

ARCHULETA COUNTY, COLORADO

FINANCIAL STATEMENTS

December 31, 2008



ARCHULETA COUNTY, COLORADO
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December 31, 2008

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INDEPENDENT AUDITORS' REPORT

Board of County Commissioners
Archuleta County, Colorado
Pagosa Springs, Colorado

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Archuleta County, Colorado (the County), as of and for the year ended December 31, 2008, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Archuleta County Housing Authority, a discretely presented component unit. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for Archuleta County Housing Authority, is based on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County, as of December 31, 2008, and the respective changes in financial position and, where applicable, cash flows, where applicable, and the respective budgetary comparison information for the General Fund and the Major Special Revenue Funds, 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*, we have also issued our report dated July 30, 2009, on our consideration of Alamosa County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 our audit

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Board of County Commissioners

Archuleta County, Colorado

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The management's discussion and analysis as listed on the table of contents, is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining and individual nonmajor fund financial statements, schedules, and reports listed in the table of contents as supplementary information 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 basic financial statements of the County. The combining and individual nonmajor fund financial statements, the schedule of EBT expenditures, warrant expenditures, and total expenditures, the schedule of expenditure of federal awards, and the Local Highway Finance Report, as listed in the table of contents, have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Wall, Smith, Bateman and Associates, Inc.

Wall, Smith, Bateman and Associates, Inc.
Alamosa, Colorado

July 30, 2009



MANAGEMENT'S DISCUSSION & ANALYSIS

This discussion and analysis of Archuleta County's financial performance provides an overview of the County's financial activities for the fiscal year ended December 31, 2008. Please read it in conjunction with the County's financial statements.

FINANCIAL HIGHLIGHTS

- Archuleta County's financial position improved during 2008.
- The assets of the County exceeded its liabilities at the close of 2008 by \$35.52 million (net assets). Of this amount, the County had a negative unrestricted net assets balance of \$3.569 million.
- The County's total net assets increased by \$8.04 million in 2008. The majority of the increase is attributable to capital assets, financed by grants.
- At December 31, 2008, the combined fund balance for the County's governmental funds was \$34.6 million, an increase of \$27.9 million. The majority of the increase is the result of an accounting principle change of the Airport Fund from an enterprise fund to a special revenue fund.
- The unreserved, undesignated fund balance in the General Fund was \$483,299, or 5.70% of the total General Fund expenditures.
- The County's total debt principal decreased \$470,050 to \$2.86 million. The County entered into a new capital lease in the amount of \$91,452 for the purchase of equipment in 2008.

USING THIS ANNUAL REPORT

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

Government-wide Financial Statements

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

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

The *statement of activities* presents information showing how Archuleta County's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses reported in this statement for some items will result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of Archuleta County that are principally supported by taxes and intergovernmental revenues (*Governmental Activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*Business-type Activities*). The Governmental Activities of Archuleta County include general government, public safety (sheriff & fire), public works administration, streets maintenance, planning and building, and recreation. The Business-type Activities of Archuleta County include Solid Waste.

The government-wide financial statements include not only Archuleta County, but also one component unit, the Archuleta County Housing Authority (ACHA). Financial activities for the ACHA, which was created to provide management of housing assistance projects to low income



elderly individuals. Financial information for ACHA is reported separately from the financial information presented for the County itself.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Some funds are required to be established by State law or bond covenants, however, County Commissioners establish other funds to help control and manage spendable resources for particular purposes (i.e. Ballot Measure 1A Fund). All of the County's funds can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds – Most of the County's basic services are reported in governmental funds, which focus on how spendable resources flow into and out of those funds and the balances left at year-end that are available for future years. The funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental funds statements provide a detailed short-term view to cash, the governmental fund operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the County's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds in a reconciliation at the bottom of the fund financial statements.

Proprietary funds – When the County charges customers for the services it provides – whether to outside customers or to other units of the County – these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Assets and the Statement of Activities. In fact the County's enterprise fund (a component of proprietary funds) is the same as the business-type activities we report in the government-wide statements but provide more detail and additional information, such as cash flows, for proprietary funds. Internal service funds (the other component of proprietary funds) are used to report activities that provide services for the County's other programs and activities - such as the County's Employee Insurance Funds.

Fiduciary funds – Resources held for the benefit of parties outside the government are reported in fiduciary funds. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the County's operations. The accounting used for fiduciary funds is similar to that used for proprietary funds.

The basic fiduciary fund financial statements can be found within the basic financial statements, just before the Notes to the Financial Statements.

Notes to Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found immediately after the basic financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents the combining statements referred to earlier in connection with non-major Governmental Funds and Internal Service Funds. Schedules that compare actual revenues and expenditures/expenses to budget amounts are also included. Combining and individual fund statements and schedules can be found after the Notes in the financial section.



FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. For the County, assets exceeded liabilities by \$35.5 million at the close of 2008.

	Net Assets (in Thousands)					
	Governmental Activities		Business-type Activities		Total Primary Government	
	2008	2007	2008	2007	2008	2007
Current and other assets	\$13,040	\$14,034	\$489	\$612	\$13,529	\$14,646
Capital assets	34,175	5,120	763	24,532	34,938	29,652
Total assets	47,215	19,154	1,252	25,144	48,467	44,298
Long-term debt outstanding	2,860	1,438	0	1,872	2,860	3,310
Other liabilities	9,743	10,991	341	2,515	10,084	13,506
Total liabilities	12,603	12,429	341	4,387	12,944	16,816
Net assets:						
Invested in capital assets net of related debt	31,277	3,857	763	22,132	32,040	25,989
Restricted	7,052	5,323	0	0	7,052	5,323
Unrestricted	(3,717)	(2,455)	148	(1,375)	(3,569)	(3,830)
Total net assets	34,612	6,725	911	20,757	35,523	27,482

By far the largest portion of Archuleta County's net assets (90.20%) reflect its investment in capital assets (e.g. land, buildings, equipment, etc.), less any related debt still outstanding (current and long-term), that was used to acquire those assets. The County uses these capital assets to provide services to citizens; consequently these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. Unrestricted net assets may be used to meet the County's ongoing obligations to citizens and creditors.

The restricted portion of net assets (19.85%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of net assets is unrestricted and totals a negative \$3,569 million.

It should be noted that total negative unrestricted net assets decreased from the prior year by \$303,000 and the County continues to work towards a positive net asset position for the primary government, as well as for the governmental activities.

The changes in Governmental Activities and Business-type Activities from 2007 to 2008 are primarily a result of the impacts of the change in accounting principle of the Airport Fund from an enterprise fund to a special revenue fund and the increases in ongoing revenues outstripped the increases in ongoing expenditures.

CHANGES IN NET ASSETS

The County's total revenues of \$22.5 million exceeded program expenses of \$15.6 million. The total increase in net assets for 2008 is \$8.04 million, primarily as a result of increased capital grants and general revenues from Governmental Activities due to increased property tax collections.

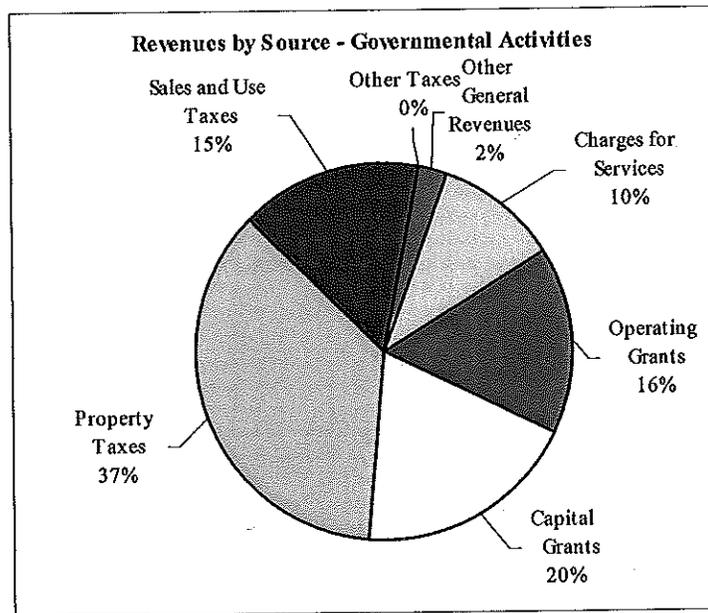
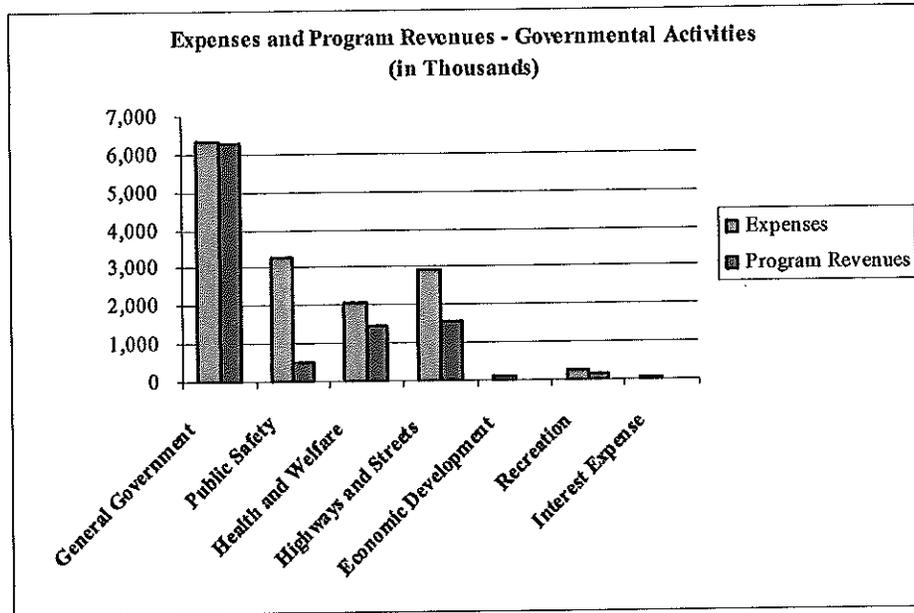
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Changes in Net Assets
(in Thousands)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2008	2007	2008	2007	2008	2007
Program revenues:						
Charges for services	\$2,285	\$1,761	\$632	\$731	\$2,917	\$2,492
Operating grants	3,553	3,010	0	0	3,553	3,010
Capital grants/Contributions	4,195	151	0	1,007	4,195	1,158
General revenues:					0	0
Property taxes	7,860	4,480	0	0	7,860	4,480
Sales and use taxes	3,384	3,413	0	0	3,384	3,413
Other taxes	35	1,125	0	0	35	1,125
Other general revenues	535	897	5	140	540	1,037
Total revenues	21,847	14,837	637	1,878	22,484	16,715
Program expenses:						
General Government	6,370	5,120	0	0	6,370	5,120
Public Safety	3,249	3,156	0	0	3,249	3,156
Health and Welfare	2,044	1,934	0	0	2,044	1,934
Highways and Streets	2,936	3,002	0	0	2,936	3,002
Economic Development	97	88	0	0	97	88
Recreation	227	113	0	0	227	113
Interest Expense	50	68	0	0	50	68
Airport	0	0	0	1,051	0	1,051
Solid Waste	0	0	617	595	617	595
Total expenses	14,973	13,481	617	1,646	15,590	15,127
Excess before transfers	6,874	1,356	20	232	6,894	1,588
Transfers	66	40	(66)	(155)	0	(115)
Increase in net assets	6,940	1,396	(46)	77	6,894	1,473
Beginning net assets	6,725	5,330	20,757	20,679	27,482	26,009
Prior Period Adjustment	1,148	0	0	0	1,148	0
Change in Accounting Principle	19,799	0	-19,799	0	0	0
Beginning net assets, Restated	27,672	5,330	958	20,679	28,630	26,009
Ending net assets	\$34,612	\$6,726	\$912	\$20,756	\$35,524	\$27,482

Governmental Activities

Total expenses exceeded Program Revenues for Governmental Activities by \$4.94 million for 2008, compared to \$8.56 million in 2007. Expenses increased for the general government function primarily due an accounting principle change of the Airport Fund from an enterprise fund to a special revenue fund. The increase in net assets before transfers was \$6.87 million in 2008 and \$1.4 million in 2007. The following illustrates the Governmental Activities revenues and expenses:



Property tax revenue increased 75.4% in 2008, as the result of a ballot measure passed by the voters of Archuleta County that set the mill levy at 18.233 through the year 2011 and increased assessed valuations.

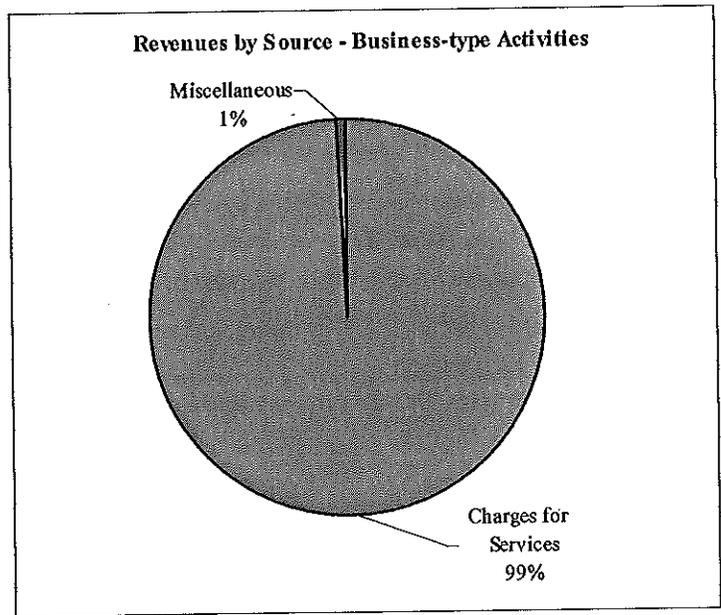
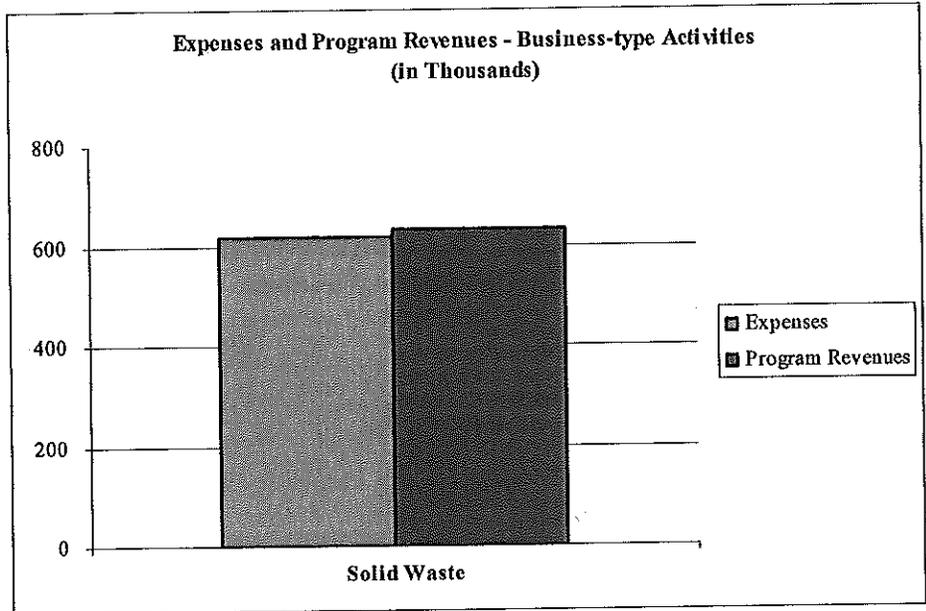
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Overall program expenses increased \$1.49 million in 2008. There were increased operating expenses in several areas and also increased debt service payments for the airport. The balance of the increase is due to various project related expenses in 2008 that were paid for out of capital project funds, but are not considered capital assets for reporting purposes.



Business-type Activities

Net assets in Business-type Activities decreased by \$40,710. The following illustrates the Business-type Activities revenues and expenses:



Charges for services for business-type activities decreased \$85,881, or 12%, compared to 2007, this is due to a slower economy and depressed construction within Archuleta County.

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THE COUNTY'S FUNDS

At year end, the County's Governmental Funds reported a combined fund balance of \$4.04 million, an increase of \$595,917 from 2007. The primary change is an increase in the ballot measure 1A fund of \$1.033 million. Fund Balance in the General Fund increased \$1.41 million, primarily from increased tax revenues. Fund balances in the Governmental Funds are as follows:

General Fund:			
Unreserved, Undesignated	\$ 483,299		
Reserved	61,654		
Road & Bridge Fund:			
Unreserved, Undesignated	(1,408,201)	}	*
Reserved	29,273	,	
Department of Human Services Fund:			
Unreserved, Undesignated	(618,072)	?	*
Ballot Measure 1A Fund:			
Unreserved, Undesignated	158,776		
Unreserved, Designated for Subsequent Years	874,390		
Road Capital Improvement Fund:			
Unreserved, Undesignated	1,167,223		
Unreserved, Designated for Subsequent Years	480,292		
Reserved	2,869,311		
Airport Fund:			
Unreserved, Undesignated	(2,099,723)		
Other Governmental Fund:			
Unreserved, Undesignated	1,254,315		
Unreserved, Designated for Subsequent Years	230,000		
Reserved	559,476		

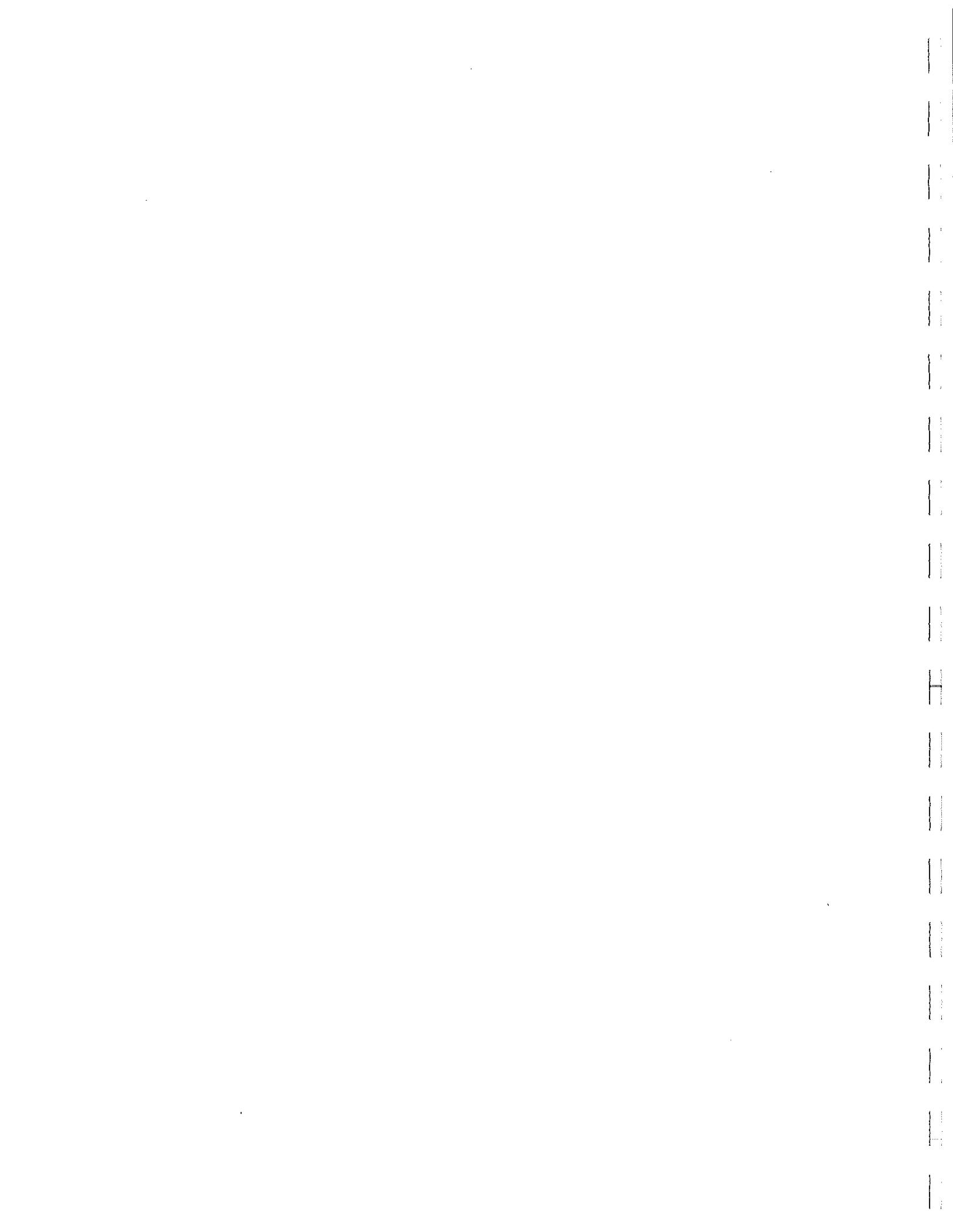
The Proprietary Funds ended 2008 with total unrestricted net assets of \$239,973, a decrease of \$40,710 from 2007. The primary change occurred in the Solid Waste Fund due to the implementation of an administrative fee charged by the General Fund. Unrestricted net asset balances in the Proprietary Funds are as follows:

Solid Waste Fund	\$239,973
Airport Fund	0

The Airport Fund was changed from an enterprise fund to a special revenue fund in 2008; as a result, net assets for the Airport Fund are zero (\$0) at the end of 2008.

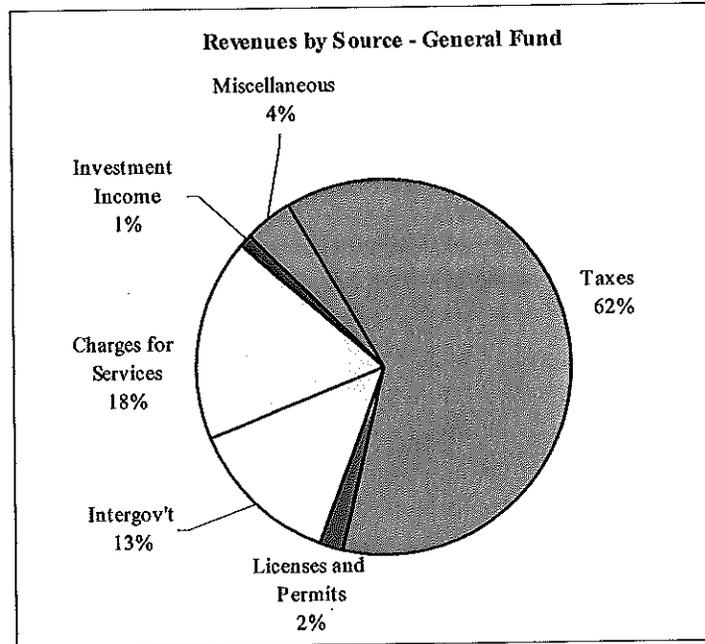
GENERAL FUND BUDGETARY HIGHLIGHTS

The General Fund accounts for all of the general services provided by the Archuleta County. At the end of 2008, the fund balance totaled \$544,953, an increase from 2007 of \$1.406 million. The year end fund balance is 6.03% of General Fund expenditures, including transfers out. The County's approved a Reserve Policy for the General Fund in early 2009, and the Reserve Policy recommends the County achieve and maintain a 10% to 15% level by the end of 2012. Given the recent economy, the ever increasing costs for personnel and insurance benefits, the County's General Fund ended 2008 in a very strong financial position.



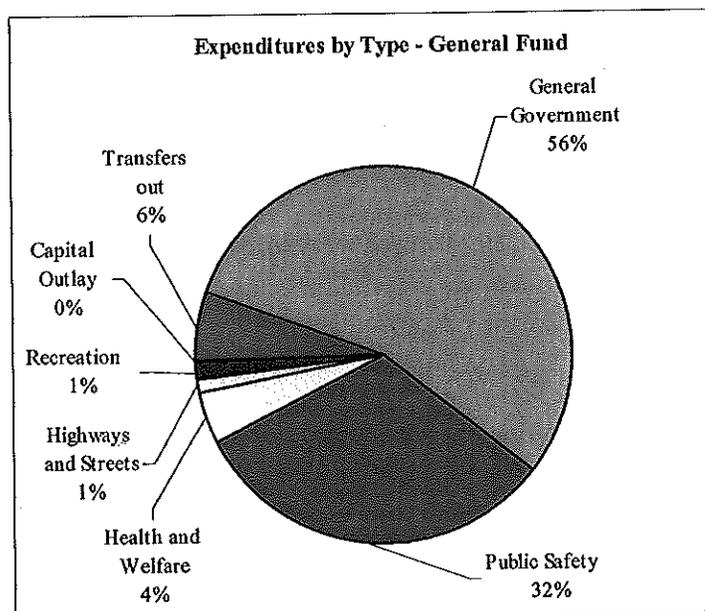
2008 General Fund revenues increased \$1.04 million from 2007. The increase was primarily due to higher property tax revenues. Charges for services and investment income both increased in 2008.

The following illustrates revenues by source for the General Fund:



General Fund expenditures include all administrative functions of the County (i.e. Commissioners, Administrator, Finance, Attorney, Human Resources, IT/GIS, etc.); public safety; streets and highways; health and welfare; planning and development and outdoor recreation. Total General Fund expenditures decreased \$544,198 in 2008.

The following illustrates expenditures by type for the General Fund:



why is highways & streets in GF?

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During 2007, the County Commissioners approved two budget amendments that included changes to the General Fund budget. All recommended amendments to the budget come through the Finance Department to the County Commissioners via Resolution as required by law. Resolution enactment requires public hearing and the opportunity for public discussion. The County does allow small inter-departmental budget changes that modify line items within departments within the same fund.

For the General Fund, the original budgeted revenues were \$10.255 million. The final budgeted amount was \$9.690 million. The primary reason for the amendment to revenues was due to a budget error within miscellaneous revenues. Actual revenues of \$9.544 million were \$145,578 under the final budget.

The General Fund original budgeted expenditures of \$9.347 million decreased by \$782,757 to \$8.564 million in the final budget. The decrease was the result of a budget analysis of each department that was carried out when the revenue error was discovered.

CAPITAL ASSETS

In 2008, the County invested in a broad range of capital assets, including roads, runways, equipment and other infrastructure improvements.

The table below provides a comparative summary of total capital assets at December 31, 2008 and 2007:

	Governmental Activities		Business-type Activities		Total Primary Government	
	2008	2007	2008	2007	2008	2007
Land	\$3,699	\$634	\$309	\$3,374	\$4,008	\$4,008
Runway	16,519	0	0	17,144	16,519	17,144
Buildings	3,576	1,380	0	2,317	3,576	3,697
Vehicles	227	261	0	0	227	261
Machinery & Equipment	1,553	1,766	315	576	1,868	2,342
Computer Equipment	287	365	0	0	287	365
Infrastructure	1,714	44	0	0	1,714	44
Construction in progress	6,599	670	139	1,121	6,738	1,791
Totals	\$34,174	\$5,120	\$763	\$24,532	\$34,937	\$29,652

Major capital expenses during 2008 included:

Parallel Taxiway	\$4,469,614 ✓
Integrated Software	415,705
Pinon Causeway	399,453
Caterpillar Drum Compactor	136,452

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The County remains committed to the upkeep and maintenance of the County's largest assets. More detailed information about the County's capital assets is presented in Notes 1 and 6 to the financial statements.

DEBT

Note 7 of the financial statements provides a summary of the County's long-term debt. At the end of 2008, the County had total debt outstanding of \$2.86 million. \$1.85 million is a note payable, secured by a security interest in the County's Aviation Fuel Tax Refund revenue. \$1.01 million is capital leases, which covers the debt on various pieces of road equipment and is to be repaid from sales tax revenues. The County's total debt decreased \$470,050 in 2008 as a result of payments on the existing debt. The County entered into a new capital lease for the purchase of a drum compactor at the landfill in 2008.

	Governmental Activities		Business-type Activities		Total Primary Government	
	2008	2007	2008	2007	2008	2007
Notes Payable	1,850	0	0	2,075	1,850	2,075
Capital leases	1,010	1,254	0	0	1,010	1,254
Totals	\$2,860	\$1,254	\$0	\$2,075	\$2,860	\$3,329

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Archuleta County continues to improve its financial position. In preparing the 2009 Budget, the County was cautious in projecting revenue for property tax, sales taxes and investment earnings. The County continues to be cautious with its spending, delaying discretionary purchases as necessary and monitoring revenues to continually assess the County's financial position. The 2009 Budget reflects the County's continued commitment to capital replacement with maintenance of County infrastructure as a top priority, along with the completion of an integrated software implementation that began in 2008.

The 2009 Budget anticipated property tax revenues to increase 2% over projected 2008 amounts. Sales tax was anticipated to decrease another 1% from 2008, which equates to a 3% decrease from 2007. Through the first quarter of 2009, sales tax is down approximately 7% compared to 2008. With other revenues projected to have modest increases, overall General Fund revenues should offset inflationary increases in expenditures. The County anticipates ending 2009 with a fund balance in the General Fund at 8% of operating expenditures.

The County's Solid Waste fund remains in stable financial condition. Landfill rates were increased for 2009 as the result of a fee survey. In 2009, the County will complete the construction of cell 3 at the landfill; this will address several issues and bring the landfill into compliance with state agencies.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers and investors and creditors with a general overview of the County's finances and to show the County's accountability for the funds and assets it receives. If you have questions about this report, or should you need additional financial information, contact the County's Finance Department at Archuleta County, PO Box 1507, Pagosa Springs, CO 81147, or at www.archuletacounty.org.



ARCHULETA COUNTY, COLORADO
BASIC FINANCIAL STATEMENTS

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ARCHULETA COUNTY, COLORADO
Statement of Net Assets
December 31, 2008

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Current Assets:				
Cash and Cash Equivalents	\$ 4,001,273	\$ 296,083	\$ 4,297,356	\$ 5,878
Restricted Cash and Investments	-	-	-	102,030
Property Taxes Receivable	6,608,458	-	6,608,458	-
Other Receivables	853,623	139,019	992,642	2,019
Accrued Interest	120	-	120	-
Inventory	93,185	7,176	100,361	-
Prepaid Expenses	7,218	-	7,218	429
Due from Other Governments	1,523,712	-	1,523,712	-
Internal Balances	(47,117)	47,117	-	-
Total Current Assets	<u>13,040,472</u>	<u>489,395</u>	<u>13,529,867</u>	<u>110,356</u>
Noncurrent Assets:				
Land	3,698,683	309,166	4,007,849	42,250
Construction in Progress	6,598,747	139,295	6,738,042	-
Runway Improvements, net	16,519,650	-	16,519,650	-
Buildings, net	3,576,030	-	3,576,030	803,468
Machinery, net	1,552,976	315,004	1,867,980	-
Vehicles, net	226,517	-	226,517	-
Furnishings	-	-	-	73,349
Computer Equipment, net	287,881	-	287,881	-
Infrastructure	1,714,237	-	1,714,237	-
Accumulated Depreciation for Component	-	-	-	(681,192)
Loan Costs, net	-	-	-	13,505
Total Noncurrent Assets	<u>34,174,721</u>	<u>763,465</u>	<u>34,938,186</u>	<u>251,380</u>
TOTAL ASSETS	<u>47,215,193</u>	<u>1,252,860</u>	<u>48,468,053</u>	<u>361,736</u>
LIABILITIES				
Current Liabilities:				
Accounts Payable	1,604,432	2,961	1,607,393	30,122
Retainage Payable	466,962	-	466,962	-
Incurred but Unreported Medical Claims	116,314	-	116,314	-
Accrued Interest	38,013	-	38,013	38,816
Accrued Payroll and Liabilities	183,955	5,745	189,700	-
Deposits Payable	52,363	-	52,363	3,313
Deferred Revenue	6,613,059	2,934	6,615,993	-
Accrued Vacation and Sick, Current	49,000	-	49,000	-
Notes Payable, Due Within One Year	(631,830)	-	631,830	4,503
Total Current Liabilities	<u>9,785,928</u>	<u>11,640</u>	<u>9,767,568</u>	<u>76,754</u>
Noncurrent Liabilities:				
Closure and Post Closure Costs	-	305,000	305,000	-
Accrued Vacation and Sick, Noncurrent	619,661	24,559	644,220	-
Notes Payable, Due After One Year	2,227,705	-	2,227,705	797,717
Total Noncurrent Liabilities	<u>2,847,366</u>	<u>329,559</u>	<u>3,176,925</u>	<u>797,717</u>
TOTAL LIABILITIES	<u>12,603,294</u>	<u>341,199</u>	<u>12,944,493</u>	<u>874,471</u>
NET ASSETS				
Invested in capital assets, net of related debt	31,277,173	763,465	32,040,638	(564,345)
Restricted for Capital Projects	6,492,987	-	6,492,987	-
Restricted for Emergencies	559,476	-	559,476	-
Restricted for Archuleta County Housing Assoc.	-	-	-	(44,155)
Unrestricted	(3,717,737)	148,196	(3,569,541)	95,765
Total net assets	<u>\$ 34,611,899</u>	<u>\$ 911,661</u>	<u>\$ 35,523,560</u>	<u>\$ (512,735)</u>

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ARCHULETA COUNTY, COLORADO
Statement of Activities
For the Year Ended December 31, 2008

Functions/Programs	Program Revenues					Net(Expense) Revenue and Changes in Net Assets			Component Units
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Primary Government		Total	
						Business-type Activities	Total		
Primary government									
Governmental activities:									
General Government	\$ 6,369,792	\$ 1,882,009	\$ 297,444	\$ 4,123,341	\$ (66,998)	\$ -	\$ (66,998)	\$ -	
Public Safety	3,249,135	258,336	227,975	-	(2,762,824)	-	(2,762,824)	-	
Health and Welfare	2,044,266	24,880	1,451,718	-	(567,668)	-	(567,668)	-	
Highways and Streets	2,936,244	81,867	1,469,976	45,357	(1,339,044)	-	(1,339,044)	-	
Economic Development	97,390	-	-	-	(97,390)	-	(97,390)	-	
Recreation	227,101	37,938	105,499	26,000	(57,664)	-	(57,664)	-	
Interest Expense	49,941	-	-	-	(49,941)	-	(49,941)	-	
Total governmental activities	14,973,869	2,285,030	3,552,612	4,194,698	(4,941,529)	-	(4,941,529)	-	
Business-type Activities:									
Solid Waste Fund	617,482	631,667	-	-	-	14,235	14,235	14,235	
Total business-type activities	617,482	631,667	-	-	-	14,235	14,235	14,235	
Total primary government	\$ 15,591,301	\$ 2,916,697	\$ 3,552,612	\$ 4,194,698	(4,941,529)	14,235	(4,927,294)	-	
Component units:									
Archuleta Co Housing Authority	606,684	29,873	516,729	-	-	-	-	(60,082)	
Total Component Units	\$ 606,684	\$ 29,873	\$ 516,729	-	-	-	-	(60,082)	
General revenues:									
Property Taxes					6,999,767		6,999,767		
Sales and Use Taxes					3,383,985		3,383,985		
Other Taxes and Shared Revenues					34,513		34,513		
Payments in Lieu of Taxes					859,629		859,629		
Interest Income					126,838	20	126,858	12,082	
Miscellaneous					410,979	5,592	416,571		
Transfers					65,734	(65,734)	-		
Total general revenues					11,851,445	(60,122)	11,821,323	12,082	
Change in net assets					6,894,029		6,894,029	(46,000)	
Net assets - Beginning					6,724,945	20,756,984	27,481,929	(464,735)	
Prior Period Adjustment					(1,147,602)		1,147,602		
Change in Accounting Principle					19,799,486	(19,799,436)	-		
Net assets - Beginning, restated					27,671,983	957,548	28,629,531	(464,735)	
Net assets - Ending					\$ 24,611,889	\$ 911,661	\$ 25,523,550	\$ (512,735)	

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ARCHULETA COUNTY, COLORADO
Balance Sheet
Governmental Funds
December 31, 2008

how measure
where's Growth

	GENERAL FUND	ROAD AND BRIDGE FUND	DEPT OF HUMAN SERVICE FUND	BALLOT MEASURE 1A FUND
ASSETS				
Cash and Cash Equivalents	\$ 287,331	\$ (5,481)	\$ 63,282	\$ 938,820
Property Taxes Receivable	4,423,400	700,100	290,300	1,194,658
Accounts Receivable	4,396	-	-	-
Accrued Interest Receivable	-	-	-	-
Other Receivables	-	-	-	-
Inventories, at Cost	61,761	29,273	-	-
Prepaid Expenses	7,218	-	-	-
Due From Other Governments	480,686	146,068	73,812	143,224
Due From Other Funds	951,678	3,244	-	-
Total Assets	\$ 6,216,470	\$ 873,204	\$ 427,394	\$ 2,276,702
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 346,746	\$ 11,469	\$ 320	\$ 48,878
Retainage Payable	-	-	-	-
Inmate Deposits	-	-	-	-
Deferred Revenue	4,425,634	700,100	292,667	1,194,658
Due to Other Governments	-	-	118,382	-
Due to Other Funds	756,922	1,518,343	634,097	-
Accrued Payroll and Liabilities	142,215	22,220	-	-
Total Liabilities	5,671,517	2,252,132	1,045,466	1,243,536
FUND BALANCE				
Reserved for:				
Emergencies	-	-	-	-
Capital Projects	-	-	-	-
Inventory	61,761	29,273	-	-
Unreserved, Designated for				
Subsequent Years	-	-	-	874,390
Unreserved, Undesignated reported in				
General Fund	483,192	-	-	-
Special Revenue Funds	-	(1,408,201)	(618,072)	158,776
Capital Projects	-	-	-	-
Total fund balances	544,953	(1,378,928)	(618,072)	1,033,166
Total Liabilities and Fund Balances	\$ 6,216,470	\$ 873,204	\$ 427,394	\$ 2,276,702

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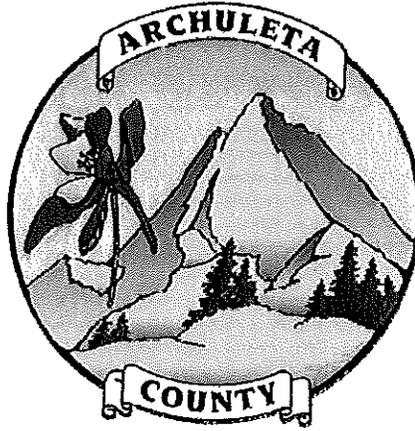
ROAD CAPITAL IMPROVEMENT FUND	AIRPORT FUND	Other Governmental Funds	Total Governmental Funds
\$ 1,051,168	\$ 46,092	\$ 1,511,161	\$ 3,892,373
-	-	-	6,608,458
-	-	-	4,396
22,095	-	120	120
-	-	15,383	37,478
-	2,152	-	93,186
313,789	1,133,427	-	7,218
3,150,600	16,714	-	2,291,006
		756,923	4,879,159
<u>\$ 4,537,652</u>	<u>\$ 1,198,385</u>	<u>\$ 2,283,587</u>	<u>\$ 17,813,394</u>

\$ 20,826	\$ 14,538	\$ 8,442	\$ 451,219
-	1,551,792	-	1,551,792
-	-	2,363	2,363
-	-	-	6,613,059
-	-	-	118,382
-	1,728,911	212,338	4,850,611
-	2,867	16,653	183,955
<u>20,826</u>	<u>3,298,108</u>	<u>239,796</u>	<u>13,771,381</u>

-	-	559,476	559,476
2,869,311	-	-	2,869,311
-	-	-	91,034
480,292	-	230,000	1,584,682
-	-	-	483,192
-	(2,099,723)	152,544	(3,814,676)
1,167,223	-	1,101,771	2,268,994
<u>4,516,826</u>	<u>(2,099,723)</u>	<u>2,043,791</u>	<u>4,042,013</u>
<u>\$ 4,537,652</u>	<u>\$ 1,198,385</u>	<u>\$ 2,283,587</u>	<u>\$ 17,813,394</u>

ARCHULETA COUNTY, COLORADO
Reconciliation of the Balance Sheet
To the Statement of Net Assets
December 31, 2008

Fund balances of governmental funds		\$ 4,042,013
<p>Amounts reported for <i>governmental activities</i> in the statement of net assets are different because:</p>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		34,174,721
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds. See footnote #2 for details		
Notes Payable	(2,859,535)	
Compensated Absences	(668,662)	
Accrued Interest Payable	<u>(38,013)</u>	
		(3,566,210)
Internal service funds are used by management to charge the costs of self-insurance to the individual funds. The assets and liabilities of these funds are included in governmental activities in the statement of net assets.		
		<u>(38,625)</u>
Net assets of governmental activities		<u><u>\$ 34,611,899</u></u>



ARCHULETA COUNTY, COLORADO
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2008

	<u>GENERAL FUND</u>	<u>ROAD & BRIDGE FUND</u>	<u>DEPT OF HUMAN SERVICE FUND</u>	<u>BALLOT MEASURE 1A FUND</u>
REVENUES				
Property Taxes	\$ 4,311,256	\$ 887,116	\$ 276,471	\$ 1,524,924
Sales and Use Taxes	1,653,560	-	-	-
Licenses and Permits	197,203	-	-	-
Intergovernmental	1,278,976	1,469,975	1,300,722	225,560
Charges for Services	1,699,360	81,867	24,880	-
Interest Earnings	106,906	241	3	-
Other	296,931	767	47,300	22,494
Total Revenues	<u>9,544,192</u>	<u>2,439,966</u>	<u>1,649,376</u>	<u>1,772,978</u>
EXPENDITURES				
Current:				
General Government	4,971,165	-	-	571,373
Public Safety	2,883,933	-	-	16,550
Health and Welfare	399,320	-	1,622,516	753
Highways and Streets	93,107	2,222,592	-	150,149
Economic Development	-	-	-	-
Recreation	130,415	-	-	987
Total Current Expenditures	<u>8,477,940</u>	<u>2,222,592</u>	<u>1,622,516</u>	<u>739,812</u>
Debt service:				
Principal Retirement	-	-	-	-
Interest	-	-	-	-
Total Debt Service	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Capital outlay:				
General Government	16,173	-	-	-
Public Safety	8,258	-	-	-
Health and Welfare	-	-	3,851	-
Highways and Streets	-	22,455	-	-
Recreation	2,431	-	-	-
Capital Outlay	<u>26,862</u>	<u>22,455</u>	<u>3,851</u>	<u>-</u>
Total Expenditures	<u>8,504,802</u>	<u>2,245,047</u>	<u>1,626,367</u>	<u>739,812</u>
Excess (deficiency) of revenues over expenditures	<u>1,039,390</u>	<u>194,919</u>	<u>23,009</u>	<u>1,033,166</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	(532,652)	(65,734)	-	-
Transfers In	131,468	-	-	-
Capital Leases	-	-	-	-
Total other financing sources and uses	<u>(401,184)</u>	<u>(65,734)</u>	<u>-</u>	<u>-</u>
Net Change in fund balances	<u>638,206</u>	<u>129,185</u>	<u>23,009</u>	<u>1,033,166</u>
Fund Balance - Beginning as Previously Stated	(860,557)	(771,939)	(633,858)	-
Prior Period Adjustment	767,304	(736,174)	(7,223)	-
Change in Accounting Principle	-	-	-	-
Fund balances -- Beginning, Restated	<u>(93,253)</u>	<u>(1,508,113)</u>	<u>(641,081)</u>	<u>-</u>
Fund balances -- Ending	<u>\$ 544,953</u>	<u>(\$ 1,378,928)</u>	<u>(\$ 618,072)</u>	<u>\$ 1,033,166</u>

ROAD CAPITAL IMPROVEMENT FUND	AIRPORT FUND	Other Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ -	\$ 6,999,767
1,653,560	-	76,865	3,383,985
-	-	-	197,203
45,357	4,123,341	131,499	8,575,430
-	101,745	179,977	2,087,829
90	-	19,598	126,838
1,177	23,020	19,579	411,268
<u>1,700,184</u>	<u>4,248,106</u>	<u>427,518</u>	<u>21,782,320</u>
-	231,128	19,669	5,793,335
-	-	261,526	3,162,009
-	-	-	2,022,589
199,847	-	-	2,665,695
-	-	76,865	76,865
-	-	57,107	188,509
<u>199,847</u>	<u>231,128</u>	<u>415,167</u>	<u>13,909,002</u>
323,027	225,219	-	548,246
49,941	83,009	-	132,950
<u>372,968</u>	<u>308,228</u>	<u>-</u>	<u>681,196</u>
-	4,507,228	-	4,523,401
-	-	823	9,081
-	-	-	3,851
357,280	-	-	379,735
-	-	34,902	37,333
<u>357,280</u>	<u>4,507,228</u>	<u>35,725</u>	<u>4,953,401</u>
<u>930,095</u>	<u>5,046,584</u>	<u>450,892</u>	<u>19,543,599</u>
770,089	(798,478)	(23,374)	2,238,721
-	-	-	(598,386)
-	522,652	10,000	664,120
91,452	-	-	91,452
<u>91,452</u>	<u>522,652</u>	<u>10,000</u>	<u>157,186</u>
861,541	(275,826)	(13,374)	2,395,907
3,655,283	-	2,057,167	3,446,096
-	(23,907)	-	-
-	(1,799,990)	-	(1,799,990)
<u>3,655,283</u>	<u>(1,823,897)</u>	<u>2,057,167</u>	<u>1,646,106</u>
<u>\$ 4,516,824</u>	<u>\$ (2,099,723)</u>	<u>\$ 2,043,793</u>	<u>\$ 4,042,013</u>

ARCHULETA COUNTY, COLORADO
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances to the Statement of Activities
For the Year Ended December 31, 2008

Net change in fund balances --total governmental funds \$ 2,395,907
Amounts reported for *governmental activities* in the statement of activities
are different because:

Capital assets used in governmental activities are not financial
resources and therefore are not reported in the funds.

Fixed assets purchases	\$ 5,697,154	
Depreciation expense	(1,475,842)	
		4,221,312

Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.
See footnote #2 for details

Capital lease payments	\$ 336,283	
Capital Lease proceeds	(91,452)	
Note payments	225,219	
		470,050

Some expenses reported in the Statement of Activities do not require the use
of current financials resources and therefore are not reported as expenditures
in the governmental funds.
See footnote #2 for details

Compensated Absences	\$ (29,658)	
Accrued Interest Payable	6,558	
		(23,100)

Internal service funds are used by management to charge the
costs of self-insurance to the individual funds. The assets and
liabilities of these funds are included in governmental activities
in the statement of net assets.

(124,253)

Change in net assets of governmental activities

\$ 6,939,916

ARCHULETA COUNTY, COLORADO
GENERAL FUND
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Property Taxes	\$ 4,362,650	\$ 4,368,076	\$ 4,311,256	\$ (56,820)
Sales and Use Taxes	1,696,683	1,629,633	1,653,560	23,927
Licenses and Permits	305,000	197,128	197,203	75
Intergovernmental	867,000	1,230,474	1,278,976	48,502
Charges for Services	1,566,543	1,708,634	1,699,360	(9,274)
Interest Earnings	50,000	106,906	106,906	-
Other	1,407,044	448,919	296,931	(151,988)
Total Revenues	<u>10,254,920</u>	<u>9,689,770</u>	<u>9,544,192</u>	<u>(145,578)</u>
EXPENDITURES				
Current:				
General Government	5,586,340	5,057,010	4,971,164	85,846
Public Safety	2,858,548	2,840,220	2,883,933	(43,713)
Health and Welfare	558,053	403,570	399,320	4,250
Highways and Streets	92,441	91,926	93,107	(1,181)
Recreation	141,759	127,200	130,415	(3,215)
Total current:	<u>9,237,141</u>	<u>8,519,926</u>	<u>8,477,939</u>	<u>41,987</u>
Capital outlay:				
General Government	67,950	31,588	16,173	15,415
Public Safety	30,000	8,370	8,258	112
Health and Welfare	750	-	-	-
Recreation	11,300	4,500	2,431	2,069
Total capital outlay:	<u>110,000</u>	<u>44,458</u>	<u>26,862</u>	<u>17,596</u>
Total Expenditures	<u>9,347,141</u>	<u>8,564,384</u>	<u>8,504,801</u>	<u>59,583</u>
Excess (deficiency) of revenues over (under) expenditures	<u>907,779</u>	<u>1,125,386</u>	<u>1,039,391</u>	<u>(85,995)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	131,468	131,468
Transfers Out	(276,250)	(553,942)	(532,652)	21,290
Total other financing sources (uses)	<u>(276,250)</u>	<u>(553,942)</u>	<u>(401,184)</u>	<u>152,758</u>
Net change in fund balances	<u>631,529</u>	<u>571,444</u>	<u>638,207</u>	<u>66,763</u>
Fund Balance - Beginning as Previously Stated			(860,557)	
Prior Period Adjustment			767,303	
Fund balances -- beginning, Restated			<u>(93,254)</u>	
Fund balances -- ending			<u>\$ 544,953</u>	

ARCHULETA COUNTY, COLORADO

ROAD & BRIDGE FUND

**Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2008**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Property Taxes	\$ 546,651	\$ 887,110	\$ 887,116	\$ 6
Intergovernmental	1,500,000	1,323,907	1,469,975	146,068
Charges for Services	40,000	81,866	81,867	1
Interest Earnings	-	-	241	241
Other	396,834	714	767	53
Total Revenues	<u>2,483,485</u>	<u>2,293,597</u>	<u>2,439,966</u>	<u>146,369</u>
EXPENDITURES				
Current:				
Highways and Streets	2,451,345	2,409,845	2,222,592	187,253
Total current:	<u>2,451,345</u>	<u>2,409,845</u>	<u>2,222,592</u>	<u>187,253</u>
Capital outlay:				
Highways and Streets	28,500	28,500	22,455	6,045
Total capital outlay:	<u>28,500</u>	<u>28,500</u>	<u>22,455</u>	<u>6,045</u>
Total Expenditures	<u>2,479,845</u>	<u>2,438,345</u>	<u>2,245,047</u>	<u>193,298</u>
Excess (deficiency) of revenues over (under) expenditures	3,640	(144,748)	194,919	339,667
OTHER FINANCING SOURCES (USES)				
Transfers Out	-	(65,734)	(65,734)	-
Total other financing sources (uses)	<u>-</u>	<u>(65,734)</u>	<u>(65,734)</u>	<u>-</u>
Net change in fund balances	<u>3,640</u>	<u>(210,482)</u>	<u>129,185</u>	<u>339,667</u>
Fund Balance - Beginning as Previously Stated			(771,939)	
Prior Period Adjustment			(736,174)	
Fund balances -- beginning, Restated			(1,508,113)	
Fund balances -- ending			<u>(\$ 1,378,928)</u>	

ARCHULETA COUNTY, COLORADO
DEPT OF HUMAN SERVICE
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Property Taxes	\$ 256,688	\$ 256,688	\$ 276,471	\$ 19,783
Intergovernmental	1,437,879	1,437,879	1,300,722	(137,157)
Charges for Services	-	-	24,880	24,880
Interest Earnings	-	-	3	3
Other	-	-	47,300	47,300
Total Revenues	<u>1,694,567</u>	<u>1,694,567</u>	<u>1,649,376</u>	<u>(45,191)</u>
EXPENDITURES				
Current:				
Health and Welfare	1,643,147	1,643,147	1,622,516	20,631
Total current:	<u>1,643,147</u>	<u>1,643,147</u>	<u>1,622,516</u>	<u>20,631</u>
Capital outlay:				
Health and Welfare	3,500	3,500	3,851	(351)
Total capital outlay:	<u>3,500</u>	<u>3,500</u>	<u>3,851</u>	<u>(351)</u>
Total Expenditures	<u>1,646,647</u>	<u>1,646,647</u>	<u>1,626,367</u>	<u>20,280</u>
Excess (deficiency) of revenues over (under) expenditures	<u>47,920</u>	<u>47,920</u>	<u>23,009</u>	<u>(24,911)</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>47,920</u>	<u>47,920</u>	<u>23,009</u>	<u>(24,911)</u>
Fund Balance - Beginning as Previously Stated			(633,858)	
Prior Period Adjustment			(7,223)	
Fund balances -- beginning			<u>(641,081)</u>	
Fund balances -- ending			<u>(\$ 618,072)</u>	

ARCHULETA COUNTY, COLORADO

BALLOT MEASURE 1A FUND

Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2008

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Property Taxes	\$ 1,532,133	\$ 1,532,133	\$ 1,524,924	\$ (7,209)
Intergovernmental	-	225,560	225,560	-
Other	-	22,494	22,494	-
Total Revenues	<u>1,532,133</u>	<u>1,780,187</u>	<u>1,772,978</u>	<u>(7,209)</u>
EXPENDITURES				
Current:				
General Government	736,751	577,808	571,373	6,435
Public Safety	15,080	16,557	16,550	7
Health and Welfare	3,700	755	753	2
Highways and Streets	614,352	150,152	150,149	3
Recreation	2,250	-	987	(987)
Total current:	<u>1,372,133</u>	<u>745,272</u>	<u>739,812</u>	<u>5,460</u>
Capital outlay:				
General Government	160,000	-	-	-
Total capital outlay:	<u>160,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>1,532,133</u>	<u>745,272</u>	<u>739,812</u>	<u>5,460</u>
Net change in fund balances	<u>-</u>	<u>1,034,915</u>	<u>1,033,166</u>	<u>1,749</u>
Fund balances -- beginning			<u>-</u>	
Fund balances -- ending			<u>\$ 1,033,166</u>	

ARCHULETA COUNTY, COLORADO

AIRPORT FUND

Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2008

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 5,641,000	\$ 5,641,000	\$ 4,123,341	\$ (1,517,659)
Charges for Services	117,230	117,230	101,745	(15,485)
Other	-	-	23,020	23,020
Total Revenues	<u>5,758,230</u>	<u>5,758,230</u>	<u>4,248,106</u>	<u>(1,510,124)</u>
EXPENDITURES				
Current:				
General Government	337,103	337,103	231,128	105,975
Total current:	<u>337,103</u>	<u>337,103</u>	<u>231,128</u>	<u>105,975</u>
Debt service:				
Principal Retirement	225,219	225,219	225,219	-
Interest	83,009	83,009	83,009	-
Total debt service:	<u>308,228</u>	<u>308,228</u>	<u>308,228</u>	<u>-</u>
Capital outlay:				
General Government	5,765,841	5,765,841	4,507,228	1,258,613
Total capital outlay:	<u>5,765,841</u>	<u>5,765,841</u>	<u>4,507,228</u>	<u>1,258,613</u>
Total Expenditures	<u>6,411,172</u>	<u>6,411,172</u>	<u>5,046,584</u>	<u>1,364,588</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(652,942)</u>	<u>(652,942)</u>	<u>(798,478)</u>	<u>(145,536)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	60,000	2,675,195	522,652	(2,152,543)
Transfers Out	-	(23,686,011)	-	(23,686,011)
Total other financing sources (uses)	<u>60,000</u>	<u>(21,010,816)</u>	<u>522,652</u>	<u>-</u>
Net change in fund balances	<u>(592,942)</u>	<u>(21,663,758)</u>	<u>(275,826)</u>	<u>21,387,932</u>
Fund Balance - Beginning as Previously Stated				
Prior Period Adjustment			(23,907)	
Change in Accounting Principle			(1,799,990)	
Fund balances -- beginning, Restated			<u>(1,823,897)</u>	
Fund balances -- ending			<u>(\$ 2,099,723)</u>	

ARCHULETA COUNTY, COLORADO

Statement of Net Assets

Proprietary Funds

December 31, 2008

	Business-type Activities - Enterprise Funds		Gov. Activities Internal Service Funds
	SOLID WASTE FUND	AIRPORT FUND	
ASSETS			
Current assets:			
Cash and Cash Equivalents	\$ 296,083	\$ -	\$ 108,900
Accounts Receivable	139,019	-	-
Other Receivables	-	-	44,455
Inventory	7,176	-	-
Total Current Assets	442,278	-	153,355
Noncurrent Assets			
Land	309,166	-	-
Construction in Progress	139,295	-	-
Machinery and Equipment, net	315,004	-	-
Total Noncurrent assets:	763,465	-	-
Total assets	1,205,743	-	153,355
LIABILITIES AND FUND BALANCES			
Current liabilities:			
Accounts Payable	2,961	-	-
Deferred Revenue	2,934	-	-
Due to Other Funds	28,547	-	-
Accrued Payroll and Liabilities	5,744	-	116,314
Total Current liabilities:	40,186	-	116,314
Non current liabilities:			
Accrued Sick and Vacation	24,559	-	-
Closure and Post-Closure Costs	305,000	-	-
Total Non current liabilities:	329,559	-	-
Total liabilities	369,745	-	116,314
NET ASSETS			
Invested in capital assets, net of related debt	596,025	-	-
Unrestricted	239,973	-	37,041
Total net assets	835,998	\$ -	\$ 37,041
Unallocated Net Assets			
Reflects the consolidation of Internal Service Fund Activities Related to Enterprise Funds	75,663		
Net Assets of Business-Type Activities	\$ 911,661		

ARCHULETA COUNTY, COLORADO
Statement of Revenues, Expenses, and Changes in Fund Net Assets
Proprietary Funds
For the Year Ended December 31, 2008

	<u>Business-type Activities - Enterprise Funds</u>			<u>Gov. Activities Internal Service Funds</u>
	<u>SOLID WASTE FUND</u>	<u>AIRPORT FUND</u>	<u>TOTAL</u>	
Operating revenues:				
Charges for Services	\$ 631,667	\$ -	\$ 631,667	\$ 1,067,302
Other	5,593	-	5,593	20,171
Total Operating Revenues	<u>637,260</u>	<u>-</u>	<u>637,260</u>	<u>1,087,473</u>
Operating expenses:				
Salaries and Benefits	266,213	-	266,213	-
Materials and Supplies	188,520	-	188,520	-
Purchased Services	74,963	-	74,963	1,216,926
Depreciation	82,560	-	82,560	-
Total operating expenses	<u>612,256</u>	<u>-</u>	<u>612,256</u>	<u>1,216,926</u>
Operating Income (loss)	<u>25,004</u>	<u>-</u>	<u>25,004</u>	<u>(129,453)</u>
Nonoperating revenues (expenses):				
Interest Revenues	20	-	20	25
Total non operating revenue (expenses)	<u>20</u>	<u>-</u>	<u>20</u>	<u>25</u>
Income (loss) before contributions and transfers	25,024	-	25,024	(129,428)
Transfers Out	(65,734)	-	(65,734)	-
Change in net assets	<u>(40,710)</u>	<u>-</u>	<u>(40,710)</u>	<u>(129,428)</u>
Total net assets - beginning, As Previously Stated	876,708	19,767,100	20,643,808	166,470
Change in Accounting Principle	-	(19,767,100)	(19,767,100)	-
Total net assets -- beginning, Restated	<u>876,708</u>	<u>-</u>	<u>876,708</u>	<u>166,470</u>
Total net assets -- ending	<u>\$ 835,998</u>	<u>\$ -</u>	<u>\$ 835,998</u>	<u>\$ 37,042</u>
Adjustments:				
Reflects the consolidation of Internal Service Fund Activities Related to Enterprise Funds			<u>75,663</u>	
			<u>\$ 911,661</u>	

ARCHULETA COUNTY, COLORADO
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2008

	Business-Type Activities	
	SOLID WASTE FUND	Gov. Activities Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash from - Others	\$ 8,527	\$ -
Cash From Interfund loan repayment	(129,299)	-
Cash receipts from customer	615,343	1,043,018
Cash reinsurance recoveries	-	-
Payments to employees	(265,106)	-
Payments to suppliers	(229,245)	(1,229,329)
Net cash provided by operating activities		
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
	220	(186,311)
Interfund Transfers	(65,734)	-
Net cash (used) by Noncapital financing	(65,734)	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
	-	-
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest Received	21	24
Net cash provided by investing activities	21	24
Net Increase (decrease) in cash and cash equivalents	(65,493)	(186,287)
Balances - beginning of year	361,576	295,187
Balances - end of the year	\$ 296,083	\$ 108,900
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating Income (loss)	\$ 25,004	\$ (129,455)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:		
Depreciation Expense	82,560	-
Changes in assets and Liabilities:		
Increase in Deferred Revenue	2,934	-
(Decrease) in Accounts Payable - Supplier	(25,565)	(12,401)
(Increase) in Bad Debt	(7,843)	-
Increase in Compensated Absences	2,523	-
(Increase) in Customer Receivables	(8,481)	(44,455)
(Decrease) in Interfund Payables	(129,299)	-
Decrease in Inventory	382	-
Increase in Accrued Payroll	3,005	-
Increase in Accrued Post Closure Liability	55,000	-
Net Cash provided by operating activities	\$ 220	\$ (186,311)

ARCHULETA COUNTY, COLORADO
Statement of Fiduciary Net Assets
December 31, 2008

	<u>Agency Funds</u>
ASSETS	
Cash and Cash Equivalents	\$ 443,137
Total assets	<u>\$ 443,137</u>
LIABILITIES	
Funds Held For Others	\$ 443,137
Total Liabilities	<u>\$ 443,137</u>

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ARCHULETA COUNTY, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2008

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting policies of the County reflected in the accompanying financial statements conform to accounting principles generally accepted in the United States of America applicable to state and local governments. Accounting principles generally accepted in the United States of America for local governments are those promulgated by the Governmental Accounting Standards Board (GASB) in *Governmental Accounting and Financial Reporting Standards*.

REPORTING ENTITY

Primary Government

The County is a political subdivision organized under the statutes of the State of Colorado. The County is governed by a three-member Board of County Commissioners (the Board). Each commissioner is elected at-large by the voters of the County to represent one of the three separate districts and must reside in the district for which he or she is elected. There are also six other elected officials - Assessor, Clerk and Recorder, Coroner, Sheriff, Surveyor and Treasurer. The Treasurer is also the County Public Trustee.

The County provides a wide range of services to its residents including public safety, highways and streets, health and human services, planning, zoning, property tax assessment, property tax collection and distribution, extension service, landfill operations, airport operations, recording and general administrative services.

Component Units

The County's combined financial statements include the accounts of all County operations. The criteria for including organizations as component units within the County's reporting entity, as set forth in Section 2100 of GASB's *Codification of Governmental Accounting and Financial Reporting Standards*, include whether:

- The organization is legally separate (can sue and be sued in their own name)
- The County holds the corporate powers of the organization
- The County appoints a voting majority of the organization's board
- The County is able to impose its will on the organization
- The organization has the potential to impose a financial benefit/burden on the County
- There is fiscal dependency by the organization on the County
- The organization is financially accountable to the County
- The organization receives or holds funds that are for the benefit of the County; and the County has access to a majority of the funds held; and the funds that are accessible are also significant to the County.

Discretely Presented Component Units

The Archuleta County Housing Authority is a legally separate organization, but the County is financially accountable for the Housing Authority because the County Commissioners approve a voting majority of the Authority's governing body and impose their will by having the ability to remove appointed members of the Authority's board. The Archuleta County Housing Authority is presented as a proprietary fund type in the County's financial statements. The Housing Authority issues separate financial statements with a fiscal year end of December 31st and may be obtained by contacting the Housing Authority. Note 20

ARCHULETA COUNTY, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2008

the footnote information for the Housing Authority and this information is not included in any other footnote disclosures of the County's financial report.

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements include the statement of net assets and the statement of activities. Government-wide statements report information on all of the activities of the County and its component units, except for County fiduciary activity. The effect of interfund transfers has been removed from the government-wide statements but continues to be reflected on the fund statements. Mainly taxes and intergovernmental revenues support governmental activities.

The statement of activities reflects the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include:

- Charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and
- 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 in program revenues are reported as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the fiduciary funds are excluded from the Government-wide Financial Statements.

Major individual governmental funds are reported as separate columns in the fund financial statements.

MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are generally 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.

ARCHULETA COUNTY, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2008

Sales and use taxes, other taxes, charges for services, intergovernmental revenues, and interest are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the County.

The County reports the following major governmental funds:

- The **General Fund** is the general operating fund of the County. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- The **Road and Bridge Fund** is used to account for the maintenance and improvements of streets and highways. The sources of funds include property taxes, highway users fees, and other revenue sources.
- The **Human Services Fund** is used to account for the operations of social programs; i.e. Temporary Aid to Needy Families, Old Age Pension, Aide to the Blind, Aide to the Needy and Disabled, among others. Financing is provided by grants, allotments, and property tax revenue.
- The **Ballot Measure 1A Fund** is used to account for activities associated with supplemental road maintenance, parks and recreation, County facilities, technology and supplemental training that are funded through Ballot Measure 1A.
- The **Road Capital Improvement Fund** is used to account for continuing capital improvements to the County's road system and the acquisition of machinery and equipment to perform those capital improvements.
- The **Airport Fund** is used to account for operations, maintenance and capital improvements of the County Airport.

Proprietary fund financial statements are used to account for activities, which are similar to those often found in the private sector. The measurement focus is upon determination of net income, financial position, and cash flows.

The Proprietary Fund is accounted for using the accrual basis of accounting as follows:

- Revenues are recognized when earned, and expenses are recognized when the liabilities are incurred.
- Current-year contributions, administrative expenses, and premium payments, which are not received or paid until the subsequent year, are incurred.

The County reports the following major proprietary fund:

- The **Solid Waste Fund** is used to account for the operation, maintenance, and the development of the County landfill.

The County reports the following fund type:

- **Internal Service Fund.** This fund accounts for the self-insured health insurance plan for County employees.

ARCHULETA COUNTY, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2008

Fiduciary fund financial statements consist of the trust and agency fund established to record transactions relating to assets held by the County in a trustee capacity or as an agent for individuals, governmental entities, and non-public organizations. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Private sector standards of accounting and financial reporting 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. Governments also have the option of following subsequent private sector guidance for their business-type activities subject to this same limitation. The County has elected not to follow subsequent private sector guidance.

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regards to interfund activities, payables, and receivables. All internal balances in the Statement of Net Assets have been eliminated. In the statement of activities, internal service fund transactions have been eliminated.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the internal service fund are service fees charged to the other funds and employee contributions. Operating expenses for the internal service fund include insurance premiums. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY

Cash, Cash Equivalents, and Investments

The County's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. All investments are recorded at fair market value. Negative balances incurred in pooled cash at year-end are treated as interfund receivables of the General fund and interfund payables of the deficit fund.

Property Taxes

Property taxes attach as an enforceable lien on property as of January 1 each year. The taxes are payable in two installments on February 28 and June 15 or in full on April 30. The County Treasurer bills and collects all property taxes for the County. Property tax revenue is recognized by the County to the extent it results in a current receivable.

The 2008 property tax levy due January 1, 2009 has been recorded in the financial statements as a receivable and a corresponding deferred revenue in the financial statements.

Receivables/Payables from Other County Funds

Balances that originate from current lending/borrowing arrangements between funds are referred to as "Due To/From Other Funds."

Inventories and Prepaid Items

Inventory is valued at the lower of cost (first-in, first-out) or market. Inventory consists of expendable supplies held for use. Reported inventories are equally offset by a reservation of fund balance, which

ARCHULETA COUNTY, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2008

indicates that they do not constitute "available spendable resources" even though they are a component of net current assets. Inventory policy on government-wide statements is consistent with fund statements.

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.

Capital Assets

Capital Assets, which include land, buildings and improvements, equipment, vehicles, construction in progress, and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items), are reported in the applicable governmental activities columns in the government-wide financial statements. The County defines capital assets as assets with an initial, individual cost of more than \$5,000. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Costs related to the construction of assets including interest, engineering, legal, surveying and landscaping that were incurred from the beginning of construction until the assets were substantially complete were capitalized.

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

<u>Assets</u>	<u>Years</u>
Buildings and Improvements	40
Land Improvements	15
Machinery and Equipment	7
Vehicles	5
Computer Equipment	5

Long-Term Obligations

Long-term debt and other long-term obligations are recorded as liabilities in the government-wide financial statements. In the fund financial statements for governmental fund types, debt proceeds are reported as other financing sources and debt payments are reported as other financing uses.

Compensated Absences

A maximum of 80 to 160 hours of vacation time, per year, may be accumulated by each employee. Employees who have over five years of continued employment and are eligible for either one hundred twenty (120), or one hundred sixty (160) hours of earned vacation, have the option of either receiving payment or having accrued vacation time added to the employee's contribution to the retirement plan. Such contributions shall be the monetary equivalent of any vacation time earned over eighty (80) hours in a given year.

Employees will be paid for up to the maximum accumulated of unused vacation hours upon separation from County service after six months of continuous service.

ARCHULETA COUNTY, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2008

Full-time employees may accumulate up to four hundred eighty (480) hours of sick leave; Part time employees may accumulate a percentage of 480 hours, based on the hours approved for benefits. After the maximum accumulated sick leave is reached (480), an employee shall be eligible to be paid for 50% of any unused sick time over the 480 hours or a maximum of forty eight (48) hours, as calculated on December 31, of each year, at the hourly rate which the employee is receiving as of the December 31 date.

After six months of continuous service, upon termination an employee will be paid for accumulated sick leave at the rate of 50% of all unused sick leave up to the maximum accumulative number of hours, which is 480 hours.

The County accrues a liability for compensated absences that meets the following criteria:

- 1) The County's obligation relating to employee rights to receive compensation for future absences is attributable to employee services already rendered.
- 2) The obligation relates to rights that vest or accumulate.
- 3) Payment of the compensation is probable.
- 4) The amount can be reasonably estimated

The total compensated absence liability is reported on the government-wide financial statements. Proprietary funds report the total compensated liability in each individual fund at the fund reporting level. Governmental funds report the compensated absence liability at the fund reporting level only when due.

Deferred Revenue

Revenues on grants, which are restricted by the grant document for specific purposes, are recognized as revenue only after eligible grant costs have been incurred. Grant funds received in excess of grant expenditures are recorded as deferred revenues.

Fund Equity

In the fund financial statements, reserved fund balances indicate that a portion of fund equity is not available for appropriation or is legally restricted by outside parties of use for a specific purpose. Fund reservations include debt service, inventories, and TABOR (discussed later). Designated fund balances indicate tentative plans for future use. Undesignated fund balances indicate that a portion of fund equity is available for budgeting in future periods.

Sales Tax Allocation

The County collects a 2% sales tax. The first one percent is allocated 100 percent to the General Fund. The remaining one percent of taxes collected is allocated 100 percent to the Road Capital Improvement Fund for capital expenditures.

Use of estimates

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

ARCHULETA COUNTY, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2008

NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgets and Budgetary Accounting

The County follows the procedures set forth in the Colorado Local Government Budget Law when preparing the annual budget for each fund. Budget procedures include:

1. In accordance with State statutes, prior to October 15, the County Budget Director submits to the Board of County Commissioners a proposed operating budget for the calendar year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them for the upcoming year, along with estimates for the current year and actual data for the two preceding years. State statutes require more detailed line item budgets be submitted in summary form. In addition, more detailed line item budgets are included for administrative control. The level of control for the detailed budgets is at the department head/function level.
2. Public hearings are conducted to obtain taxpayer comment.
3. Prior to December 31, the budget is legally enacted through passage of a resolution. The associated appropriations resolution is adopted at the fund level.
4. The County Finance Director is required to present a monthly report to the Board of County Commissioners noting any variance from the approved budget.
5. Formal budgetary integration is employed as a management control device during the year.
6. Budgets for the General Fund and Special Revenue Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP).
7. Appropriations lapse at the end of each fiscal year.
8. The Commissioners reserve the authority to transfer budgeted amounts between departments within any fund. Any revisions that alter the total expenditures of any funds are approved by the Commissioners by resolution.
9. The Board of County Commissioners may authorize supplemental appropriations during the year. The Board of County Commissioners did adopt supplemental appropriations during 2008.

Stewardship

The following funds had a deficit fund balance or net assets balance as of December 31, 2008. This is a violation of Colorado State Statutes.

	Deficit
Road and Bridge Fund	\$ 1,378,928
Human Services Fund	618,072
Airport Fund	2,099,723
Fair Board Fund	53,750

ARCHULETA COUNTY, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2008

NOTE 3 CASH, DEPOSITS AND INVESTMENTS

CASH AND DEPOSITS

At December 31, 2008 the financial statements reflected cash and cash equivalents as follows:

Governmental Type Activities:	
Cash and Cash Equivalents	\$ 4,001,273
Business Type Activities:	
Cash and Cash Equivalents	296,083
Fiduciary Fund	
Cash and Cash Equivalents	443,137
	<u>\$ 4,740,493</u>

The carrying amounts of deposits and investments are as follows:

Cash on hand	\$ 5,623
Cash Deposits	1,711,112
Certificates of deposit	22,652
Investments held in COLOTRUST	3,001,106
	<u>\$ 4,740,493</u>

Colorado State Statutes govern the County's deposits of cash. The statutes specify eligible depositories for public cash deposits, which must be Colorado institutions and must maintain federal insurance (FDIC) on deposits held. The Emergency Economic Stabilization Act of 2008 temporarily raised the basic limit on Federal Deposit Insurance Coverage from \$100,000 to \$250,000 per depositor.

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized in accordance with the PDPA. PDPA allows the institution to create a single collateral pool for all public funds to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least 102% of the aggregate uninsured deposits.

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the County's deposits may not be returned to it. At December 31, 2008, \$1,716,996 was exposed to custodial credit risk. Deposits exposed to credit risk are collateralized with securities held by the pledging financial institutions through PDPA.

ARCHULETA COUNTY, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2008

INVESTMENTS

The County's investments are subject to interest rate, credit risk, and concentration of credit risk.

The types of investments which are authorized to be made with County funds are controlled by state statute and the investment policies of the County. Colorado statutes and the County's investment policies specify investment instruments meeting defined rating and risk criteria in which the County may invest:

- Obligations of the United States and certain U.S. government agency securities
- Certain international agency securities
- General obligation and revenue bonds of U.S. local government entities
- Bankers' acceptances of certain banks
- Commercial paper
- Local government investment pools
- Repurchase agreements
- Money market funds
- Guaranteed investment contracts
- Corporate or bank debt issued by eligible corporations or banks.

Credit Risk

The County does not have a formal investment policy. The County has investments in local government investment pools. As of December 31, 2008, the local government investment pool (COLOTRUST) in which the County had invested, was rated AAA by Standard & Poor's.

Interest Rate Risk

Colorado Revised Statutes limit investment maturities to five years or less from the date of purchase. This limit on investment maturities is a means of limiting exposure to fair values arising from increasing interest rates. The County has no investments with maturities past five years.

The Colorado Government Liquid Asset Trust (COLOTRUST), is an investment vehicle established for local government entities in Colorado pursuant to Part 7 of Article 75 of Title 24 of the Colorado Revised Statutes, to pool surplus funds for investment purposes. COLOTRUST operates similarly to a money market fund and each share is equal in value to \$1.00. The fair value of the position in the pool is the same as the value of the pool shares. The designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. Substantially all securities owned by the pool are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by the pool. Investments of the pool consist of U.S. Treasury bills, notes and note strips and repurchase agreements collateralized by U.S. Treasury Notes.

ARCHULETA COUNTY, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2008

NOTE 4 PROPERTY TAXES RECEIVABLE

At December 31, 2008, the County had an estimated property tax receivable divided among the funds as follows:

General Fund	\$ 4,423,400
Road and Bridge Fund	700,100
Human Services Fund	290,300
Ballot Measure 1A Fund	1,194,658
	\$ 6,608,458

NOTE 5 INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The County reports interfund balances between many of its funds. The balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. Interfund balances are generally expected to be repaid within one year of the financial statement date.

Interfund receivable and payable balances at December 31, 2008 were as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	
General Fund	Road & Bridge Fund	\$ 812,344
	Human Services Fund	31,947
	Airport Fund	13,911
	Nonmajor Governmental Funds	68,174
	Solid Waste Fund	25,302
		951,678
Road & Bridge Fund	Solid Waste Fund	3,244
Road Capital Improvement Fund	Road & Bridge Fund	706,000
	Human Services Fund	602,150
	Airport Fund	1,715,000
	Capital Improvement Fund	127,450
		3,150,600
Nonmajor Governmental Funds	General Fund	756,923
Airport Fund	Nonmajor Governmental Funds	16,714
	Total	\$ 4,879,159

ARCHULETA COUNTY, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
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Interfund transfers during 2008 were as follows:

	Transfers Out:			
	General Fund	Solid Waste Fund	Road & Bridge Fund	Total
Transfers In:				
General Fund	\$ -	\$ 65,734	\$ 65,734	\$ 131,468
Airport Fund	522,652			522,652
Non-Major Special Revenue Funds	10,000			10,000
Total	\$ 532,652	\$ 65,734	\$ 65,734	\$ 664,120

The transfers made during 2008 were to provide operating funds to the General Fund for administrative services, the Airport for general operations and the Fair Board Fund for the annual Archuleta County Fair.

During 2008, the County initiated an interfund loan to eliminate several cash deficits that existed on the Treasurer's ledger. The loan is payable to the Road Capital Improvement Fund in 20 annual installments totaling \$197,957, with an interest rate of 3%. The following principal balances are included in the interfund receivable and payable balances on the financial statements.

Road & Bridge Fund			Department of Human Services Fund		
Year	Principal	Interest	Year	Principal	Interest
2009	\$ 26,274	\$ 19,798	2009	\$ 18,608	\$ 14,021
2010	27,063	19,010	2010	19,166	13,463
2011	27,874	18,198	2011	19,741	12,888
2012	28,711	17,362	2012	20,333	12,296
2013	29,572	16,500	2013	20,943	11,686
2014-2018	161,712	68,649	2014-2018	114,527	48,618
2019-2023	187,468	42,893	2019-2023	132,768	30,377
2024-2028	217,327	13,034	2024-2028	153,914	9,231
Total	\$ 706,000	\$ 215,443	Total	\$ 500,000	\$ 152,580

Airport Fund			Capital Improvement Fund		
Year	Principal	Interest	Year	Principal	Interest
2009	\$ 63,267	\$ 47,672	2009	\$ 4,743	\$ 3,574
2010	65,165	45,774	2010	4,885	3,432
2011	67,120	43,819	2011	5,032	3,285
2012	69,133	41,805	2012	5,183	3,134
2013	71,207	39,731	2013	5,338	2,979
2014-2018	389,390	165,302	2014-2018	29,193	12,393
2019-2023	451,410	103,283	2019-2023	33,842	7,743
2024-2028	523,308	31,385	2024-2028	39,233	2,353
Total	\$ 1,700,000	\$ 518,771	Total	\$ 127,450	\$ 38,893

ARCHULETA COUNTY, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2008

Year	Total Interfund Loan		Annual Loan
	Principal	Interest	Payment
2009	\$ 112,892	\$ 85,065	\$ 197,957
2010	116,279	81,678	197,957
2011	119,767	78,190	197,957
2012	123,360	74,597	197,957
2013	127,061	70,896	197,957
2014-2018	694,821	294,963	989,784
2019-2023	805,488	184,296	989,784
2024-2028	933,782	56,002	989,784
Total	<u>\$ 3,033,450</u>	<u>\$ 925,686</u>	<u>\$ 3,959,136</u>

no deletions?

NOTE 6 CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2008 was as follows:

	Balance 12/31/2007	Adjustment	Additions	Deletions	Balance 12/31/2008
Governmental Activities					
Capital assets not being depreciated					
Land	\$ 633,840	\$ 3,064,843	\$ -	\$ -	\$ 3,698,683
Construction in Progress	670,056	981,815	5,185,389	238,513	6,598,747
Total capital assets not being depreciated	<u>\$ 1,303,896</u>	<u>\$ 4,046,658</u>	<u>\$ 5,185,389</u>	<u>\$ 238,513</u>	<u>\$ 10,297,430</u>
Capital assets being depreciated					
Runway		19,365,344	-		19,365,344
Building and Improvements	2,417,920	2,520,541	-		4,938,461
Machinery and Equipment	5,808,198	(34,261)	173,684		5,947,621
Vehicles	443,653	121,385	48,627		613,665
Computer Equipment	742,874	1,260	37,593		781,727
Infrastructure	45,803	1,583,582	490,374		2,119,759
Total capital assets being depreciated	<u>9,458,448</u>	<u>23,557,851</u>	<u>750,278</u>	<u>-</u>	<u>33,766,577</u>
Less accumulated depreciation for:					
Runway	-	2,220,742	624,952		2,845,694
Buildings and Improvements	1,037,960	204,328	120,143		1,362,431
Machinery and Equipment	4,041,782	(96,546)	449,409		4,394,645
Vehicles	182,558	124,393	80,197		387,148
Computer Equipment	377,960	1,260	114,626		493,846
Infrastructure	2,290	316,717	86,515		405,522
	<u>5,642,550</u>	<u>2,770,894</u>	<u>1,475,842</u>	<u>-</u>	<u>9,889,286</u>
Total capital assets being depreciated, net	<u>3,815,898</u>	<u>20,786,957</u>	<u>(725,564)</u>	<u>-</u>	<u>23,877,291</u>
Governmental activities capital assets, net	<u>\$ 5,119,794</u>	<u>\$ 24,833,615</u>	<u>\$ 4,459,825</u>	<u>\$ (238,513)</u>	<u>\$ 34,174,721</u>

ARCHULETA COUNTY, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2008

	Balance 12/31/2007	Adjustment	Additions	Deletions	Balance 12/31/2008
Business-Type Activities					
Capital assets not being depreciated					
Land	\$ 3,374,009	\$ (3,064,843)		-	\$ 309,166
Construction in Progress	1,121,110	(981,815)	-	-	139,295
Total capital assets not being depreciated	<u>\$ 4,495,119</u>	<u>\$ (4,046,658)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 448,461</u>
Capital assets being depreciated					
Runway	19,365,344	(19,365,344)	-	-	-
Buildings and Improvements	2,520,541	(2,520,541)	-	-	-
Machinery and Equipment	1,102,043	(319,631)	-	-	782,412
Vehicles	-	-	-	-	-
Computer Equipment	1,260	(1,260)	-	-	-
Total capital assets being depreciated	<u>22,989,188</u>	<u>(22,206,776)</u>	<u>-</u>	<u>-</u>	<u>782,412</u>
Less accumulated depreciation for:					
Runway	2,220,742	(2,220,742)	-	-	-
Buildings and Improvements	204,328	(204,328)	-	-	-
Machinery and Equipment	525,939	(141,091)	82,560	-	467,408
Vehicles	-	-	-	-	-
Computer Equipment	1,260	(1,260)	-	-	-
	<u>2,952,269</u>	<u>(2,567,421)</u>	<u>82,560</u>	<u>-</u>	<u>467,408</u>
Total capital assets being depreciated, net	<u>20,036,919</u>	<u>(19,639,355)</u>	<u>(82,560)</u>	<u>-</u>	<u>315,004</u>
Business-Type activities capital assets, net	<u>\$ 24,532,038</u>	<u>\$ (23,686,013)</u>	<u>\$ (82,560)</u>	<u>\$ -</u>	<u>\$ 763,465</u>

Prior Period Adjustment (see note 18)	\$ 1,147,602
Change in Fund Type (see note 19)	23,686,013
Total Adjustments	<u>\$ 24,833,615</u>

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

Governmental Activities	
General Government	\$ 976,973
Public Safety	71,267
Health and Welfare	4,158
Highways and Streets	412,215
Economic Development	6,885
Recreation	4,344
	<u> </u>

Total depreciation expense - governmental activities \$ 1,475,842

ARCHULETA COUNTY, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2008

Business-type Activities	
Solid Waste	\$ 82,560
Total depreciation expense - business-type activities	\$ 82,560

NOTE 7 SHORT TERM DEBT

On January 25, 2008, the County obtained a \$500,000 tax anticipation note, which was repaid March 20, 2008. The Note yielded a fixed interest rate of 4.95%. This was to provide needed cash to cover the projected cash-flow deficits of the County's General Fund during 2008.

Balance January 1, 2008	\$	-
Additions		25,000
Reductions		25,000
Balance December 31, 2008	\$	-

NOTE 8 LONG-TERM LIABILITIES

Changes in Long-term Liabilities

	Ending Balance 12/31/2007	Adjustment	Additions	Deletions	Ending Balance 12/31/2008	Due Within One Year
Governmental activities:						
Capital Leases Payable	\$ 1,254,369	\$ -	\$ 91,452	\$ 336,283	\$ 1,009,538	\$ 352,921
Notes Payable	-	2,075,216	-	225,219	1,849,997	278,909
Accrued Interest on Long Term Debt	7,957	36,615	-	6,559	38,013	38,013
Compensated Absences	631,914	7,089	29,658	-	668,661	49,000
Governmental activities long-term liabilities	\$ 1,894,240	\$ 2,118,920	\$ 121,110	\$ 568,061	\$ 3,566,209	\$ 718,843
Business-type activities:						
Notes Payable	2,075,216	(2,075,216)	-	-	-	-
Accrued Interest on Long Term Debt	36,615	(36,615)	-	-	-	-
Compensated Absences	\$ 29,071	\$ (7,089)	\$ 2,577	\$ -	\$ 24,559	\$ -
Business-type activities long-term liabilities	\$ 2,140,902	\$ (2,118,920)	\$ 2,577	\$ -	\$ 24,559	\$ -

In 2008, the Airport Fund was changed from an enterprise fund to a special revenue fund. The associated long-term debt was reclassified from Business-type activities to governmental-type and is reflected in the adjustments column in the table above.

ARCHULETA COUNTY, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2008

GOVERNMENTAL ACTIVITIES:

Capital Leases Payable

The County has adopted the policy of acquiring certain fixed assets through the use of lease-purchase agreements. For the lease-purchase backed by the full faith and credit of the County, debt service is accounted for in the fund that accounts for the function associated with the net asset.

The County entered into a capital lease payable to Wells Fargo Brokerage Services, LLC, payable in annual installments of \$116,123, beginning July 28, 2005, at 3.50% interest, for the purchase of road and bridge equipment. Payments will be made from the Road Capital Improvement Fund. Final payment is due in 2010. These assets are recorded in the fixed assets of the government-wide financial statements at \$522,539, less accumulated depreciation of \$286,605, at December 31, 2008.

The County entered into a capital lease payable to Wells Fargo Brokerage Services, LLC, payable in annual installments of \$256,845, beginning December 8, 2006, at 4.15% interest, for the purchase of road and bridge equipment. Payments will be made from the Road Capital Improvement Fund. Final payment is due in 2011. These assets are recorded in the fixed assets of the government-wide financial statements at \$985,104, less accumulated depreciation of \$416,706 at December 31, 2008.

The County entered into a capital lease payable to Caterpillar Financial Services Corporation, payable in monthly installments of \$1,746.82, beginning March 6, 2008, at 5.50% interest, for the purchase of a drum compactor. Payments will be made from the Road Capital Improvement Fund. Final payment is due in 2013. This asset is recorded in the fixed assets of the government-wide financial statements at \$136,452, less accumulated depreciation of \$17,869 at December 31, 2008.

The annual debt service for the capital lease is as follows:

Year	Principal	Interest	Totals
2009	\$ 352,921	\$ 41,009	\$ 393,930
2010	367,118	26,812	393,930
2011	265,772	12,035	277,807
2012	20,242	720	20,962
2013	3,485	10	3,495
	\$ 1,009,538	\$ 80,586	\$ 1,090,124

Note Payable

Note payable to the Colorado Department of Transportation, payable in annual payments of \$308,227, including interest at 4%. Final payment is due in 2014. The note is secured by a security interest in the County's Aviation Fuel Tax Refund revenue. This debt is being serviced by the Airport Fund and the balance at December 31, 2008 was \$1,849,997.

The note was re-amortized in July 2008 to incorporate the 2007 principal payment over the remaining life of the loan.

The annual debt service for the note payable is as follows:

ARCHULETA COUNTY, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
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Year	Principal	Interest	Totals
2009	\$ 278,909	\$ 74,000	\$ 352,909
2010	290,065	62,844	352,909
2011	301,668	51,241	352,909
2012	313,735	39,174	352,909
2013	326,284	26,625	352,909
2014	339,336	13,573	352,909
	<u>\$ 1,849,997</u>	<u>\$ 267,457</u>	<u>\$ 2,117,454</u>

NOTE 9 OPERATING LEASES

The County is committed under various leases for office equipment and software. These leases are considered for accounting purposes as operating leases. Lease expenses for the year totaled \$184,680. Future minimum lease payments for these leases are as follows:

2009	\$ 147,018
2010	137,467
2011	131,600
2012	56,467
2013	25,170
	<u>\$ 497,722</u>

NOTE 10 RETIREMENT

Defined Contribution Plan

The County provides pension benefits for all of its full-time employees through an agent multi-employer public retirement system, the Colorado County Officials and Employees Retirement Association (CCOERA), a defined contribution plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are eligible to participate immediately upon hire. The County has established that employees contribute 4% and the County contributes a matching 4% of the employee's base salary each month. The County's contributions for each employee (and interest allocated to the employee's account) are fully vested after five years of continuous plan participation. The participants in this plan are offered various investment options through the plan and are allowed to invest all monies in their account, at their own discretion, among the options.

County contributions for, and interest forfeited by, employees who leave employment before five years of participation are used to reduce the County's current contribution requirements. The County's total payroll in 2008 was \$6,289,161. Both the County and the covered employees made the required contributions, amounting to \$247,691 from the County and \$247,713 from employees. Plan provisions and contribution requirements are established and may be amended by the Board of County Commissioners. That report may be obtained by writing to Colorado County Officials and Employee Retirement Association, 4949 South Syracuse, Suite 400, Denver, CO 80237 or by calling 1-800-352-0313.

ARCHULETA COUNTY, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
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Deferred Compensation Plan

The County also offers its employees an additional voluntary deferred compensation plan created in accordance with Internal Revenue Code 457(f).

The plan permits the employees to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergencies. The County has no other liability other than to make the required monthly contribution.

NOTE 11 TAX, SPENDING, AND DEBT LIMITATIONS

Colorado voters passed an amendment to the State Constitution, Article X, Section 20, which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local governments. The amendment is complex and subject to judicial interpretation.

Fiscal year spending and revenue limits are determined based on the prior years' spending adjusted for inflation and local growth. Revenue in excess of the limit must be refunded unless the voters approve retention of such revenue. The voters of the County passed a ballot issue in 2006 allowing for the retention of revenues generated in excess of the limits imposed by the amendment.

The amendment also requires that Emergency Reserves be established. These reserves must be at least 3 percent of fiscal year spending. The entity is not allowed to use the Emergency Reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases. The Emergency Reserve Special Revenue Fund contains the reservation of fund balance.

The amendment also requires voter approval for any long-term financing entered into by the County.

The County believes it is in compliance with the requirements of the amendment. However, the County has made certain interpretations of the amendment's language in order to determine its compliance.

NOTE 12 COLORADO CONTRABAND FORFEITURE ACT

We have reviewed financial activities in the Sheriff's Department for compliance with the above referenced act. There were no sales of contraband during the year ended December 31, 2008.

NOTE 13 RISK MANAGEMENT

Self- Insurance Fund

In 1991, the County began a self-insurance program for medical and dental claims. The purpose of the program is to pay medical and dental claims of the County employees and minimize annual medical insurance costs to the County. Medical claims exceeding \$40,000 per covered individual or any amount over \$1,000,000 in employer claim liability is covered by a private insurance carrier. The self-insurance fund is funded through payroll withholdings from employees and County funds.

The County does not report excess insurance risk liabilities unless it is probable that these risks will not be exceeding insurance. There were no material changes in insurance coverage or settlements exceeding insurance coverage for the last three fiscal years.

ARCHULETA COUNTY, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
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The claim liability of \$116,314 reported in the Self Insurance Fund is based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicated that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

Changes in the Fund's claim liability amount in fiscal year 2008 are as follows:

	2008
Liability at January 1	\$ 89,487
Current year claims and changes in estimates	1,243,753
Claims paid	(1,216,926)
Balance at December 31	\$ 116,314

Colorado Counties Casualty and Property Pool (CAPP)

The County is exposed to various risks of loss related to property and casualty losses. The County joined together with other counties in the State of Colorado to form the Colorado Counties Casualty and Property Pool (CAPP), a public entity risk pool currently operating as a common risk management and insurance program for member counties. The County pays an annual contribution to CAPP for its property and casualty insurance coverage. The inter-governmental 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 that is determined each policy year. There have been no significant reductions in insurance coverage. Settled claims from these risks have not exceeded insurance coverage for the current year or the three prior years.

At December 31, 2008, CAPP had assets of \$28,461,351, liabilities of \$9,703,143 (including \$5,734,547 reserved for losses and claims), and members' equity of \$18,758,208. The liability amount includes no long-term debt. Total revenues for the year ended December 31, 2008 amounted to \$7,037,227 and total expenses were \$7,963,142, resulting in an excess of expenditures over revenue (net loss) of \$925,915.

Colorado Workers' Compensation Pool (CWCP)

The County is exposed to various risks of loss related to injuries of employees while on the job. The County has joined together with other counties in the State of Colorado to form the Colorado Workers' Compensation Pool (CWCP), a public entity risk pool currently operating as a common risk management and insurance program for member counties. The County pays an annual contribution to CWCP for its workers' compensation insurance coverage. The intergovernmental agreement of formation of CWCP provides that the pool will be financially self-sustaining through member contributions and additional assessments, if necessary, and the Pool will purchase excess insurance through commercial companies for members' claims in excess of a specified self-insured retention that is determined each policy year. There have been no significant reductions in insurance coverage. Settled claims from these risks have not exceeded insurance coverage for the current year or the three prior years.

At December 31, 2008, CWCP had assets of \$30,402,162, liabilities of \$18,637,319 (including \$18,214,052 reserved for losses and claims) and members' equity of \$11,764,843. The liability amount includes no long-term debt. Total revenues for the year ended December 31, 2008 amounted to

ARCHULETA COUNTY, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2008

\$13,544,372, total expenses were \$8,504,359, resulting in an excess of revenues over expenses (net gain) of \$5,040,013.

NOTE 14 LANDFILL CLOSURE AND POST CLOSURE CARE COSTS

State and Federal laws require the County to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. The county completed the necessary engineering studies in 2006 to estimate the landfill's capacity and closure and post closure costs. In addition to operating expenses related to current activities of the landfill, an expense provision and related liability are being recognized in the Solid Waste Fund based on the estimated future closure and post closure care costs that will be incurred near or after the date the landfill no longer will accept waste. The amount recognized each year is based on the landfill capacity used as of the balance sheet date. At December 31, 2008 the estimated liability for landfill closure and post closure care costs of \$305,000 is based on the use of 38% of capacity of all landfill cells. The estimated total current cost of the landfill closure and post closure is based on the amount that would be paid if all equipment facilities, and services required to close, monitor, and maintain the landfill were acquired as of December 31, 2008. The County will recognize the estimated remaining costs of closure and post-closure care of \$490,940 as the remaining estimated capacity is filled. The County expects to close the landfill in 2026. Actual cost of closure and post closure care may change due to inflation or deflation, changes in technology, or changes in landfill laws and regulations. Those costs may need to be covered by charges to future landfill users, taxpayers or both.

NOTE 15 COMMITMENTS AND CONTINGENCIES

Grant Programs – The County participates in a number of federal and state grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The amount of expenditures, if any, which may be disallowed by the granting agencies cannot be determined at this time although the County expects any such amounts to be immaterial.

Litigation – The County is currently the defendant in several lawsuits arising principally in the normal course of operations. In the opinion of legal counsel, the outcome of these lawsuits will not have a material adverse effect on the accompanying combined financial statements; accordingly, no provision for losses has been recorded.

Insurance Pools – The County is a member of the Colorado Counties Casualty and Property Pool (CAPP) and the Colorado Workers' Compensation Pool (CWCP). CAPP and CWCP have a legal obligation for claims against its members to the extent that funds are available in their annually established loss funds and amounts are available from insurance providers under excess specific and aggregate insurance contracts. Losses incurred in excess of loss funds are direct liabilities of the participating members. CAPP and CWCP have indicated that the amount of any excess losses would be billed to members in proportion to their contributions in the year such excess occurs. The ultimate liability to the County resulting from claims not covered by CAPP and CWCP is not presently determinable.

ARCHULETA COUNTY, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2008

Operating Leases – The County is committed under various leases for facilities and equipment, which includes copiers, telecommunications, information technology, Senior Center site lease and the Department of Human Services building lease.

Construction Projects – At year-end, the County was engaged with two contractors for work being performed at the County Airport under Airport Improvement Project #18. This project is funded by grants from the Federal Aviation Administration and the State of Colorado Department of Transportation, Aeronautics Division. The anticipated completion date of these contracts is fiscal year 2009.

NOTE 16 SUBSEQUENT EVENTS

In April 2009, the Archuleta County Personnel Policy was amended. The maximum amount of compensatory time that may be accrued was reduced from 240 hours to 120 hours. The period of continuous service to be eligible for a the 50% payout of all unused sick leave up to the maximum accumulative number of hours of 480 hours was increased from six months to five years.

In May 2009, the Board of County Commissioners entered into a 15 year, 5.7% lease option agreement with Wells Fargo Bank. The new debt generated \$5,000,000 in proceeds to be used for road capital improvements and to payoff two existing capital leases in the Road Capital Improvement fund. The County Courthouse was used as collateral and the existing sales tax revenue stream in the Road capital Improvement fund will be used to service the debt.

In May 2009, the Board of County Commissioners entered into a 5 year capital lease agreement totaling \$143,077.95 for a 2010 Kenworth T-800 Roll-off truck in the Solid Waste fund. The interest rate on the lease is 6.38%, and the lease is payable in 5 annual installments of \$28,616.

FDIC Coverage

On May 20, 2009, President Barack Obama signed the Helping Families Save Their Homes Act, which extends the temporary increase in the standard maximum deposit insurance amount (SMDIA) to \$250,000 per depositor through December 31, 2013. This extension of the temporary \$250,000 coverage limit became effective immediately upon the President's signature. The legislation provides that the SMDIA will return to \$100,000 on January 1, 2014.

NOTE 17 SOCIAL SERVICES FUND RECONCILIATION

The County Department of Human Services transactions are reported to the State of Colorado Department of Health and Human Services on a monthly basis through the County Financial Management System (CFMS). In order to ensure that the financial transactions are recorded accurately, a reconciliation between the accounting records of the County and the State is required on a monthly basis.

ARCHULETA COUNTY, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2008

NOTE 18 PRIOR PERIOD ADJUSTMENTS

Prior period adjustments were required to accurately state current year ending balance sheet and revenue and expense/expenditure account balances. The prior year cash deficit on the Treasurer's Ledger was allocated according to research performed during the current year to identify the origin of those deficits. The capital asset accounts were adjusted for prior year misstatement in accumulated depreciation and construction in progress account write-off's for unknown balances. A summary of how these adjustments affected the fund and government-wide financial statements is as follows:

GOVERNMENTAL ACTIVITIES	
General Fund	
Treasurer's Ledger Cash Correction - Resolution 2008-24	\$ 767,304
Road & Bridge Fund	
Treasurer's Ledger Cash Correction - Resolution 2008-24	(736,174)
Department of Human Services Fund	
Treasurer's Ledger Cash Correction - Resolution 2008-24	(7,223)
Airport Fund	
Treasurer's Ledger Cash Correction - Resolution 2008-24	(23,907)
Total Governmental Funds	<u><u>\$ -</u></u>
Capital Asset Adjustment	1,147,602
STATEMENT OF ACTIVITIES PRIOR PERIOD ADJUSTMENT	<u><u>\$ 1,147,602</u></u>

ARCHULETA COUNTY, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2008

NOTE 19 CHANGE IN ACCOUNTING PRINCIPLE

In 2008, the Airport Fund designation was changed from an enterprise fund to a special revenue fund. A summary of how these adjustments affected the fund and government-wide financial statements is as follows:

GOVERNMENTAL ACTIVITIES	
Airport Fund	
Change in Fund Type - Fund Balance	(1,799,990)
	<u>(1,799,990)</u>
Total Governmental Funds	\$ (1,799,990)
Change in Fund Type - Capital Assets	23,686,013
Change in Fund Type - Long Term Debt	(2,118,923)
Internal Service Fund Elimination	32,336
STATEMENT OF ACTIVITIES CHANGE IN ACCOUNTING PRINCIPLE	\$ 19,799,436

BUSINESS-TYPE ACTIVITIES	
Airport Fund	
Change in Fund Type - Net Assets	\$ (19,767,100)
	<u>(19,767,100)</u>
Internal Service Fund Elimination	<u>(32,336)</u>
STATEMENT OF ACTIVITIES CHANGE IN ACCOUNTING PRINCIPLE	\$ (19,799,436)

NOTE 20 ARCHULETA COUNTY HOUSING AUTHORITY COMPONENT UNIT NOTES

The following important note disclosures have been presented for Archuleta County Housing Authority, a component unit of Archuleta County, Colorado. Archuleta County Housing Authority issues publicly available annual financial statements, which may be obtained by writing to the Archuleta County Housing Authority, c/o Housing Solutions for the Southwest, Attn: Finance Department, 295 Girard Street, Durango, Colorado 81301.

ARCHULETA COUNTY, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2008

Property and Equipment

Major classes of fixed assets are as follows:

Land and Land Improvements	\$	42,250
Building and Improvements		803,469
Furniture and Fixtures		73,349
Total Fixed Assets		919,068
Less Accumulated Depreciation		(681,192)
Net	\$	237,876

Depreciation is computed using the straight-line method based on estimated useful lives.

Mortgage Payable

Mortgage payable to Colorado Housing and Finance Authority, payable in 360 monthly payments of \$691 including interest of 4%. Said note represents a first deed of trust on the apartments.	\$	129,526
Mortgage payable to HUD, payable in amounts equal to surplus cash as defined by the mortgage restructuring the deed of trust note dated August 28, 2002, Said note to have an interest rate of 1%.		523,626
Mortgage payable to HUD, payable in amounts equal to surplus cash as defined by the mortgage restructuring the deed of trust note dated August 28, 2002, Said note to have an interest rate of 1%.		143,708
Promissory note payable to Housing Solutions for the Southwest (previously known as Southwest Community Resources) payable in 120 monthly payments of \$114 including interest at 2%		5,360
Total Mortgage Payable		802,220
Less Current Portion		(4,503)
Total Long-term Debt	\$	797,717

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ARCHULETA COUNTY, COLORADO
SUPPLEMENTARY INFORMATION

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**ARCHULETA COUNTY, COLORADO
NONMAJOR GOVERNMENTAL FUNDS**

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for specific revenues that are legally restricted to expend for particular purposes.

Emergency Reserve Fund – This fund is used to account for emergency funds set aside in compliance with Article X, Section 20 of the Colorado Constitution (known as the TABOR Amendment).

Tourism Fund – This fund is used to account for lodging tax revenues and related expenditures.

Fair Board Fund – This fund is used to account for county fair activity.

Conservation Trust Fund – This fund is used to account for the County share of the state lottery program. The monies may be expended only for the acquisition, development, and maintenance of parks, and other public recreational facilities.

Community Service Fund – This fund is used to account for revenues from court fines.

Jail Commissary Fund – This fund is used to account for the revenue and expenditures associated with providing commissary items to the prisoners at the County Jail.

Emergency 911 Fund – This fund is used to account for the activity of providing emergency telephone services to the County's residents.

Sidewalk Escrow Fund – This fund is used to account for assessments paid to fund new sidewalks.

CAPITAL PROJECTS FUNDS

Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

Capital Projects Fund – This fund is used to account for resources designated for capital expenditures.

Fairfield Defaulted Improvements Settlement Fund – This fund is used to partially compensate property owners in the eligible subdivisions when they complete the extension of electrical power to their lot.

ARCHULETA COUNTY, COLORADO
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2008

	Total nonmajor Special Revenue Funds	Total nonmajor Capital Project Funds	Total
ASSETS			
Cash and Cash Equivalents	\$ 1,015,226	\$ 495,935	\$ 1,511,161
Accrued Interest Receivable	120	-	120
Other Receivables	15,383	-	15,383
Due From Other Funds	6,923	750,000	756,923
Total assets	<u>\$ 1,037,652</u>	<u>\$ 1,245,935</u>	<u>\$ 2,283,587</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts Payable	\$ 8,442	\$ -	\$ 8,442
Inmate Deposits	2,363	-	2,363
Accrued Payroll and Liabilities	16,653	-	16,653
Due To Other Funds	68,174	144,164	212,338
Total liabilities	<u>95,632</u>	<u>144,164</u>	<u>239,796</u>
Fund balances:			
Reserved for:			
TABOR Emergencies	559,476	-	559,476
Capital Projects	-	1,101,771	1,101,771
Unreserved			
Designated for Subsequent Years	230,000	-	230,000
Undesignated, Special Revenue Funds	152,544	-	152,544
Total fund balances	<u>942,020</u>	<u>1,101,771</u>	<u>2,043,791</u>
Total liabilities and fund balances	<u>\$ 1,037,652</u>	<u>\$ 1,245,935</u>	<u>\$ 2,283,587</u>

ARCHULETA COUNTY, COLORADO
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2008

	Total nonmajor Special Revenue Funds	Total nonmajor Capital Project Funds	Total
REVENUES			
Sales and Use Taxes	\$ 76,865	\$ -	\$ 76,865
Intergovernmental	131,499	-	131,499
Charges for Services	179,977	-	179,977
Interest Earnings	7,921	11,676	19,597
Other	19,579	-	19,579
Total revenues	<u>415,841</u>	<u>11,676</u>	<u>427,517</u>
EXPENDITURES			
Current:			
General Government	-	19,669	19,669
Public Safety	261,526	-	261,526
Economic Development	76,865	-	76,865
Recreation	57,107	-	57,107
Capital outlay			
Public Safety	823	-	823
Recreation	34,902	-	34,902
Total expenditures	<u>431,223</u>	<u>19,669</u>	<u>450,892</u>
Excess (deficiency) of revenues over expenditures	<u>(15,382)</u>	<u>(7,993)</u>	<u>(23,375)</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	10,000	-	10,000
Total other financing sources and uses	<u>10,000</u>	<u>-</u>	<u>10,000</u>
Net Change in fund balances	(5,382)	(7,993)	(13,375)
Fund balances -- beginning	947,402	1,109,764	2,057,166
Fund balances -- ending	<u>\$ 942,020</u>	<u>\$ 1,101,771</u>	<u>\$ 2,043,791</u>

ARCHULETA COUNTY, COLORADO
 Combining Balance Sheet
 Nonmajor Special Revenue Funds
 December 31, 2008

	TOURISM FUND	E911 FUND	FAIR BOARD FUND	CONSERVATION TRUST FUND	COMMUNITY SERVICES FUND	JAIL COMMISSARY FUND	SIDEWALK BUILDING FUND	TABOR EMERGENCY RESERVE	Total nonmajor Special Revenue Funds
ASSETS									
Cash and Cash Equivalents	\$ 1,101	\$ 157,702	\$ 3,737	\$ 260,220	\$ 3,762	\$ 21,779	\$ 7,449	\$ 559,476	\$ 1,015,226
Accrued Interest Receivable	-	-	120	-	-	-	-	-	120
Other Receivables	-	15,383	-	-	-	-	6,923	-	15,383
Due From Other Funds	-	-	-	-	-	-	-	-	6,923
Total assets	1,101	173,085	3,857	260,220	3,762	21,779	14,372	559,476	1,037,652
LIABILITIES AND FUND BALANCES									
LIABILITIES									
Accounts Payable	-	7,692	750	-	-	-	-	-	8,442
Inmate Deposits	-	-	-	-	-	2,363	-	-	2,363
Accrued Payroll and Liability Due To Other Funds	1,101	15,552	-	-	-	-	-	-	16,653
	-	11,317	56,857	-	-	-	-	-	68,174
Total liabilities	1,101	34,561	57,607	-	-	2,363	-	-	95,632
Fund balances:									
51 Reserved for Emergencies	-	50,000	-	180,000	-	-	-	559,476	559,476
Unreserved, Designated for Subsequent Years	-	88,524	(53,750)	80,220	3,762	19,416	14,372	-	230,000
Unreserved, Undesignated	-	138,524	(53,750)	260,220	3,762	19,416	14,372	559,476	152,544
Total fund balances	-	138,524	(53,750)	260,220	3,762	19,416	14,372	559,476	942,020
Total liabilities and fund balances	\$ 1,101	\$ 173,085	\$ 3,857	\$ 260,220	\$ 3,762	\$ 21,779	\$ 14,372	\$ 559,476	\$ 1,037,652

ARCHULETA COUNTY, COLORADO
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances
 Nonmajor Special Revenue Funds
 For the Year Ended December 31, 2008

	TOURISM FUND	E911 FUND	FAIR BOARD FUND	CONSERVATION TRUST FUND	COMMUNITY SERVICES FUND	JAIL COMMISSARY FUND	SIDEWALK BUILDING FUND	TABOR EMERGENCY RESERVE	Total nonmajor Special Revenue Funds
REVENUES									
Sales and Use Taxes	\$ 76,865	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 76,865
Intergovernmental	-	152,514	-	131,499	-	-	-	-	131,499
Charges for Services	-	-	27,463	-	-	-	-	-	179,977
Interest Earnings	-	-	970	5,053	-	151	175	1,572	7,921
Other	-	-	-	-	13,721	5,858	-	-	19,579
Total revenues	76,865	152,514	28,433	136,552	13,721	6,009	175	1,572	415,841
EXPENDITURES									
Current:									
Public Safety	-	245,785	-	-	11,788	3,953	-	-	261,526
Economic Development	76,865	-	-	-	-	-	-	-	76,865
Recreation	-	-	57,107	-	-	-	-	-	57,107
Capital outlay	-	-	-	-	-	-	-	-	-
Public Safety	-	823	-	-	-	-	-	-	823
Recreation	-	-	-	34,902	-	-	-	-	34,902
Total expenditures	76,865	246,608	57,107	34,902	11,788	3,953	-	-	431,223
Excess (deficiency) of revenues over expenditures	-	(94,094)	(28,674)	101,650	1,933	2,056	175	1,572	(15,382)
OTHER FINANCING SOURCES (USES)									
Transfers In	-	-	10,000	-	-	-	-	-	10,000
Total other financing sources and uses	-	-	10,000	-	-	-	-	-	10,000
Net Change in fund balances	-	(94,094)	(18,674)	101,650	1,933	2,056	175	1,572	(5,382)
Fund balances -- beginning	-	232,618	(35,076)	138,570	1,830	17,361	14,196	557,905	947,402
Fund balances -- ending	\$ -	\$ 138,524	\$ (53,750)	\$ 260,220	\$ 3,763	\$ 19,417	\$ 14,371	\$ 559,475	\$ 942,020

ARCHULETA COUNTY, COLORADO
Combining Balance Sheet
Nonmajor Capital Project Funds
December 31, 2008

	<u>CAPITAL IMPROVEMENT FUND</u>	<u>FAIRFIELD SETTLEMENT</u>	<u>Total nonmajor Capital Project Funds</u>
ASSETS			
Current assets:			
Cash and Cash Equivalents	\$ -	\$ 495,935	\$ 495,935
Due From Other Funds	750,000	-	750,000
Total Current assets:	<u>750,000</u>	<u>495,935</u>	<u>1,245,935</u>
Total assets	<u>\$ 750,000</u>	<u>\$ 495,935</u>	<u>\$ 1,245,935</u>
LIABILITIES AND FUND BALANCES			
Due to Other Funds	<u>144,164</u>	-	<u>144,164</u>
Total liabilities	<u>144,164</u>	-	<u>144,164</u>
Fund balances:			
Unreserved, reported in			
Capital Projects	<u>605,836</u>	<u>495,935</u>	<u>1,101,771</u>
Total fund balances	<u>605,836</u>	<u>495,935</u>	<u>1,101,771</u>
Total liabilities and fund balances	<u>\$ 750,000</u>	<u>\$ 495,935</u>	<u>\$ 1,245,935</u>

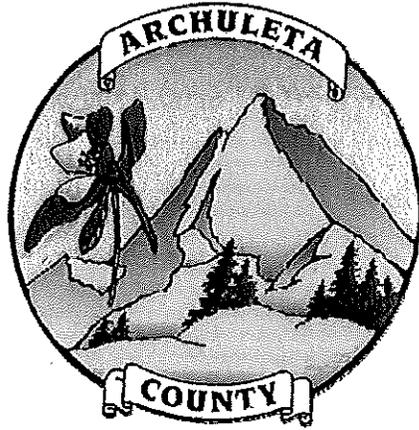
ARCHULETA COUNTY, COLORADO
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Capital Project Funds
For the Year Ended December 31, 2008

	CAPITAL IMPROVEMENTS FUND	FAIRFIELD SETTLEMENT	Total nonmajor Capital Project Funds
REVENUES			
Interest Earnings	\$ -	\$ 11,676	\$ 11,676
Total revenues	-	11,676	11,676
EXPENDITURES			
Current:			
General Government	-	19,669	19,669
Total expenditures	-	19,669	19,669
Excess (deficiency) of revenues over expenditures	-	(7,993)	(7,993)
Fund balances -- beginning	605,836	503,928	1,109,764
Fund balances -- ending	\$ 605,836	\$ 495,935	\$ 1,101,771

**ARCHULETA COUNTY, COLORADO
INTERNAL SERVICE FUNDS**

Internal service funds are used to account for the financing of goods or services provided by a department or agency to other departments or agencies of the government and to other government units, on a cost reimbursement basis.

Self Insurance Fund – This fund is used to account for the health insurance plan provided by the County to its employees. The premiums charged are allocated to the County funds that employ those covered by the health insurance plan.



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ARCHULETA COUNTY, COLORADO
Schedule of Net Assets
Internal Service Funds
December 31, 2008

	EMPLOYEE INSURANCE FUND	Total Internal Service Funds
ASSETS		
Current assets:		
Cash and Cash Equivalents	\$ 108,900	\$ 108,900
Other Receivables	44,455	44,455
Total Current assets:	153,355	153,355
Total assets	153,355	153,355
LIABILITIES		
Current liabilities:		
Incurred but Unreported Medical Claims	116,314	116,314
Total Current liabilities:	116,314	116,314
Total liabilities	116,314	116,314
NET ASSETS		
Unrestricted	37,041	37,041
Total net assets	\$ 37,041	\$ 37,041

ARCHULETA COUNTY, COLORADO
Schedule of Revenues, Expenses, and Changes in Fund Net Assets
Internal Service Funds
For the Year Ended December 31, 2008

	EMPLOYEE INSURANCE FUND	Total Internal Service Funds
Operating revenues:		
Charges for Services	\$ 1,067,302	\$ 1,067,302
Other	20,171	20,171
Total Operating Revenues	1,087,473	1,087,473
Operating expenses:		
Purchased Services	1,216,928	1,216,928
Total operating expenses	1,216,928	1,216,928
Operating Income (loss)	(129,455)	(129,455)
Nonoperating revenues (expenses):		
Interest Revenues	25	25
Change in net assets	(129,430)	(129,430)
Total net assets -- beginning	166,471	166,471
Total net assets -- ending	\$ 37,041	\$ 37,041

ARCHULETA COUNTY, COLORADO
Schedule of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2008

	<u>EMPLOYEE INSURANCE FUND</u>	<u>Total Internal Service Funds</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers and reinsurance recoveries	\$ 1,043,018	\$ 1,043,018
Cash paid to suppliers	(1,229,329)	(1,229,329)
Net cash provided/used by operating activities	<u>(186,311)</u>	<u>(186,311)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest Received	<u>25</u>	<u>25</u>
Net cash provided by investing activities	<u>25</u>	<u>25</u>
Net Increase (decrease) in cash and cash equivalents	(186,287)	(186,287)
Balances - beginning of year	295,187	295,187
Balances - end of the year	<u>\$ 108,900</u>	<u>\$ 108,900</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	\$ (129,455)	\$ (129,455)
Changes in assets and Liabilities:		
(Decrease) in accounts payable - Supplier	(12,401)	(12,401)
(Increase) in other operating receivables	(44,455)	(44,455)
Net Cash provided by operating activities	<u>(\$ 186,311)</u>	<u>(\$ 186,311)</u>

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ARCHULETA COUNTY, COLORADO
OTHER SCHEDULES AND REPORTS

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ARCHULETA COUNTY, COLORADO
 SCHEDULE OF EXPENDITURES AND TRANSFERS OUT
 ALL MAJOR CAPITAL PROJECTS FUNDS, NON-MAJOR GOVERNMENTAL FUNDS, AND ALL PROPRIETARY FUNDS
 BUDGET AND ACTUAL
 For the Year Ended December 31, 2008

	BUDGETED AMOUNTS	EXPENDITURES	ADJUSTMENTS	EXPENDITURES	VARIANCE WITH
	ORIGINAL	REPORTED ON	TO BUDGETARY	ON THE	FINAL BUDGET
		THE GAAP	BASIS	BUDGETARY	POSITIVE
		BASIS		BASIS	(NEGATIVE)
	FINAL				
Governmental Funds					
Major Capital Projects Funds					
Road Capital Improvement Fund	\$ 2,737,100	\$ 2,737,100	\$ -	\$ -	\$ 1,807,005
Total Major Capital Projects Funds	\$ 2,737,100	\$ 2,737,100	\$ -	\$ -	\$ 1,807,005
Non-major Governmental Funds					
Special Revenue Funds					
Emergency Reserve Fund	\$ -	\$ -	\$ -	\$ -	\$ -
Tourism Fund	60,000	76,865	-	-	-
Fair Board Fund	66,250	57,107	-	-	9,143
Conservation Trust Fund	117,500	268,000	-	-	233,098
Community Service Fund	13,200	11,788	-	-	1,412
Jail Commissary Fund	-	4,000	-	-	47
Emergency 911 Fund	272,680	245,785	-	-	78,117
Sidewalk Escrow Fund	-	-	-	-	-
Capital Projects Funds					
Capital Improvements	-	-	-	-	-
Fairfield Settlement	-	20,000	-	-	331
Total Non-major Governmental Funds	\$ 529,630	\$ 772,217	\$ -	\$ -	\$ 322,148
Proprietary Funds					
Enterprise Funds					
Solid Waste Fund	698,547	837,310	88,015	649,073	188,237
Total Enterprise Funds	698,547	837,310	88,015	649,073	188,237
Internal Service Funds					
Self Insurance Fund	-	1,350,100	-	-	133,174
Total Internal Service Funds	-	1,350,100	-	-	133,174
Total Proprietary Funds	\$ 698,547	\$ 2,187,410	\$ 88,015	\$ 649,073	\$ 321,411

ARCHULETA COUNTY, COLORADO
Department of Human Services Fund
Schedule of EBT Authorizations, Warrant Expenditure and Total Expenditures
For the Year Ended December 31, 2008

	A	B	C	D	E
Program	County EBT Authorizations	County Share of Authorizations	Expenditures by County Warrant	County EBT Authorizations plus Expenditures by County Warrant (Col. A + Col. C)	Total Expenditures (Col. B + Col. C)
CO Works	\$53,586	\$15,857	\$237,189	\$290,775	\$253,046
Child Care	85,046	14,918	30,297	115,343	45,215
Child Welfare-Foster Care	241,266	77,569	542,596	783,862	620,165
County Administration	1,844	1,844	194,008	195,852	195,852
Core Services	188,027	20,262	32,473	220,500	52,735
HB 1414 Activities	941	0	5,448	6,389	5,448
Child Support Enforcement (IV-D Admin)	0	0	142,996	142,996	142,996
LEAP	200,834	0	6,348	207,182	6,348
AND	5,735	1,147	0	5,735	1,147
OAP	68,115	0	5,474	73,589	5,474
Food Assist (Food Stamp) Benefits	596,447	0	0	596,447	0
Food Stamp Job Search/Employment First	0	0	35,249	35,249	35,249
Title IV-B Sub-part 2, Promoting Safe & Stable Families(PSSF)	0	0	16,490	16,490	16,490
General Assistance	0	0	3,622	3,622	3,622
Medicaid	0	0	25,539	25,539	25,539
Fatherhood Initiative	0	0	217,041	217,041	217,041
Totals	1,441,841	131,597	1,494,770	2,936,611	1,626,367

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

ARCHULETA COUNTY, COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended December 31, 2008

FEDERAL GRANTOR /PASS-THROUGH GRANTOR/ PROGRAM OR CLUSTER TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	FEDERAL EXPENDITURES
U.S. DEPARTMENT OF AGRICULTURE			
COLORADO DEPT. OF HUMAN SERVICES			
<i>SNAP Cluster</i>			
Supplemental Nutrition Assistance Program	10.551		\$ 596,447
State Administrative Matching Grants for Supplemental Nutrition Assistance Program	10.561		58,638
Total for <i>SNAP Cluster</i>			<u>655,085</u>
COLORADO STATE FOREST SERVICE			
Cooperative Forestry Assistance	10.664		57,850
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
COLORADO DEPT. OF HUMAN SERVICES			
<i>Aging Cluster</i>			
Special Programs for the Aging-Title III Part B	93.044		22,919
Special Programs for the Aging-Title III Part C	93.045		48,996
Nutrition Services Incentive Program	93.053		6,153
Total for <i>Aging Cluster</i>			<u>78,068</u>
Temporary Assistance for Needy Families	93.558		250,798
Child Support Enforcement	93.563		114,919
Low-Income Home Energy Assistance	93.568		197,200
<i>CCDF Cluster</i>			
Child Care and Development Block Grant	93.575		(3,878)
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596		64,252
Total for <i>CCDF Cluster</i>			<u>60,374</u>
Child Welfare Services-State Grants	93.645		4,606
Foster Care-Title IV-E	93.658		136,976
Adoption Assistance	93.659		14,470
Social Services Block Grant	93.667		60,517
Family Violence Prevention and Services	93.671		13,965
Medical Assistance Program (<i>Medicaid Cluster</i>)	93.778		51,737
Healthy Marriage Promotion and Responsible Fatherhood Grants	93.086		168,896
U.S. DEPARTMENT OF HOMELAND SECURITY			
DURANGO FIRE AND RESCUE AUTHORITY			
State Homeland Security Program (SHSP)	97.042		1,267
U.S. DEPARTMENT OF TRANSPORTATION			
Bulletproof Vest Partnership Program	16.607		2,400
Edward Byrne Memorial Justice Assistance Grant	16.738		4,803
U.S. DEPARTMENT OF TRANSPORTATION			
<i>Airport Improvement Grants</i>			
Airport Improvement Program No.3-08-0066-17	20.106		19,764
Airport Improvement Program No.3-08-0066-18	20.106		4,510,143
Total for <i>Airport Improvement Grants</i>			<u>4,529,907</u>
COLORADO DEPT. OF TRANSPORTATION			
Formula Grants for Other Than Urbanized Areas	20.509		32,300
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 6,436,138</u>

ARCHULETA COUNTY, COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended December 31, 2008

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

NOTE A BASIS OF PRESENTATION

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

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

To the Board of County Commissioners
Archuleta County
Pagosa Springs, Colorado

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Archuleta County, Colorado (the County), as of and for the year ended December 31, 2008, which collectively comprise the County's basic financial statements and have issued our report thereon dated July 30, 2009. We did not audit the financial statements of Archuleta County Housing Authority, a discretely presented component unit. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for Archuleta County Housing Authority, is based on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. The financial statements of the Archuleta County Housing Authority, were audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the County's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the County's financial statements that is more than inconsequential will not be prevented or detected by the County's internal control. We consider the deficiencies described in the accompanying schedule of findings and questioned costs to be significant deficiencies in internal control over financial reporting. Finding 08-1.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the County's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we consider Finding 08-1 to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as item 08-1.

The County's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the County's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the audit committee, 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.

Wall, Smith, Bateman and Associates, Inc.

Wall, Smith, Bateman and Associates, Inc.
Alamosa, Colorado

July 30, 2009

**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
Archuleta County
Pagosa Springs, Colorado

Compliance

We have audited the compliance of Archuleta County, Colorado, (the County) 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, 2008. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the County's compliance with those requirements.

In our opinion, the County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2008.

Internal Control Over Compliance

The management of the County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the 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 our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A *control deficiency* in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of a compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in the County's internal control that might be significant deficiencies or material weaknesses as defined below. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the audit committee, 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.

Wall, Smith, Bateman and Associates, Inc.

Wall, Smith, Bateman and Associates, Inc.
Alamosa, Colorado

July 30, 2009

ARCHULETA COUNTY, COLORADO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
December 31, 2008

A. SUMMARY OF AUDITORS' RESULTS

1. The auditors' report expresses an unqualified opinion on the financial statements of Archuleta County, Colorado.
2. One significant deficiency relating to the audit of the financial statements is reported in the "Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*." This condition is reported as a material weakness.
3. One instance of noncompliance material to the financial statements of Archuleta County, Colorado which would be required to be reported in accordance with *Government Auditing Standards*, was disclosed during the audit.
4. There were no significant deficiencies in internal control over major federal award programs disclosed during the audit 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 auditors' report on compliance for the major federal award programs for Archuleta County, Colorado expresses an unqualified opinion on the Food Stamp Cluster and Airport Improvement Program Grants.
6. Audit findings required to be reported in accordance with Section 510(a) of OMB Circular A-133 are reported in this Schedule.
7. The programs tested as major programs included:
 - SNAP Cluster: CFDA No. 10.551 and 10.561
 - Airport Improvement Program Grants: CFDA No. 20.106
8. The threshold for distinguishing Types A and B programs was \$300,000.
9. Archuleta County, Colorado did not qualify to be a low-risk auditee.

ARCHULETA COUNTY, COLORADO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
December 31, 2008

B. FINDINGS - FINANCIAL STATEMENT AUDIT

Finding 08-1: Internal Control Over Financial Reporting
(Repeat of Finding 07-1)

Type of finding: Internal Control (significant deficiency and material weakness) and Compliance (#1 is material noncompliance)

Condition/Cause: The County does not have a complete system of internal control to prevent and detect financial misstatements.

Criteria: A system of internal controls includes the design, documentation, and monitoring of control activities over the application of accounting principles, reconciliation procedures, budgeting, antifraud programs, routine and non-routine transactions, financial statement preparation, and the safeguarding of assets.

Effect: As a result of this condition the following areas were affected:

1. The following funds had a deficit fund balance/net asset condition at December 31, 2008. This is a violation of Colorado State Statute. (Material noncompliance)

	Deficit
Road and Bridge Fund	\$ 1,378,928
Human Services Fund	618,072
Airport Fund	2,099,723
Fair Board Fund	53,750

2. The revenues and expenditures of the Human Services Fund were not accurately updated and reconciled timely to the County Financial Management System (CFMS) on a monthly basis in 2008. As a result, the County hired an outside accountant to perform the 2008 reconciliation procedures and prepare the Schedule of EBT Expenditures, Warrant Expenditures, and Total Expenditures for inclusion in these financial statements as required, in July 2009.

Recommendation: The County should implement a system of internal control that includes the design, documentation, and monitoring of control activities over the application of accounting principles, reconciliation procedures, budgeting, antifraud programs, routine and non-routine transactions, financial statement preparation, and the safeguarding of assets to prevent these problems in the future.

Management's Response: See corrective action plan.

C. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARDS PROGRAMS AUDIT

None.

ARCHULETA COUNTY, COLORADO
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
December 31, 2008

FINDINGS - FINANCIAL STATEMENT AUDIT

Finding 07-1: Internal Control Over Financial Reporting
(Repeat of Finding 06-1, 06-2, 06-3, 06-4 and 06-5)

Type of finding: Internal Control (significant deficiency and material weakness) and Compliance (#1, #2, and #10 are material noncompliance)

Condition: The County does not have a complete system of internal control to prevent and detect financial misstatements. The concentration of closely related duties and responsibilities performed by a few people, in addition to turnover in key management positions have made it difficult to establish a complete system of internal controls.

Status: Partially Implemented. (See Finding 08-1)

Finding 07-2: Archuleta County Landfill Violation of Solid Waste Law

Type of finding: Internal Control (significant deficiency and material weakness) and Compliance (material noncompliance)

Condition: The 5-year closure and post-closure cost estimates and the 2007 annual financial assurance documentation have not been submitted to the Colorado Department of Public Health and Environment according to the established schedule.

Status: Implemented

FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARDS PROGRAMS AUDIT

Finding 07-3: Airport Improvement Program, CFDA No. 20.106
U.S. Department of Transportation
(Repeat of Finding 06-8)

Compliance Requirement: Allowable Costs/Cost Principles

Type of finding: Internal control (significant deficiency and material weakness) and compliance (material noncompliance)

Condition: Adequate depreciation records were not maintained for the Airport Fund during 2007. There were numerous adjustments prepared by management during the audit process. Specifically, the construction in progress asset class has not been reconciled to specifically identify the completed projects to reclassify and depreciate.

Status: Implemented

ARCHULETA COUNTY, COLORADO
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
December 31, 2008

Finding 07-4: Airport Improvement Program, CFDA No. 20.106
U.S. Department of Transportation
(Repeat of Finding 06-9)

Compliance Requirement: Cash Management

Type of finding: Internal control (significant deficiency and material weakness) and compliance (material noncompliance)

Condition: The County received a \$683,535 reimbursement for grant expenditures. The corresponding disbursements did not clear the bank for 152 days. In addition, these funds were on deposit in an interest bearing account during this time period.

Status: Partially Implemented. During 2008, the County did earn interest of \$1,877.72. Due to the immaterial amount of interest earned, there is not a repeat finding.

Finding 07-5: Airport Improvement Program, CFDA No. 20.106
U.S. Department of Transportation
(Repeat of Finding 06-11)

Compliance Requirement: Procurement, Suspension, and Debarment

Type of finding: Internal control (significant deficiency) and compliance (noncompliance)

Condition: The County did not have a procurement policy in place during 2007 that reflects applicable Federal, State, and Local laws and regulations.

Status: Implemented

Finding 07-6: Airport Improvement Program, CFDA No. 20.106
U.S. Department of Transportation

Compliance Requirement: Period of Availability of Federal Funds

Type of finding: Internal control (significant deficiency) and compliance (noncompliance)

Condition: The County could not locate supporting documentation or verification that the grant period was extended beyond the original termination date.

Status: Implemented

Finding 07-7: Food Stamp Cluster, CFDA No. 10.551, 10.561,
U. S. Department of Agriculture

Passed through Colorado Department of Human Services

Compliance Requirement: Eligibility and Special Tests and Provisions

ARCHULETA COUNTY, COLORADO
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
December 31, 2008

Grant No.: Not applicable

Type of finding: Internal Control (significant deficiency) and compliance (noncompliance)

Condition: The County did not conduct monthly food stamp case reviews, as required.

Status: Implemented

**Finding 07-8: Food Stamp Cluster, CFDA No. 10.551, 10.561,
U. S. Department of Agriculture
(Repeat of Finding 06-7)**

Passed through Colorado Department of Human Services

Compliance Requirement: Eligibility and Special Tests and Provisions

Grant No.: Not applicable

Type of finding: Internal Control (significant deficiency and material weakness) and compliance (material noncompliance)

Condition: 25 files were tested for Food Stamp eligibility. The following compliance findings were noted in 6 of the case files reviewed:

- Supporting documentation for income did not agree to the amount input in CBMS.
- The County could not provide supporting documentation for the phone deduction/expense recorded in CBMS in two files tested.
- The County could not provide supporting documentation that the social security number was verified in two files tested.
- Supporting documentation for phone deduction/expenses did not agree to the amount input in CBMS.
- Supporting documentation for the housing cost did not agree to the amount input in CBMS.

Status: Implemented



ARCHULETA COUNTY, COLORADO

CORRECTIVE ACTION PLAN

Oversight Agency: U.S. Department of Transportation
U.S. Department of Agriculture

Archuleta County, Colorado respectfully submits the following corrective action plan for the year ended December 31, 2008.

Independent Accountants: Wall, Smith, Bateman and Associates, Inc.
Certified Public Accountants
700 Main Street, Suite 200, P.O. Box 809
Alamosa, CO 81101

Audit period: Year ended December 31, 2008

The findings from the December 31, 2008 schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule. Section A of the schedule, Summary of Auditors' Results, does not include findings and is not addressed.

FINDINGS - FINANCIAL STATEMENT AUDIT

**Finding 08-1: Internal Control Over Financial Reporting and on Compliance
(Repeat of Finding 07-1)**

Type of finding: Internal Control (significant deficiency and material weakness) and compliance (material noncompliance)

Recommendation: The County should strengthen its system of internal controls that includes the design, documentation, and monitoring of control activities over the application of accounting principles, reconciliation procedures, budgeting, antifraud programs, routine and non-routine transactions, financial statement preparation, and the safeguarding of assets to prevent these problems in the future.

Action Taken: Concur with recommendation. The County has updated the implemented procedures from 2007 for monthly reconciliations of general ledger account, including but not limited to cash, receivables and payables that includes DHS. The County has implemented a procurement policy, cash handling policy and a fraud policy.

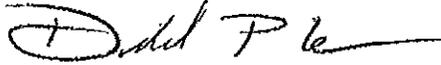
Responsible Party: Don Warn, Finance Director (970)264-8556

C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT

None.

If the U.S. Department of Transportation and U.S. Department of Agriculture have questions regarding this plan, please call the responsible parties listed above.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Don Warn", with a long horizontal flourish extending to the right.

Don Warn, Finance Director
Archuleta County, Colorado

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

LOCAL HIGHWAY FINANCE REPORT	City or County: Archuleta County
	YEAR ENDING : December 2008
This Information From The Records Of County of Archuleta:	Prepared By: Donald Warn Phone: (970) 264-8556

I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway disbursements:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	1,645,543
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	
2. General fund appropriations		b. Snow and ice removal	
3. Other local imposts (from page 2)	2,540,676	c. Other	1,198,668
4. Miscellaneous local receipts (from page 2)	115,817	d. Total (a. through c.)	1,198,668
5. Transfers from toll facilities		4. General administration & miscellaneous	396,665
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	
a. Bonds - Original Issues		6. Total (1 through 5)	3,240,876
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)	2,656,494	b. Redemption	
B. Private Contributions		c. Total (a. + b.)	0
C. Receipts from State government (from page 2)	1,429,039	2. Notes:	
D. Receipts from Federal Government (from page 2)	146,068	a. Interest	
E. Total receipts (A.7 + B + C + D)	4,231,601	b. Redemption	
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	0
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total disbursements (A.6 + B.3 + C + D)	3,240,876

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)				0
B. Notes (Total)				

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	2,147,170	4,231,601	3,240,876	3,137,896	0

Notes and Comments:

The amount on the report that was submitted to CDOT had a beginning fund balance of \$3,589,435 which was taken from the ending balance of previous reports and is not correct. The amount listed as the beginning balance on this report is the actual combined fund for Road & Bridge Fund and Road Capital Improvement Fund and ties to the financial statements for 2008.

LOCAL HIGHWAY FINANCE REPORT

STATE:
Colorado
YEAR ENDING (mm/yy):
December 2008

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	816,336	a. Interest on investments	330
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes	1,653,560	c. Parking Garage Fees	
2. Infrastructure & Impact Fees		d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	22,005
5. Specific Ownership &/or Other	70,779	g. Other Misc. Receipts	93,482
6. Total (1. through 5.)	1,724,340	h. Other	
c. Total (a. + b.)	2,540,676	i. Total (a. through h.)	115,817
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	1,323,907	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	146,068
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	59,775	d. Federal Transit Admin	
d. Other (DOLA Grants)	45,357	e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	
f. Total (a. through e.)	105,133	g. Total (a. through f.)	146,068
4. Total (1. + 2. + 3.f)	1,429,039	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	0
b. Engineering Costs		56,496	56,496
c. Construction:			
(1). New Facilities		301,245	301,245
(2). Capacity Improvements			0
(3). System Preservation		1,287,802	1,287,802
(4). System Enhancement & Operation			0
(5). Total Construction (1) + (2) + (3) + (4)	0	1,589,047	1,589,047
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	1,645,543	1,645,543
			(Carry forward to page 1)

Notes and Comments:

