

**KIT CARSON COUNTY
BURLINGTON, COLORADO**

**FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITORS' REPORT**

**FOR THE YEAR ENDED
DECEMBER 31, 2015**

TABLE OF CONTENTS

	Page
INTRODUCTORY SECTION	
Table of Contents	
Managements' Discussion and Analysis (Required Supplementary Information)	M1 – M7
Independent Auditors' Report	1 - 3
FINANCIAL SECTION	
Basic Financial Statements:	
Statement of Net Position	4
Statement of Activities	5
Balance Sheet – Governmental Funds	6
Reconciliation of Governmental Funds Balance Sheet to Statement of Net Position	7
Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds	8
Reconciliation of the Governmental Fund Balance to Change in Governmental Activities Net Position	9
Statement of Net Position – Proprietary Funds	10
Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds	11
Statement of Cash Flows – Proprietary Funds	12
Statement of Fiduciary Net Position	13
Notes to the Financial Statements	14 – 32
Required Supplementary Information	
Statement of Revenue, Expenditures and Changes in Fund Balance Budget and Actual General Fund	33 – 36
Statement of Revenue, Expenditures and Changes in Fund Balance Budget and Actual Public Health Fund	37 - 38
Statement of Revenue, Expenditures and Changes in Fund Balance Budget and Actual Road and Bridge Fund	39 - 40

TABLE OF CONTENTS
(Continued)

	Page
Required Supplementary Information (Continued)	
Statement of Revenue, Expenditures and Changes in Fund Balance Budget and Actual Human Services Fund	41
Statement of Revenue, Expenditures and Changes in Fund Balance Budget and Actual Solid Waste Fund	42
Other Supplementary Information	
Combining Balance Sheet – Nonmajor Governmental Funds	43
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds	44
Special Revenues Funds	
Statement of Revenue, Expenditures and Changes in Fund Balance Budget and Actual Contingent Fund	45
Statement of Revenue, Expenditures and Changes in Fund Balance Budget and Actual Conservation Trust Fund	46
Statement of Revenue, Expenditures and Changes in Fund Balance Budget and Actual E911 Fund	47
Statement of Revenue, Expenditures and Changes in Fund Balance Budget and Actual Capital Fund	48
Enterprise Funds	
Statement of Revenue, Expenditures and Changes in Fund Balance Budget and Actual Ambulance Fund	49
Statement of Revenue, Expenditures and Changes in Fund Balance Budget and Actual Kit Carson County Facility Fund	50
COMPLIANCE SECTION	
State Compliance	
Local Highway Finance Report	51 - 52

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FINANCIAL SECTION

Kit Carson County Management Discussion and Analysis December 31, 2015

The discussion and analysis of the Kit Carson County's financial performance provides an overall review of the County's financial activities for the year ended December 31, 2015. The intent of this discussion and analysis is to look at the County's financial performance as a whole. Readers should also review the financial statements and the notes to the financial statements to broaden their understanding of the County's financial performance.

Financial Highlights

The Kit Carson County's governmental net position increased by \$1,446,861 and business-type net position increased by \$71,376 for the year.

The assets of the County exceeded its liabilities at the close of calendar year 2015 by \$14,455,882 (*net position*). Of this amount, \$6,687,927 (*unrestricted net position*) may be used to meet the County's ongoing obligations or unforeseen expenses.

As of the close of calendar year 2015, the County's General Fund reported an ending fund balance of \$3,037,834 compared to the calendar year 2014 balance of \$2,717,445.

At the end of 2015 unrestricted net position for the proprietary funds (business-type activities) was \$88,848.

General Fund 2015 revenues decreased by \$29,816 to \$5,297,934.

General Fund expenditures increased in 2015 by \$41,982 to \$4,890,374.

Using the Basic Financial Statements

The Basic Financial Statements consists of the Management's Discussion and Analysis (this section) and a series of financial statements and notes to those statements. These statements are organized so that the reader can understand the Kit Carson County as an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The first two statements are government-wide financial statements - the Statement of Net Position and the Statement of Activities. Both provide long and short-term information about the County's overall financial status.

The remaining statements are fund financial statements that focus on individual parts of the County's operations in more detail. The governmental fund statements tell how general County services were financed in the short term as well as what remains for future spending. The County has five major governmental funds: General Fund, Road & Bridge Fund, Public Health Fund, Solid Waste Fund & Social Services Fund as well as four non-major governmental funds:

- Contingency Fund
- E-911 Fund
- Conservation Trust Fund
- Capital Fund

Kit Carson County
Management Discussion and Analysis
December 31, 2015

Proprietary fund statements offer short and long-term financial information about the activities that the County operates as a business. The County operates two proprietary funds as follows:

- Ambulance Fund
- Kit Carson County Facility Fund

The County also has the following fiduciary agency funds:
County Treasurer-Public Trustee, County Clerk and County Sheriff

Fiduciary fund statements provide information about financial relationships where the County acts solely as a trustee or agent for the benefit of others to whom the resources in question belong.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data.

Financial Analysis of the County as a Whole

The County's total net position was \$14,455,882 as of December 31, 2015 and \$12,937,645 as of December 31, 2014. This represents an increase of \$1,518,237 or 10.5%.

Government-Wide Financial Statements

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

The two government-wide statements report the County's net position and how it has changed. The change in net position is important because it tells the reader that for the County as a whole, the financial position of the County has improved or diminished. The causes of this change may be the result of various factors, some financial, some not. Non-financial factors include facility conditions, and state or federal government required programs.

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes, intergovernmental revenues and taxes (*Governmental Activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*Business-type Activities*). The Governmental Activities of the County include: general government, public safety (Sheriff), The Business-type Activities of the Kit Carson County consist of fees charges by various departments including, Ambulance Service, Public Health, Road & Bridge and Solid Waste.

Kit Carson County
Management Discussion and Analysis
December 31, 2015

Net Position

Net position might serve over time as a useful indicator of a government's financial position. In the case of the Kit Carson County, assets exceeded liabilities by approximately \$14.5 million at the close of 2015.

Net position of the County at December 31, 2015 was as follows:

Condensed Statement of Net Position

	Governmental		Business-type		Total	
	Activities		Activities			
	2015	2014	2015	2014	2015	2014
ASSETS						
Current and Other Assets	\$ 13,290,224	\$ 11,475,094	\$ 93,498	\$ 5,038	\$ 13,383,722	\$ 11,480,132
Capital Assets, net	6,218,026	5,961,564	1,824,638	1,844,677	8,042,664	7,806,241
TOTAL ASSETS	19,508,250	17,436,658	1,918,136	1,849,715	21,426,386	19,286,373
LIABILITIES						
Current Liabilities	113,602	157,060	4,650	7,605	118,252	164,665
Non-Current Liabilities	888,117	967,849	-	-	888,117	967,849
TOTAL LIABILITIES	1,001,719	1,124,909	4,650	7,605	1,006,369	1,132,514
Deferred Inflows						
Unavailable Revenue - Property Taxes	5,964,135	5,216,214	-	-	5,964,135	5,216,214
Net Position						
Net Investment in Capital Assets	5,534,170	5,198,649	1,824,638	1,844,677	7,358,808	7,043,326
Restricted Net Position	409,147	-	-	-	409,147	-
Unrestricted	6,599,079	5,896,886	88,848	(2,567)	6,687,927	5,894,319
TOTAL NET POSITION	\$ 12,542,396	\$ 11,095,535	\$ 1,913,486	\$ 1,842,110	\$ 14,455,882	\$ 12,937,645

The statement of net position reflects a cash and investments position totaling \$6,470,678 of total assets. The bulk of the County's resources, \$8.0 million, are invested in capital assets. These assets consist of land and improvements, buildings, Road & Bridge and Solid Waste equipment. The remaining total assets are property tax and grant receivables.

Kit Carson County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Kit Carson County's investment in its capital assets is reported net of related debt, it should be noted that the funds needed to repay this debt must be provided from other sources since, in general, 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.

Kit Carson County
Management Discussion and Analysis
December 31, 2015

Changes in Net Position

Governmental activities increased the Kit Carson County's net position by \$1,446,861.

Business activities increased the County's net position by \$71,376. A summary of the changes in net position is as follows:

	Condensed Statement of Activities					
	Governmental		Business-type		Total	
	Activities		Activities			
	2015	2014	2015	2014	2015	2014
Program Revenues						
Charges for Services	\$ 1,709,875	\$ 1,486,345	\$ 314,918	\$ 269,218	\$ 2,024,793	\$ 1,755,563
Operating Grants and Contrib.	5,831,733	5,912,882	-	15,000	5,831,733	5,927,882
Capital Grants and Contrib.	-	33,206	31,205	154,930	31,205	188,136
Total Program Revenues	<u>7,541,608</u>	<u>7,432,433</u>	<u>346,123</u>	<u>439,148</u>	<u>7,887,731</u>	<u>7,871,581</u>
General Revenues:						
Property Taxes	5,026,590	5,070,600	-	-	5,026,590	5,070,600
Specific Ownership Taxes	722,279	696,244	-	-	722,279	696,244
Other General Revenues	64,910	147,832	2,619	3,432	67,529	151,264
Total General Revenues	<u>5,813,779</u>	<u>5,914,676</u>	<u>2,619</u>	<u>3,432</u>	<u>5,816,398</u>	<u>5,918,108</u>
Total Revenues	<u>13,355,387</u>	<u>13,347,109</u>	<u>348,742</u>	<u>442,580</u>	<u>13,704,129</u>	<u>13,789,689</u>
Program Expenses						
General Government	2,855,868	2,925,818	-	-	2,855,868	2,925,818
Public Safety	1,896,001	1,830,264	-	-	1,896,001	1,830,264
Health, Welfare and Sanitation	3,617,293	3,640,562	-	-	3,617,293	3,640,562
Public Works	3,108,009	3,709,696	-	-	3,108,009	3,709,696
Culture and Recreation	310,184	286,432	-	-	310,184	286,432
Ambulance Operations	-	-	327,708	367,508	327,708	367,508
Facilities	-	-	36,829	36,834	36,829	36,834
Total Expenses	<u>11,787,355</u>	<u>12,392,772</u>	<u>364,537</u>	<u>404,342</u>	<u>12,151,892</u>	<u>12,797,114</u>
Transfers	<u>(87,171)</u>	<u>(94,855)</u>	<u>87,171</u>	<u>94,855</u>	<u>-</u>	<u>-</u>
Change in Net Position	1,480,861	859,482	71,376	133,093	1,552,237	992,575
Net Position, Beginning	11,095,535	10,676,100	1,842,110	1,675,845	12,937,645	12,351,945
Prior Period Restatement	<u>(34,000)</u>	<u>(440,047)</u>	<u>-</u>	<u>33,172</u>	<u>(34,000)</u>	<u>(406,875)</u>
Net Position, Beginning (As Restated)	<u>11,061,535</u>	<u>10,236,053</u>	<u>1,842,110</u>	<u>1,709,017</u>	<u>12,903,645</u>	<u>11,945,070</u>
Net Position, Ending	<u>\$ 12,542,396</u>	<u>\$ 11,095,535</u>	<u>\$ 1,913,486</u>	<u>\$ 1,842,110</u>	<u>\$ 14,455,882</u>	<u>\$ 12,937,645</u>

Kit Carson County
Management Discussion and Analysis
December 31, 2015

Financial Analysis of the County's Funds

The County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

General Fund – The General Fund went from a balance of \$2,717,445 to \$3,037,834. Total revenues decreased by \$29,816, while expenditures increased by \$41,982.

Proprietary Funds - Proprietary funds have historically operated as enterprise funds using the same basis of accounting as business-type activities; therefore, these statements will essentially match the information provided in the statements for the business-type activities of the County as a whole. The proprietary fund statements, however, will provide a greater level of detail than the information found in the government-wide statements.

Ambulance Fund – Ambulance Fund net position increased by \$108,205 from 2014. Expenditures decreased \$326,304.

KCC Facilities Fund – KCC Facilities Fund net position decreased by \$36,829.

Kit Carson County
Management Discussion and Analysis
December 31, 2015

Capital Assets

Approximately 77% of the County's capital assets support governmental activities. The majority of the value is invested in land, buildings and improvements.

GOVERNMENTAL ACTIVITIES:	Balance 01/01/15	Additions	Deletions	Balances 12/31/15
Capital assets not being depreciated:				
Land	\$ 154,107	\$ -	\$ -	\$ 154,107
Capital assets being depreciated:				
Buildings & Improvements	3,864,498	-	-	3,864,498
Equipment & Furniture	<u>11,817,949</u>	<u>1,108,106</u>	<u>850,457</u>	<u>12,075,598</u>
Total capital assets being depreciated	<u>15,682,447</u>	<u>1,108,106</u>	<u>850,457</u>	<u>15,940,096</u>
Less accumulated depreciation for:				
Buildings & Improvements	2,396,770	47,586	-	2,444,356
Equipment & Furniture	<u>7,478,220</u>	<u>620,273</u>	<u>666,672</u>	<u>7,431,821</u>
Total accumulated depreciation	<u>9,874,990</u>	<u>667,859</u>	<u>666,672</u>	<u>9,876,177</u>
Total capital assets being depreciated, net	<u>5,807,457</u>	<u>440,247</u>	<u>183,785</u>	<u>6,063,919</u>
Governmental activity capital assets, net	<u>\$ 5,961,564</u>	<u>\$ 440,247</u>	<u>\$ 183,785</u>	<u>\$ 6,218,026</u>

The County's business-type activities capital assets consist mainly of its investments in its Solid Waste and Road & Bridge related equipment.

BUSINESS-TYPE ACTIVITIES:	Balance 01/01/15	Additions	Deletions	Balances 12/31/15
Capital assets being depreciated:				
Buildings & Improvements	\$ 2,374,988	\$ -	\$ -	\$ 2,374,988
Equipment & Furniture	<u>735,757</u>	<u>32,767</u>	<u>92,870</u>	<u>675,654</u>
Total capital assets being depreciated	<u>3,110,745</u>	<u>32,767</u>	<u>92,870</u>	<u>3,050,642</u>
Less accumulated depreciation for:				
Buildings & Improvements	557,251	43,939	-	601,191
Equipment & Furniture	<u>708,817</u>	<u>8,867</u>	<u>92,870</u>	<u>624,813</u>
Total accumulated depreciation	<u>1,266,068</u>	<u>52,806</u>	<u>92,870</u>	<u>1,226,004</u>
Total capital assets being depreciated, net	<u>1,844,677</u>	<u>(20,039)</u>	<u>-</u>	<u>1,824,638</u>
Business-Type activity capital assets, net	<u>\$ 1,844,677</u>	<u>\$ (20,039)</u>	<u>\$ -</u>	<u>\$ 1,824,638</u>

Kit Carson County
Management Discussion and Analysis
December 31, 2015

Long-Term Debt

The County governmental long-term debt consists of accrued compensated absences and landfill closure and post-closure liability.

	Balance 1/1/15	Additions	Payments	Balance 12/31/15
Governmental Activities:				
Landfill Closure and Postclosure Liability	\$ 762,915	\$ (79,059)	\$ -	\$ 683,856
Accrued Compensated Absences	204,934	-	673	204,261
Total Noncurrent Liabilities	\$ 967,849	\$ (79,059)	\$ 673	\$ 888,117

The County does not have any business-type activities long-term debt.

General Fund Budget

The General Fund accounts for all of the general government services provided by the Kit Carson County including: public safety (Sheriff) and general government services. The County's General Fund revenues were very close to budget, coming in \$74,440 more than planned. The County's expenditures were \$378,621 less than budgeted.

Economic Factors and Future Budgets and Rates

Future expenditures include closing a cell at the Solid Waste site and opening a new one. Kit Carson County has a Strategic Plan that outlines upcoming expenditures planned for the next five (5) years. This is available upon request.

Request for Information

The financial statements are designed to provide information for regulatory reporting to federal and state agencies and those with an interest in the County's finances. Questions concerning this or any additional information should be addressed to Paula Weeks, County Administrator, Kit Carson County, PO Box 160, Burlington, CO 80807.

Holscher, Mayberry & Company, LLC

Certified Public Accountants

Member of the American Institute of Certified Public Accountants
Governmental Audit Quality Center
and Private Company Practice Section

Board of County Commissioners
Kit Carson County
Burlington, Colorado

INDEPENDENT AUDITORS' REPORT

Report on the Financial Statements

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 Kit Carson County, Colorado, as of and for the year ended December 31, 2015, and the related notes to the financial statements which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Kit Carson County, Colorado, as of December 31, 2015, and the respective changes in financial position, and, where applicable, cash flows, thereof, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the Kit Carson County's 2014 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated September 1, 2015. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2014 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Emphasis of Matters

As discussed in Note 10 to the financial statements, the 2015 financial statements have been restated to reflect a change in presentation on the December 31, 2014 balances. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information – Management Discussion and Analysis

Accounting principles generally accepted in the United States of America require that the management, discussion and analysis on pages M1 – M7 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Required Supplementary Information – Budgetary Comparison Schedules and Other Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. Accounting principles generally accepted in the United States of America require that the budgetary comparison schedules shown on pages 33-39 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. The combining and budgetary comparison statements and schedules listed as other supplementary information and included on pages 40-50 are presented for purposes of additional analysis and are not a required part of the financial statements. This information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2016 on our consideration of the Kit Carson County's internal control over financial reporting and on our tests of compliance with certain provisions of laws, regulation, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing on internal control over financial reporting and compliance and the results of testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Kit Carson County's internal control over financial reporting and compliance.

Report on Other Legal and Regulatory Requirements

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The *Local Highway Finance Report* pages 51 - 52 are presented for purposes of legal compliance and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Holscher, Maybury + Company, LLC

Englewood, Colorado
September 30, 2016

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BASIC FINANCIAL STATEMENTS

The Basic Financial Statements provide a financial overview of the County's operations. These financial statements present the financial position, operating results, and cash flows, where applicable, of all funds and activities as of December 31, 2015.

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KIT CARSON COUNTY

STATEMENT OF NET POSITION
December 31, 2015

	Governmental Activities	Business Type Activities	Total
ASSETS			
Current Assets			
Cash and Investments	\$ 6,544,839	\$ (74,161)	\$ 6,470,678
Property Tax Receivable	5,869,299	-	5,869,299
Receivable from Other Governments	530,982	-	530,982
Other Receivables	51,447	119,428	170,875
Inventory	178,844	44,957	223,801
Prepaid Expenses	<u>114,813</u>	<u>3,274</u>	<u>118,087</u>
Total Current Assets	<u>13,290,224</u>	<u>93,498</u>	<u>13,383,722</u>
Noncurrent Assets			
Capital Assets not being depreciated	154,107	-	154,107
Capital Assets being depreciated (net)	<u>6,063,919</u>	<u>1,824,638</u>	<u>7,888,557</u>
Total Noncurrent Assets	<u>6,218,026</u>	<u>1,824,638</u>	<u>8,042,664</u>
TOTAL ASSETS	<u>19,508,250</u>	<u>1,918,136</u>	<u>21,426,386</u>
LIABILITIES			
Current Liabilities			
Accounts Payable	96,437	4,650	101,087
Other Liabilities	13,408	-	13,408
Unearned Revenue	<u>3,757</u>	<u>-</u>	<u>3,757</u>
Total Current Liabilities	<u>113,602</u>	<u>4,650</u>	<u>118,252</u>
Noncurrent Liabilities			
Landfill Closure and Postclosure Liability	683,856	-	683,856
Accrued Compensated Absences	<u>204,261</u>	<u>-</u>	<u>204,261</u>
Total Noncurrent Liabilities	<u>888,117</u>	<u>-</u>	<u>888,117</u>
TOTAL LIABILITIES	<u>1,001,719</u>	<u>4,650</u>	<u>1,006,369</u>
DEFERRED INFLOWS OF FINANCIAL RESOURCES			
Deferred Property Taxes	5,869,299	-	5,869,299
Deferred Grant Revenue	<u>94,836</u>	<u>-</u>	<u>94,836</u>
TOTAL DEFERRED INFLOWS	<u>5,964,135</u>	<u>-</u>	<u>5,964,135</u>
NET POSITION			
Net Investment in Capital Assets	5,534,170	1,824,638	7,358,808
Restricted Net Position	411,147	-	411,147
Unrestricted Net Position	<u>6,597,079</u>	<u>88,848</u>	<u>6,685,927</u>
TOTAL NET POSITION	<u>\$ 12,542,396</u>	<u>\$ 1,913,486</u>	<u>\$ 14,455,882</u>

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

KIT CARSON COUNTY

STATEMENT OF ACTIVITIES
December 31, 2015

Function/Program	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental Activities:				
General Government	\$ (2,855,868)	\$ 744,382	\$ 18,641	\$ -
Public Safety	(1,896,001)	213,086	162,582	-
Health, Welfare & Sanitation	(3,617,293)	531,531	2,897,371	-
Public Works	(3,108,009)	33,958	2,731,124	-
Culture & Recreation	(310,184)	186,918	22,015	-
Total Governmental Activities	(11,787,355)	1,709,875	5,831,733	-
Business-Type Activities:				
Ambulance Operations	(327,708)	314,918	-	31,205
Facilities	(36,829)	-	-	-
Total Business-Type Activities	(364,537)	314,918	-	31,205
Total Primary Government	\$ (12,151,892)	\$ 2,024,793	\$ 5,831,733	\$ 31,205

General Revenues:

Taxes:

Property Taxes

Specific Ownership Taxes

Investment Earnings

Gain on Sale of Assets

Miscellaneous Revenue

Transfers

Total General Revenues and Transfers

Change in Net Position

NET POSITION, Beginning

Prior Period Restatement

NET POSITION, Beginning as Restated

NET POSITION, Ending

The accompanying notes are an integral part of these financial statements

**Net (Expense) Revenues and Changes in
Net Position**

Governmental Activities	Business-Type Activities	Total
\$ (2,092,845)	\$ -	\$ (2,092,845)
(1,520,333)	-	(1,520,333)
(188,391)	-	(188,391)
(342,927)	-	(342,927)
<u>(101,251)</u>	<u>-</u>	<u>(101,251)</u>
<u>(4,245,747)</u>	<u>-</u>	<u>(4,245,747)</u>
-	18,415	18,415
-	<u>(36,829)</u>	<u>(36,829)</u>
-	<u>(18,414)</u>	<u>(18,414)</u>
<u>(4,245,747)</u>	<u>(18,414)</u>	<u>(4,264,161)</u>
5,026,590	-	5,026,590
722,279	-	722,279
23,979	-	23,979
15,744	897	16,641
25,187	1,722	26,909
<u>(87,171)</u>	<u>87,171</u>	<u>-</u>
<u>5,726,608</u>	<u>89,790</u>	<u>5,816,398</u>
<u>1,480,861</u>	<u>71,376</u>	<u>1,552,237</u>
11,095,535	1,842,110	12,937,645
<u>(34,000)</u>	<u>-</u>	<u>(34,000)</u>
<u>11,061,535</u>	<u>1,842,110</u>	<u>12,903,645</u>
\$ <u>12,542,396</u>	\$ <u>1,913,486</u>	\$ <u>14,455,882</u>

KIT CARSON COUNTY

BALANCE SHEET
GOVERNMENTAL FUNDS

Year Ended December 31, 2015

(With Comparative Totals for the Year Ended December 31, 2014)

	General Fund	Public Health Fund	Road and Bridge Fund	Human Services Fund	Solid Waste Fund
ASSETS					
Cash and Investments	\$ 3,007,333	\$ (50,165)	\$ 2,143,505	\$ 134,986	\$ 885,007
Property Tax Receivable	3,975,578	-	1,314,011	96,618	463,768
Receivable from Other Governments	31,226	201,636	206,013	92,107	-
Other Receivables	8,101	20,429	-	-	14,408
Inventory	-	6,324	164,885	-	7,635
Prepaid Expenses	<u>50,131</u>	<u>13,146</u>	<u>34,038</u>	<u>13,314</u>	<u>2,837</u>
TOTAL ASSETS	<u>7,072,369</u>	<u>191,370</u>	<u>3,862,452</u>	<u>337,025</u>	<u>1,373,655</u>
LIABILITIES					
Accounts Payable	45,625	23,154	18,510	3,826	5,322
Other Liabilities	13,332	-	-	-	76
Unearned Revenue	-	-	-	3,757	-
TOTAL LIABILITIES	<u>58,957</u>	<u>23,154</u>	<u>18,510</u>	<u>7,583</u>	<u>5,398</u>
DEFERRED INFLOWS OF FINANCIAL RESOURCES					
Deferred Property Tax:	3,975,578	-	1,314,011	96,618	463,768
Deferred Grant Revenue	<u>-</u>	<u>94,836</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL DEFERRED INFLOWS	<u>3,975,578</u>	<u>94,836</u>	<u>1,314,011</u>	<u>96,618</u>	<u>463,768</u>
FUND EQUITY					
Unspendable	50,131	19,470	198,923	13,314	10,472
Restricted	172,482	-	-	-	-
Committed	-	53,910	2,331,008	219,510	894,017
Unassigned	<u>2,815,221</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL FUND EQUITY	<u>\$ 3,037,834</u>	<u>\$ 73,380</u>	<u>\$ 2,529,931</u>	<u>\$ 232,824</u>	<u>\$ 904,489</u>

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

Other Governmental Funds	Total	
	2015	2014
\$ 424,173	\$ 6,544,839	\$ 5,358,388
19,324	5,869,299	5,216,214
-	530,982	517,897
8,509	51,447	40,437
-	178,844	233,260
<u>1,347</u>	<u>114,813</u>	<u>108,898</u>
<u>453,353</u>	<u>13,290,224</u>	<u>11,475,094</u>
-	96,437	119,783
-	13,408	(2,256)
-	<u>3,757</u>	<u>39,533</u>
-	<u>113,602</u>	<u>157,060</u>
19,324	5,869,299	5,216,214
-	<u>94,836</u>	-
<u>19,324</u>	<u>5,964,135</u>	<u>5,216,214</u>
1,347	293,657	342,158
238,665	411,147	406,815
194,017	3,692,462	2,859,932
-	<u>2,815,221</u>	<u>2,492,915</u>
<u>\$ 434,029</u>	<u>\$ 7,212,487</u>	<u>\$ 6,101,820</u>

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KIT CARSON COUNTY

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
December 31, 2015

Fund Balance - Governmental Funds	\$ 7,212,487
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the fund financial statements, but are reported as assets in the governmental activities Statement of Net Position	
Capital Assets not being depreciated	154,107
Capital Assets being depreciated	15,940,096
Accumulated Depreciation	(9,876,177)
Some liabilities, such as Notes Payable, Capital Leases Payable, Accrued Compensated Absences and Bonds Payable, are not due and payable in the current period and are not included in the fund level financial statements, but are included in the governmental activities on the Statement of Net Position	
Capital Leases Payable	
Landfill Closure and Postclosure Liability	(683,856)
Accrued Compensated Absences	<u>(204,261)</u>
Governmental Activities Net Position	<u>\$ 12,542,396</u>

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

KIT CARSON COUNTY

STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE
 GOVERNMENTAL FUNDS
 Year Ended December 31, 2015
 (With Comparative Totals for the Year Ended December 31, 2014)

	Special Revenue Funds				
	General Fund	Public Health Fund	Road and Bridge Fund	Human Services Fund	Solid Waste Fund
REVENUES					
Taxes	\$ 4,033,809	\$ -	\$ 1,205,419	\$ 98,227	\$ 321,517
Licenses and Permits	31,570	29,757	-	-	-
Intergovernmental	271,739	997,920	2,758,754	1,938,964	-
Charges for Services	732,850	183,776	6,329	-	245,624
Fines and Forfeits	32,880	-	-	-	-
Investment Earnings	23,946	-	-	-	-
Other Revenue	171,140	4,124	33,090	29,965	67
TOTAL REVENUES	<u>5,297,934</u>	<u>1,215,577</u>	<u>4,003,592</u>	<u>2,067,156</u>	<u>567,208</u>
EXPENDITURES					
Current:					
General Government	2,741,580	-	58,509	-	-
Public Safety	1,704,659	-	-	-	-
Health, Welfare & Sanitation	4,739	1,265,548	-	2,083,414	333,956
Public Works	-	-	2,629,443	-	-
Culture & Recreation	292,469	-	-	-	-
Capital Outlay	146,927	-	738,437	-	12,484
TOTAL EXPENDITURES	<u>4,890,374</u>	<u>1,265,548</u>	<u>3,426,389</u>	<u>2,083,414</u>	<u>346,440</u>
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	<u>407,560</u>	<u>(49,971)</u>	<u>577,203</u>	<u>(16,258)</u>	<u>220,768</u>
OTHER FINANCING SOURCES (USES)					
Transfers In	-	-	-	-	-
Transfers Out	(87,171)	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>(87,171)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
CHANGE IN FUND BALANCE	<u>320,389</u>	<u>(49,971)</u>	<u>577,203</u>	<u>(16,258)</u>	<u>220,768</u>
FUND BALANCE, Beginning	2,717,445	157,351	1,952,728	249,082	683,721
Prior Period Restatement	-	(34,000)	-	-	-
FUND BALANCE, Beginning (As Restated)	<u>2,717,445</u>	<u>123,351</u>	<u>1,952,728</u>	<u>249,082</u>	<u>683,721</u>
FUND BALANCE, Ending	<u>\$ 3,037,834</u>	<u>\$ 73,380</u>	<u>\$ 2,529,931</u>	<u>\$ 232,824</u>	<u>\$ 904,489</u>

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

Other		Total	
Governmental		2015	2014
Funds			
\$ 89,894	\$ 5,748,866	\$ 5,766,843	
-	61,327	60,865	
27,913	5,995,290	5,964,606	
98,432	1,267,011	1,075,430	
-	32,880	25,887	
33	23,979	12,578	
-	238,386	504,584	
<u>216,272</u>	<u>13,367,739</u>	<u>13,410,793</u>	
2,424	2,802,513	2,828,093	
101,894	1,806,553	1,752,455	
-	3,687,657	3,631,867	
-	2,629,443	3,234,825	
17,715	310,184	286,432	
<u>1,703</u>	<u>899,551</u>	<u>1,144,139</u>	
<u>123,736</u>	<u>12,135,901</u>	<u>12,877,811</u>	
<u>92,536</u>	<u>1,231,838</u>	<u>532,982</u>	
-	-	50,000	
-	(87,171)	(144,855)	
-	(87,171)	(94,855)	
<u>92,536</u>	<u>1,144,667</u>	<u>438,127</u>	
341,493	6,101,820	5,663,693	
-	(34,000)	-	
<u>341,493</u>	<u>6,067,820</u>	<u>5,663,693</u>	
<u>\$ 434,029</u>	<u>\$ 7,212,487</u>	<u>\$ 6,101,820</u>	

KIT CARSON COUNTY

RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE TO
CHANGE IN GOVERNMENTAL ACTIVITIES NET POSITION

December 31, 2015

Change in Governmental Fund Balance \$ 1,144,667

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

Capital assets used in governmental activities are not current financial resources
and therefore are expensed when acquired in the fund financial statements, and are
depreciated for the in the governmental activities Statement of Activities

Purchased Capitalized Assets	936,673
Depreciation Expense	(667,859)
Loss on Capital Asset Disposal	(12,352)

Some liabilities, such as Notes Payable, Capital Leases Payable, Accrued
Compensated Absences, Bonds Payable, and Post Closure Costs
are not due and payable in the current period and are expensed in the fund level
financial statements but are not included in the governmental activities on the
Statement of Activities

Capital Lease Principal Payments	
Change in Post Closure Liability	79,059
Change in Accrued Compensated Absences	<u>673</u>

Change in Governmental Activites Net Postion \$ 1,480,861

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

KIT CARSON COUNTY

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS

December 31, 2015

(With Comparative Totals for December 31, 2014)

	Ambulance	Kit Carson	Total	
	Fund	County Facility	2015	2014
ASSETS				
Current Assets				
Cash and Investments	\$ (92,505)	\$ 18,344	\$ (74,161)	\$ (140,132)
Other Receivables	119,428	-	119,428	112,689
Inventory	44,957	-	44,957	30,029
Prepaid Expenses	<u>3,274</u>	<u>-</u>	<u>3,274</u>	<u>2,452</u>
Total Current Assets	75,154	18,344	93,498	5,038
Noncurrent Assets				
Capital Assets being depreciated, net	<u>572,292</u>	<u>1,252,346</u>	<u>1,824,638</u>	<u>1,844,677</u>
TOTAL ASSETS	<u>647,446</u>	<u>1,270,690</u>	<u>1,918,136</u>	<u>1,849,715</u>
LIABILITIES				
Current Liabilities				
Accounts Payable	<u>4,650</u>	<u>-</u>	<u>4,650</u>	<u>7,605</u>
NET POSITION				
Net Investment in Capital Assets	572,292	1,252,346	1,824,638	1,844,677
Unrestricted Net Position	<u>70,504</u>	<u>18,344</u>	<u>88,848</u>	<u>(2,567)</u>
TOTAL NET POSITION	<u>\$ 642,796</u>	<u>\$ 1,270,690</u>	<u>\$1,913,486</u>	<u>\$1,842,110</u>

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

KIT CARSON COUNTY

STATEMENT OF REVENUES, EXPENSES AND CHANGE IN NET POSITION
 PROPRIETARY FUNDS

Year Ended December 31, 2015

(With Comparative Totals for the Year Ended December 31, 2014)

	Ambulance	Kit Carson	Total	
	Fund	County Facility Fund	2015	2014
OPERATING REVENUES				
Charges for Services	\$ 314,918	\$ -	\$ 314,918	\$ 269,218
OPERATING EXPENSES				
Personal Services	221,903	-	221,903	233,408
Contractual Services	47,112	-	47,112	15,463
Utilities and Telephone	10,961	-	10,961	20,267
Repairs and Maintenance	15,163	-	15,163	10,864
Supplies	1,437	-	1,437	21,907
Other Expenses	3,989	-	3,989	5,854
Travel and Training	5,460	-	5,460	3,786
Capital Outlay	5,706	-	5,706	30,322
Depreciation	15,977	36,829	52,806	62,471
TOTAL OPERATING EXPENSES	<u>327,708</u>	<u>36,829</u>	<u>364,537</u>	<u>404,342</u>
OPERATING INCOME (LOSS)	<u>(12,790)</u>	<u>(36,829)</u>	<u>(49,619)</u>	<u>(135,124)</u>
OTHER REVENUES (EXPENSES)				
Refunds and Reimbursements	1,722	-	1,722	1,432
Sale of Assets	897	-	897	-
Donations	-	-	-	15,000
Miscellaneous Revenue	-	-	-	2,000
TOTAL OTHER REVENUES (EXPENSES)	<u>2,619</u>	<u>-</u>	<u>2,619</u>	<u>18,432</u>
NET INCOME (LOSS) BEFORE TRANSFERS	<u>(10,171)</u>	<u>(36,829)</u>	<u>(47,000)</u>	<u>(116,692)</u>
TRANSFERS				
Transfers In	87,171	-	87,171	144,855
CAPITAL GRANTS	<u>31,205</u>	<u>-</u>	<u>31,205</u>	<u>154,930</u>
CHANGE IN NET POSITION	<u>108,205</u>	<u>(36,829)</u>	<u>71,376</u>	<u>133,093</u>
NET POSITION, Beginning	534,591	1,307,519	1,842,110	1,709,017
Prior Period Restatement	-	-	-	-
NET POSITION, Beginning (As Restated)	<u>534,591</u>	<u>1,307,519</u>	<u>1,842,110</u>	<u>1,709,017</u>
NET POSITION, Ending	<u>\$ 642,796</u>	<u>\$ 1,270,690</u>	<u>\$ 1,913,486</u>	<u>\$ 1,842,110</u>

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

KIT CARSON COUNTY

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS

Year Ended December 31, 2015

(With Comparative Totals for the Year Ended December 31, 2014)

	Ambulance Fund	Kit Carson County Facility Fund	Total	
			2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash from goods and services	\$ 293,179	\$ 30,000	\$ 323,179	\$ 268,325
Cash paid for employees and benefits	(221,903)	-	(221,903)	(233,408)
Cash paid to vendors	(108,533)	-	(108,533)	(104,841)
Net Cash Provided (Used) by Operating Activities	<u>(37,257)</u>	<u>30,000</u>	<u>(7,257)</u>	<u>(69,924)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Other Receipts	<u>2,619</u>	<u>-</u>	<u>2,619</u>	<u>3,432</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Transfers In (Out)	87,171	-	87,171	94,855
Capital Grants	31,205	-	31,205	255,382
Purchases of Capital Assets	<u>(32,767)</u>	<u>-</u>	<u>(32,767)</u>	<u>(460,142)</u>
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>85,609</u>	<u>-</u>	<u>85,609</u>	<u>(109,905)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	50,971	15,000	65,971	(176,397)
CASH AND CASH EQUIVALENTS, Beginning	<u>(143,476)</u>	<u>3,344</u>	<u>(140,132)</u>	<u>36,265</u>
CASH AND CASH EQUIVALENTS, Ending	<u>\$ (92,505)</u>	<u>\$ 18,344</u>	<u>\$ (74,161)</u>	<u>\$ (140,132)</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities				
Operating Income (Loss)	\$ (12,790)	\$ (36,829)	\$ (49,619)	\$ (135,124)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities				
Depreciation	15,977	36,829	52,806	62,471
(Increase) Decrease in Assets:				
Other Receivables	(21,739)	30,000	8,261	(893)
Inventory	(14,928)	-	(14,928)	-
Prepaid Expenses	(822)	-	(822)	691
Increase (Decrease) in Liabilities:				
Accounts Payable	<u>(2,955)</u>	<u>-</u>	<u>(2,955)</u>	<u>2,931</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ (37,257)</u>	<u>\$ 30,000</u>	<u>\$ (7,257)</u>	<u>\$ (69,924)</u>

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

KIT CARSON COUNTY

STATEMENT OF FIDUCIARY NET POSITION
December 31, 2015

	<u>County Treasurer Agency Fund</u>	<u>County Clerk Agency Fund</u>	<u>County Sheriff Agency Fund</u>	<u>Total</u>
ASSETS				
Cash and equivalents	\$ <u>412,722</u>	\$ <u>116,692</u>	\$ <u>60,371</u>	\$ <u>589,785</u>
FIDUCIARY NET POSITION				
Funds Held for Others	\$ <u>412,722</u>	\$ <u>116,692</u>	\$ <u>60,371</u>	\$ <u>589,785</u>

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

KIT CARSON COUNTY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting policies of Kit Carson County, Colorado (the County) conform to accounting principles generally accepted in the United States of America (USGAAP) as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following summary of significant accounting policies is presented to assist the reader in evaluating the County's financial statements. Based upon the application of these criteria, there are no other entities included in the County's reporting entity.

Reporting Entity

Kit Carson County is a political subdivision of the State of Colorado, governed by an elected three-member Board of County Commissioners. There are also five other elected officials of Kit Carson County (Assessor, Clerk and Recorder, Sheriff, Coroner, and Treasurer).

All financial transactions of the offices of elected officials of Kit Carson County are included in the General Fund of the County's basic financial statements. The Board of County Commissioners has budgetary authority over the elected officials and is accountable for all fiscal matters. County property taxes fund a significant portion of the costs of operating the elected officials' offices. Services provided by the elected officials are for the benefit of Kit Carson County residents and are conducted within the boundaries of the County.

These basic financial statements present the financial position of Kit Carson County (the primary government) and its component units in accordance with Statements of the Governmental Accounting Standards Board. The County has no component units.

Government-Wide and Fund Financial Statements

The County's government-wide financial statements include a Statement of Net Position and a Statement of Activities. These statements present summaries of Governmental and Business-Type Activities for the County accompanied by a total column. Fiduciary activities of the County are not included in these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

KIT CARSON COUNTY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-Wide and Fund Financial Statements (Continued)

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

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual 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 presented on an *economic resources measurement focus* and the *accrual basis of accounting*. Accordingly, all of the County's assets and liabilities, including capital assets, and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected 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.

The primary revenue sources, which have been treated as susceptible to accrual by the County, are property tax, intergovernmental revenues and other taxes. 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.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments are recorded only when payment is due.

KIT CARSON COUNTY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

The County reports the following major governmental funds:

General Fund

This is the County's primary operating fund. It accounts for all activities of the general government, except those required to be accounted for in another fund.

Public Health Fund

This fund accounts for public health activities provided by the County.

Road & Bridge Fund

This fund accounts for maintenance of all County roads and bridges.

Department of Human Services

This fund accounts for public welfare costs paid to qualifying clients. The majority of federal funds expended are through this fund.

Solid Waste Fund

This fund accounts for operation of the County landfill and related collection activities.

Proprietary funds are accounted for using the *economic resources measurement focus* and the *accrual basis of accounting*. Accordingly, all assets and liabilities (whether current or non-current) are included on the Statement of Net Position. The Statement of Revenues, Expenses, and Changes in Fund Net Position present increases (revenue) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred. Operating revenues in the proprietary funds are those revenues that are generated from the primary operations of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operating of the fund. All other expenses are reported as non-operating expenses.

The County reports the following major proprietary funds:

Kit Carson County Facility Fund

This fund accounts for the purchase of the jail and the sheriff's office and the lease of the facility to the general fund. This fund is also the reporting of donations and money earmarked for the construction of future KCC facilities such as a new 4H building at the fairgrounds.

Ambulance Fund

This fund accounts for ambulance services provided by the County.

KIT CARSON COUNTY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

The County reports the following fiduciary agency funds.

County Treasurer & Public Trustee, County Clerk and County Sheriff Agency Funds

These funds accounts for cash held at year-end and due to other individuals or entities. The amounts are not included in any other financial statements. The County Treasurer holds the County Clerk and County Sheriff Funds as part of the overall County Treasurer account balance.

Eliminations

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 Position have been eliminated except those representing balances between the governmental activities and the business-type activities.

Reconciliation of the Fund financial statements to the Government-Wide financial statements is provided in the financial statements to explain the differences created by the integrated approach of GASB Statement No. 34.

Budgets and Budgetary Accounting

Annual budgets are adopted as required by Colorado Statutes. Formal budgetary integration is employed as a management control device during the year.

The budget calendar is as follows:

August 25 - Assessors must submit abstract of assessments, reflecting all assessed values of property in the County by class and subclass to the Division of Property Taxation. Assessors must certify to all taxing entities and the Division of Local Government the new total assessed valuation and the amounts for the various factors needed to compute the statutory property tax revenue limits.

October 15 - Statutory deadline for submission of proposed budget to the local governing body. "Notice of Budget" to be published when budget received.

December 15 - Statutory deadline for certification of mill levies to the Board of County Commissioners. Local government levying a property tax must adopt their budget before certifying the levy to the County. Local Governing Body shall enact an ordinance or resolution making appropriations for the ensuing fiscal period.

December 22 - Statutory deadline for Board of County Commissioners to certify levies and revenues to assessor and the Division of Property Taxation.

KIT CARSON COUNTY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgets and Budgetary Accounting (Continued)

Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgetary comparisons in this report are presented on the GAAP basis except those adopted by the proprietary funds.

Appropriations are adopted by resolution for each fund in total. Over expenditures are not deemed to exist unless the fund as a total has expenditures in excess of appropriations. All appropriations lapse at yearend. Supplemental budgets were not adopted during the year. The following funds overspent their budgets which may be a violation of Colorado Revised Statutes:

Capital Fund

Cash and Equivalents

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

Property Taxes

Annual property taxes are levied and assessed on January 1, and are certified by the County by November 1 of the current year. On January 1 of the following year, the County Treasurer bills the property owners, thus establishing an enforceable lien on the property. The County Treasurer also collects the property taxes and remits collections on a monthly basis to the County. County property tax revenues are recognized, as they become current receivables from the County Treasurer. One-half of the property taxes are due by February 28 and one-half due by June 15 or all may be paid by April 30 to avoid penalties and interest.

Inventory

Inventories are valued at cost, using the first-in, first-out (FIFO) method.

Capital Assets

The County follows the policy of capitalizing all assets that cost more than \$5,000 with an estimated useful life of more than one year. The useful lives of the assets are:

Infrastructure	75 years
Buildings & Improvements	50-100 years
Furniture & Fixtures	7-12 years
Machinery, Equipment, & Vehicles	5-12 years

Infrastructure, if any, has been capitalized beginning January 1, 2006.

KIT CARSON COUNTY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenues

Program revenues derive directly from the program itself or from parties outside the reporting government's taxpayers or citizenry, as a whole; they reduce the net cost of the function to be financed from the government's general revenues. The statement of activities reports separately three categories of program revenues: (a) charges for services, (b) program specific operating grants and contributions, and (c) program-specific capital grants and contributions.

Charges for services include revenues based on exchange or exchange like transactions. These revenues arise from charges to customers or applicants who purchase, use, or directly benefit from the goods, services, or privileges provided. Revenues in this category include fees charged for specific services, such as water use or garbage collection; licenses and permits, such as liquor licenses, and building permits; operating special assessments and any other amounts charged to service recipients.

Program-specific grants and contributions (operating and capital) include revenues arising from mandatory and voluntary nonexchange transactions with other governments, organizations, or individuals that are restricted for use in a particular program. Some grants and contributions consist of capital assets or resources that are restricted for capital purposes to purchase, construct, or renovate capital assets associated with a specific program. These are reported separately from grants and contributions that may be used either for operating expenses or for capital expenditures of the program at the discretion of the reporting government. These categories of program revenue are specifically attributable to a program and reduce the net expense of that program to the reporting government. Multi-purpose grants (those that provide financing for more than one program) are reported as program revenue if the amounts restricted to each program are specifically identified in either the grant award or the grant application. Multi-purpose grants that do not provide for specific identification of the programs and amounts are reported as general revenues.

Estimates

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

KIT CARSON COUNTY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Interfund Transactions

Transactions between funds that would be treated as revenues, expenditures, or expenses if they involved organizations external to the County are accounted for as revenues, expenditures, or expenses in the funds involved. Transactions which constitute reimbursements of a fund for expenditures or expenses initially made from that fund which are properly applicable to another fund are recorded as expenditures or expended in the reimbursing fund and as reductions of the expenditure or expense in the fund that is reimbursed. At year-end, outstanding balances between funds are reported as "due to/from other funds". Any residual balances outstanding between the governmental activities and business type activities are reported in the government-wide financial statements as "internal balances".

Compensated Absences

Full-time employees are allowed sick leave of 12 days per year after one year of employment. Up to 180 days may be accumulated. Upon separation of employment, 25% of accumulated days may be paid at the employee's current pay level. Full-time employees accrue vacation immediately at a rate of 1 day per month. They receive these 12 working days per year through 5 years of service. Those employees with 6-10 years of service receive 13.5 working days, those with 11-20 years receive 18 working days, and those with 21 and more years receive 25.5 working days per year. Leave must be taken in the subsequent year, with no more than 5 days (40 hours) balance at the end of the qualifying year will be paid upon termination. For employees hired after April 1, 2011, the amount that can be accumulated was decreased. Accrued compensated absence balances are presented in Note 4.

Contraband

Per Colorado Contraband Forfeiture Act (CRS 16-13-501 to 511), proceeds received from the seizure of contraband must be used for the specific purpose of law enforcement activities. These proceeds are exempt from the appropriation process. Kit Carson County received no material proceeds from contraband during the year.

KIT CARSON COUNTY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred Inflows of Resources

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has only one type of item, which arises both under the full accrual and modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported in both the governmental activities statement of net position and in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. Since property tax revenues are collected in arrears during the succeeding year, a receivable and corresponding deferred inflow is recorded at December 31. As the tax is collected in the succeeding year, the deferred inflow is recognized as revenue and the receivable is reduced.

Net Position/Fund Balance

In the government-wide financial statements and for the proprietary fund statements, Net Position are either shown as net investment in capital assets, with these assets essentially being nonexpendable; restricted when constraints placed on the net position are externally imposed; or unrestricted.

For the governmental fund presentation, fund balances that are classified as “nonspendable” include amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash, for example, inventories and prepaid amounts.

Fund balances are reported as “restricted” when constraints placed on the use of resources are either (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Amounts that can only be used for specific purposes pursuant to constraints imposed by the highest formal action, the adoption of an Ordinance, of the government's highest level of decision-making authority, the County Board, are reported as “committed” fund balance. Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of action (for example, legislation, resolution, ordinance) it employed to previously commit those amounts.

Amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed, are reported as “assigned” fund balance. Intent should be expressed by (a) the governing body itself or (b) a body (a budget or finance committee, for example) or official to which the governing body has delegated the authority to assign amounts to be used for specific purposes.

All remaining fund balance in the General Fund or deficits in the other governmental funds are presented as unassigned.

KIT CARSON COUNTY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Position/Fund Balance Flow Assumptions

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance, if allowed under the terms of the restriction. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

NOTE 2: CASH AND INVESTMENTS

A summary of cash and investments follows:

Cash Equivalents	\$ 6,048,809
Investments	<u>1,011,654</u>
Total Cash and Investments	<u>\$ 7,060,463</u>

The County's cash and investment balances are comprised of the following:

Governmental Activities	\$ 6,544,839
Business-Type Activities	(74,161)
Fiduciary Funds	<u>589,785</u>
Total Cash and Investments	<u>\$ 7,060,463</u>

KIT CARSON COUNTY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2015

NOTE 2: CASH AND INVESTMENTS (Continued)

Deposits (Continued)

Custodial Credit Risk - Deposits

In the case of deposits, this is the risk that in the event of bank failure, the government's deposits may not be returned to it. The County's deposit policy is in accordance with CRS 11-10.5-101, The Colorado Public Deposit Protection Act (PDPA), which governs the investment of public funds. PDPA requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. Amounts on deposit in excess of federal insurance levels (\$250,000) must be collateralized by eligible collateral as determined by the PDPA. The financial institution is allowed to create a single collateral pool for all public funds held. The pool is 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 equal to 102% of the uninsured deposits.

The institution's internal records identify collateral by depositor and as such, these deposits are considered uninsured but collateralized. The State Regulatory Commissions for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools. At December 31, 2015, all of the County's bank deposits as shown below were either insured by federal depository insurance or collateralized under PDPA. Uninsured deposits in financial institutions are placed into three categories depending on the custody credit risk. The categories are as follows:

1. Uncollateralized
2. Collateralized with securities held by the pledging financial institution
3. Collateralized with securities held by the pledging financial institution's trust department, or agent but not in the entity's name

	Bank Balance	Book Balance
FDIC Insured	\$ 1,611,239	\$ 1,611,239
PDPA Collateralized not in County's name	4,824,611	4,427,068
Cash On Hand	-	10,502
Total Cash Equivalents	<u>\$ 6,435,850</u>	<u>\$ 6,048,809</u>

KIT CARSON COUNTY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2015

NOTE 2: CASH AND INVESTMENTS (Continued)

Investments (Continued)

Credit Risk

The County invests excess funds under the prudent investor rule. The criteria for selection of investments and their order of priority are: 1) Safety, 2) Liquidity, and 3) Yield. The County Treasurer is responsible for all of the investments of the County.

Eligible investments shall conform to state law and may include any of the following:

- Obligations of the United States and certain U.S. government agencies securities
- Certain international agency securities
- General obligation and revenue bonds of U.S. local government entities
- Bankers' acceptance of certain banks
- Commercial paper
- Local government investment pools
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts

As of December 31, 2015, the County's investments consisted of the following:

	<u>Market Value</u>	<u>Weighted Mat. in Years</u>	<u>% of Overall Investments</u>
FNMA	\$ 296,169	3.89	29.28%
FHLB	350,284	4.25	34.62%
FHLMC	365,201	4.75	36.10%
Total Investments	<u>\$ 1,011,654</u>	<u>\$ 4.33</u>	<u>100.00%</u>

Interest Rate Risk

The County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates, other than those contained in state statutes. The County's investment portfolio does not contain investments that exceed that limitation.

KIT CARSON COUNTY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2015

NOTE 2: CASH AND INVESTMENTS (Continued)

Investments (Continued)

Concentration of Credit Risk

The County places no limit on the amount that may be invested in any one issuer. The County's allocation of investment risk is as presented in the above table.

Custodial Credit Risk – Investments

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The County Board of Trustees approves a list of financial institutions and depositories authorized to provide investment services. The County's investments are held by First Financial Equity Corporation.

NOTE 3: RECEIVABLES

The County has recorded receivables from various governmental and non-governmental sources. The largest governmental activity receivable is for \$5,869,299 of property taxes levied in 2015 for collection in 2016. In addition, the County has recorded intergovernmental tax and grant receivables of \$530,983. The governmental activities also report an additional \$51,447 of other receivables. No allowance has been recorded against these receivables.

The Ambulance Fund reports the majority of the business-type activity receivables. There were \$307,183 of ambulance charges receivable at year end. The County has reported an allowance of \$187,755 against this amount for a net receivable of \$119,428.

KIT CARSON COUNTY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2015

NOTE 4: CAPITAL ASSETS

A Summary of the County's governmental activity capital assets is as follows:

	Balance			Balances
	01/01/15	Additions	Deletions	12/31/15
GOVERNMENTAL ACTIVITIES:				
Capital assets not being depreciated:				
Land	\$ 154,107	\$ -	\$ -	\$ 154,107
Capital assets being depreciated:				
Buildings & Improvements	3,864,498	-	-	3,864,498
Equipment & Furniture	<u>11,817,949</u>	<u>1,108,106</u>	<u>850,457</u>	<u>12,075,598</u>
Total capital assets being depreciated	<u>15,682,447</u>	<u>1,108,106</u>	<u>850,457</u>	<u>15,940,096</u>
Less accumulated depreciation for:				
Buildings & Improvements	2,396,770	47,586	-	2,444,356
Equipment & Furniture	<u>7,478,220</u>	<u>620,273</u>	<u>666,672</u>	<u>7,431,821</u>
Total accumulated depreciation	<u>9,874,990</u>	<u>667,859</u>	<u>666,672</u>	<u>9,876,177</u>
Total capital assets being depreciated, net	<u>5,807,457</u>	<u>440,247</u>	<u>183,785</u>	<u>6,063,919</u>
Governmental activity capital assets, net	<u>\$ 5,961,564</u>	<u>\$ 440,247</u>	<u>\$ 183,785</u>	<u>\$ 6,218,026</u>

Depreciation is charged to the County's governmental activities as follows:

General Government	\$ 91,150
Public Safety	89,448
Public Works	478,566
Public Health	<u>8,695</u>
Total Depreciation	<u>\$ 667,859</u>

KIT CARSON COUNTY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2015

NOTE 4: CAPITAL ASSETS (Continued)

The following schedule presents business-type activities capital assets at December 31, 2015:

BUSINESS-TYPE ACTIVITIES:	Balance			Balances
	01/01/15	Additions	Deletions	12/31/15
Capital assets being depreciated:				
Buildings & Improvements	\$ 2,374,988	\$ -	\$ -	\$ 2,374,988
Equipment & Furniture	<u>735,757</u>	<u>32,767</u>	<u>92,870</u>	<u>675,654</u>
Total capital assets being depreciated	<u>3,110,745</u>	<u>32,767</u>	<u>92,870</u>	<u>3,050,642</u>
Less accumulated depreciation for:				
Buildings & Improvements	557,251	43,939	-	601,191
Equipment & Furniture	<u>708,817</u>	<u>8,867</u>	<u>92,870</u>	<u>624,813</u>
Total accumulated depreciation	<u>1,266,068</u>	<u>52,806</u>	<u>92,870</u>	<u>1,226,004</u>
Total capital assets being depreciated, net	<u>1,844,677</u>	<u>(20,039)</u>	<u>-</u>	<u>1,824,638</u>
Business-Type activity capital assets, net	<u>\$ 1,844,677</u>	<u>\$ (20,039)</u>	<u>\$ -</u>	<u>\$ 1,824,638</u>

Depreciation is charged to the County's business-type activities as follows:

Depreciation is charged to the County's Business-Type Activities as follows:

Facility Fund	\$ 36,829
Ambulance Fund	<u>15,977</u>
Total Depreciation	<u>\$ 52,806</u>

KIT CARSON COUNTY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2015

NOTE 5: LONG-TERM LIABILITIES

The County has recorded governmental activities long-term liabilities related accrued compensated absences and for future landfill closure costs. Changes in these liabilities are summarized below.

	<u>Balance</u>			<u>Balance</u>	<u>Current</u>
	<u>1/1/15</u>	<u>Additions</u>	<u>Payments</u>	<u>12/31/15</u>	<u>Portion</u>
Governmental Activities:					
Landfill Closure and Postclosure Liability	\$ 762,915	\$ (79,059)	\$ -	\$ 683,856	\$ -
Accrued Compensated Absences	<u>204,934</u>	<u>-</u>	<u>673</u>	<u>204,261</u>	<u>-</u>
Total Noncurrent Liabilities	<u>\$ 967,849</u>	<u>\$ (79,059)</u>	<u>\$ 673</u>	<u>\$ 888,117</u>	<u>\$ -</u>

Landfill Closure and Postclosure Liability

State and federal laws and regulations require the County to place a final cover on its landfill when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and post closure care costs will be paid only near or after the date that the landfill stops accepting waste, the County reports a portion of these closure and post closure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date.

The estimated cost is to perform all closure and post closure care was \$704,748, based on a cost estimate completed in April, 2015. The costs were comprised of \$386,174 of closure costs and \$318,574 of post-closure costs. The County currently has a filled pit (the old landfill) as well as a partially filled "Cell A" that has approximately 13% capacity remaining for an overall filled amount of slightly less than 97%. Based on this usage, the County has recorded a long-term liability of \$683,856. The County estimates that there are two years remaining before capacity is fully utilized. The County anticipates opening an additional "Cell B" at that point, although closure and postclosure costs for the future cell are not included in the above amounts. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

The County is required by state and federal laws and regulations to make annual contributions to a trust to finance closure and post closure care or to exhibit financial assurance that it is able to finance these costs without the contributions to a trust. The County has demonstrated financial assurance and as a result has not made any contributions to a trust.

KIT CARSON COUNTY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2015

NOTE 6: JOINT VENTURES

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

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

The County is part of a joint venture to support Northeast Colorado Bookmobile Service. The counties involved are Kit Carson, Logan, Morgan, Phillips, Washington and Yuma. Each county's funding proportion is determined by a percentage method based on the previous year's contribution and/or an original formula, which weighs factors such as population, area, and assessed valuation. Complete financial statements may be obtained at their offices in Wray, Colorado. The County is also part of a joint venture of the Thirteenth Judicial District comprised of the Colorado counties of Morgan, Logan, Yuma, Kit Carson, Washington, Phillips and Sedgwick. Each county's funding is determined primarily by population. Complete financial statements may be obtained at their offices in Fort Morgan, Colorado. Financial information is not included for any of the entities. Finally, the County also provides an extension office affiliated with Colorado State University and jointly participates in providing health related services through Centennial Mental Health.

KIT CARSON COUNTY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2015

NOTE 7: PENSION PLANS

The County currently provides a retirement program with Colorado County Officials and Employees Retirement Association (CCOERA) for eligible. This is in addition to Social Security coverage.

When the employee is hired it is mandatory that the employee enrolls in the retirement plan. The employee must work at least 20 hours per week or an average of 20 hours per week throughout the year, but no less than 1,040 hours in a 12 month period during the year to remain eligible for retirement benefits.

The minimum monthly contribution by the employee is 3% of the employee's monthly salary with the County making a matching contribution of 3%.

Employees hired after January 1, 2013 will be vested 0% in year 1, 20% in year 2, 40% in year 3, 60% in year 4, 80% in year 5 and 100% in year 6 of employment. If the employee leaves before being fully vested, the employee will only be able to take the earned percentage of vestment. If the employee is age 55 or above on the date of hire or before the 6 year vesting period is complete, the employee will be immediately vested.

The amount paid into CCOERA by the County in 2015 was \$128,974 based on covered payroll of \$4,329,133 and total salaries of \$4,465,027. Contributions for the 2014 and 2013 fiscal years were \$125,491 and \$120,124, respectively.

The County has a 457 Pension Plan. The employer does not make any contributions to the plan. The employee contributions and earnings fund the plan.

NOTE 8: RISK MANAGEMENT

County Workers' Compensation Pool

The County is exposed to various risks of loss related to injuries of employees while on the job. The County joined together with other Counties in the State of Colorado to form the County Workers' Compensations Pool (CWCP), a public entity risk pool currently operating as a common risk management and insurance program for member counties. The County pays an annual contribution to CWCP for its workers' compensation insurance coverage. The intergovernmental agreement of formation of CWCP provides that the pool will be financially self-sustaining through member contributions and additional assessments, if necessary, and the Pool will purchase excess insurance through commercial companies for members' claims in excess of a specified self-insured retention, which is determined each policy year. Additional information may be obtained from CWCP.

KIT CARSON COUNTY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2015

NOTE 8: RISK MANAGEMENT (Continued)

Colorado Counties Casualty and Property Pool

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

The County, in their opinion, has obtained adequate coverage as required by Colorado Revised Statutes to settle claims in the ordinary course of business. However, due to the unknown nature of potential liability, some claims may arise that fall outside the coverage limits for which the County would be financially responsible. There have not been any claims in excess of coverages during the past three years.

NOTE 9: COMMITMENTS

TABOR Amendment

Colorado voters passed an amendment to the State Constitution, Article X, Section 20, which has several requirements of state and local governments. The amendment is complex and subject to judicial interpretation. 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.

In November 1997, the County passed the following election question with regards to TABOR:

SHALL KIT CARSON COUNTY, COLORADO, WITHOUT CREATING, INCREASING, OR ADDING ANY TAXES OF ANY KIND, INCLUDING ANY INCREASE IN THE PROPERTY TAX MILL LEVY, BE AUTHORIZED TO COLLECT, RETAIN AND EXPEND THE FULL AMOUNT OF REVENUES, INCLUDING GRANTS AND ANY OTHER REVENUES RECEIVED, IN 1996 AND EACH SUBSEQUENT YEAR, AND TO SPEND SUCH REVENUES FOR COUNTY ROADS, COUNTY AGENCIES AND LAWFUL GOVERNMENTAL PURPOSES, NOTWITHSTANDING ANY RESTRICTIONS IMPOSED BY OR CONTAINED IN ARTICLE X, SECTION 20, OF THE COLORADO CONSTITUTION?

The TABOR Amendment requires the County to establish a reserve for emergencies. At December 31, 2015, the County's total TABOR reserve of \$377,000 is divided \$204,518 in the Contingent Fund and \$172,482 in the General Fund.

KIT CARSON COUNTY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2015

NOTE 10: PRIOR PERIOD RESTATEMENTS

The December 31, 2014 balances have been restated to reflect \$34,000 of grant proceeds that should have been deferred. The beginning fund balance and net position in the Public Health Fund and governmental activities, respectively, have been reduced by a corresponding amount.

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REQUIRED SUPPLEMENTARY INFORMATION

KIT CARSON COUNTY

STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND

Year Ended December 31, 2015

(With Comparative Totals for the Year Ended December 31, 2014)

	2015		Variance with Final Budget	2014
	Original & Final Budget	Actual		Actual
REVENUES				
Taxes				
Property Taxes	\$ 3,541,609	\$ 3,544,573	\$ 2,964	\$ 3,447,776
Specific Ownership Taxes	<u>450,000</u>	<u>489,236</u>	<u>39,236</u>	<u>453,263</u>
Total Taxes	<u>3,991,609</u>	<u>4,033,809</u>	<u>42,200</u>	<u>3,901,039</u>
Licenses and Permits	<u>56,775</u>	<u>31,570</u>	<u>(25,205)</u>	<u>34,475</u>
Intergovernmental				
Govt Grants and Contracts	160,359	59,452	(100,907)	181,619
IGA and MOU Agreements	94,000	92,863	(1,137)	27,913
Other Intergovernmental	<u>11,200</u>	<u>2,377</u>	<u>(8,823)</u>	<u>2,003</u>
Total Intergovernmental	<u>277,359</u>	<u>271,739</u>	<u>(5,620)</u>	<u>211,535</u>
Charges for Services				
Transfer from Treasurer	630,500	582,724	(47,776)	564,526
Miscellaneous Fees	20,400	50,494	30,094	14,032
Charges for Services	<u>128,000</u>	<u>99,632</u>	<u>(28,368)</u>	<u>138,759</u>
Total Charges for Services	<u>778,900</u>	<u>732,850</u>	<u>(46,050)</u>	<u>717,317</u>
Fines and Forfeits	<u>35,000</u>	<u>32,880</u>	<u>(2,120)</u>	<u>25,887</u>
Investment Earnings	<u>34,000</u>	<u>23,946</u>	<u>(10,054)</u>	<u>12,540</u>
Other Revenue				
Refunds and Reimbursements	-	7,585	7,585	16,120
Sale of Assets	31,000	8,118	(22,882)	97,000
Insurance Proceeds	-	-	-	58,106
Donations	50,000	49,200	(800)	-
Indirect Revenue	8,000	3,484	(4,516)	100,000
Miscellaneous Revenue	<u>7,700</u>	<u>102,753</u>	<u>95,053</u>	<u>153,730</u>
Total Other Revenues	<u>96,700</u>	<u>171,140</u>	<u>74,440</u>	<u>424,957</u>
TOTAL REVENUES	<u>5,270,343</u>	<u>5,297,934</u>	<u>27,591</u>	<u>5,327,750</u>

(Continued)

See accompanying Independent Auditors' Report.

KIT CARSON COUNTY

STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND

Year Ended December 31, 2015

(With Comparative Totals for the Year Ended December 31, 2014)

	2015		Variance with Final Budget	2014
	Original & Final Budget	Actual		Actual
	EXPENDITURES			
General Government				
Commissioners	422,695	421,475	1,220	427,320
County Attorney	19,175	14,701	4,474	14,653
Planning & Zoning	18,662	16,935	1,727	17,580
Clerk & Recorder	375,701	328,135	47,566	308,457
Elections	116,196	86,653	29,543	107,209
Treasurer	220,411	202,542	17,869	193,837
Assessor	284,116	260,310	23,806	253,818
Grounds & Building	391,418	327,672	63,746	334,744
Self Insurance	320,000	292,150	27,850	279,187
CSU Extension Office	215,704	176,499	39,205	199,769
ECCOG	33,649	35,897	(2,248)	42,312
Administrator	159,740	126,999	32,741	154,710
Community Programs	239,149	243,989	(4,840)	230,500
Public Trustee	15,400	8,267	7,133	8,813
Information Technology	93,310	87,205	6,105	83,875
Treasurer's Fees	108,000	112,149	(4,149)	106,823
Reserves	2,505,396	-	2,505,396	-
Total General Government	5,538,722	2,741,580	2,797,142	2,763,607

(Continued)

See accompanying Independent Auditors' Report.

KIT CARSON COUNTY

STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND

Year Ended December 31, 2015

(With Comparative Totals for the Year Ended December 31, 2014)

	2015		Variance with Final Budget	2014
	Original & Final Budget	Actual		Actual
Public Safety				
Victims Assistance	70,831	70,515	316	65,611
Sheriff	627,432	559,635	67,797	586,735
Jail	651,779	598,632	53,147	583,823
Coroner	65,913	47,155	18,758	54,652
Emergency Management	23,700	48,446	(24,746)	19,578
Communications Center	273,401	266,970	6,431	242,782
Emergency Communications Towers	18,200	11,681	6,519	11,914
Useful Public Service	2,155	2,754	(599)	1,875
Court Security	100,830	98,871	1,959	88,895
Total Public Safety	<u>1,834,241</u>	<u>1,704,659</u>	<u>129,582</u>	<u>1,655,865</u>
Health, Welfare & Sanitation				
Veteran Officer	3,000	4,739	(1,739)	3,000
Culture & Recreation				
Fair	104,410	152,983	(48,573)	131,533
Rodeo	138,975	139,487	(512)	133,452
Total Culture & Recreation	<u>243,385</u>	<u>292,469</u>	<u>(49,084)</u>	<u>264,985</u>
Capital Outlay				
General Government	94,000	22,410	71,590	21,561
Public Safety	61,043	124,517	(63,474)	139,374
Total Capital Outlay	<u>155,043</u>	<u>146,927</u>	<u>8,116</u>	<u>160,935</u>
TOTAL EXPENDITURES	<u>7,774,391</u>	<u>4,890,374</u>	<u>2,884,017</u>	<u>4,848,392</u>
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	<u>(2,504,048)</u>	<u>407,560</u>	<u>2,911,608</u>	<u>479,358</u>

(Continued)

See accompanying Independent Auditors' Report.

KIT CARSON COUNTY

STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND

Year Ended December 31, 2015

(With Comparative Totals for the Year Ended December 31, 2014)

	2015			2014 Actual
	Original & Final Budget	Actual	Variance with Final Budget	
OTHER FINANCING SOURCES (USES)				
Transfers Out	(302,648)	(87,171)	215,477	(144,855)
CHANGE IN FUND BALANCE	(2,806,696)	320,389	3,127,085	334,503
FUND BALANCE, Beginning	2,806,696	2,717,445	(89,251)	2,382,942
FUND BALANCE, Ending	\$ -	\$ 3,037,834	\$ 3,037,834	\$ 2,717,445

See accompanying Independent Auditors' Report.

KIT CARSON COUNTY

STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL
PUBLIC HEALTH FUND

Year Ended December 31, 2015

(With Comparative Totals for the Year Ended December 31, 2014)

	2015			2014 Actual
	Original & Final Budget	Actual	Variance with Final Budget	
REVENUES				
Licenses and Permits	\$ 20,000	\$ 29,757	\$ 9,757	\$ 26,390
Intergovernmental				
Govt Grants and Contracts	1,108,246	926,002	(182,244)	1,114,130
Human Services Grants	42,000	71,107	29,107	293
Other Intergovernmental	-	811	811	-
Total Intergovernmental	<u>1,150,246</u>	<u>997,920</u>	<u>(152,326)</u>	<u>1,114,423</u>
Charges for Services				
Health Insurance Receipts	-	66,212	66,212	285
Miscellaneous Fees	37,185	117,563	80,378	30,951
Total Charges for Services	<u>37,185</u>	<u>183,776</u>	<u>146,591</u>	<u>31,236</u>
Other Revenue				
Refunds and Reimbursements	-	2,427	2,427	524
Donations	4,000	1,299	(2,701)	1,938
Indirect Revenue	-	398	398	-
Intragovernmental Revenue	94,600	-	(94,600)	-
Miscellaneous Revenue	7,500	-	(7,500)	20
Total Other Revenues	<u>106,100</u>	<u>4,124</u>	<u>(101,976)</u>	<u>2,482</u>
TOTAL REVENUES	<u>1,313,531</u>	<u>1,215,577</u>	<u>(97,954)</u>	<u>1,174,531</u>

(Continued)

See accompanying Independent Auditors' Report.

KIT CARSON COUNTY

STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL
PUBLIC HEALTH FUND

Year Ended December 31, 2015

(With Comparative Totals for the Year Ended December 31, 2014)

	2015		Variance with Final Budget	2014
	Original & Final Budget	Actual		Actual
EXPENDITURES				
Health, Welfare & Sanitation				
Nurse	201,390	191,818	9,572	181,653
Prenatal	31,635	8,766	22,869	22,753
WIC	91,142	82,070	9,072	86,251
Healthy Communities	14,173	17,649	(3,476)	3,274
Health Officer	2,400	2,400	-	2,400
EPR	44,557	44,813	(256)	35,747
CVP	99,408	152,170	(52,762)	95,965
Single Entry Point/OLTC	145,725	113,859	31,866	121,642
Connect Colorado	149,283	37,092	112,191	78,382
Aging Resources	43,973	20,752	23,221	4,389
Family Planning	48,298	58,449	(10,151)	52,787
Health Specialist	69,915	62,832	7,083	62,134
Cancer Control	24,856	28,682	(3,826)	9,616
Health Promotion	172,328	89,238	83,090	105,202
Nurse Family Partnership	383,698	342,703	40,995	358,939
Reserves	-	12,253	(12,253)	11,520
Total Health, Welfare & Sanitation	1,522,781	1,265,548	257,233	1,232,654
Capital Outlay				
Health, Welfare & Sanitation	16,227	-	16,227	-
TOTAL EXPENDITURES	1,539,008	1,265,548	273,460	1,232,654
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	(225,477)	(49,971)	175,506	(58,123)
OTHER FINANCING SOURCES (USES)				
Transfers In	225,477	-	(225,477)	-
CHANGE IN FUND BALANCE	-	(49,971)	(49,971)	(58,123)
FUND BALANCE, Beginning	-	157,351	157,351	215,474
Prior Period Restatement	-	(34,000)	(34,000)	-
FUND BALANCE, Beginning (As Restated)	-	123,351	123,351	215,474
FUND BALANCE, Ending	\$ -	\$ 73,380	\$ 73,380	\$ 157,351

See accompanying Independent Auditors' Report.

KIT CARSON COUNTY

STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL

ROAD AND BRIDGE FUND

Year Ended December 31, 2015

(With Comparative Totals for the Year Ended December 31, 2014)

	2015		Variance with Final Budget	2014
	Original & Final Budget	Actual		Actual
REVENUES				
Taxes				
Property Taxes	\$1,032,855	\$1,034,205	\$ 1,350	\$ 1,169,482
Specific Ownership Taxes	<u>155,000</u>	<u>171,215</u>	<u>16,215</u>	<u>183,381</u>
Total Taxes	<u>1,187,855</u>	<u>1,205,419</u>	<u>17,564</u>	<u>1,352,863</u>
Intergovernmental				
Govt Grants and Contracts	356,000	-	(356,000)	99,742
Other Intergovernmental	<u>2,662,915</u>	<u>2,758,754</u>	<u>95,839</u>	<u>2,638,571</u>
Total Intergovernmental	<u>3,018,915</u>	<u>2,758,754</u>	<u>(260,161)</u>	<u>2,738,313</u>
Charges for Services				
Miscellaneous Fees	14,500	1,370	(13,130)	6,325
Charges for Services	<u>4,000</u>	<u>4,959</u>	<u>959</u>	<u>4,213</u>
Total Charges for Services	<u>18,500</u>	<u>6,329</u>	<u>(12,171)</u>	<u>10,538</u>
Other Revenue				
Refunds and Reimbursements	-	1,918	1,918	21,605
Sale of Assets	25,000	19,979	(5,021)	38,799
Insurance Proceeds	-	-	-	11,035
Miscellaneous Revenue	<u>-</u>	<u>11,193</u>	<u>11,193</u>	<u>3,752</u>
Total Other Revenues	<u>25,000</u>	<u>33,090</u>	<u>8,090</u>	<u>75,191</u>
TOTAL REVENUES	<u>4,250,270</u>	<u>4,003,592</u>	<u>(246,678)</u>	<u>4,176,905</u>

(Continued)

See accompanying Independent Auditors' Report.

KIT CARSON COUNTY

STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE
 BUDGET AND ACTUAL
 ROAD AND BRIDGE FUND
 Year Ended December 31, 2015
 (With Comparative Totals for the Year Ended December 31, 2014)

	2015		Variance with Final Budget	2014 Actual
	Original & Final Budget	Actual		
EXPENDITURES				
General Government				
Treasurer's Fees	57,000	58,509	(1,509)	64,486
Public Works				
Road & Bridge Dist #1	936,794	951,317	(14,523)	911,354
Road & Bridge Dist #2	916,948	849,301	67,647	803,868
Road & Bridge Dist #3	819,446	745,253	74,193	816,238
Weed District	89,093	77,562	11,531	70,497
Road and Bridge Improvement	712,000	4,807	707,193	627,208
CDL Testing	9,000	1,204	7,796	5,660
Reserves	1,703,085	-	1,703,085	-
Total Public Works	5,186,366	2,629,443	2,556,923	3,234,825
Capital Outlay				
Public Works	900,000	738,437	161,563	783,617
TOTAL EXPENDITURES	6,143,366	3,426,389	2,716,977	4,082,928
CHANGE IN FUND BALANCE	(1,893,096)	577,203	2,470,299	93,977
FUND BALANCE, Beginning	1,893,096	1,952,728	59,632	1,858,751
FUND BALANCE, Ending	\$ -	\$2,529,931	\$2,529,931	\$ 1,952,728

See accompanying Independent Auditors' Report.

KIT CARSON COUNTY

STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL
HUMAN SERVICES FUND

Year Ended December 31, 2015

(With Comparative Totals for the Year Ended December 31, 2014)

	2015			2014 Actual
	Original & Final Budget	Actual	Variance with Final Budget	
REVENUES				
Taxes				
Property Taxes	\$ 86,118	\$ 86,338	\$ 220	\$ 174,363
Specific Ownership Taxes	<u>9,000</u>	<u>11,889</u>	<u>2,889</u>	<u>22,922</u>
Total Taxes	<u>95,118</u>	<u>98,227</u>	<u>3,109</u>	<u>197,285</u>
Intergovernmental				
Human Services Grants	2,749,093	1,938,964	(810,129)	1,872,485
Other Intergovernmental	-	-	-	4,178
Total Intergovernmental	<u>2,749,093</u>	<u>1,938,964</u>	<u>(810,129)</u>	<u>1,876,663</u>
Other Revenue				
Miscellaneous Revenue	-	<u>29,965</u>	<u>29,965</u>	<u>1,951</u>
TOTAL REVENUES	2,844,211	2,067,156	(777,055)	2,075,899
EXPENDITURES				
Health, Welfare & Sanitation				
Social Services	<u>3,024,396</u>	<u>2,083,414</u>	<u>940,982</u>	<u>2,056,805</u>
CHANGE IN FUND BALANCE	(180,185)	(16,258)	163,927	19,094
FUND BALANCE, Beginning	<u>180,185</u>	<u>249,082</u>	<u>68,897</u>	<u>229,988</u>
FUND BALANCE, Ending	<u>\$ -</u>	<u>\$ 232,824</u>	<u>\$ 232,824</u>	<u>\$ 249,082</u>

See accompanying Independent Auditors' Report.

KIT CARSON COUNTY

STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL
SOLID WASTE FUND

Year Ended December 31, 2015

(With Comparative Totals for the Year Ended December 31, 2014)

	2015			2014 Actual
	Original & Final Budget	Actual	Variance with Final Budget	
REVENUES				
Taxes				
Property Taxes	\$ 274,857	\$ 275,528	\$ 671	\$ 278,980
Specific Ownership Taxes	<u>28,000</u>	<u>45,989</u>	<u>17,989</u>	<u>36,676</u>
Total Taxes	302,857	321,517	18,660	315,656
Charges for Services				
Charges for Services	190,000	245,624	55,624	208,295
Other Revenue				
Refunds and Reimbursements	<u>-</u>	<u>67</u>	<u>67</u>	<u>3</u>
TOTAL REVENUES	<u>492,857</u>	<u>567,208</u>	<u>74,351</u>	<u>523,954</u>
EXPENDITURES				
Health, Welfare & Sanitation				
Solid Waste	470,578	333,956	136,622	339,408
Reserves	<u>703,354</u>	<u>-</u>	<u>703,354</u>	<u>-</u>
Total Health, Welfare & Sanitation	1,173,932	333,956	839,976	339,408
Capital Outlay				
Health, Welfare & Sanitation	<u>58,000</u>	<u>12,484</u>	<u>45,516</u>	<u>49,854</u>
TOTAL EXPENDITURES	<u>1,231,932</u>	<u>346,440</u>	<u>885,492</u>	<u>389,262</u>
CHANGE IN FUND BALANCE	(739,075)	220,768	959,843	134,692
FUND BALANCE, Beginning	<u>739,075</u>	<u>683,721</u>	<u>(55,354)</u>	<u>549,029</u>
FUND BALANCE, Ending	<u>\$ -</u>	<u>\$ 904,489</u>	<u>\$ 904,489</u>	<u>\$ 683,721</u>

See accompanying Independent Auditors' Report.

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OTHER SUPPLEMENTARY INFORMATION

KIT CARSON COUNTY

BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

December 31, 2015

(With Comparative Totals for December 31, 2014)

	Special Revenue Funds		Spec Rev	Cap Proj Fd	Total	
	Conservation		E-911	Capital	2015	2014
	Contingent	Trust				
	Fund	Fund	Fund	Fund		
ASSETS						
Cash and Investments	\$ 204,518	\$ 34,147	\$ 98,956	\$ 86,552	\$ 424,173	\$ 315,447
Property Tax Receivable	-	-	-	19,324	19,324	85,868
Other Receivables	-	-	8,509	-	8,509	12,842
Internal Balances	-	-	-	-	-	12,000
Prepaid Expenses	-	-	1,347	-	1,347	1,212
TOTAL ASSETS	<u>204,518</u>	<u>34,147</u>	<u>108,812</u>	<u>105,876</u>	<u>453,353</u>	<u>427,369</u>
LIABILITIES						
Current Liabilities						
Accounts Payable	-	-	-	-	-	8
DEFERRED INFLOWS OF FINANCIAL RESOURCES						
Deferred Property Taxes	-	-	-	19,324	19,324	85,868
FUND EQUITY						
Unspendable	-	-	1,347	-	1,347	1,212
Restricted	204,518	34,147	-	-	238,665	234,333
Committed	-	-	107,465	86,552	194,017	105,948
TOTAL NET POSITION	<u>\$ 204,518</u>	<u>\$ 34,147</u>	<u>\$ 108,812</u>	<u>\$ 86,552</u>	<u>\$ 434,029</u>	<u>\$ 341,493</u>

See accompanying Independent Auditors' Report.

KIT CARSON COUNTY

STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE
 NONMAJOR GOVERNMENTAL FUNDS
 Year Ended December 31, 2015
 (With Comparative Totals for the Year Ended December 31, 2014)

	Special Revenue Funds		Spec Rev	Cap Proj Fd	Total	
	Contingent Fund	Conservation		Capital Fund	2015	2014
		Trust Fund	E-911 Fund			
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ 89,894	\$ 89,894	\$ -
Licenses and Permits	-	-	-	-	-	-
Intergovernmental	-	22,014	5,899	-	27,913	23,672
Charges for Services	-	-	98,432	-	98,432	108,045
Investment Earnings	-	33	-	-	33	38
TOTAL REVENUES	<u>-</u>	<u>22,047</u>	<u>104,331</u>	<u>89,894</u>	<u>216,272</u>	<u>131,756</u>
EXPENDITURES						
Current:						
General Government	-	-	-	2,424	2,424	-
Public Safety	-	-	101,894	-	101,894	96,590
Culture & Recreation	-	17,715	-	-	17,715	21,447
Capital Outlay	-	-	-	1,703	1,703	149,733
TOTAL EXPENDITURES	<u>-</u>	<u>17,715</u>	<u>101,894</u>	<u>4,127</u>	<u>123,736</u>	<u>267,770</u>
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	-	4,332	2,437	85,767	92,536	(136,014)
OTHER FINANCING SOURCES (USES)						
Transfers In	-	-	-	-	-	50,000
CHANGE IN FUND BALANCE	-	4,332	2,437	85,767	92,536	(86,014)
FUND BALANCE, Beginning	<u>204,518</u>	<u>29,815</u>	<u>106,375</u>	<u>785</u>	<u>341,493</u>	<u>427,509</u>
FUND BALANCE, Ending	<u>\$ 204,518</u>	<u>\$ 34,147</u>	<u>\$ 108,812</u>	<u>\$ 86,552</u>	<u>\$ 434,029</u>	<u>\$ 341,493</u>

See accompanying Independent Auditors' Report.

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SPECIAL REVENUE FUND

Special Revenue Fund is established to account for the proceeds of specific revenue sources, other than special assessments, expendable trusts, or major capital projects that are legally restricted to expenditures for specified purposes.

KIT CARSON COUNTY

STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE
 BUDGET AND ACTUAL
 CONTINGENT FUND

Year Ended December 31, 2015

(With Comparative Totals for the Year Ended December 31, 2014)

	2015		Variance with Final Budget	2014
	Original & Final Budget	Actual		Actual
EXPENDITURES				
General Government				
Reserves	\$ 204,518	\$ -	\$ 204,518	\$ -
CHANGE IN FUND BALANCE	(204,518)	-	204,518	-
FUND BALANCE, Beginning	204,518	204,518	-	204,518
FUND BALANCE, Ending	\$ -	\$ 204,518	\$ 204,518	\$ 204,518

See accompanying Independent Auditors' Report.

KIT CARSON COUNTY

STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL

CONSERVATION TRUST FUND

Year Ended December 31, 2015

(With Comparative Totals for the Year Ended December 31, 2014)

	2015			2014 Actual
	Original & Final Budget	Actual	Variance with Final Budget	
REVENUES				
Intergovernmental				
Govt Grants and Contracts	\$ 22,000	\$ 22,014	\$ 14	\$ 22,166
Investment Earnings	<u>35</u>	<u>33</u>	<u>(2)</u>	<u>38</u>
TOTAL REVENUES	<u>22,035</u>	<u>22,047</u>	<u>12</u>	<u>22,204</u>
EXPENDITURES				
Culture & Recreation				
Conservation	36,000	17,715	18,285	21,447
Reserves	<u>924</u>	<u>-</u>	<u>924</u>	<u>-</u>
Total Culture & Recreation	36,924	17,715	19,209	21,447
Capital Outlay				
Other Capital	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,690</u>
TOTAL EXPENDITURES	<u>36,924</u>	<u>17,715</u>	<u>19,209</u>	<u>38,137</u>
CHANGE IN FUND BALANCE	(14,889)	4,332	19,221	(15,933)
FUND BALANCE, Beginning	<u>14,889</u>	<u>29,815</u>	<u>14,926</u>	<u>45,748</u>
FUND BALANCE, Ending	<u>\$ -</u>	<u>\$ 34,147</u>	<u>\$ 34,147</u>	<u>\$ 29,815</u>

See accompanying Independent Auditors' Report.

KIT CARSON COUNTY

STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL

E911 FUND

Year Ended December 31, 2015

(With Comparative Totals for the Year Ended December 31, 2014)

	2015			2014 Actual
	Original & Final Budget	Actual	Variance with Final Budget	
REVENUES				
Intergovernmental				
Govt Grants and Contracts	\$ -	\$ -	\$ -	\$ 1,506
IGA and MOU Agreements	8,500	5,899	(2,601)	-
Total Intergovernmental	<u>8,500</u>	<u>5,899</u>	<u>(2,601)</u>	<u>1,506</u>
Charges for Services				
Charges for Services	<u>92,000</u>	<u>98,432</u>	<u>6,432</u>	<u>108,043</u>
TOTAL REVENUES	<u>100,500</u>	<u>104,331</u>	<u>3,831</u>	<u>109,549</u>
EXPENDITURES				
Public Safety				
E-911	103,903	101,894	2,009	96,590
Reserves	<u>88,406</u>	<u>-</u>	<u>88,406</u>	<u>-</u>
TOTAL EXPENDITURES	<u>192,309</u>	<u>101,894</u>	<u>90,415</u>	<u>96,590</u>
CHANGE IN FUND BALANCE	(91,809)	2,437	94,246	12,960
FUND BALANCE, Beginning	<u>91,809</u>	<u>106,375</u>	<u>14,566</u>	<u>93,415</u>
FUND BALANCE, Ending	<u>\$ -</u>	<u>\$ 108,812</u>	<u>\$ 108,812</u>	<u>\$ 106,375</u>

See accompanying Independent Auditors' Report.

KIT CARSON COUNTY

STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL
CAPITAL FUND

Year Ended December 31, 2015

(With Comparative Totals for the Year Ended December 31, 2014)

	2015			2014 Actual
	Original & Final Budget	Actual	Variance with Final Budget	
REVENUES				
Taxes				
Property Taxes	\$ 85,868	\$ 85,945	\$ 77	\$ -
Specific Ownership Taxes	9,000	3,949	(5,051)	-
TOTAL REVENUES	<u>94,868</u>	<u>89,894</u>	<u>(4,974)</u>	<u>-</u>
EXPENDITURES				
General Government				
Reserves	785	2,424	(1,639)	-
Capital Outlay				
Other Capital	94,868	1,703	93,165	133,043
TOTAL EXPENDITURES	<u>95,653</u>	<u>4,127</u>	<u>91,526</u>	<u>133,043</u>
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	(785)	85,767	86,552	(133,043)
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	50,000
CHANGE IN FUND BALANCE	(785)	85,767	86,552	(83,043)
FUND BALANCE, Beginning	<u>785</u>	<u>785</u>	<u>-</u>	<u>83,828</u>
FUND BALANCE, Ending	<u>\$ -</u>	<u>\$ 86,552</u>	<u>\$ 86,552</u>	<u>\$ 785</u>

See accompanying Independent Auditors' Report.

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ENTERPRISE FUNDS

Enterprise Funds are used to account for operations that are financed in a manner similar to private business enterprises. The costs of providing goods or services to the general public on a continuing basis are recovered primarily from user charges.

KIT CARSON COUNTY

STATEMENT OF REVENUES, EXPENSES AND CHANGE IN NET POSITION
 BUDGET AND ACTUAL
 AMBULANCE FUND
 Year Ended December 31, 2015
 (With Comparative Totals for the Year Ended December 31, 2014)

	2015			2014 Actual
	Original & Final Budget	Actual	Variance with Final Budget	
OPERATING REVENUES				
Charges for Services	\$ 300,000	\$ 314,918	\$ 14,918	\$ 269,218
OPERATING EXPENSES				
Personal Services	201,013	221,903	(20,890)	233,408
Contractual Services	26,029	47,112	(21,083)	15,463
Utilities and Telephone	18,000	10,961	7,039	20,267
Repairs and Maintenance	12,000	15,163	(3,163)	10,864
Supplies	28,150	1,437	26,713	21,907
Other Expenses	6,600	3,989	2,611	5,854
Travel and Training	4,600	5,460	(860)	3,786
Capital Outlay	307,000	38,473	268,527	359,253
TOTAL OPERATING EXPENSES	603,392	344,498	258,894	670,802
OPERATING INCOME (LOSS)	(303,392)	(29,580)	273,812	(401,584)
OTHER REVENUES (EXPENSES)				
Refunds and Reimbursements	-	1,722	1,722	1,432
Sale of Assets	-	897	897	-
Miscellaneous Revenue	-	-	-	2,000
TOTAL OTHER REVENUES (EXPENSES)	-	2,619	2,619	3,432
NET INCOME (LOSS) BEFORE TRANSFERS	(303,392)	(26,961)	276,431	(398,152)
TRANSFERS				
Transfers In	69,392	87,171	17,779	144,855
CAPITAL GRANTS	234,000	31,205	(202,795)	154,930
CHANGE IN NET POSITION - BUDGET BASIS	\$ -	91,415	91,415	(98,367)
RECONCILIATION OF BUDGET TO GAAP BASIS				
Capital Outlay		32,767		328,931
Depreciation		(15,977)		(25,637)
CHANGE IN NET POSITION - GAAP BASIS		108,205		204,927
NET POSITION, Beginning		534,591		329,664
NET POSITION, Ending		\$ 642,796		\$ 534,591

See accompanying Independent Auditors' Report.

KIT CARSON COUNTY

STATEMENT OF REVENUES, EXPENSES AND CHANGE IN NET POSITION
BUDGET AND ACTUAL

KIT CARSON COUNTY FACILITY FUND

Year Ended December 31, 2015

(With Comparative Totals for the Year Ended December 31, 2014)

	2015			2014
	Original & Final Budget	Actual	Variance with Final Budget	Actual
OPERATING EXPENSES				
Reserves	\$ 3,212	\$ -	\$ 3,212	\$ -
OPERATING INCOME (LOSS)	(3,212)	-	3,212	-
OTHER REVENUES (EXPENSES)				
Donations	-	-	-	15,000
TRANSFERS				
Transfers Out	-	-	-	(50,000)
CHANGE IN NET POSITION - BUDGET BASIS	\$ (3,212)	-	\$ 3,212	(35,000)
RECONCILIATION OF BUDGET TO GAAP BASIS				
Depreciator		(36,829)		(36,834)
CHANGE IN NET POSITION - GAAP BASIS		(36,829)		(71,834)
NET POSITION, Beginning		1,307,519		1,379,353
NET POSITION, Ending		\$ 1,270,690		\$ 1,307,519

See accompanying Independent Auditors' Report.

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COMPLIANCE SECTION

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State Compliance

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

LOCAL HIGHWAY FINANCE REPORT		City or County:	
		YEAR ENDING : December 2015	
This Information From The Records Of Kit Carson County :		Prepared By: Paula Weeks	719-346-8133 ext 220
		Phone:	

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

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES		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)	0
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	3,397,997
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	
2. General fund appropriations		b. Snow and ice removal	
3. Other local imposts (from page 2)	1,205,420	c. Other	
4. Miscellaneous local receipts (from page 2)	39,420	d. Total (a. through c.)	0
5. Transfers from toll facilities		4. General administration & miscellaneous	
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	
a. Bonds - Original Issues		6. Total (1 through 5)	3,397,997
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	
7. Total (1 through 6)	1,244,840	b. Redemption	
B. Private Contributions		c. Total (a. + b.)	0
C. Receipts from State government (from page 2)	2,736,544	2. Notes:	
D. Receipts from Federal Government (from page 2)	0	a. Interest	
E. Total receipts (A.7 + B + C + D)	3,981,384	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)	3,397,997

IV. LOCAL HIGHWAY DEBT STATUS
(Show all entries at par)

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

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	1,532,459	3,981,384	3,397,997	2,115,846	0

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT

STATE:
Colorado
YEAR ENDING (mm/yy):
December 2015

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

This Information From The Records Of Kit Carson County :

Paula Weeks

ITEM	AMOUNT	ITEM	ext 220
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments	1,034,205	a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes		c. Parking Garage Fees	
2. Infrastructure & Impact Fees		d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	19,979
4. Licenses		f. Charges for Services	4,959
5. Specific Ownership &/or Other	171,215	g. Other Misc. Receipts	14,482
6. Total (1. through 5.)	171,215	h. Other	0
c. Total (a. + b.)	1,205,420	i. Total (a. through h.)	39,420
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	2,708,914	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	27,630	d. Federal Transit Admin	
d. Other (Specify) - DOLA Grant		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	
f. Total (a. through e.)	27,630	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	2,736,544	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
A.1. Capital outlay:			
a. Right-Of-Way Costs			0
b. Engineering Costs			0
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements			0
(3). System Preservation			0
(4). System Enhancement & Operation			0
(5). Total Construction (1) + (2) + (3) + (4)	0	0	0
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	0	0
			(Carry forward to page 1)

Notes and Comments: