is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing my audit, I considered Kiowa County's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine the auditing procedures for the purpose of expressing my opinion on compliance 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, I do not express an opinion on the effectiveness of Kiowa County's internal control over compliance.

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

My consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. I did not identify any deficiencies in internal control over compliance that I consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the board of directors, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Amanda L. Brown, CPA

Eads, Colorado
July 26, 2011

KIOWA COUNTY, COLORADO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2010

A. Summary of Audit Results

- 1) The auditor's report expresses an unqualified opinion on the financial statements of Kiowa County, Colorado.
- 2) No significant deficiencies related to the audit of the financial statements are reported in the Report on Compliance & On Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*.
- 3) No instances of noncompliance material to the financial statements of Kiowa County, Colorado, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
- 4) No significant deficiencies relating to the audit of major federal award programs are reported in the Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance In Accordance with OMB Circular A-133.
- 5) The auditor's report on compliance for the major federal award programs for Kiowa County, Colorado expresses an unqualified opinion on all major federal programs.
- 6) There are no audit findings that are required to be reported in accordance with Section 510(a) of OMB Circular A-133.
- 7) The programs tested as a major programs were: U.S. Department of Health & Human Services – Low-Income Home Energy Assistance, CFDA 93.568, Temporary Assistance for Needy Families, CFDA 93.558.
- 8) The threshold used for distinguishing between Type A and B programs was \$300,000.
- 9) Kiowa County, Colorado did qualify as a low-risk auditee.

B. Finding – Financial Statement Audit

None

C Findings and Questioned Costs

None