

CITY OF ALAMOSA, COLORADO

FINANCIAL STATEMENTS

December 31, 2017

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July 17, 2018



**Wall,
Smith,
Bateman** Inc.

Certified Public Accountants

CITY OF ALAMOSA, COLORADO
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Wall,
Smith,
Bateman Inc.

INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and City Council
City of Alamosa, Colorado
Alamosa, Colorado

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Alamosa, Colorado (the City), as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the City'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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Certified Public Accountants

700 Main Street, Suite 200 PO Box 809 Alamosa, CO 81101 | 719-589-3619 | f 719-589-5492 | www.wsbcpa.com

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 City of Alamosa, Colorado, as of December 31, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

The City has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

Accounting principles generally accepted in the United States of America require that the budgetary comparison and pension information on pages 47-55 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund financial schedules and Local Highway Finance Report are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining schedules and the Local Highway Finance Report are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion,

To the Honorable Mayor and City Council
City of Alamosa, Colorado
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the combining schedules and the Local Highway Finance Report are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Wall, Smith, Bateman Inc.

Wall, Smith, Bateman Inc.
Alamosa, Colorado

June 28, 2018

CITY OF ALAMOSA, COLORADO
BASIC FINANCIAL STATEMENTS

CITY OF ALAMOSA, COLORADO
STATEMENT OF NET POSITION
December 31, 2017

	<u>Primary Government</u>		<u>TOTAL</u>
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	
ASSETS			
Current Assets:			
Cash and Investments	\$ 8,248,809	\$ 9,821,078	\$ 18,069,887
Restricted Cash and Investments	491,625	-	491,625
Accounts Receivable (net)	589,941	79,453	669,394
Property Taxes Receivable	508,973	-	508,973
Due from Other Governments	1,040,822	-	1,040,822
Internal Balances	(326,611)	326,611	-
Special Assessment Receivable	39,241	-	39,241
Prepaid Expenses	430,217	50,000	480,217
Inventory of Materials and Supplies	-	147,102	147,102
Total Current Assets	<u>11,023,017</u>	<u>10,424,244</u>	<u>21,447,261</u>
Noncurrent Assets:			
Special Assessment Receivable	452,343	-	452,343
Capital Assets:			
Construction in Progress	2,789,076	48,509	2,837,585
Land	1,072,301	1,413,908	2,486,209
Land Improvements	2,345,119	-	2,345,119
Buildings and Contents	15,903,821	393,090	16,296,911
Utility Plant	-	26,544,575	26,544,575
Vehicles	2,724,572	863,056	3,587,628
Equipment	2,503,497	2,185,292	4,688,789
Infrastructure	8,508,287	15,878,618	24,386,905
Less: Accumulated Depreciation	(12,593,226)	(20,265,915)	(32,859,141)
Total Noncurrent Assets	<u>23,705,790</u>	<u>27,061,133</u>	<u>50,314,580</u>
TOTAL ASSETS	<u>34,728,807</u>	<u>37,485,377</u>	<u>72,214,184</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pensions	1,493,178	407,943	1,901,121
LIABILITIES			
Current Liabilities:			
Accounts Payable	1,293,213	81,511	1,374,724
Bond Payable	29,000	568,155	597,155
Lease Purchase Agreement	405,271	232,000	637,271
Compensated Absences	8,749	533	9,282
Total Current Liabilities	<u>1,736,233</u>	<u>882,199</u>	<u>2,618,432</u>
Noncurrent Liabilities:			
Bond Payable	413,225	5,863,580	6,276,805
Lease Purchase Agreement	7,222,371	3,792,000	11,014,371
Compensated Absences	392,965	95,405	488,370
Pension Liability	4,657,481	1,525,969	6,183,450
Total Noncurrent Liabilities	<u>12,686,042</u>	<u>11,276,954</u>	<u>23,962,996</u>
TOTAL LIABILITIES	<u>14,422,275</u>	<u>12,159,153</u>	<u>26,581,428</u>

The accompanying notes are an integral part of this financial statement.

CITY OF ALAMOSA, COLORADO
STATEMENT OF NET POSITION
December 31, 2017

	<u>Primary Government</u>		<u>TOTAL</u>
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenue - Property Tax	508,973	-	508,973
Pensions	38,540	10,021	48,561
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>547,513</u>	<u>10,021</u>	<u>557,534</u>
NET POSITION			
Net Investment in Capital Assets	15,625,805	20,629,398	36,255,203
Restricted for:			
TABOR	322,464	27,816	350,280
Debt Service	988,156	-	988,156
Unrestricted	4,315,772	5,066,932	9,382,704
TOTAL NET POSITION	<u>\$ 21,252,197</u>	<u>\$ 25,724,146</u>	<u>\$ 46,976,343</u>

The accompanying notes are an integral part of this financial statement.

CITY OF ALAMOSA, COLORADO
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2017

**Net (Expense) Revenue and
Changes in Net Position
Primary Government**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		TOTAL
		Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Governmental Activities	Business-Type Activities	
Primary Government:							
Governmental Activities:							
General Government	\$ 2,342,852	\$ 219,093	\$ -	\$ -	\$ (2,123,759)	\$ -	\$ (2,123,759)
Public Safety	3,648,077	210,307	219,395	-	(3,218,375)	-	(3,218,375)
Highways & Streets	2,103,030	54,871	476,659	-	(1,571,500)	-	(1,571,500)
Health and Welfare	303,912	27,380	-	-	(276,532)	-	(276,532)
Culture and Recreation	1,753,504	243,518	593,287	20,850	(895,849)	-	(895,849)
Interest on Long-Term Debt	251,355	-	-	-	(251,355)	-	(251,355)
Total Governmental Activities	10,402,730	755,169	1,289,341	20,850	(8,337,370)	-	(8,337,370)
Business-Type Activities							
Water Services	2,472,338	1,616,617	110,563	-	-	(745,158)	(745,158)
Sewer Services	1,020,089	1,014,109	12,000	-	-	6,020	6,020
Sanitation Services	764,586	1,230,764	-	-	-	466,178	466,178
Total Business-Type Activities	4,257,013	3,861,490	122,563	-	-	(272,960)	(272,960)
Total Primary Government	\$ 14,659,743	\$ 4,616,659	\$ 1,411,904	\$ 20,850	(8,337,370)	(272,960)	(8,610,330)
General Revenues:							
Taxes:							
General Property Taxes - Net					496,228	-	496,228
Sales and Use Taxes					7,317,358	1,291,181	8,608,539
Franchise Taxes					383,185	-	383,185
Other Taxes					222,777	-	222,777
Investment Income					114,575	31,548	146,123
Miscellaneous					270,295	170	270,465
Transfers					387,100	(387,100)	-
Sale of Fixed Assets					-	22,093	22,093
Total general revenues and transfers					9,191,518	957,892	10,149,410
Change in Net Position					854,148	684,932	1,539,080
Net Position, Beginning					20,398,049	25,039,214	45,437,263
Net Position, Ending					\$ 21,252,197	\$ 25,724,146	\$ 46,976,343

6 The accompanying notes are an integral part of this financial statement.

CITY OF ALAMOSA, COLORADO
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2017

	GENERAL FUND	COMMUNITY RECREATION FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS				
Cash and Investments	\$ 4,478,191	\$ 1,870,575	\$ 296,966	\$ 6,645,732
Restricted Cash and Investments	-	-	491,625	491,625
Receivables (Net)				
Accounts Receivable	65,443	353,235	-	418,678
Property Taxes	508,973	-	-	508,973
Due from Other Governments	1,040,822	-	-	1,040,822
Prepaid Expenses	430,217	-	-	430,217
TOTAL ASSETS	\$ 6,523,646	\$ 2,223,810	\$ 788,591	\$ 9,536,047
LIABILITIES				
Vouchers Payable	\$ 172,824	\$ 1,043,649	\$ -	\$ 1,216,473
TOTAL LIABILITIES	172,824	1,043,649	-	1,216,473
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue - Property Tax	508,973	-	-	508,973
FUND BALANCE				
Nonspendable				
Prepaid Expenses	430,217	-	-	430,217
Restricted				
TABOR	322,464	-	-	322,464
Debt Service	-	-	496,572	496,572
Committed				
Culture and Recreation	-	1,180,161	142,246	1,322,407
Assigned				
General Fund	402,542	-	-	402,542
Capital Improvements	1,583,449	-	-	1,583,449
Health and Welfare	-	-	149,773	149,773
Unassigned	3,103,177	-	-	3,103,177
TOTAL FUND BALANCE	5,841,849	1,180,161	788,591	7,810,601
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	\$ 6,523,646	\$ 2,223,810	\$ 788,591	\$ 9,536,047

The accompanying notes are an integral part of this financial statement.

CITY OF ALAMOSA, COLORADO
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO THE STATEMENT OF NET POSITION
December 31, 2017

Total governmental fund balances		\$ 7,810,601
<p>Amounts reported for governmental activities in the statement of net position are different because:</p>		
Notes receivable are measurable but not available in the current period and therefore are not reported in the funds.		491,584
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		23,253,447
Deferred Results and Contributions to pension plans made after the measurement date are recorded as expenditures in the governmental funds, but must be deferred in the statement of net position.		
PERA	\$ 1,311,159	
FPPA	<u>182,019</u>	
		1,493,178
<p>Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.</p>		
Lease Purchase Agreement	(7,627,642)	
Street Improvement District Bond Payable	(442,225)	
Compensated Absences	(401,714)	
PERA	(4,904,580)	
FPPA	<u>247,099</u>	
		(13,129,062)
<p>Certain amounts related to the net pension liability are deferred and amortized over time. These are not reported in the funds.</p>		
PERA	(32,208)	
FPPA	<u>(6,332)</u>	
		(38,540)
<p>Internal service funds are used by management to charge the costs of insurance to individual funds. The assets and liabilities of the health insurance internal service fund are included in governmental activities in the statement of net position.</p>		
		<u>1,370,989</u>
Net position of governmental activities		<u>\$ 21,252,197</u>

The accompanying notes are an integral part of this financial statement.

CITY OF ALAMOSA, COLORADO
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2017

	<u>GENERAL FUND</u>	<u>COMMUNITY RECREATION FUND</u>	<u>OTHER GOVERNMENTAL FUNDS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
REVENUES				
Taxes	\$ 7,128,368	\$ 1,291,180	\$ -	\$ 8,419,548
Licenses and Permits	103,292	-	-	103,292
Intergovernmental Revenue	694,553	512,123	102,014	1,308,690
Charges for Services	145,389	266,597	14,700	426,686
Fines and Forfeits	182,863	-	-	182,863
Net Investment Income/(Loss)	105,781	4,904	3,890	114,575
Lease Agreement Revenue	369,242	24,750	-	393,992
Miscellaneous Revenue	-	-	-	-
TOTAL REVENUES	<u>8,729,488</u>	<u>2,099,554</u>	<u>120,604</u>	<u>10,949,646</u>
EXPENDITURES				
General Government	2,397,781	-	-	2,397,781
Public Safety	3,090,317	-	-	3,090,317
Highways and Streets	1,506,717	-	-	1,506,717
Health and Welfare	79,936	-	24,116	104,052
Culture and Recreation	465,271	1,059,011	13,933	1,538,215
Capital Outlay	1,663,802	2,820,198	22,553	4,506,553
Debt Service	94,590	-	535,840	630,430
TOTAL EXPENDITURES	<u>9,298,414</u>	<u>3,879,209</u>	<u>596,442</u>	<u>13,774,065</u>
Excess (deficiency) of revenues over expenditures	<u>(568,926)</u>	<u>(1,779,655)</u>	<u>(475,838)</u>	<u>(2,824,419)</u>
OTHER FINANCING SOURCES (USES)				
Lease Proceeds	-	2,400,000	-	2,400,000
Transfers In	1,113,503	88,805	484,000	1,686,308
Transfers Out	<u>(1,000,768)</u>	<u>(298,440)</u>	<u>-</u>	<u>(1,299,208)</u>
TOTAL OTHER SOURCES (USES)	<u>112,735</u>	<u>2,190,365</u>	<u>484,000</u>	<u>2,787,100</u>
Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses)	<u>(456,191)</u>	<u>410,710</u>	<u>8,162</u>	<u>(37,319)</u>
Fund Balance - Beginning of Year	<u>6,298,040</u>	<u>769,451</u>	<u>780,429</u>	<u>7,847,920</u>
Fund Balance - End of Year	<u>\$ 5,841,849</u>	<u>\$ 1,180,161</u>	<u>\$ 788,591</u>	<u>\$ 7,810,601</u>

The accompanying notes are an integral part of this financial statement.

CITY OF ALAMOSA, COLORADO
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2017

Net change in fund balances - total governmental funds \$ (37,319)

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

Revenues in the governmental funds that provide current financial resources for notes receivable accrued in the statement of net position. (79,868)

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Fixed Asset Additions	\$ 4,161,954	
Depreciation Expense	<u>(1,043,182)</u>	3,118,772

Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

Lease Proceeds	(2,400,000)	
Lease Payments	308,833	
Bond Payments	<u>70,242</u>	(2,020,925)

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Compensated Absences		(10,540)
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Certain items reported in the statement of activities do not require the use of current financial resources and are not reported as expenditures in the governmental funds. This item consists of the change in pension expenditures.

PERA	(632,314)	
FPPA	<u>33,529</u>	(598,785)

Internal Service Funds are used by management to charge the costs of certain activities, such as insurance, to individual funds. The net revenues (expenses) of the health insurance internal service fund is reported with governmental activities. 482,813

Change in net position of governmental activities \$ 854,148

CITY OF ALAMOSA, COLORADO
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2017

	<u>ENTERPRISE FUND</u>	<u>Governmental Activities INTERNAL SERVICE FUND</u>
ASSETS		
Current Assets:		
Cash and Investments	\$ 9,821,078	\$ 1,603,077
Accounts Receivable	79,453	171,263
Prepaid Expenses	50,000	-
Inventory of Materials and Supplies	147,102	-
Total Current Assets	<u>10,097,633</u>	<u>1,774,340</u>
Noncurrent Assets:		
Capital Assets:		
Construction in Progress	48,509	-
Land	1,413,908	-
Buildings and Contents	393,090	-
Utility Plant	26,544,575	-
Vehicles	863,056	-
Equipment	2,185,292	-
Infrastructure	15,878,618	-
Less: Accumulated Depreciation	<u>(20,265,915)</u>	<u>-</u>
Total Noncurrent Assets	<u>27,061,133</u>	<u>-</u>
TOTAL ASSETS	<u>37,158,766</u>	<u>1,774,340</u>
DEFERRED OUTFLOWS OF RESOURCES		
Pensions	<u>407,943</u>	<u>-</u>
LIABILITIES		
Current Liabilities:		
Accounts Payable	81,511	76,740
Long-Term Debt - Current Portion (Note 6)	800,688	-
Total Current Liabilities	<u>882,199</u>	<u>76,740</u>
Noncurrent Liabilities:		
Compensated Absences	95,405	-
Bonds Payable	5,863,580	-
Lease Purchase	3,792,000	-
Pension Liability	1,525,969	-
Total Noncurrent Liabilities	<u>11,276,954</u>	<u>-</u>
TOTAL LIABILITIES	<u>12,159,153</u>	<u>76,740</u>
DEFERRED INFLOWS OF RESOURCES		
Pensions	<u>10,021</u>	<u>-</u>
NET POSITION		
Net Investment in Capital Assets	20,396,865	-
Restricted for TABOR	27,816	-
Unrestricted	<u>4,972,854</u>	<u>1,697,600</u>
TOTAL NET POSITION	<u>25,397,535</u>	<u>\$ 1,697,600</u>
Adjustment to reflect consolidation of Internal Service Funds	326,611	
NET POSITION OF BUSINESS-TYPE ACTIVITIES	<u>\$ 25,724,146</u>	

The accompanying notes are an integral part of this financial statement.

CITY OF ALAMOSA, COLORADO
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For the Year Ended December 31, 2017

	ENTERPRISE FUND	Governmental Activities INTERNAL SERVICE FUND
OPERATING REVENUES		
Intergovernmental Revenue	\$ -	\$ -
Charges for Services	3,861,490	-
Insurance Deposits	-	1,132,663
Miscellaneous Revenues	170	457,431
Total Operating Revenues	<u>3,861,660</u>	<u>1,590,094</u>
OPERATING EXPENSES		
Personnel Services	1,300,859	-
Supplies and Materials	281,663	-
Utilities and Telephone	353,545	-
Gas and Oil	56,415	-
Repairs and Maintenance	272,117	-
Landfill Fees	100,753	-
Professional Fees	41,622	-
Capital Outlay	3,771	-
Depreciation Expense	1,432,048	-
Insurance Premiums	-	303,847
Claims	-	662,115
Insurance Administration	-	37,435
Other	176,845	-
Total Operating Expenses	<u>4,019,638</u>	<u>1,003,397</u>
Operating Income (Loss)	<u>(157,978)</u>	<u>586,697</u>
NONOPERATING REVENUES (EXPENSES)		
Sales Tax Revenue	1,291,181	-
Bond Interest Expense	(246,339)	-
Bond Administrative Fees	(94,920)	-
Interest on Investments	31,548	-
Gain on Sale of Assets	22,093	-
Total Nonoperating Revenues (Expenses)	<u>1,003,563</u>	<u>-</u>
Income Before Other Revenue and Operating Transfers	<u>845,585</u>	<u>586,697</u>
Capital Contributions		
Water and Sewer Taps	122,563	-
Total Capital Contributions	<u>122,563</u>	<u>-</u>
OPERATING TRANSFERS		
Transfers In	1,183,000	-
Transfers Out	(1,570,100)	-
Total Operating Transfers	<u>(387,100)</u>	<u>-</u>
Changes in Net Position	581,048	586,697
Net Position at beginning of year	<u>24,816,487</u>	<u>1,110,903</u>
Net Position at end of year	<u>25,397,535</u>	<u>\$ 1,697,600</u>
Adjustment to reflect consolidation of Internal Service Fund	326,611	
Net Position of Business-Type Activities	<u>\$ 25,724,146</u>	

The accompanying notes are an integral part of this financial statement.

CITY OF ALAMOSA, COLORADO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended December 31, 2017

	ENTERPRISE FUND	Governmental Activities INTERNAL SERVICE FUND
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from customers	\$ 3,853,611	\$ -
Cash received from insurance deposits	-	1,132,663
Cash received from other revenues	170	286,168
Cash paid for personnel services	(1,119,976)	-
Cash paid for supplies and materials	(514,399)	-
Cash paid for gas and oil	(56,415)	-
Cash paid for utilities	(353,545)	-
Cash paid for repairs and maintenance	(275,888)	-
Cash paid for landfill fees	(100,753)	-
Cash paid for professional fees	(41,622)	-
Cash paid for insurance claims	-	(626,334)
Cash paid for insurance premiums	-	(303,847)
Cash paid for insurance administration	-	(37,435)
Cash paid for other expenses	(176,845)	-
	<u>1,214,338</u>	<u>451,215</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Cash received from sales tax	1,291,181	-
Transfers (to) from other funds	(387,100)	-
	<u>904,081</u>	<u>-</u>
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES		
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Acquisition and construction of capital assets	(1,312,092)	-
Sale of Capital Assets	22,093	-
Capital contributions	122,563	-
Proceeds from Lease Purchase Agreement	4,300,000	-
Bond Interest Expense	(246,339)	-
Bond Administrative fees	(94,920)	-
Principal paid on general obligation bonds	(833,124)	-
	<u>1,958,181</u>	<u>-</u>
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES		
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest Receivable	31,548	-
	<u>31,548</u>	<u>-</u>
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES:		
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	4,108,148	451,215
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	5,712,930	1,151,862
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 9,821,078</u>	<u>\$ 1,603,077</u>

The accompanying notes are an integral part of this financial statement.

CITY OF ALAMOSA, COLORADO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended December 31, 2017

	ENTERPRISE FUND	Governmental Activities INTERNAL SERVICE FUND
OPERATING INCOME (LOSS)	\$ (157,978)	\$ 586,697
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Depreciation expense	1,432,048	-
Pension expense	181,631	-
Change in Assets and Liabilities		
(Increase) decrease in accounts receivable	(7,879)	(171,263)
(Increase) decrease in prepaid expense	(50,000)	-
(Increase) decrease in inventory	38,689	-
Increase (decrease) in accounts payable	(221,425)	35,781
Increase (decrease) in compensated absences	(748)	-
	\$ 1,214,338	\$ 451,215
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 1,214,338	\$ 451,215

The accompanying notes are an integral part of this financial statement.

CITY OF ALAMOSA, COLORADO
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIREMEN'S PENSION AGENCY FUND
For the Year Ended December 31, 2017

ASSETS

Property Taxes Receivable	\$ 39,278
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Total Assets

39,278

DEFERRED INFLOWS OF RESOURCES

Unavailable Revenue - property tax	39,278
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Total Deferred Inflows of Resources

39,278

LIABILITIES - RESTRICTED FOR PENSION BENEFITS

\$ -

The accompanying notes are an integral part of this financial statement.

CITY OF ALAMOSA, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2017

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

REPORTING ENTITY

Primary Government

The City of Alamosa was incorporated August 12, 1878. In January 1952, the City was reorganized as a Home Rule City under Article 20 of the Colorado Constitution. The current City Charter was adopted at a special election held March 12, 1957. The City operates under a Council-Manager form of government and provides the following services as authorized by its charter: public safety (police and fire), highways and streets, water, sanitation, health and welfare, culture and recreation, public improvements, planning and zoning, and general administrative services.

Component Units

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

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

Based on the aforementioned criteria, the City of Alamosa has one component unit, the Alamosa Capital Leasing Corporation (a Colorado not for profit Corporation). The activity of this component unit has been blended into the City's financial statements as a Debt Service Fund.

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

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

- Charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and

CITY OF ALAMOSA, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2017

- Grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included in program revenues are reported as general revenues.

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

MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

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

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

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

The City reports the following major governmental funds:

- The *General Fund* is the general operating fund of the City. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- The *Community Recreation Fund* is used to account for activities from the Community Recreation Facility. Sources of revenue consist of sales taxes, membership dues, and fees for programs.

The City reports the following major enterprise fund:

- The *Enterprise Fund* accounts for user charges and expenses for operating, financing, and maintaining the City's water, sewer, and sanitation systems.

Additionally, the City reports the following fund types:

- The *Employee Benefit Fund* is an internal service fund established to finance and account for the costs of health insurance for the other funds on a cost-reimbursement basis.
- The *Firemen's Pension Fund* is a fiduciary agency fund used to account for the collection of property taxes to be remitted to the Fire and Police Pension Association (FPPA) for the city's firefighters pension plan.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations.

CITY OF ALAMOSA, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2017

The principal operating revenues of the internal service fund are service fees charged to the other funds and employee contributions. Operating expenses for the internal service fund include insurance premiums. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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, which are presented as internal balances and eliminated in the total primary government column.

ASSETS, LIABILITIES, DEFERRED INFLOWS AND OUTFLOWS OF RESOURCES, AND NET POSITION/FUND BALANCE

Cash and Investments

Cash and investments for all funds, excluding investments in the Fireman's Pension and Community Recreation funds, are pooled into one common pooled account in order to maximize investment opportunities. Each fund whose monies are deposited in the pooled cash account has equity therein, and interest earned on the investment of these monies is allocated based upon relative equity at the end of each quarter. An individual fund's pooled cash and investments are available upon demand and are considered to be "cash equivalents" when preparing these financial statements. In addition, any marketable securities that are owned by the specific accounts noted above are also considered to be "cash equivalents". Negative balances incurred in pooled cash at year-end are treated as interfund payables or receivables.

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. All investments are recorded at fair market value.

Property Taxes

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

The 2017 property tax levy due January 1, 2018, has been recorded as a receivable and corresponding deferred inflow of resources in the financial statements.

Inventory

Inventories held by all funds except the Enterprise Fund have been recorded as expenditures at the time of purchase. Enterprise Fund inventory is stated at the lower of cost or market.

Capital Assets

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

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Capital assets are depreciated using the straight-line method over the following estimated useful lives:

CITY OF ALAMOSA, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2017

Assets	Years
Building	15-50
Equipment	5-30
Land Improvements	10-35
Vehicles	5-10
Infrastructure	20-50

Compensated Absences

The City employees are entitled to 10 to 15 days of vacation leave each year. The number of days received depends upon the number of completed years of service. Unused vacation leave may accumulate up to approximately 32 days. Any vacation leave accrued in excess of the maximum allowable accrued vacation leave will be lost to the employee and shall not be deemed an obligation of the City.

The City employees receive 10 days of sick leave each year. Unused sick days accumulate up to 60 days. After an employee has accumulated 60 days of sick leave, the employee may convert any additional credited days into vacation leave at the ratio of three sick leave hours to one vacation hour. Upon separation from the City in good standing, an employee will be paid banked sick leave up to 480 hours at a rate of 33%.

All vacation and sick leave pay is accrued when incurred in the government-wide financial statements. A liability is reported in governmental funds only if they have matured, for example as a result of employee resignations or retirements.

Long-Term Obligations

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

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This represents a consumption of net position that applies to future period(s) and will not be recognized as an outflow of resources (as either an expense or expenditure) until that period.

In addition to liabilities, the statement of net position and the balance sheet report a separate section of deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future periods and will not be recognized as an inflow of resources (revenue) until that time. Property taxes levied for the subsequent year are reported in the statement of net position and recognized as an inflow of resources in the period for which the taxes are levied. In the governmental funds, unavailable property taxes are reported as deferred inflows of resources until the period in which the taxes become available.

Certain amounts related to pensions must be deferred.

Pensions

The City participates in several pension plans, as described in Note 7. The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the defined benefit pension plans have been determined using the economic resources measurement focus and accrual basis of accounting. For this

CITY OF ALAMOSA, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2017

purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Interest Capitalization

Interest costs are capitalized when incurred by proprietary funds and similar component units on debt where proceeds were used to finance the construction of assets. Interest earned on proceeds of tax-exempt borrowing arrangements restricted to the acquisition of qualifying assets is offset against interest costs in determining the amount to be capitalized. No interest was capitalized in the current period.

Encumbrances

The City does not record purchase orders in the accounting system until invoices are ready for payment. Unfulfilled purchase commitments out-standing at the end of the budget year are rebudgeted in the succeeding year. End of the year fund balance intended to be used in the succeeding year is reported as designated fund balance.

Net Position

Net position represents the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources. Net position should be displayed in the following three components:

- *Net investment in capital assets* – consists of capital assets, net accumulated depreciation, reduced by the outstanding balances of any borrowings that are attributable to the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt should be included in this component of net position.
- *Restricted* – consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Restricted assets consist of assets that have limitations imposed on their use either through the enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.
- *Unrestricted* – consists of the net amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted components of net position.

Fund Balance

Fund balances are reported by classification based on the extent to which the City is bound to honor constraints for the specific purposes on which amounts in the fund can be spent. Fund balances are classified in one of the following five categories:

- *Nonspendable Fund Balance* – amounts that cannot be spent because they are not in spendable form- such as inventory and prepaid insurance.
- *Restricted Fund Balance* – amounts restricted when constraints placed on the use of resources are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.
- *Committed Fund Balance* – amounts that can only be used for specific purposes as a result of constraints imposed through adopted ordinance by City Council, the highest level of decision making authority. Committed amounts cannot be used for any other purpose unless City Council removed those constraints by taking the same type of action. Committed fund balances differ from restricted balances because the constraints on their use do not come from outside parties, constitutional provisions, or enabling legislation.
- *Assigned Fund Balance* – amounts a government intends to use for a specific purpose; intent can be expressed by City Council or by an official or body to which the governing body delegates the authority.

CITY OF ALAMOSA, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2017

- *Unassigned Fund Balance* – amounts that are available for any purpose; these amounts are reported only in the General Fund.

When an expenditure is incurred for purposes for which both restricted and unrestricted net position/fund balance is available, the City considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, and unassigned fund balances are available, the City considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless City Council has provided otherwise in its commitment or assignment actions.

Use of Estimates

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

NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgets and Budgetary Accounting

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

- Preparation of budget documents by administrative staff, which shall be submitted to the Board no later than October 15 of each year.
- Publication of a notice stating that the budget is available for public inspection.
- Discussion of the budget in a meeting open to the public.
- Adoption of the budget in a public meeting by appropriate resolution, no later than December 31.
- Ordinance to adopt supplemental appropriations
- Budget changes via resolution

Formal budgetary integration is employed as a management control device for all funds of the City. The governmental funds budgets are adopted on a basis consistent with U.S. generally accepted accounting principles (GAAP). The proprietary funds and the pension fund budgets are adopted using the same accounting methods as governmental fund types; this procedure follows Colorado State Statute, but is not in accordance with GAAP.

The total expenditures for each fund cannot exceed the budgeted amount unless a supplemental appropriation is adopted. The City Council adopted supplemental appropriations during 2017.

All budget amounts presented in the accompanying supplementary information reflect the original budget and the final amended budget.

CITY OF ALAMOSA, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2017

NOTE 3 CASH, DEPOSITS, AND INVESTMENTS

Cash on Hand and in Banks	\$ 3,282,931
C-SAFE	4,112,692
ColoTrust	9,399,697
Other Investments	<u>1,766,192</u>
Total Cash, Deposits, and Investments	<u>\$ 18,561,512</u>
Government-wide Statement of Net Position	\$ 18,561,512
Fiduciary Funds Statement of Net Position	<u>-</u>
	<u>\$ 18,561,512</u>

CASH AND DEPOSITS

Colorado State Statutes govern the City's deposits of cash. The statutes specify eligible depositories for public cash deposits, which must be Colorado institutions and must maintain federal insurance (FDIC) on deposits held.

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized in accordance with the PDPA. PDPA allows the institution to create a single collateral pool for all public funds to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least 102% of the aggregate uninsured deposits. All deposits in 2017 were in eligible public depositories, as defined by the Public Deposit Protection Act of 1989.

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. At December 31, 2017, \$1,653,436 was exposed to custodial credit risk. Deposits exposed to credit risk are collateralized with securities held by the pledging financial institutions through PDPA.

INVESTMENTS

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

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

CITY OF ALAMOSA, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2017

Interest Rate Risk

Colorado Revised Statutes and the City’s investment policy limit investment maturities to five years or less from the date of purchase. This limit on investment maturities is a means of limiting exposure to fair values arising from increasing interest rates.

Credit Risk

The City’s investment policy calls for investment diversification within the portfolio to avoid unreasonable risks inherent in over investing in specific instruments, individual financial institutions or maturities. The City's investment policy allows for the City to invest in local government investment pools (CSAFE and Colotrust). The City also invested in money market funds that are not rated.

Fair value investments classified at Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Fair value investments classified as Level 2 of the fair value hierarchy are valued using the active market rates for the underlying securities. Fair value investments classified as Level 3 of the fair value hierarchy are valued using non-observable inputs.

<u>Investment Type</u>	<u>Rating</u>	<u>Up to 120 Days</u>	<u>121 Days to 5 Years</u>	<u>Fair Value Measurements Using:</u>
				<u>Level 2</u>
Sigma Certificates of Deposit	28% (un-rated)	\$ -	\$ 490,576	\$ 490,576
Fidelity Government Portfolio	28% AAAM			491,625
Pershing Money Market	0% (un-rated)			487
Oppenheimer Mutual Funds	44% AAA			783,500
Pershing Mutual Funds	0% AAA			4
				<u>\$ 1,766,192</u>

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

The Colorado Surplus Asset Fund Trust (CSAFE) investments are valued using the net asset value per share (or its equivalent) of the investments. The investments do not have any unfunded commitments, redemption restrictions, redemption notice periods or withdrawal restrictions. CSAFE investments conform to Colorado Statutes CRS 24-75-601 et. seq. and therefore invests primarily in securities of the United States Treasury, United States Agencies, Primary Dealer Repurchase Agreements, highly rated commercial paper, highly rated corporate bonds, Colorado depositories collateralized at 102% of market value according to the guidelines of the Public Deposit Protection Act. CSAFE measures all of its investments at amortized cost. CSAFE is rated AAAM by Standard & Poor’s.

CITY OF ALAMOSA, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2017

NOTE 4 INTERFUND TRANSFERS

Interfund Transfers

Interfund transfers for the year ended December 31, 2017, were as follows:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
General Fund	Enterprise Fund	\$ 387,100
	Community Recreation Fund	<u>144,720</u>
		531,820
Community Recreation Fund	General Fund	88,805
Debt Service Fund	General Fund	330,280
	Community Recreation Fund	<u>153,720</u>
		<u>484,000</u>
	TOTALS	<u><u>\$1,104,625</u></u>

Transfers are routinely made between the City funds to enhance the operations of the City. Many fund operations are similar and, in some cases, City functions may be shared by several funds. For example, the Community Recreation Fund is providing recreation and culture as is the Parks and Recreation Division of the General Fund. Other routine transfers are for: 1) administrative costs performed by the General Fund on behalf of the Enterprise Fund and the Community Recreation Fund and 2) for debt service from the Community Recreation Fund to the Debt Service Fund. Non-routine transfers are typically to provide for building reserves for future purchases of equipment or special projects and to consolidate or create new funds.

CITY OF ALAMOSA, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2017

NOTE 5 CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2017, was as follows:

<i>Governmental Activities</i>	Balance 12/31/2016	Additions	Deletions	Balance 12/31/2017
Capital Assets not being depreciated				
Land	\$ 1,072,301	\$ -	\$ -	\$ 1,072,301
Construction in Progress	14,700	2,789,076	14,700	2,789,076
Total Capital Assets not being depreciated	<u>1,087,001</u>	<u>2,789,076</u>	<u>14,700</u>	<u>3,861,377</u>
Capital Assets being depreciated				
Land Improvements	2,345,119	-	-	2,345,119
Buildings and Contents	15,516,116	387,705	-	15,903,821
Vehicles	2,645,993	128,873	50,294	2,724,572
Equipment	2,279,247	224,250	-	2,503,497
Infrastructure	7,861,537	646,750	-	8,508,287
Total Capital Assets being depreciated	<u>30,648,012</u>	<u>1,387,578</u>	<u>50,294</u>	<u>31,985,296</u>
Less Accumulated Depreciation for				
Land Improvements	1,805,870	42,941	-	1,848,811
Buildings and Contents	4,589,927	357,700	-	4,947,627
Vehicles	1,624,795	243,224	50,294	1,817,725
Equipment	1,721,770	116,954	-	1,838,724
Infrastructure	1,857,976	282,363	-	2,140,339
Total Accumulated Depreciation	<u>11,600,338</u>	<u>1,043,182</u>	<u>50,294</u>	<u>12,593,226</u>
Total Capital Assets being depreciated, net	<u>19,047,674</u>	<u>344,396</u>	<u>-</u>	<u>19,392,070</u>
Governmental Activities Capital Assets, net	<u>\$ 20,134,675</u>	<u>\$ 3,133,472</u>	<u>\$ 14,700</u>	<u>\$ 23,253,447</u>

CITY OF ALAMOSA, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2017

	Balance 12/31/2016	Additions	Deletions	Balance 12/31/2017
<i>Business-type Activities:</i>				
Capital Assets not being depreciated				
Land	\$ 888,908	\$ 525,000	\$ -	\$ 1,413,908
Construction in Progress	92,225	48,509	92,225	48,509
Total Capital Assets not being depreciated	<u>981,133</u>	<u>573,509</u>	<u>92,225</u>	<u>1,462,417</u>
Capital Assets being depreciated				
Building and Contents	208,515	184,575	-	393,090
Utility Plant	26,544,575	-	-	26,544,575
Vehicles	880,189	258,141	275,274	863,056
Equipment	2,165,674	19,618	-	2,185,292
Infrastructure	15,516,192	362,426	-	15,878,618
Total Capital Assets being depreciated	<u>45,315,145</u>	<u>824,760</u>	<u>275,274</u>	<u>45,864,631</u>
Less Accumulated Depreciation	<u>(19,115,191)</u>	<u>(1,432,048)</u>	<u>281,324</u>	<u>(20,265,915)</u>
Total Capital Assets being depreciated, net	<u>26,199,954</u>	<u>(607,288)</u>	<u>(6,050)</u>	<u>25,598,716</u>
Business-type Activities Capital Assets, net	<u>\$ 27,181,087</u>	<u>\$ (33,779)</u>	<u>\$ 86,175</u>	<u>\$ 27,061,133</u>

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

Governmental activities:

General Government	\$ 202,503
Public Safety	229,923
Highways and Streets	422,861
Culture and Recreation	187,895
Total depreciation expense - governmental activities	<u>\$ 1,043,182</u>

Business-type activities:

Water Services	\$ 947,916
Sewer Services	432,085
Sanitation Services	52,047
Total depreciation expense - business-type activities	<u>\$ 1,432,048</u>

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NOTE 6 LONG-TERM LIABILITIES

Changes in Long-term Liabilities

	Beginning Balance 12/31/2016	Additions	Deletions	Ending Balance 12/31/2017	Due Within One Year
<i>Governmental activities:</i>					
Lease Purchase Agreement	\$ 5,536,475	\$ 2,400,000	\$ 308,833	\$ 7,627,642	\$ 405,271
Bond Payable	512,467	-	70,242	442,225	29,000
Compensated Absences	391,174	10,540	-	401,714	8,749
Governmental activities long-term debt	<u>\$ 6,440,116</u>	<u>\$ 2,410,540</u>	<u>\$ 379,075</u>	<u>\$ 8,471,581</u>	<u>\$ 443,020</u>
<i>Business-type activities:</i>					
Lease Purchase Agreement	\$ -	\$ 4,300,000	\$ 276,000	\$ 4,024,000	\$ 232,000
Bond Payable	6,988,860	-	557,124	6,431,736	568,155
Compensated Absences	96,686	-	748	95,938	533
Business-type activities long-term debt	<u>\$ 7,085,546</u>	<u>\$ 4,300,000</u>	<u>\$ 833,872</u>	<u>\$ 10,551,674</u>	<u>\$ 800,688</u>

GOVERNMENTAL ACTIVITIES

Lease Purchase Agreements

Ice Rink/Multi-Purpose Facility

An annually renewable Lease Purchase Agreement and Sublease Agreement, dated September 8, 2017, was entered into between Alamosa Capital Leasing Corporation (the "Corporation"), as lessor and sublessor, and the City of Alamosa (the "City"), as lessee and sublessee. The Corporation issued \$2,400,000 of Certificates of Participation Series 2017B for the construction, furnishing and equipping of a new Ice Rink/Multi-Purpose Facility. The facility is recorded in construction in progress in the government-wide financial statements at \$2,789,076 at December 31, 2017. The project was completed January 1, 2018 for a total project cost of \$3,000,196

The City will make lease payments to the Corporation and the Corporation will use those funds to pay the principal and interest payments prescribed by the Certificates of Participation document. The interest rate is 3.07%.

Principal and interest payments on these Certificates of Participation will be funded from unrestricted resources of the Community Recreation Fund and is paid semi-annually in March and September. Principal repayments will begin March 1, 2018, and will finish on March 1, 2037. The cost of issuing the Certificates of Participation was \$51,000.

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Presented below are the annual requirements for repayment of the Certificates of Participation Series 2017B.

	Principal	Interest	Total
2018	\$ 85,000	\$ 70,942	\$ 155,942
2019	90,000	69,689	159,689
2020	95,000	66,850	161,850
2021	95,000	63,933	158,933
2022	100,000	60,939	160,939
2023-2027	550,000	255,732	805,732
2028-2032	635,000	164,937	799,937
2033-2037	750,000	59,095	809,095
	\$ 2,400,000	\$ 812,117	\$ 3,212,117

Municipal Complex Lease Agreement

An annually renewable Lease Purchase Agreement, dated October 5, 2010, was entered into between Alamosa Capital Leasing Corporation (the "Corporation"), as lessor, and the City of Alamosa (the "City"), as lessee. The Corporation issued \$6,525,000 of Certificates of Participation Series 2010 to construct and equip a building or buildings consisting of a municipal complex project (the "Project") on land (the "Site") owned by the City and located in Alamosa, Colorado for the use of the inhabitants of the City. The Site will be leased to the corporation under a Ground Lease Agreement, dated October 5, 2010, between the City, as lessor, and the Corporation, as lessee. The Corporation will construct and equip the Project on the Site and lease the Project to the City pursuant to the lease. The facility is recorded in the fixed assets of the government-wide financial statements at \$6,908,679 less accumulated depreciation of \$886,708 at December 31, 2017.

The City will make lease payments to the Corporation and the Corporation will use those funds to pay the principal and interest payments prescribed by the Certificates of Participation document. The interest rate starts at 2.00% and increases until it is 4.50% at maturity date.

Principal and interest payments on these Certificates of Participation will be funded from unrestricted resources of the City and is paid semi-annually in August and February. Principal repayments began February 1, 2011, and will finish on February 1, 2030. The cost of issuing the Certificates of Participation was \$26,706.

As of December 31, 2017, the City had \$491,625 in a trust account held by the trustee. This amount has been reserved for debt service in the Debt Service Fund.

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Presented below are the annual requirements for repayment of the Certificates of Participation Series 2010.

	Principal	Interest	Total
2018	\$ 285,000	\$ 198,063	\$ 483,063
2019	300,000	188,913	488,913
2020	300,000	178,788	478,788
2021	315,000	167,631	482,631
2022	330,000	153,888	483,888
2023-2027	1,880,000	518,550	2,398,550
2028-2030	1,389,556	49,925	1,439,481
	\$ 4,799,556	\$ 1,455,758	\$ 6,255,314

Cattails Clubhouse Lease Agreement

Annually renewable Lease Purchase Agreement, dated January 24, 2008, was entered into between San Luis Valley Federal Bank (the "Bank"), as lessor, and the City of Alamosa (the "City"), as the lessee. The bank issued \$635,000 to the City for the completion of the Cattails Clubhouse. The City is leasing the land and title to the Cattails Clubhouse back via the Lease Purchase agreement at an amended fixed interest rate of 4.25%. The City will use the proceeds from the sale to construct and equip the new Clubhouse. Construction was completed on the Clubhouse in July 2009. The Clubhouse is recorded in the fixed assets as buildings of the government-wide financial statements at \$971,109, less accumulated depreciation of \$311,877, at December 31, 2017.

Payments on the Lease Purchase Agreement is funded from resources of the City in the Conservation Trust Fund. Payments are due to the Bank in annual installments through October 2027. The City can purchase the land and title to the Clubhouse back at any time for the Purchase Option Price included in the lease.

The annual debt service for the Lease Purchase Agreement is as follows:

	Principal	Interest	Total
2018	\$ 35,271	\$ 18,199	\$ 53,470
2019	36,770	16,700	53,470
2020	38,291	15,179	53,470
2021	39,960	13,510	53,470
2022	41,658	11,812	53,470
2023-2027	236,264	30,949	267,213
	\$ 428,214	\$ 106,349	\$ 534,563

Bonds Payable

Special Assessment Bonds dated June 1, 2015, payable to San Luis Valley Federal Bank for the purpose of public improvements within a special improvement district with the maximum principal amount \$650,000 with an interest rate of 4.75%. Payments will be made annually over a fifteen year period and the final payment is due in 2030. The

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facility is recorded in the fixed assets as infrastructure of the General Fund at \$443,375, less accumulated depreciation of \$29,558, at December 31, 2017.

Principal and interest payments on the Bonds are funded from assessments to property owners within the improvement district, collected in the General Fund. A special assessment notes receivable of \$491,584 is recorded in the statement of net position for work on the improvement district. The terms of the receivable consists of annual payments, 4.75% interest rate, and final payment is due in 2030. The annual debt service for the revenue bond is as follows:

	Principal	Interest	Total
2018	\$ 29,000	\$ 21,006	\$ 50,006
2019	30,000	19,628	49,628
2020	32,000	18,203	50,203
2021	33,000	16,683	49,683
2022	35,000	15,116	50,116
2023-2027	201,000	13,453	214,453
2028-2030	82,225	3,906	86,131
	\$ 442,225	\$ 107,995	\$ 550,220

BUSINESS-TYPE ACTIVITIES

Water Augmentation Lease Agreement

An annually renewable Lease Purchase Agreement, dated April 18, 2017, was entered into between Alamosa Capital Leasing Corporation (the "Corporation"), as sublessor, and the City of Alamosa (the "City"), as sublessee. The Corporation issued \$4,300,000 of Certificates of Participation Series 2017 to acquire certain water rights and water storage rights, relocate and construct a new discharge point for its wastewater treatment plant, and pay the legal and engineering costs of implementing such plans and construction (the "Project") on land (the "Site") owned by the City.

The City will make lease payments to the Corporation and the Corporation will use those funds to pay the principal and interest payments prescribed by the Certificates of Participation document. The interest rate is 3.21%.

Principal and interest payments on these Certificates of Participation will be funded from unrestricted resources and paid semi-annually in June and December. Principal repayments began June 1, 2017, and will finish on December 1, 2031. The cost of issuing the Certificates of Participation was \$95,200.

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Presented below are the annual requirements for the repayment of the Certificates of Participation Series 2017.

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 232,000	\$ 127,325	\$ 359,325
2019	240,000	119,813	359,813
2020	246,000	112,061	358,061
2021	254,000	104,100	358,100
2022	264,000	95,867	359,867
2023-2027	1,450,000	345,829	1,795,829
2028-2031	1,338,000	98,435	1,436,435
	<u>\$ 4,024,000</u>	<u>\$ 1,003,430</u>	<u>\$ 5,027,430</u>

Revenue Bonds Payable

Revenue Bonds dated November 2, 2006, payable to Colorado Water Resources and Power Development Authority for the purpose of constructing the arsenic removal facility with the maximum principal amount \$11,865,063 with an interest rate of 4.21%. Payments will be made semiannually over a twenty year period and the final payment is due in 2027. The facility is recorded in the fixed assets as utility plant of the Enterprise Fund at \$13,801,150, less accumulated depreciation of \$4,949,077, at December 31, 2017.

Principal and interest payments on the Revenue Bonds are funded from sales tax revenue collected in the Enterprise Fund. The annual debt service for the revenue bond is as follows:

	<u>Principal</u>	<u>Fee</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 568,155	\$ 94,920	\$ 152,270	\$ 815,345
2019	579,187	94,920	140,865	814,972
2020	595,736	94,920	128,583	819,239
2021	606,768	94,920	115,545	817,233
2022	623,316	94,920	97,866	816,102
2023-2027	3,458,576	364,403	248,310	4,071,289
	<u>\$ 6,431,738</u>	<u>\$ 839,003</u>	<u>\$ 883,439</u>	<u>\$ 8,154,180</u>

NOTE 7 PENSION PLANS

PERA DEFINED BENEFIT PENSION PLAN

General Information about the Pension Plan

Plan description. Eligible employees of the City are provided with pensions through the Local Government Division Trust Fund (LGDTF) - a cost-sharing multiple-employer defined benefit pension plan administered by PERA. Plan benefits are specified in Title 24, Article 51 of the Colorado Revised Statutes (C.R.S.), administrative rules set forth at 8 C.C.R. 1502-1, and applicable provisions of the federal Internal Revenue Code. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. PERA issues a publicly

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available comprehensive annual financial report that can be obtained at www.copera.org/investments/pera-financial-reports.

Benefits provided. PERA provides retirement, disability, and survivor benefits. Retirement benefits are determined by the amount of service credit earned and/or purchased, highest average salary, the benefit structure(s) under which the member retires, the benefit option selected at retirement, and age at retirement. Retirement eligibility is specified in tables set forth at C.R.S. § 24-51-602, 604, 1713, and 1714.

The lifetime retirement benefit for all eligible retiring employees under the PERA Benefit Structure is the greater of the:

- Highest average salary multiplied by 2.5 percent and then multiplied by years of service credit
- The value of the retiring employee's member contribution account plus a 100 percent match on eligible amounts as of the retirement date. This amount is then annuitized into a monthly benefit based on life expectancy and other actuarial factors.

In all cases the service retirement benefit is limited to 100 percent of highest average salary and also cannot exceed the maximum benefit allowed by federal Internal Revenue Code.

Members may elect to withdraw their member contribution accounts upon termination of employment with all PERA employers; waiving rights to any lifetime retirement benefits earned. If eligible, the member may receive a match of either 50 percent or 100 percent on eligible amounts depending on when contributions were remitted to PERA, the date employment was terminated, whether 5 years of service credit has been obtained and the benefit structure under which contributions were made.

Benefit recipients who elect to receive a lifetime retirement benefit are generally eligible to receive post-retirement cost-of-living adjustments (COLAs), referred to as annual increases in the C.R.S. Benefit recipients under the PERA benefit structure who began eligible employment before January 1, 2007 and all benefit recipients of the DPS benefit structure receive an annual increase of 2 percent, unless PERA has a negative investment year, in which case the annual increase for the next three years is the lesser of 2 percent or the average of the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) for the prior calendar year. Benefit recipients under the PERA benefit structure who began eligible employment after January 1, 2007 receive an annual increase of the lesser of 2 percent or the average CPI-W for the prior calendar year, not to exceed 10 percent of PERA's Annual Increase Reserve for the LGDTF.

Disability benefits are available for eligible employees once they reach five years of earned service credit and are determined to meet the definition of disability. The disability benefit amount is based on the retirement benefit formula shown above considering a minimum 20 years of service credit, if deemed disabled.

Survivor benefits are determined by several factors, which include the amount of earned service credit, highest average salary of the deceased, the benefit structure(s) under which service credit was obtained, and the qualified survivor(s) who will receive the benefits.

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Contributions. Eligible employees and the Organization are required to contribute to the LGDTF at a rate set by Colorado statute. The contribution requirements are established under C.R.S. § 24-51-401, *et seq.* Eligible employees are required to contribute 8 percent of their PERA-includable salary. The employer contribution requirements are summarized in the table below:

	2017
Employer Contribution Rate	10%
Amount of Employer Contribution apportioned to the Health Care Trust Fund as specified in C.R.S. § 24-51-208(1)(f) ¹	-1.02%
Amount Apportioned to the LGDTF	8.98%
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411 ¹	2.20%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411 ¹	1.50%
Total Employer Contribution Rate to LGDTF	12.68%

¹ Rates are expressed as a percentage of salary as defined in C.R.S. § 24-51-101(42).

Employer contributions are recognized by the LGDTF in the period in which the compensation becomes payable to the member and the City is statutorily committed to pay the contributions to the LGDTF. Employer contributions recognized by the LGDTF from the City were \$375,434 for the year ended December 31, 2017.

Pension Funding Status

At December 31, 2017, the City reported a liability of \$6,430,549 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2015. Standard update procedures were used to roll forward the total pension liability to December 31, 2016. The City's proportion of the net pension liability was based on the City's contributions to the LGDTF for the calendar year 2016 relative to the total contributions of participation employers to the LGDTF.

At December 31, 2016, the City's proportion was 0.48 percent, which was an decrease of 0.00583 from its proportion measured as of December 31, 2015.

For the year ended December 31, 2017, the City recognized pension expense of \$813,946. At December 31, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 114,432	\$ -
Net difference between projected and actual earnings on pension plan investments	772,283	-
Changes in proportionate share	822	23,634
Changes of assumptions or other inputs	456,132	18,597
Contributions subsequent to the measurement date	375,434	-
Total	\$ 1,719,103	\$ 42,231

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\$375,434 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended December 31, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended June 30,</u>	
2018	\$ 737,196
2019	340,504
2020	216,403
2021	7,336
2022	-
Thereafter	-
	<u>\$ 1,301,439</u>

Actuarial assumptions. The December 31, 2015 actuarial valuation used the following actuarial cost method, actuarial assumptions and other inputs:

Actuarial cost method	Entry age
Price inflation	2.80 percent
Real wage growth	1.10 percent
Wage inflation	3.90 percent
Salary increases, including wage inflation	3.90 – 10.85 percent
Long-term investment Rate of Return, net of pension plan investment expenses, including price inflation	7.50 percent
Discount rate	7.50 percent
Future post-retirement benefit increases:	
PERA Benefit Structure hired prior to 1/1/07; and DPS Benefit Structure (automatic)	2.00 percent
PERA Benefit Structure hired after 12/31/06 (ad hoc, substantively automatic)	Financed by the Annual Increase Reserve (AIR)

Based on the 2016 experience analysis and the October 28, 2016 actuarial assumptions workshop, revised economic and demographic assumptions were adopted by PERA's Board on November 18, 2016 and were effective as of December 31, 2016. These revised assumptions shown below were reflected in the roll-forward calculation of the total pension liability from December 31, 2015 to December 31, 2016:

Actuarial cost method	Entry age
Price inflation	2.40 percent
Real wage growth	1.10 percent
Wage inflation	3.50 percent
Salary increases, including wage inflation	3.50 – 10.45 percent
Long-term investment Rate of Return, net of pension plan investment expenses, including price inflation	7.25 percent
Discount Rate	7.25 percent
Post-retirement benefit increases:	
PERA Benefit Structure hired prior to 1/1/07; and DPS Benefit Structure (automatic)	2.00 percent
PERA Benefit Structure hired after 12/31/06 (ad hoc, substantively automatic)	Financed by the Annual Increase Reserve (AIR)

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Mortality rates used in the December 31, 2015 valuation were based on the RP-2000 Combines Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on a projection of Scale AA to 2020 with males set back 1 year, and females set back 2 years. Active member mortality was based upon the same mortality rates but adjusted to 55 percent of the base rate for males and 40 percent of the base rate for females. For disabled retirees, the RP-2000 Disabled Mortality Table (set back 2 years for males and set back 2 years for females) was assumed.

The actuarial assumptions used in the December 31, 2015 valuation were based on the results of an actuarial experience study for the period January 1, 2008 through December 31, 2011, adopted by PERA's Board on November 13, 2012, and an economic assumption study, adopted by PERA's Board on November 15, 2013 and January 17, 2014.

As a result of the 2016 experience analysis and the October 28, 2016 actuarial assumptions workshop, revised economic and demographic actuarial assumptions including withdrawal rates, retirement rates for early reduced and unreduced retirement, disability rates, administrative expense load, and pre- and post-retirement and disability mortality rates were adopted by PERA's Board on November 18, 2016 to more closely reflect PERA's actual experience. As the revised economic and demographic assumptions are effective as of the measurement date, December 31, 2016, these revised assumptions were reflected in the total pension liability roll-forward procedures.

Healthy mortality assumptions for active members reflect the RP-2014 White Collar Employee Mortality Table, as table specifically developed for actively working people. To allow for an appropriate margin of improved mortality prospectively, the mortality rates incorporate a 70 percent factor applied to male rates and a 55 percent factor applied to female rates.

Healthy, post-retirement mortality assumptions reflect the RP-2014 Healthy Annuitant Mortality Table, adjusted as follows:

- Males: Mortality improvement projected to 2018 using the MP-2015 projection scale, a 73 percent factor applied to rates for ages less than 80, a 108 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.
- Females: Mortality improvement projected to 2020 using the MP-2015 projection scale, a 78 percent factor applied to rates for ages less than 80, a 109 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.

For disabled retirees, the mortality assumption was changes to reflect 90 percent of the RP-2014 Disabled Retiree Mortality Table.

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four or five years for PERA. Recently, this assumption has been reviewed more frequently. The most recent analyses were outlined in presentations to PERA's Board on October 28, 2016. As a result of the October 28, 2016 actuarial assumptions workshop and the November 18, 2016 PERA Board meeting, the economic assumptions changes, effective December 31, 2016, as follows:

- Investment rate of return assumption decreased from 7.50 percent per year, compounded annually, net of investment expenses to 7.25 percent per year, compounded annually, net investment expenses.
- Price inflation assumption decreased from 2.80 percent per year to 2.40 percent per year.
- Real rate of investment return assumption increased from 4.70 percent per year, net of investment expenses, to 4.85 percent per year, net of investment expenses.
- Wage inflation assumption decreased from 3.90 percent per year to 3.50 percent per year.

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Several factors were considered in evaluating the long-term rate of return assumption for the LGDTF, including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation.

As of the November 18, 2016 adoption of the current long-term expected rate of return, by the PERA Board, the target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>30 Year Expected Geometric Real Rate of Return</u>
U.S. Equity - Large Cap	21.20%	4.30%
U.S. Equity - Small Cap	7.42%	4.80%
Non U.S. Equity - Developed	18.55%	5.20%
Non U.S. Equity - Emerging	5.83%	5.40%
Core Fixed Income	19.32%	1.20%
High Yield	1.38%	4.30%
Non U.S. Fixed Income - Developed	1.84%	60.00%
Emerging Market Debt	0.46%	3.90%
Core Real Estate	8.50%	4.90%
Opportunity Fund	6.00%	3.80%
Private Equity	8.50%	6.60%
Cash	1.00%	20.00%
Total	100.00%	

In setting the long-term expected rate of return, projections employed to model future returns provide a range of expected long-term returns that, including expected inflation, ultimately support a long-term expected rate of return assumption of 7.25%.

Discount rate. The discount rate used to measure the total pension liability was 7.25 percent. The projection of cash flows used to determine the discount rate applied the actuarial method and assumptions shown above. In addition, the following methods and assumptions were used in the projection of cash flows:

- Updated economic and demographic actuarial assumptions adopted by PERA's Board on November 18, 2016.
- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.50%.
- Employee contributions were assumed to be made at the current member contribution rate. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.

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- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law, and effective as of the measurement date, including current and estimated future AED and SAED, until the Actuarial Value Funding Ratio reaches 103%, at which point, the AED and SAED will each drop .50% every year until they are zero. Additionally, estimated employer contributions included reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.
- Employer contributions and the amount of total service costs for future plan members were based up on a process used by the plan to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The AIR balance was excluded for the initial fiduciary net position, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. As the ad hoc post-retirement benefit increases financed by the AIR are defined to have a present value at the long-term expected rate of return on plan investments equal to the amount transferred for their future payment, AIR transfers to the fiduciary net position and the subsequent AIR benefit payments have no impact on the Single Equivalent Interest Rate (SEIR) determination process when the timing of AIR cash flows is not a factor (i.e., the plan's fiduciary net position is not projected to be depleted). When AIR cash flow timing is a factor in the SEIR determination process (i.e., the plan's fiduciary net position is projected to be depleted), AIR transfers to the fiduciary net position and the subsequent AIR benefit payments were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the end of the month.

Based on the above assumptions and methods, the LGDTF's fiduciary net position was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25 percent on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25 percent.

As of the prior measurement date, the long-term expected rate of return of 7.50 percent on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate determination did not use the municipal bond index rate, and therefore, the discount rate was 7.50 percent.

Sensitivity of the Organization's proportionate share of the net pension liability to changes in the discount rate. The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.25 percent as of the measurement date, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net pension liability	\$ 9,481,550	\$ 6,430,549	\$ 3,903,986

Pension plan fiduciary net position- Detailed information about the LGDTF's fiduciary net position is available in PERA's comprehensive annual financial report which can be obtained at www.copera.org/investments/pera-financial-reports.

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PERA DEFINED CONTRIBUTION PENSION PLAN

Plan Description - Employees of the City of Alamosa who are members of the LGDTF may voluntarily contribute to the Voluntary Investment Program (401(k) Plan), an Internal Revenue Code Section 401(k) defined contribution plan administered by PERA. Title 24, Article 51, Part 14 of the CRS, as amended, assigns the authority to establish the 401(k) Plan provisions to the PERA Board of Trustees. PERA issues a publicly available comprehensive annual financial report for the Plan. That report may be obtained online at www.copera.org.

Funding Policy - The Voluntary Investment Program is funded by voluntary member contributions of up to the maximum limit set by the Internal Revenue Services, as established under Title 24, Article 51, Section 1402 of the C.R.S., as amended. Employees are immediately vested in their own contributions, employer contributions, and investment earnings. For the year ended December 31, 2017 program members contributed \$36,812 for the Voluntary Investment Program.

ICMA DEFERRED COMPENSATION PLAN

ICMA Deferred Compensation Plan is available in lieu of PERA and is only available to department heads. The purpose of this plan is to provide retirement income and other deferred benefits to certain employees of the City in accordance with the provisions of section 457 of the Internal Revenue Code ("IRC"). The plan was adopted in 1984 and is a defined contribution plan. The City contributes 13.7% of covered payroll and the employee is not required to contribute, although, they have the option to contribute to the plan. Total employer and employee contributions for 2017 were \$43,000 this exceeds the 13.7% required as there are employees who have elected to make additional contributions. Of the three employees contributing one employee was making additional contributions. The City has no other liability other than to make the required monthly contribution.

The financial report can be obtained by writing to ICMA Retirement Corporation, 777 North Capital Street NE, Washington DC, 2002-4240 or by calling 1-800-669-7400.

POLICE MONEY PURCHASE PENSION PLAN

Pension benefits are provided for all employees of the Police Department through the City of Alamosa Police Department Money Purchase Pension Plan. This is a defined contribution retirement plan. Rollover and current contributions in the name of each police officer were deposited with the plan trustee and plan administrator - an organization outside the City of Alamosa. The City has no other liability other than to make the required monthly contributions.

The Pension Plan was established in order to provide retirement income for eligible police officers and to provide funds for their beneficiaries in the event of death. Plan provisions and contribution requirements are established and may be amended by the Alamosa City Council.

The Plan requires employer and employee contributions of 10% of covered payroll. The employees contributed \$147,992 and the City recognized expense of \$147,992 during 2017.

The employees are immediately vested in their own contributions and 100% vested in the employer contributions after five years of service. Nonvested City contributions are forfeited upon termination of employment. Such forfeitures are used to cover a portion of the plan's administrative expenses. For the year ended December, 31, 2017 forfeitures reduced the City's pension expense by \$7,010.

CITY OF ALAMOSA, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2017

VOLUNTEER FIREMEN’S DEFINED BENEFIT PENSION PLAN

General Information about the Pension Plan

Plan description

The City’s defined benefit pension plan (the Plan), provides retirement, survivor, and funeral benefits to plan members and beneficiaries. The Plan is affiliated with the Affiliated Local Plans (AFL), an agent multiple-employer pension plan administered by the Fire and Police Pension Association of Colorado (FPPA). Title 31, Article 30, part 4 of the Colorado Revised Statutes provides for the creation of a Fireman’s Pension Trust Fund and assigns the authority to establish and amend the benefit provisions of the plans that participate in AFL to the respective employer entities; for the Plan, that authority rests with a Board of Trustees composed of City board members and firefighters selected in accordance with Colorado Statutes. FPPA issues a publicly available comprehensive annual financial report that can be obtained at:

http://www.fppaco.org/pdfs/annual_audit_actuarial_reports/annual%20reports/2014%20FPPA%20CAFR.pdf.

Benefits provided

A volunteer fireman who has reached age 50 and attained 20 years of service may be granted a pension, not to exceed \$375 per month. In the event of injury or death, an annuity not to exceed \$187.50 per month may be granted to the fireman or his survivors. In addition, a one time lump sum will be provided for funeral benefits. If at any time there is not sufficient money in the Fund to pay the full amount to which each beneficiary is entitled, an equal percentage of such monthly payment shall be made to each beneficiary until the Fund is replenished as to permit full payment.

Volunteers covered by the plan

At December 31, 2017, the following volunteers were covered by the benefit terms:

Retirees and beneficiaries	32
Inactive, nonretired members	4
Active Members	23
Total	59

Contributions

There are no paid employees within the volunteer firefighter's pension plan. The State of Colorado provides a discretionary contribution to the Plan as defined in the Colorado Revised Statutes. The City contributes to the Plan with proceeds from a local mill levy.

Contributions to the Plan from the City were \$38,938 for the year ended December 31, 2017.

Net Pension Asset

At December 31, 2017, the City reported an asset of \$247,099. The City's net pension asset was measured as of December 31, 2016, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of January 1, 2016.

Actuarial assumptions

Actuarially determined contribution rates are calculated as of January 1 of odd numbered years. The contribution rates have a one-year lag, so the actuarial valuation as of January 1, 2015 determines the contribution amounts for 2016 and 2017.

CITY OF ALAMOSA, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2017

Methods and Assumptions Used to Determine Contribution Rates for the Fiscal Year Ending December 31, 2016:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar, Open*
Remaining Amortization Period	20 years*
Asset Valuation Method	5-Year smoothed fair value
Inflation	3.00%
Salary Increases	N/A
Investment Rate of Return	7.50%
Retirement Age	50% per year of eligibility until 100% at age 65.
Mortality	Pre-retirement: RP-2000 Combined Mortality Table with Blue Collar Adjustment, 40% multiplier for off-duty mortality. Post-retirement: RP-2000 Combined Mortality Table, with Blue Collar Adjustment Disabled: RP-2000 Disabled Mortality Table All tables projected with Scale AA.

*Plans that are heavily weighted with retiree liabilities use an amortization period based on the expected remaining lifetime of the participants.

The assumptions shown above pertain to the actuarial valuation as of January 1, 2015 and the associated Actuarially Determined Contribution for the year ending December 31, 2016. Following a regularly scheduled experience study in 2015, the Board adopted a new assumption set for first use in the January 1, 2016 valuations. Due to the biennial valuation process, the new assumptions will first apply to the January 1, 2017 Volunteer valuations.

The primary changes, which can be observed in the January 1, 2017 valuation, as compared to the assumptions shown are as follows:

Inflation	2.5%
Mortality	Pre-retirement: RP-2014 Combined Mortality Table for Blue Collar Employees, projected with Scale BB, 55% multiplier for off-duty mortality. Increased by 0.00020 for on-duty related Fire and Police experience. Post-retirement: For ages less than 55, RP-2014 Mortality Tables for Blue Collar Employees. For ages 65 and older, RP-2014 Mortality Tables for Blue Collar Healthy Annuitants. For ages 55 through 64, a blend of the previous tables. All tables are projected with Scale BB. Disabled: RP-2014 Disabled Generational Mortality Table generationally projected with Scale BB with a minimum 3% rate for males and 2% rate for females.

CITY OF ALAMOSA, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2017

Long-Term Expected Return on Plan Assets

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return which eliminates the 2.5% inflation assumption, for each major asset class included in the Fund's target asset allocation as of December 31, 2016 are summarized in the following table:

Asset Class	Target Allocation	Long Term Expected Rate of Return
Global Equity	36%	6.75%
Equity Long/Short	10%	4.85%
Illiquid Alternatives	23%	8.25%
Fixed Income	15%	0.50%
Absolute Return	10%	4.05%
Manage Futures	4%	3.00%
Cash	2%	0.00%
Total	<u>100%</u>	

*While expected inflation exceeds the expected rate of return for cash, a 0.0% real rate of return is utilized.

Discount rate

Projected benefit payments are required to be discounted to their actuarial present values using a Single Discount Rate that reflects (1) a long-term expected rate of return on pension plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits) and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the plan's projected fiduciary net position is not sufficient to pay benefits).

For the purpose of this valuation, the long-term expected rate of return on pension plan investments is 7.50%; the municipal bond rate is 3.78% (based on the weekly rate closest to but not later than the measurement date of the "state & local bonds" rate from Federal Reserve statistical release (H.15)); and the resulting Single Discount Rate is 7.50%.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2017, the City recognized pension income of \$33,529. At December 31, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 28,271	\$ 6,332
Changes in assumptions	29,478	-
Net difference between projected and actual earnings on pension plan investments	85,332	-
Total	<u>\$ 143,081</u>	<u>\$ 6,332</u>

CITY OF ALAMOSA, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2017

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended December 31,</u>	
2018	\$ 39,997
2019	46,328
2020	43,555
2021	6,869
2022	-
Thereafter	-
	<u>\$ 136,749</u>

Sensitivity of the net pension liability to changes in the discount rate

The following presents the net pension liability of the City, calculated using the discount rate of 7.5 percent, as well as the City's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.5 percent) or one percentage point higher (8.5 percent):

1% Decrease	Current Discount Rate	1% Increase
6.50%	7.50%	8.50%
<u>\$ (96,945)</u>	<u>\$ (247,099)</u>	<u>\$ (371,845)</u>

Changes in the net pension liability (asset)

The Schedule of Employers' Net Pension Liability presented in the Required Supplementary Information section presents multi-year trend information about whether the plan fiduciary net positions are increasing or decreasing over time relative to the total pension liability. The total pension liability as of December 31, 2016, is based on the results of the most recent actuarial valuation date and rolled-forward using generally accepted actuarial procedures.

NOTE 8 PERA POSTEMPLOYMENT HEALTHCARE BENEFITS

Plan Description - The City contributes to the Health Care Trust Fund (HCTF), a cost-sharing multiple-employer healthcare trust administered by PERA. The HCTF benefit provides a health care premium subsidy and health care programs (known as PERACare) to PERA participating benefit recipients and their eligible beneficiaries. Title 24, Article 51, Part 12 of the CRS, as amended, establishes the HCTF and set forth a framework that grants authority to the PERA Board to contract, self-insure and authorize disbursements necessary in order to carry out the purposes of the PERACare program, including the administration of health care subsidies. PERA issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information for the HCTF. That report can be obtained at www.copera.org/investments/pera-financial-reports.

Funding Policy - The City is required to contribute 1.02 percent of PERA-includable salary for all PERA members as set by statute. No member contributions are required. The contribution requirements for the City are established under Title 24, Article 51, Part 4 of the C.R.S., as amended. The apportionment of the contributions to the HCTF is established under Title 24, Article 51, Section 208(1)(f) of the C.R.S., as amended. For the years ending December 31, 2017 and 2016, the City's contributions to the HCTF were \$30,240 and \$29,358 respectively, equal to their required contributions for each year.

CITY OF ALAMOSA, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2017

NOTE 9 SEGMENT INFORMATION FOR ENTERPRISE FUND

Because water, sewer, and sanitation services are provided for in one fund, several items cannot be allocated between each segment. Therefore, a condensed statement of net position and statement of cash flows, as well as some line items have been omitted in the segment information.

The following is a summary of operating income and expense information on the various segments of the Enterprise Fund. All services are provided from a single enterprise fund.

	<u>WATER</u>	<u>SEWER</u>	<u>SANITATION</u>	<u>TOTAL</u>
Intergovernmental Revenue	\$ -	\$ -	\$ -	\$ -
Charges for Services	1,616,617	1,014,109	1,230,764	3,861,490
Miscellaneous Revenue	-	-	170	170
Total Operating Revenue	<u>1,616,617</u>	<u>1,014,109</u>	<u>1,230,934</u>	<u>3,861,660</u>
Operating Expense	1,220,278	609,254	758,058	2,587,590
Depreciation	947,916	432,085	52,047	1,432,048
Total Operating Expense	<u>2,168,194</u>	<u>1,041,339</u>	<u>810,105</u>	<u>4,019,638</u>
OPERATING INCOME (LOSS)	<u>(551,577)</u>	<u>(27,230)</u>	<u>420,829</u>	<u>(157,978)</u>
Non-operating Revenue/(Expense)				
Bond Interest	(246,339)	-	-	(246,339)
Sales Tax Revenue	1,291,181	-	-	1,291,181
Bond Administrative Fees	(94,920)	-	-	(94,920)
Interest on Investments	31,548	-	-	31,548
Gain on Sale of Assets	22,093	-	-	22,093
Total Non-operating Expense	<u>1,003,563</u>	<u>-</u>	<u>-</u>	<u>1,003,563</u>
Income (Loss) Before Operating Transfers	<u>451,986</u>	<u>(27,230)</u>	<u>420,829</u>	<u>845,585</u>
Capital Contributions (Water & Sewer Taps)	110,563	12,000	-	122,563
Transfers				
Transfer Out	(115,800)	(121,300)	(150,000)	(387,100)
Total Transfers	<u>(115,800)</u>	<u>(121,300)</u>	<u>(150,000)</u>	<u>(387,100)</u>
Change in Net Position	<u>\$ 446,749</u>	<u>\$ (136,530)</u>	<u>\$ 270,829</u>	<u>\$ 581,048</u>
Net Position at Beginning of Year				<u>24,816,487</u>
Net Position at End of Year				25,397,535
Adjustment to reflect consolidation of Internal Service Fund				<u>326,611</u>
Net Position of Business-Type Activities				<u>\$ 25,724,146</u>

CITY OF ALAMOSA, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2017

	<u>WATER</u>	<u>SEWER</u>	<u>SANITATION</u>	<u>TOTAL</u>
Total Utility Plant	\$ 16,431,556	\$ 10,113,019	\$ -	\$ 26,544,575
Total other Capital Assets	13,043,535	6,050,321	1,688,617	20,782,473
Accumulated Depreciation	11,820,319	7,385,725	1,059,871	20,265,915
2017 Additions to Utility Plant	-	-	-	-
2017 Additions to other Capital Assets	770,902	369,226	258,141	1,398,269

NOTE 10 RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. There have been no significant reductions in insurance coverage. Settled claims from these risks have not exceeded commercial insurance coverage for the current year or the three prior years.

Self-Funded Insurance

The City provides health insurance benefits to all full-time employees through a self-funded insurance program. An Internal Service Fund was created to account for the self-funded insurance. The insurance program is administered by a professional administration company. The other funds of the City participate in the program and make payments to the Internal Service Fund based on actuarial estimates of the amounts needed to pay premiums and claims. The City pays the first 75% of the monthly rate and the remaining 25% is provided from payroll withholdings. The dollar amounts of the City's share of the different rates per employee as of December 31, 2017, are as follows:

	<u>Without Dental</u>	<u>With Dental</u>
Single Employee Medical	\$ 562	\$ 591
Employee plus child(ren)	873	938
Employee plus spouse	870	927
Employee plus family	1,016	1,111

The above rates include employee life insurance premiums.

The plan is amended annually because of changes in coverage, deductibles, limits of liability, and stop loss carriers. On October 1, 2017, the plan was amended to reflect the following conditions.

Employees pay 30% of the deductible if they are out of the network and 20% if they are in the network after meeting the \$575 deductible for singles and the \$1,150 deductible for a family. The plan also has a \$2,300 out of pocket max for singles and \$5,775 out of pocket max for family per year. Co-pays for the office visits are not subject to deductible, but do count toward the calendar year maximum. The City has purchased stop loss coverage to cover claims in excess of \$65,000, which is the specific liability. The maximum aggregate benefit per benefit period is \$1,000,000.

The Internal Service Fund is responsible for collecting premiums, paying medical, prescription and life insurance claims, and purchasing certain insurance policies which include individual (specific) stop loss reinsurance and

CITY OF ALAMOSA, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2017

aggregate stop loss reinsurance. Interfund revenues and expenses are accrued when the interfund premiums are earned. Claims settlement and loss expenses are accrued in the Internal Service Fund for the estimated settlement value of claims reported and unreported up to stop loss arising from incidents during the period.

The claims liability of \$76,740 at December 31, 2017, is based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred and the date of the financial statements and the amount of the loss can be reasonably estimated. Changes in the Internal Service Fund's claims liability amount in fiscal 2017 and 2016 were:

Fiscal Year	Beginning Claims Liability	Current Year Claims and Changes in Estimates	Claim Payments	Ending Claims Liability
2016	\$ 80,000	\$ 1,086,763	\$ 1,125,979	\$ 40,784
2017	\$ 40,784	\$ 662,115	\$ 626,159	\$ 76,740

NOTE 11 TABOR EMERGENCY RESERVE

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

Fiscal year spending and revenue limits are determined based on the prior years' spending adjusted for inflation and local growth. Revenue in excess of the limit must be refunded unless the voters approve retention of such revenue.

The voters of the City passed ballot issues in 1993, 1995, and 1996 allowing for the retention of revenues generated in excess of the limits imposed by the amendment.

The amendment also requires that emergency reserves be established. These reserves must be at least three percent of fiscal year spending. This emergency reserve has been presented as restricted net position/fund balance in the financial statements. The City is not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

NOTE 12 JOINT VENTURE

San Luis Valley Regional Airport

The San Luis Valley Regional Airport is a joint venture between the City of Alamosa and Alamosa County. As of January 1, 2017 the joint venture was dissolved and the San Luis Valley Regional Airport is included in Alamosa County's financial statements.

San Luis Valley Regional Solid Waste Authority

The San Luis Valley Regional Solid Waste Authority was created by an intergovernmental agreement between Rio Grande County and Alamosa County on April 14, 1995, pursuant to the authority granted by C.R.S. 29-1-203. It has been designated as a joint venture under the provisions of GASB Statement No. 14. Its purpose is to provide the

CITY OF ALAMOSA, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2017

citizens of both counties an integrated municipal solid waste disposal facility in accordance with provision of C.R.S. 30-20-1005.

The Authority is governed by a Board of Directors consisting of five members as follows: one Rio Grande County Commissioner, one Alamosa County Commissioner, one director appointed by the City of Monte Vista, one director appointed by the City of Alamosa, and one director who is a member of the Rio Grande County Land Use or administrative staff as appointed by the Rio Grande County Commissioners.

It is the intent of the counties that the initial funding of the Authority by each county be provided on a loan basis in substantially the same proportion that the population of each county bears to the combined population of both counties. Alamosa and Rio Grande Counties may provide additional funding at any time in the future if they choose to do so by resolution.

The City of Alamosa is not exposed to any closure or post-closure expenses.

The most recent audited financial statements of the Authority report total assets of \$4,591,278 total liabilities of \$870,852, and net position of \$3,720,426 at December 31, 2017.

The San Luis Valley Regional Solid Waste Authority issues publicly available annual financial statements. That report may be obtained by writing to the San Luis Valley Regional Solid Waste Authority, PO Box 861, Monte Vista, Colorado 81144.

NOTE 13 COMMITMENTS AND CONTINGENCIES

Grant Programs

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

Litigation

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

CITY OF ALAMOSA, COLORADO

REQUIRED SUPPLEMENTARY INFORMATION

In addition to the basic financial statements, a budgetary comparison schedule is required for the General Fund, and if applicable, each of the City's major special revenue funds. In addition, pension plan contributions and the City's proportionate share of the net pension liability are required to supplement the basic financial statements.

CITY OF ALAMOSA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended December 31, 2017

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FINAL BUDGET</u>
				<u>POSITIVE</u>
				<u>(NEGATIVE)</u>
REVENUES				
Taxes				
Property Taxes	\$ 496,870	\$ 496,870	\$ 496,228	\$ (642)
Motor Vehicle - S. O. T.	102,773	102,773	112,285	9,512
Sales Tax - City	2,442,000	2,442,000	2,608,794	166,794
Sales Tax - County	3,176,800	3,176,800	3,389,799	212,999
Cigarette Tax	33,800	33,800	27,585	(6,215)
Construction Use Tax	65,480	65,480	66,175	695
Gas Franchise Tax	116,790	116,790	100,843	(15,947)
Electric Franchise Tax	207,650	207,650	205,763	(1,887)
Telephone Franchise Tax	10,600	10,600	9,520	(1,080)
Television Franchise Tax	71,100	71,100	67,059	(4,041)
PILT	33,300	33,300	44,317	11,017
Total Taxes	<u>6,757,163</u>	<u>6,757,163</u>	<u>7,128,368</u>	<u>371,205</u>
Licenses and Permits				
Liquor Licenses	13,600	13,600	14,908	1,308
Contracting Licenses	3,500	3,500	2,720	(780)
Building and Other Permits	40,700	40,700	71,537	30,837
Dog and Bike Licenses	1,000	1,000	847	(153)
Sales Tax Licenses	15,000	15,000	13,280	(1,720)
Total Licenses and Permits	<u>73,800</u>	<u>73,800</u>	<u>103,292</u>	<u>29,492</u>
Intergovernmental Revenue				
Motor Vehicle Registration Fees	28,500	28,500	29,474	974
Highway Users Tax	262,800	262,800	273,426	10,626
Road and Bridge	6,600	6,600	6,820	220
Law Enforcement Grants	113,748	113,748	106,388	(7,360)
Pass Thru Grants	228,049	568,010	82,032	(485,978)
Impact Assistance	210,000	210,000	196,413	(13,587)
Total Intergovernmental Revenue	<u>849,697</u>	<u>1,189,658</u>	<u>694,553</u>	<u>(495,105)</u>
Charges for Services				
Special Policeman Services	36,050	36,050	27,444	(8,606)
Miscellaneous Fleet	5,150	5,150	-	(5,150)
Cemetery Fees	8,240	8,240	12,680	4,440
Street Improvements	103,240	103,240	105,265	2,025
Total Charges for Services	<u>152,680</u>	<u>152,680</u>	<u>145,389</u>	<u>(7,291)</u>
Fines and Forfeits				
Municipal Court Fines	320,200	320,200	176,805	(143,395)
County Court Fines	2,000	2,000	6,058	4,058
Total Fines and Forfeits	<u>322,200</u>	<u>322,200</u>	<u>182,863</u>	<u>(139,337)</u>

CITY OF ALAMOSA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended December 31, 2017

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE
				(NEGATIVE)
Investment Income	37,600	37,600	105,781	68,181
Miscellaneous Revenue				
General Miscellaneous	299,050	299,050	310,504	11,454
Special Fire Services	31,500	31,500	45,621	14,121
Public Safety Miscellaneous	3,600	3,600	(1,735)	(5,335)
Public Works Miscellaneous	5,150	5,150	14,852	9,702
Total Miscellaneous Revenue	339,300	339,300	369,242	29,942
TOTAL REVENUES	8,532,440	8,872,401	8,729,488	(142,913)
EXPENDITURES				
General Government				
City Council and Mayor	73,960	73,960	72,086	1,874
City Manager	214,673	214,673	207,541	7,132
Legal Services	77,000	77,000	59,994	17,006
Municipal Court	379,430	379,430	355,664	23,766
Information Technology Department	461,808	461,808	463,583	(1,775)
City Clerk	103,760	103,760	109,587	(5,827)
City Hall Complex Maintenance and Operation	423,625	423,625	413,218	10,407
Financial Administration	439,340	439,340	418,169	21,171
HR/Risk Management	103,920	103,920	116,128	(12,208)
Bonds and Insurance Premiums	205,000	205,000	181,811	23,189
Total General Government	2,482,516	2,482,516	2,397,781	84,735
Public Safety				
Police Administration	211,810	211,810	215,337	(3,527)
Police Operational	1,966,948	1,966,948	2,030,580	(63,632)
Fire Protection	539,750	539,750	535,072	4,678
Support Services	372,850	372,850	309,328	63,522
Total Public Safety	3,091,358	3,091,358	3,090,317	1,041
Public Works				
Administration	317,880	317,880	276,768	41,112
Maintenance of Condition	889,082	889,082	780,183	108,899
Building Maintenance	250,800	250,800	234,989	15,811
Fleet Maintenance	231,345	231,345	214,777	16,568
Total Public Works	1,689,107	1,689,107	1,506,717	182,390
Health and Welfare				
Cemetery Operations	87,850	87,850	79,936	7,914

CITY OF ALAMOSA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended December 31, 2017

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE
				(NEGATIVE)
Culture and Recreation				
Parks	489,180	489,180	465,271	23,909
Capital Outlay				
General Government	25,000	25,000	22,801	2,199
Public Safety	100,919	540,100	83,216	456,884
Highways and Streets	851,000	1,351,000	1,172,025	178,975
Culture and Recreation	415,000	415,000	385,760	29,240
Total Capital Outlay	1,391,919	2,331,100	1,663,802	667,298
Debt Service	-	-	94,590	(94,590)
TOTAL EXPENDITURES	9,231,930	10,171,111	9,298,414	872,697
Excess (deficiency) of revenues over expenditures	(699,490)	(1,298,710)	(568,926)	729,784
OTHER FINANCING SOURCES (USES)				
Transfers In	1,133,820	1,367,403	1,113,503	(253,900)
Transfers Out	(766,085)	(984,368)	(1,000,768)	(16,400)
TOTAL OTHER FINANCING SOURCES (USES)	367,735	383,035	112,735	(270,300)
Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses)	(331,755)	(915,675)	(456,191)	459,484
Fund Balance - Beginning of Year	5,151,815	5,151,815	6,298,040	1,146,225
Fund Balance - End of Year	\$ 4,820,060	\$ 4,236,140	\$ 5,841,849	\$ 1,605,709

Notes to the Required Supplementary Information

The basis of budgeting is the same as GAAP.

This schedule is presented on the GAAP basis.

CITY OF ALAMOSA, COLORADO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
COMMUNITY RECREATION FUND
For the Year Ended December 31, 2017

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FINAL BUDGET</u>
				<u>POSITIVE</u>
				<u>(NEGATIVE)</u>
REVENUES				
Sales Tax	\$ 1,221,010	\$ 1,221,010	\$ 1,291,180	\$ 70,170
Intergovernmental Revenue - Grant	634,500	634,500	512,123	(122,377)
Charges for Services				
Recreation Program Fees	51,100	51,100	68,895	17,795
Recreation Membership Fees	202,350	202,350	197,702	(4,648)
Total Charges for Services	253,450	253,450	266,597	13,147
Miscellaneous Revenue				
Lease Agreement Revenue	24,750	24,750	24,750	-
Net Investment Income/(Loss)	300	300	4,904	4,604
Total Miscellaneous Revenue	25,050	25,050	29,654	4,604
TOTAL REVENUES	2,134,010	2,134,010	2,099,554	(34,456)
EXPENDITURES				
Culture and Recreation				
Personnel Services	845,940	845,940	787,875	58,065
Other Miscellaneous Supplies	41,735	41,735	35,767	5,968
Travel and Conference/Includes Meals	2,200	2,200	1,691	509
Telephone Services	3,560	3,560	3,354	206
Tuition and Training	1,500	1,500	250	1,250
Membership and Dues	1,300	1,300	1,099	201
Books and Magazines	40,700	40,700	40,506	194
Other Expenses	10,400	10,400	8,239	2,161
Electrical Services	85,000	85,000	38,855	46,145
Repairs and Maintenance Agreement	122,625	122,625	67,775	54,850
Gas and Oil	3,000	3,000	981	2,019
Vehicle Repair	1,000	1,000	92	908
Recreation Programs	55,000	55,000	52,171	2,829
Library	4,500	4,500	14,870	(10,370)
Advertising	4,100	4,100	2,583	1,517
Other Office Equipment/Furniture/Fixtures	3,000	3,000	2,903	97
Total Culture and Recreation Expenditures	1,225,560	1,225,560	1,059,011	166,549
Capital Outlay	2,584,880	3,017,407	2,820,198	197,209
TOTAL EXPENDITURES	3,810,440	4,242,967	3,879,209	363,758

CITY OF ALAMOSA, COLORADO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
COMMUNITY RECREATION FUND
For the Year Ended December 31, 2017

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE
				(NEGATIVE)
Excess (deficiency) of revenues over expenditures	(1,676,430)	(2,108,957)	(1,779,655)	329,302
OTHER FINANCING SOURCES (USES)				
Transfers In	88,850	88,850	88,805	(45)
Transfers Out	(296,940)	(298,440)	(298,440)	-
Lease Proceeds	1,826,380	2,541,593	2,400,000	(141,593)
TOTAL OTHER FINANCING SOURCES (USES)	1,618,290	2,332,003	2,190,365	(141,638)
Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses)	(58,140)	223,046	410,710	187,664
Fund Balance - Beginning of Year	412,598	412,598	769,451	356,853
Fund Balance - End of Year	\$ 354,458	\$ 635,644	\$ 1,180,161	\$ 544,517

Notes to the Required Supplementary Information

The basis of budgeting is the same as GAAP.

This schedule is presented on the GAAP basis.

CITY OF ALAMOSA, COLORADO
SCHEDULE OF THE PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
PERA LGDTF PENSION PLAN
December 31, 2017

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
City's proportion of the net pension liability	0.4762166783%	0.4820491368%	0.4820543148%	0.4461781371%
City's proportionate share of the net pension liability (asset)	\$ 6,430,549	\$ 5,310,162	\$ 4,320,696	\$ 3,671,694
City's covered payroll	\$ 2,960,839	\$ 2,886,467	\$ 2,737,660	\$ 2,641,441
City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	217%	184%	158%	139%
Plan fiduciary net position as a percentage of the total pension liability	73.60%	76.90%	80.70%	77.66%

Notes to Required Supplementary Information:

Changes in assumptions and other inputs are explained in Note 7 to the Financial Statements.

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled the City presents information for those years for which information is available.

CITY OF ALAMOSA, COLORADO
SCHEDULE OF CONTRIBUTIONS
PERA LGDTF PENSION PLAN
December 31, 2017

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 375,434	\$ 366,064	\$ 347,135	\$ 334,935
Contributions in relation to the contractually required contribution	<u>(375,434)</u>	<u>(366,064)</u>	<u>347,135</u>	<u>334,935</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 2,960,839	\$ 2,886,467	\$ 2,737,660	\$ 2,641,441
Contributions as a percentage of covered payroll	12.68%	12.68%	12.68%	12.68%

Notes to Required Supplementary Information:

Changes in assumptions and other inputs are explained in Note 7 to the Financial Statements.

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled the City presents information for those years for which information is available.

CITY OF ALAMOSA, COLORADO
SCHEDULE OF CHANGES IN NET PENSION LIABILITY
AND RELATED RATIOS
FPPA AFFILIATED LOCAL PLAN
For the Measurement Period Ending December 31, 2017

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total Pension Liability			
Service Cost	\$ 13,682	\$ 13,682	\$ 10,697
Interest on the Total Pension Liability	93,795	94,034	97,871
Benefit Changes	-	-	-
Difference between expected and actual experience of total pension liability	37,802	-	(53,810)
Changes of Assumptions	39,416	-	-
Benefit Payments	(112,588)	(109,282)	(105,551)
Net Change in Total Pension Liability	72,107	(1,566)	(50,793)
Total Pension Liability - Beginning	1,299,163	1,300,729	1,351,522
Total Pension Liability - Ending	<u>\$ 1,371,270</u>	<u>\$ 1,299,163</u>	<u>\$ 1,300,729</u>
Plan Fiduciary Net Position			
Contributions- Employer	\$ 56,245	\$ 75,195	\$ -
Net Investment Income	82,403	28,180	103,994
Benefit Payments	(112,588)	(109,282)	(105,551)
Pension Plan Administrative Expense	(2,722)	(3,553)	(2,761)
State of Colorado Supplemental Discretionary Payment	18,549	-	18,549
Net Change in Plan Fiduciary Net Position	41,887	(9,460)	14,231
Plan Fiduciary Net Position-			
Beginning (Market Value of Assets at Beginning of Year)	1,576,482	1,585,942	1,571,711
Plan Fiduciary Net Position-			
Ending (Market Value of Assets at End of Year)	<u>\$ 1,618,369</u>	<u>\$ 1,576,482</u>	<u>\$ 1,585,942</u>
Net Pension Liability (Asset)	<u>\$ (247,099)</u>	<u>\$ (277,319)</u>	<u>\$ (285,213)</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	118.02%	121.35%	121.93%
Covered Payroll	N/A	N/A	N/A
Net Pension Liability/(Asset) as a percentage of covered payroll	N/A	N/A	N/A

Notes to the Schedule:

There have not been any changes in benefit terms.

Changes in assumptions and other inputs are explained in Note 7 to the Financial Statements.

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled the City presents information for those years for which information is available.

CITY OF ALAMOSA, COLORADO
SCHEDULE OF CONTRIBUTIONS
FPPA AFFILIATED LOCAL PLAN
For the Measurement Period Ending December 31, 2017

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Actuarially Determined Contribution	\$ -	\$ -	\$ -
Actual Contributions**	<u>74,794</u>	<u>75,195</u>	<u>18,549</u>
Contribution Deficiency (Excess)	<u>\$ (74,794)</u>	<u>\$ (75,195)</u>	<u>\$ (18,549)</u>
Covered Payroll	N/A	N/A	N/A
Actual Contribution as % of Covered Payroll	N/A	N/A	N/A

**Includes both City contributions and State of Colorado Supplemental Discretionary Payment

Notes to the Schedule:

There have not been any changes in benefit terms.

Changes in assumptions and other inputs are explained in Note 7 to the Financial Statements.

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled the City presents information for those years for which information is available.

CITY OF ALAMOSA, COLORADO

SUPPLEMENTARY INFORMATION

The combining financial statements represent the second level of financial reporting for the City. These financial statements present more detailed information for the individual funds in a format that segregates information by fund type.

**CITY OF ALAMOSA, COLORADO
NONMAJOR GOVERNMENTAL FUNDS**

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for specific revenues that are legally restricted to expend for particular purposes.

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

DEBT SERVICE FUNDS

Debt service funds are used to account for resources and principal and interest expenditures for outstanding bonds.

Debt Service Fund – This fund is used to make debt service payments. Revenue is derived from transfers from other funds.

PERMANENT FUNDS

Permanent funds are used to account for resources that are legally restricted to the extent that only earnings, and not principal, may be used for the purposes that support the City’s programs.

Cemetery Endowment Fund – This fund is used to account for all funds collected by the City for cemetery space sales to be held in trust for the perpetual care of the facilities.

CITY OF ALAMOSA, COLORADO
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2017

	<u>Special Revenue Funds</u> CONSERVATION		<u>Permanent Fund</u> CEMETERY	
	TRUST	DEBT SERVICE	ENDOWMENT	TOTAL
	FUND	FUND	FUND	NONMAJOR
				GOVERNMENTAL
ASSETS				
Cash and Investments	\$ 142,246	\$ 4,947	\$ 149,773	\$ 296,966
Restricted Cash and Investments	-	491,625	-	491,625
TOTAL ASSETS	<u>\$ 142,246</u>	<u>\$ 496,572</u>	<u>\$ 149,773</u>	<u>\$ 788,591</u>
LIABILITIES				
Vouchers Payable	\$ -	\$ -	\$ -	\$ -
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE				
Restricted:				
Debt Service	-	496,572	-	496,572
Committed:				
Culture and Recreation	142,246	-	-	142,246
Assigned:				
Health and Welfare	-	-	149,773	149,773
TOTAL FUND BALANCE	<u>142,246</u>	<u>496,572</u>	<u>149,773</u>	<u>788,591</u>
TOTAL LIABILITIES				
AND FUND BALANCE	<u>\$ 142,246</u>	<u>\$ 496,572</u>	<u>\$ 149,773</u>	<u>\$ 788,591</u>

CITY OF ALAMOSA, COLORADO
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended December 31, 2017

	<u>Special Revenue Fund</u> CONSERVATION		<u>Permanent Fund</u> CEMETERY	TOTAL
	TRUST	DEBT SERVICE	ENDOWMENT	NONMAJOR
	FUND	FUND	FUND	GOVERNMENTAL
REVENUES				
Intergovernmental Revenue	\$ 102,014	\$ -	\$ -	\$ 102,014
Charges for Services	-	-	14,700	14,700
Miscellaneous Revenue	-	-	-	-
Net Investment Income/(Loss)	1,776	2,114	-	3,890
TOTAL REVENUE	103,790	2,114	14,700	120,604
EXPENDITURES				
Current Expenditures				
Health and Welfare	-	-	24,116	24,116
Culture and Recreation	13,933	-	-	13,933
Capital Outlay	22,553	-	-	22,553
Debt Service	53,470	482,370	-	535,840
TOTAL EXPENDITURES	89,956	482,370	24,116	596,442
Excess (deficiency) of revenues over expenditures	13,834	(480,256)	(9,416)	(475,838)
OTHER FINANCING SOURCES (USES)				
Transfers In	-	484,000	-	484,000
TOTAL OTHER FINANCING SOURCES (USES)	-	484,000	-	484,000
Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses)	13,834	3,744	(9,416)	8,162
Fund Balance - Beginning of Year	128,412	492,828	159,189	780,429
Fund Balance - End of Year	\$ 142,246	\$ 496,572	\$ 149,773	\$ 788,591

CITY OF ALAMOSA, COLORADO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
CONSERVATION TRUST FUND
For the Year Ended December 31, 2017

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE (NEGATIVE)
REVENUES				
Intergovernmental Revenue				
State Lottery	\$ 88,000	\$ 98,000	\$ 102,014	\$ 4,014
Investment Income				
Interest on Investments	150	150	1,776	1,626
TOTAL REVENUES	<u>88,150</u>	<u>98,150</u>	<u>103,790</u>	<u>5,640</u>
EXPENDITURES				
Culture and Recreation				
Fairground Improvements	9,000	9,000	13,933	(4,933)
Capital Outlay	75,000	75,000	22,553	52,447
Debt Service	53,470	53,470	53,470	-
TOTAL EXPENDITURES	<u>137,470</u>	<u>137,470</u>	<u>89,956</u>	<u>47,514</u>
Excess (deficiency) of revenues over expenditures	(49,320)	(39,320)	13,834	53,154
Fund Balance, Beginning of Year	<u>76,533</u>	<u>76,533</u>	<u>128,412</u>	<u>51,879</u>
Fund Balance, End of Year	<u>\$ 27,213</u>	<u>\$ 37,213</u>	<u>\$ 142,246</u>	<u>\$ 105,033</u>

CITY OF ALAMOSA, COLORADO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
CEMETERY ENDOWMENT FUND
For the Year Ended December 31, 2017

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE
				(NEGATIVE)
REVENUES				
Charges for Services				
Cemetery Space Sales	\$ 20,000	\$ 20,000	\$ 14,700	\$ (5,300)
Miscellaneous Revenue	50	50	-	(50)
TOTAL REVENUES	<u>20,050</u>	<u>20,050</u>	<u>14,700</u>	<u>(5,350)</u>
EXPENDITURES				
Health and Welfare				
Cemetery Improvements	<u>32,600</u>	<u>32,600</u>	<u>24,116</u>	<u>8,484</u>
TOTAL EXPENDITURES	<u>32,600</u>	<u>32,600</u>	<u>24,116</u>	<u>8,484</u>
Excess (deficiency) of revenues over expenditures	(12,550)	(12,550)	(9,416)	3,134
Fund Balance - Beginning of Year	<u>130,250</u>	<u>130,250</u>	<u>159,189</u>	<u>28,939</u>
Fund Balance - End of Year	<u>\$ 117,700</u>	<u>\$ 117,700</u>	<u>\$ 149,773</u>	<u>\$ 32,073</u>

CITY OF ALAMOSA, COLORADO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
DEBT SERVICE FUND
For the Year Ended December 31, 2017

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE
				(NEGATIVE)
TOTAL REVENUES	\$ -	\$ -	\$ 2,114	\$ 2,114
EXPENDITURES				
Bond Principal	275,000	275,000	275,000	-
Bond Interest Paid	206,120	206,120	206,119	1
Administrative Services	1,250	1,250	1,251	(1)
TOTAL EXPENDITURES	<u>482,370</u>	<u>482,370</u>	<u>482,370</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(482,370)</u>	<u>(482,370)</u>	<u>(480,256)</u>	<u>2,114</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	484,000	484,000	484,000	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>484,000</u>	<u>484,000</u>	<u>484,000</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses)	1,630	1,630	3,744	2,114
Fund Balance - Beginning of Year	<u>493,638</u>	<u>493,638</u>	<u>492,828</u>	<u>(810)</u>
Fund Balance - End of Year	<u><u>\$ 495,268</u></u>	<u><u>\$ 495,268</u></u>	<u><u>\$ 496,572</u></u>	<u><u>\$ 1,304</u></u>

CITY OF ALAMOSA, COLORADO
OTHER SCHEDULES AND REPORTS

CITY OF ALAMOSA, COLORADO
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN
NET POSITION - BUDGET AND ACTUAL (NON-GAAP)
ENTERPRISE FUND
For the Year Ended December 31, 2017

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FINAL BUDGET</u>
				<u>POSITIVE</u>
				<u>(NEGATIVE)</u>
OPERATING REVENUES				
Charges for Services				
Water	\$ 1,521,200	\$ 1,521,200	\$ 1,616,617	\$ 95,417
Sewer	1,089,600	1,089,600	1,014,109	(75,491)
Sanitation	1,027,200	1,027,200	1,204,908	177,708
Recycling	15,000	15,000	25,856	10,856
Total Charges for Services	<u>3,653,000</u>	<u>3,653,000</u>	<u>3,861,490</u>	<u>208,490</u>
Miscellaneous Revenue				
Sanitation	-	-	170	170
Total Miscellaneous Revenue	<u>-</u>	<u>-</u>	<u>170</u>	<u>170</u>
Total Operating Revenue	<u>3,653,000</u>	<u>3,653,000</u>	<u>3,861,660</u>	<u>240,208</u>
OPERATING EXPENSES				
Personnel Services				
Water	317,110	317,110	336,941	(19,831)
Sewer	246,740	246,740	234,056	12,684
Sanitation	540,770	540,770	559,556	(18,786)
Lagoon	67,290	67,290	75,700	(8,410)
Water Treatment	86,820	86,820	94,606	(7,786)
Total Personnel Services	<u>1,258,730</u>	<u>1,258,730</u>	<u>1,300,859</u>	<u>(42,129)</u>
Supplies and Materials				
Water	67,000	67,000	89,647	(22,647)
Sewer	25,000	25,000	25,125	(125)
Sanitation	3,500	3,500	4,134	(634)
Lagoon	4,750	4,750	2,974	1,776
Water Treatment	207,000	207,000	159,783	47,217
Total Supplies and Materials	<u>307,250</u>	<u>307,250</u>	<u>281,663</u>	<u>25,587</u>
Utilities and Telephone				
Water	135,000	135,000	112,541	22,459
Sewer	40,000	40,000	29,469	10,531
Sanitation	6,000	6,000	5,670	330
Lagoon	135,000	135,000	119,538	15,462
Water Treatment	100,000	100,000	86,327	13,673
Total Utilities and Telephone	<u>416,000</u>	<u>416,000</u>	<u>353,545</u>	<u>62,455</u>
Gas and Oil				
Water	14,500	14,500	8,885	5,615
Sewer	7,500	7,500	5,737	1,763
Sanitation	60,000	60,000	39,431	20,569
Lagoon	600	600	1,049	(449)
Water Treatment	1,700	1,700	1,313	387
Total Gas and Oil	<u>84,300</u>	<u>84,300</u>	<u>56,415</u>	<u>27,885</u>

CITY OF ALAMOSA, COLORADO
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN
NET POSITION - BUDGET AND ACTUAL (NON-GAAP)
ENTERPRISE FUND
For the Year Ended December 31, 2017

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE
				(NEGATIVE)
Repairs and Maintenance				
Water	267,514	353,200	136,386	216,814
Sewer	19,500	19,500	17,273	2,227
Sanitation	62,500	62,500	38,858	23,642
Lagoon	-	292,400	34,842	257,558
Water Treatment	51,500	51,500	44,758	6,742
Total Repairs and Maintenance	401,014	779,100	272,117	506,983
Landfill Fees	110,000	110,000	100,753	9,247
Professional Fees				
Water	1,000	1,000	3,345	(2,345)
Lagoon	65,000	65,000	36,200	28,800
Water Treatment	9,000	9,000	2,077	6,923
Total Professional Fees	75,000	75,000	41,622	33,378
Capital Outlay				
Water	-	575,000	678,678	(103,678)
Sanitation	85,641	272,641	627,367	(354,726)
Storm Drainage	49,359	292,000	3,631	288,369
Water Treatment	120,000	120,000	140	119,860
Total Capital Outlay	255,000	1,259,641	1,309,816	(50,175)
Other				
Water	212,200	212,200	140,387	71,813
Sewer	3,100	3,100	2,100	1,000
Sanitation	3,750	3,750	2,146	1,604
Lagoon	16,275	16,275	21,560	(5,285)
Water Treatment	5,850	5,850	3,142	2,708
Recycling	20,000	20,000	7,510	12,490
Total Other	261,175	261,175	176,845	84,330
Total Operating Expenses	3,168,469	4,551,196	3,893,635	657,561
Operating income (loss)	484,531	(898,196)	(31,975)	866,221
NONOPERATING REVENUES (EXPENSES)				
Sales Tax Revenue	1,221,010	1,221,010	1,291,181	70,171
Lease Proceeds	-	4,300,000	4,300,000	-
Bond Interest Expense	(246,346)	(246,346)	(246,339)	7
Bond Administrative Fees	(94,920)	(94,920)	(94,920)	-
Bond Principal	(557,120)	(833,120)	(557,124)	275,996
Interest on Investments	-	-	31,548	31,548
Total Nonoperating Revenues (Expenses)	322,624	4,346,624	4,724,346	377,722

CITY OF ALAMOSA, COLORADO
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN
NET POSITION - BUDGET AND ACTUAL (NON-GAAP)
ENTERPRISE FUND
For the Year Ended December 31, 2017

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
Income Before Contributions and Transfers	807,155	3,448,428	4,692,371	1,243,943
Capital Contributions				
Water	60,000	60,000	110,563	50,563
Sewer	20,000	20,000	12,000	(8,000)
Total Capital Contributions	80,000	80,000	122,563	42,563
TRANSFERS				
Transfers Out				
Water	(91,500)	(91,500)	(91,500)	-
Water Treatment	(24,300)	(24,300)	(24,300)	-
Sewer	(91,300)	(91,300)	(91,300)	-
Sanitation	(150,000)	(150,000)	(150,000)	-
Lagoon	(30,000)	(30,000)	(30,000)	-
Total Transfers	(387,100)	(387,100)	(387,100)	-
Net Income - Budget Basis	500,055	3,141,328	4,427,834	<u>\$ 1,286,506</u>
Capital Outlay			1,306,045	
Bond Principal			557,124	
Gain on Sale of Assets			22,093	
Less: Lease Proceeds			(4,300,000)	
Less: Depreciation			(1,432,048)	
Change in Net Position - GAAP Basis			<u>581,048</u>	
Net Position - beginning of year	<u>4,111,441</u>	<u>4,111,441</u>	<u>24,816,487</u>	
Net Position - end of year	<u>\$ 4,611,496</u>	<u>\$ 7,252,769</u>	<u>\$ 25,397,535</u>	

CITY OF ALAMOSA, COLORADO
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN
NET POSITION - BUDGET AND ACTUAL
EMPLOYEE BENEFIT FUND
For the Year Ended December 31, 2017

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE
				(NEGATIVE)
OPERATING REVENUES				
Insurance Deposits	\$ 1,053,720	\$ 1,053,720	\$ 1,590,094	\$ 536,374
Total Operating Revenues	<u>1,053,720</u>	<u>1,053,720</u>	<u>1,590,094</u>	<u>536,374</u>
OPERATING EXPENSES				
Insurance Premiums	326,200	326,200	303,847	22,353
Claims	720,000	720,000	662,115	57,885
Insurance Administration	64,500	64,500	37,435	27,065
Total Operating Expenses	<u>1,110,700</u>	<u>1,110,700</u>	<u>1,003,397</u>	<u>107,303</u>
Change in Net Position	<u>(56,980)</u>	<u>(56,980)</u>	<u>586,697</u>	<u>643,677</u>
Net Position - Beginning of Year	<u>1,095,128</u>	<u>1,095,128</u>	<u>1,110,903</u>	<u>15,775</u>
Net Position - End of Year	<u><u>\$ 1,038,148</u></u>	<u><u>\$ 1,038,148</u></u>	<u><u>\$ 1,697,600</u></u>	<u><u>\$ 659,452</u></u>

CITY OF ALAMOSA, COLORADO
COMBINING BALANCE SHEET SCHEDULE
GENERAL FUND
December 31, 2017

	GENERAL FUND	CAPITAL IMPROVEMENT FUND	TOTAL
ASSETS			
Cash and Investments	\$ 2,894,742	\$ 1,583,449	\$ 4,478,191
Receivables (Net)			
Accounts Receivable	65,443	-	65,443
Property Taxes	508,973	-	508,973
Due from Other Governments	1,040,822	-	1,040,822
Other Assets	430,217	-	430,217
TOTAL ASSETS	\$ 4,940,197	\$ 1,583,449	\$ 6,523,646
LIABILITIES			
Vouchers Payable	\$ 172,824	\$ -	\$ 172,824
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenue - Property Taxes	508,973	-	508,973
FUND BALANCE			
Nonspendable			
Prepaid Expenses	430,217	-	430,217
Restricted			
TABOR Amendment Reserve	322,464	-	322,464
Assigned			
General Fund	402,542	-	402,542
Capital Improvements	-	1,583,449	1,583,449
Unassigned	3,103,177	-	3,103,177
TOTAL FUND BALANCE	4,258,400	1,583,449	5,841,849
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	\$ 4,940,197	\$ 1,583,449	\$ 6,523,646

CITY OF ALAMOSA, COLORADO
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
GENERAL FUND
For the Year Ended December 31, 2017

	CAPITAL			TOTAL
	GENERAL FUND	IMPROVEMENT FUND	ELIMINATIONS	
REVENUES				
Taxes	\$ 7,128,368	\$ -	\$ -	\$ 7,128,368
Licenses and Permits	103,292	-	-	103,292
Intergovernmental Revenue	694,553	-	-	694,553
Charges for Services	145,389	-	-	145,389
Fines and Forfeits	182,863	-	-	182,863
Net Investment Income/(Loss)	105,781	-	-	105,781
Miscellaneous Revenue	369,242	-	-	369,242
TOTAL REVENUES	8,729,488	-	-	8,729,488
EXPENDITURES				
Current Expenditures				
General Government	2,397,781	-	-	2,397,781
Public Safety	3,090,317	-	-	3,090,317
Highways and Streets	1,506,717	-	-	1,506,717
Health and Welfare	79,936	-	-	79,936
Culture and Recreation	465,271	-	-	465,271
Capital Outlay	1,663,802	-	-	1,663,802
Debt Service	94,590	-	-	94,590
TOTAL EXPENDITURES	9,298,414	-	-	9,298,414
Excess (deficiency) of revenues over expenditures	(568,926)	-	-	(568,926)
OTHER FINANCING SOURCES (USES)				
Sale of Fixed Assets	-	-	-	-
Transfers In	942,820	170,683	-	1,113,503
Transfers Out	(590,568)	(410,200)	-	(1,000,768)
TOTAL OTHER FINANCING SOURCES (USES)	352,252	(239,517)	-	112,735
Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses)	(216,674)	(239,517)	-	(456,191)
Fund Balance - Beginning of Year	4,475,074	1,822,966	-	6,298,040
Fund Balance - End of Year	\$ 4,258,400	\$ 1,583,449	\$ -	\$ 5,841,849

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

LOCAL HIGHWAY FINANCE REPORT	City or County: City of Alamosa
	YEAR ENDING : December 2017
This Information From The Records Of: City of Alamosa	Prepared By: Judy Kelloff Phone: 719-587-2502

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

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway disbursements:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	1,172,025
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	549,360
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	25,206
2. General fund appropriations	2,280,270	b. Snow and ice removal	29,505
3. Other local imposts (from page 2)	70,542	c. Other	173,364
4. Miscellaneous local receipts (from page 2)	0	d. Total (a. through c.)	228,075
5. Transfers from toll facilities		4. General administration & miscellaneous	55,354
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	648,899
a. Bonds - Original Issues		6. Total (1 through 5)	2,653,712
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	
7. Total (1 through 6)	2,350,813	b. Redemption	
B. Private Contributions		c. Total (a. + b.)	0
C. Receipts from State government (from page 2)	302,900	2. Notes:	
D. Receipts from Federal Government (from page 2)	0	a. Interest	
E. Total receipts (A.7 + B + C + D)	2,653,712	b. Redemption	
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	0
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total disbursements (A.6 + B.3 + C + D)	2,653,712

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

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

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
		2,653,712	2,653,712		0

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT

STATE:
Colorado
YEAR ENDING (mm/yy):
December 2017

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments		a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes		c. Parking Garage Fees	
2. Infrastructure & Impact Fees		d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other	70,542	g. Other Misc. Receipts	
6. Total (1. through 5.)	70,542	h. Other	
c. Total (a. + b.)	70,542	i. Total (a. through h.)	0
	(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	273,425	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	29,474	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.)	29,474	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	302,900	3. Total (1. + 2.g)	
			(Carry forward to page 1)

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs			0
b. Engineering Costs			0
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements			0
(3). System Preservation		532,974	532,974
(4). System Enhancement & Operation		639,051	639,051
(5). Total Construction (1) + (2) + (3) + (4)	0	1,172,025	1,172,025
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	1,172,025	1,172,025
			(Carry forward to page 1)

Notes and Comments: