

**CONEJOS COUNTY, COLORADO**

**FINANCIAL STATEMENTS**

**December 31, 2019**



Wall,  
Smith,  
Bateman Inc.  
Certified Public Accountants

# CONEJOS COUNTY, COLORADO

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# INDEPENDENT AUDITORS' REPORT



Wall,  
Smith,  
Bateman Inc.

To the Board of County Commissioners  
Conejos County, Colorado

## Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Conejos County, Colorado (the County), as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

### *Management's Responsibility for the Financial Statements*

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

### *Auditors' Responsibility*

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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.

### *Opinions*

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Conejos County, Colorado as of December 31, 2019, and the respective changes in financial position, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Certified Public Accountants**

3001 Adcock Circle PO Box 809 Alamosa, CO 81101 | 719-589-3619 | f 719-589-5492 | [www.wsbcpa.com](http://www.wsbcpa.com)

***Other Matters***

*Required Supplementary Information*

Management 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 the 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 information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical 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 County's basic financial statements. The combining fund financial schedules and the Local Highway Finance Report are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The combining fund financial schedules, the schedule of expenditures of federal awards, 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, the combining fund financial schedules, the schedule of expenditures of federal awards, and the Local Highway Finance Report are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated September 28, 2020, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

Wall, Smith, Bateman Inc.

Wall, Smith, Bateman Inc.  
Alamosa, Colorado

September 28, 2020

**CONEJOS COUNTY, COLORADO**

**BASIC FINANCIAL STATEMENTS**

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**CONEJOS COUNTY, COLORADO**  
**STATEMENT OF NET POSITION**  
**December 31, 2019**

	<b>Primary Government Governmental Activities</b>
<b>ASSETS</b>	
<b>Current Assets</b>	
Cash and Investments	\$ 7,814,599
Accounts Receivable	78,133
Due from Other Governments	273,587
Property Taxes Receivable	1,763,336
Inventories	115,574
Total Current Assets	10,045,229
<b>Noncurrent Assets</b>	
<b>Capital Assets</b>	
Land	740,824
Construction in Progress	8,947
Infrastructure	1,270,010
Buildings and Improvements	6,737,537
Equipment	4,869,933
Vehicles	1,414,044
Less Accumulated Depreciation/Depletion	(8,695,052)
Total Noncurrent Assets	6,346,243
<b>TOTAL ASSETS</b>	<b>16,391,472</b>
<b>LIABILITIES</b>	
<b>Current Liabilities</b>	
Accounts Payable	554,995
Due to Other Governments	(300)
Unearned Grant Revenue	445,177
Capital Leases Payable	80,811
Compensated Absences	38,400
Total Current Liabilities	1,119,083
<b>Noncurrent Liabilities</b>	
Capital Leases Payable	187,937
Compensated Absences	203,414
Total Noncurrent Liabilities	391,351
<b>TOTAL LIABILITIES</b>	<b>1,510,434</b>
<b>DEFERRED INFLOWS OF RESOURCES - CURRENT</b>	
Unavailable Revenue - Property Tax	1,763,336
<b>NET POSITION</b>	
Net Investment in Capital Assets	6,077,495
Restricted for	
TABOR Amendment Reserve	275,000
Forest Reserve - Title III	40,079
Single Entry Point	143,437
Unrestricted	6,581,691
<b>TOTAL NET POSITION</b>	<b>\$ 13,117,702</b>

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

**CONEJOS COUNTY, COLORADO**  
**STATEMENT OF ACTIVITIES**  
**For the Year Ended December 31, 2019**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense)</u>
		<u>Charges for Services</u>	<u>Operating Grants &amp; Contributions</u>	<u>Capital Grants &amp; Contributions</u>	<u>Revenue and Changes in Net Position</u>
<b>Primary Government</b>					<b>Primary Government</b>
<b>Governmental Activities</b>					
General Government	\$ 2,537,574	\$ 356,345	\$ 313,008	\$ -	\$ (1,868,221)
Public Safety	1,705,564	139,347	89,684	-	(1,476,533)
Health and Welfare	6,683,044	899,365	5,224,774	-	(558,905)
Highways and Streets	1,727,184	-	2,300,172	-	572,988
Judicial - District Attorney	169,000	-	-	-	(169,000)
Auxiliary Services	22,840	-	-	-	(22,840)
Culture and Recreation	61,615	-	54,478	-	(7,137)
Interest on Long-Term Debt	8,361	-	-	-	(8,361)
<b>Total Governmental Activities</b>	<u>\$ 12,915,182</u>	<u>\$ 1,395,057</u>	<u>\$ 7,982,116</u>	<u>\$ -</u>	<u>(3,538,009)</u>
<b>General Revenues</b>					
Taxes					
					2,112,333
					3,859
					1,236,093
					206,754
					157,137
<b>Total General Revenues</b>					<u>3,716,176</u>
					178,167
<b>Net Position - Beginning</b>					<u>12,939,535</u>
<b>Net Position - Ending</b>					<u>\$ 13,117,702</u>

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

**CONEJOS COUNTY, COLORADO**  
**GOVERNMENTAL FUNDS**  
**BALANCE SHEET**  
**December 31, 2019**

	<b>GENERAL FUND</b>	<b>ROAD AND BRIDGE FUND</b>	<b>SOCIAL SERVICES FUND</b>	<b>PUBLIC HEALTH FUND</b>	<b>OTHER GOVERNMENTAL FUNDS</b>	<b>TOTAL GOVERNMENTAL FUNDS</b>
<b>ASSETS</b>						
Cash and Investments	\$ 2,800,664	\$ 2,180,208	\$ 1,452,899	\$ 986,467	\$ 394,361	\$ 7,814,599
Accounts Receivable	38,607	-	(19)	39,545	-	78,133
Due From Other Governments	-	123,618	59,272	90,697	-	273,587
Property Taxes Receivable	1,413,621	87,339	244,908	-	17,468	1,763,336
Inventories	-	103,390	-	12,184	-	115,574
<b>TOTAL ASSETS</b>	<b>\$ 4,252,892</b>	<b>\$ 2,494,555</b>	<b>\$ 1,757,060</b>	<b>\$ 1,128,893</b>	<b>\$ 411,829</b>	<b>\$ 10,045,229</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</b>						
<b>LIABILITIES</b>						
Accounts Payable	\$ 14,468	\$ 4,614	\$ 1,525	\$ 534,379	\$ 9	\$ 554,995
Due to Other Governments	-	-	(300)	-	-	(300)
Due to Other Funds	-	-	-	-	-	-
Unearned Grant Revenue	48,765	-	396,412	-	-	445,177
<b>TOTAL LIABILITIES</b>	<b>63,233</b>	<b>4,614</b>	<b>397,637</b>	<b>534,379</b>	<b>9</b>	<b>999,872</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unearned Revenue - Property Tax	1,413,621	87,339	244,908	-	17,468	1,763,336
<b>FUND BALANCE</b>						
Nonspendable						
Inventory	-	103,390	-	12,184	-	115,574
Restricted for						
TABOR Amendment Reserve	275,000	-	-	-	-	275,000
Forest Reserve - Title III	-	40,079	-	-	-	40,079
Single Entry Point	-	-	-	143,437	-	143,437
Committed for						
Contingencies	2,035,200	-	-	-	-	2,035,200
Capital Expenditures	-	-	-	-	257,788	257,788
Highways and Streets	-	2,259,133	-	-	-	2,259,133
Health and Welfare	-	-	1,114,515	438,893	-	1,553,408
Culture and Recreation	-	-	-	-	136,564	136,564
Assigned for						
Subsequent Year Expenditures	269,783	-	-	-	-	269,783
Unassigned	196,055	-	-	-	-	196,055
<b>TOTAL FUND BALANCE</b>	<b>2,776,038</b>	<b>2,402,602</b>	<b>1,114,515</b>	<b>594,514</b>	<b>394,352</b>	<b>7,282,021</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</b>	<b>\$ 4,252,892</b>	<b>\$ 2,494,555</b>	<b>\$ 1,757,060</b>	<b>\$ 1,128,893</b>	<b>\$ 411,829</b>	<b>\$ 10,045,229</b>

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

**CONEJOS COUNTY, COLORADO**  
**RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES**  
**TO THE STATEMENT OF NET POSITION**  
**December 31, 2019**

<b>Total governmental fund balances</b>		\$ 7,282,021
<p>Amounts reported for governmental activities in the statement of net position are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.</p>		6,346,243
<p>Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.</p>		
Capital Leases Payable	(268,748)	
Compensated Absences	(241,814)	
	(510,562)	(510,562)
<b>Net position of governmental activities</b>		<b>\$ 13,117,702</b>

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

**CONEJOS COUNTY, COLORADO**  
**GOVERNMENTAL FUNDS**  
**STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**For the Year Ended December 31, 2019**

	<b>GENERAL FUND</b>	<b>ROAD AND BRIDGE FUND</b>	<b>SOCIAL SERVICE FUND</b>	<b>PUBLIC HEALTH FUND</b>	<b>OTHER GOVERNMENTAL FUNDS</b>	<b>TOTAL GOVERNMENTAL FUNDS</b>
<b>REVENUES</b>						
Taxes	\$ 1,583,762	\$ 95,455	\$ 378,244	\$ -	\$ 56,386	\$ 2,113,847
Intergovernmental Revenue	1,413,616	2,590,028	4,404,141	754,496	49,571	9,211,852
Licenses and Permits	45,066	-	-	-	-	45,066
Interest on Investments	171,819	25,694	-	1,034	8,207	206,754
Charges for Services	787,326	-	-	568,833	-	1,356,159
Miscellaneous	86,414	16,791	-	56,466	-	159,671
<b>TOTAL REVENUES</b>	<b>4,088,003</b>	<b>2,727,968</b>	<b>4,782,385</b>	<b>1,380,829</b>	<b>114,164</b>	<b>13,093,349</b>
<b>EXPENDITURES</b>						
Current Expenditures						
General Government	1,699,662	303,996	-	497,087	517	2,501,262
Public Safety	1,533,989	-	-	-	-	1,533,989
Health and Welfare	650,346	-	4,642,400	1,290,723	-	6,583,469
Highways and Streets	-	1,480,655	-	-	-	1,480,655
Judicial - District Attorney	169,000	-	-	-	-	169,000
Culture and Recreation	-	-	-	-	61,615	61,615
Auxiliary Services	21,833	-	-	-	-	21,833
Capital Outlay	220,787	118,065	-	-	35,777	374,629
Debt Service	16,356	83,802	-	-	-	100,158
<b>TOTAL EXPENDITURES</b>	<b>4,311,973</b>	<b>1,986,518</b>	<b>4,642,400</b>	<b>1,787,810</b>	<b>97,909</b>	<b>12,826,610</b>
Excess (Deficiency) of Revenues Over Expenditures	(223,970)	741,450	139,985	(406,981)	16,255	266,739
<b>OTHER FINANCING SOURCES (USES)</b>						
Lease Proceeds	142,058	-	-	-	-	142,058
Transfers In	100,000	-	-	-	100,000	200,000
Transfers Out	(100,000)	(100,000)	-	-	-	(200,000)
Commodities Received	-	-	-	83,135	-	83,135
Commodities Issued	-	-	-	(83,135)	-	(83,135)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>142,058</b>	<b>(100,000)</b>	<b>-</b>	<b>-</b>	<b>100,000</b>	<b>142,058</b>
Net Change in Fund Balance	(81,912)	641,450	139,985	(406,981)	116,255	408,797
<b>Fund Balance at Beginning of Year</b>	<b>2,857,950</b>	<b>1,761,152</b>	<b>974,530</b>	<b>1,001,495</b>	<b>278,097</b>	<b>6,873,224</b>
<b>Fund Balance at End of Year</b>	<b>\$ 2,776,038</b>	<b>\$ 2,402,602</b>	<b>\$ 1,114,515</b>	<b>\$ 594,514</b>	<b>\$ 394,352</b>	<b>\$ 7,282,021</b>

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

**CONEJOS COUNTY, COLORADO**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF ACTIVITIES**  
**For the Year Ended December 31, 2019**

**Net change in fund balances - total governmental funds** \$ 408,797

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

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

Fixed asset additions	\$ 407,544	
Depreciation expense	(589,975)	
Net effect of capital outlay, depreciation, and deletions	(182,431)	(182,431)

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. Activity of debt is as follows:

Capital lease proceeds	(142,058)	
Capital lease payments	91,797	
	(50,261)	(50,261)

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

Change in compensated absences		2,062
		2,062

**Change in net position of governmental activities** **\$ 178,167**

**CONEJOS COUNTY, COLORADO**  
**FIDUCIARY FUND**  
**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES**  
**For the Year Ended December 31, 2019**

	<b>AGENCY FUND</b>
<b>ASSETS</b>	
Cash and Cash Equivalents- County Treasurer	\$ 1,676,294
Jail Commissary Cash	<u>108,369</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 1,784,663</u></u>
<b>LIABILITIES</b>	
Funds Held for Others	<u>\$ 1,784,663</u>
<b>TOTAL LIABILITIES</b>	<u><u>\$ 1,784,663</u></u>

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

**CONEJOS COUNTY, COLORADO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**December 31, 2019**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**REPORTING ENTITY**

***Primary Government***

The County is a political subdivision organized under the statutes of the State of Colorado. The County is governed by a three-member Board of County Commissioners (the Board). Each commissioner is elected at-large by the voters of the County to represent one of the three separate districts and must reside in the district for which he or she is elected. There are also six other elected officials - assessor, clerk and recorder, coroner, sheriff, district attorney, and treasurer. The treasurer is also the County Public Trustee.

The County provides a wide range of services to its residents including general administration, public safety, highways and streets, parks and recreation, health and social services, public improvements, planning, zoning, sanitation, and the office of the public trustee.

***Component Units***

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

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

Based on the aforementioned criteria, Conejos County has no component units.

**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 County and its component units, except for County fiduciary activity. The effect of interfund transfers has been removed from the government-wide statements but continues to be reflected on the fund statements. Mainly taxes and intergovernmental revenues support governmental activities.

**CONEJOS COUNTY, COLORADO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**December 31, 2019**

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 within a specific function. Program revenues include:

- Charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and
- Grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included in program revenues are reported as general revenues.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the fiduciary funds are excluded from the government-wide financial statements.

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

**MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION**

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The County considers grant revenues to be available if they are collected within 120 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.

The County reports the following major governmental funds:

- The **General Fund** is the general operating fund of the County. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- The **Road and Bridge Fund** is used to account for the maintenance and improvements of streets and highways. The sources of funds include property taxes, highway users fees, and other revenue sources.
- The **Social Services Fund** is used to account for the operations of social programs; i.e. Temporary Aid to Needy Families, Old Age Pension, Aid to the Blind, Aid to the Needy and Disabled, among others. Financing is provided by grants, allotments, and property tax revenue.
- The **Public Health Fund** is used to account for the multiple programs of providing health services. Financing is provided by grants and fees for services.

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

**CONEJOS COUNTY, COLORADO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**December 31, 2019**

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regards to interfund activities, payables, and receivables. All internal balances have been eliminated in the Statement of Net Position. All interfund transfers have been eliminated in the Statement of Activities.

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

***Cash***

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

***Investments***

All investments, if any, 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 County. Property tax revenue is recognized by the County to the extent it results in a current receivable.

The 2019 property tax levy due January 1, 2020, has been recorded in the financial statements as a receivable and a corresponding deferred inflow of resources.

***Receivables/Payables from Other County Funds***

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

***Inventories and Prepaid Items***

Inventory is valued at the lower of cost (first-in, first-out) or market. Inventory in the special revenue funds consists of expendable supplies held for use. Reported inventories are equally offset by a nonspendable fund balance, which indicates that they do not constitute "available spendable resources" even though they are a component of net current assets. The inventory policy on government-wide statements is consistent with fund statements.

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

***Capital Assets***

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

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

**CONEJOS COUNTY, COLORADO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**December 31, 2019**

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

Assets	Years
Buildings and Improvements	10-40
Equipment	5-15
Vehicles	5-7
Infrastructure	10-40

***Long-Term Obligations***

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

***Compensated Absences***

County policy allows employees to accumulate unused vacation, comp time, and sick leave up to certain maximum hours. At December 31 of each year, unused vacation time over 150 hours is forfeited. Retiring employees are paid 100% of unused vacation and comp time. Sick time unused by retiring employees is paid 50% up to 240 hours. 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.

***Unearned Revenue***

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

***Deferred Inflows of Resources***

In addition to liabilities, the Statement of Net Position and the governmental funds 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.

***Net Position***

Net position represents the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources. Net position is 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.

**CONEJOS COUNTY, COLORADO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**December 31, 2019**

- *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 County 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 expenditures.
- *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 resolution by the Board of County Commissioners, the highest level of decision making authority. Committed amounts cannot be used for any other purpose unless the Board removes 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 the Board of County Commissioners or by an official or body to which the governing body delegates the authority.
- *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 County considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, and unassigned fund balances are available, the County considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board of County Commissioners has provided otherwise in its commitment or assignment actions.

***Use of Estimates***

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

**NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

***Budgets and Budgetary Accounting***

Conejos County 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.

**CONEJOS COUNTY, COLORADO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**December 31, 2019**

- 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.

Formal budgetary integration is employed as a management control device for all funds of the County. All budgets are adopted on a basis consistent with U.S. generally accepted accounting principles (GAAP).

The total expenditures for each fund cannot exceed the budgeted amount unless a supplemental appropriation is adopted. The Board of County Commissioners adopted supplemental appropriations during 2019.

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

***Stewardship***

Expenditures in the Lodging Tax Fund exceeded appropriations by \$915 during 2019. This may be a violation of Colorado Revised Statutes 21-1-110.

**NOTE 3 CASH, DEPOSITS, AND INVESTMENTS**

A summary of Cash, Deposits, and Investments for the County are as follow:

Cash on Hand	\$ 1,363
Cash Deposited in Banks	1,027,335
C-SAFE	646,365
ColoTrust	6,671,378
Other Investments	<u>1,252,821</u>
Total Cash, Deposits, and Investments (Book Balance)	9,599,262
Less: Amounts Related to Agency Fund	<u>(1,784,663)</u>
Total Cash, Deposits, and Investments on the Statement of Net Position	<u><u>\$ 7,814,599</u></u>

***Cash and Deposits***

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

The 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 equal to the aggregate uninsured deposits. All deposits in 2019 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 County's deposits may not be returned to it. The County does not have a deposit policy for custodial credit risk. At December 31, 2019, \$916,881 was exposed to custodial credit risk. Deposits exposed to credit risk are collateralized with securities held by the pledging financial institutions through PDPA.

**CONEJOS COUNTY, COLORADO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
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***Investments***

The County's investment policy and Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local government entities may invest. They include:

- 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 investments contracts
- Corporate or bank debt issued by eligible corporations or banks

***Custodial Credit Risk - Investments***

The County'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 policy allows for the investment in local government investment pools.

***Interest Rate Risk***

Colorado Revised Statutes and the County'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.

***Fair Value***

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.

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

The Colorado Surplus Asset Fund Trust (C-SAFE) 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

**CONEJOS COUNTY, COLORADO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
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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.

<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: Level 2</u>
Federal Home Loan Bank	24%	Aaa	\$ -	\$ 299,565	\$ 299,565
Money Market (unrated)	1%				8,304
Certificates of Deposit	75%				944,952
					<u>953,256</u>
					<u>\$ 1,252,821</u>

**NOTE 4 ACCOUNTS RECEIVABLE**

At December 31, 2019, the County had accounts receivable as follows:

General Fund:	
Ambulance Accounts Receivable	\$ 185,000
(Less) Allowance for Uncollectible	(185,000)
Other	38,607
	<u>38,607</u>
Social Services	(19)
Public Health	39,545
	<u>\$ 78,133</u>

**NOTE 5 PROPERTY TAXES RECEIVABLE**

At December 31, 2019, the County had an estimated property tax receivable divided among the funds as follows:

General Fund	\$ 1,413,621
Road and Bridge Fund	87,339
Social Services Fund	244,908
Capital Expenditures Fund	17,468
	<u>\$ 1,763,336</u>

**CONEJOS COUNTY, COLORADO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**December 31, 2019**

**NOTE 6 INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS**

*Interfund Transfers*

Interfund transfers for the year ended December 31, 2019, were as follows:

Transfer In	Transfer Out	Amount
General Fund (PILT Fund)	Road and Bridge Fund	\$ 100,000
Capital Expenditures Fund	General Fund (PILT Fund)	100,000
		\$ 200,000

The Road and Bridge transfer to General Fund (PILT Fund) in the amount of \$100,000 is for 1/5<sup>th</sup> of the amount used to purchase Road & Bridge equipment in 2015.

The General Fund (PILT Fund) transferred \$100,000 to subsidize the Capital Expenditures Fund.

**CONEJOS COUNTY, COLORADO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**December 31, 2019**

**NOTE 7 CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2019, was as follows:

	Balance 12/31/2018	Additions	Deletions	Balance 12/31/2019
<i>Governmental Activities</i>				
Capital assets not being depreciated				
Land	\$ 740,824	\$ -	\$ -	\$ 740,824
Construction in Progress	-	8,947	-	8,947
Total capital assets not being depreciated	<u>740,824</u>	<u>8,947</u>	<u>-</u>	<u>749,771</u>
Capital assets being depreciated				
Infrastructure	1,270,010	-	-	1,270,010
Buildings and Improvements	6,737,537	-	-	6,737,537
Equipment	4,682,509	187,424	-	4,869,933
Vehicles	1,202,871	211,173	-	1,414,044
Total capital assets being depreciated	<u>13,892,927</u>	<u>398,597</u>	<u>-</u>	<u>14,291,524</u>
Less: accumulated depreciation for				
Infrastructure	332,308	107,138	-	439,447
Buildings and Improvements	3,066,651	151,456	-	3,218,106
Equipment	3,847,510	209,143	-	4,056,653
Vehicles	858,608	122,238	-	980,846
Total accumulated depreciation	<u>8,105,077</u>	<u>589,975</u>	<u>-</u>	<u>8,695,052</u>
Total Capital Assets being depreciated, net	<u>5,787,850</u>	<u>(191,378)</u>	<u>-</u>	<u>5,596,472</u>
Governmental Activities Capital Assets, Net	<u>\$ 6,528,674</u>	<u>\$ (182,431)</u>	<u>\$ -</u>	<u>\$ 6,346,243</u>

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

Governmental Activities:	
General Government	\$ 42,389
Public Safety	128,717
Health and Welfare	116,120
Highways and Streets	301,743
Auxiliary Services	1,006
Total Depreciation Expense	<u>\$ 589,975</u>

**CONEJOS COUNTY, COLORADO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**December 31, 2019**

**NOTE 8 LONG-TERM LIABILITIES**

***Changes in Long-term Liabilities***

Long-term liability balances for the year ended December 31, 2019, were as follows:

	12/31/2018			12/31/2019	Due Within
	<u>Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u>	<u>One Year</u>
<i>Governmental Activities:</i>					
Capital Leases	\$ 218,487	\$ 142,058	\$ 91,797	\$ 268,748	\$ 80,811
Compensated Absences	<u>243,876</u>	<u>-</u>	<u>2,062</u>	<u>241,814</u>	<u>38,400</u>
Total Governmental Activities	<u>\$ 462,363</u>	<u>\$ 142,058</u>	<u>\$ 93,859</u>	<u>\$ 510,562</u>	<u>\$ 119,211</u>

***Capital Leases***

The County is obligated under certain leases accounted for as capital leases. These agreements are backed by the full faith and credit of the County and debt service is accounted for by the fund purchasing the equipment, the Road and Bridge Fund. The leased assets and related obligations are accounted for in the Statement of Net Position and the Statement of Activities.

***2013 San Luis Valley Federal Bank***

A lease purchase agreement, dated September 16, 2013, was entered into for \$165,000 between San Luis Valley Federal Bank, as lessor, and Conejos County (the "County"), as lessee, for the purchase of road and bridge equipment. Payments are due quarterly with an interest rate of 4.10%. Final payment is due September 2020. The equipment is included in capital assets at a cost of \$165,000 and accumulated depreciation of \$115,501 as of December 31, 2019. Principal balance at December 31, 2019, was \$20,012.

***2013 Merchants Capital Resources, Inc.***

A lease purchase agreement, dated July 11, 2013, was entered into for \$289,250 between Merchants Capital Resources, Inc., as lessor, and Conejos County (the "County"), as lessee, for the purchase of two motor graders. Payments are due quarterly with an interest rate of 3.69%. Final payment is due July 2020. The equipment is included in capital assets at a cost of \$289,250 and accumulated depreciation of \$202,475 as of December 31, 2019. Principal balance at December 31, 2019, was \$22,317.

***2018 Alamosa State Bank***

A lease purchase agreement, dated September 7, 2018, was entered into for \$96,380 between Alamosa State Bank as lessor, and Conejos County (the "County"), as lessee, for the purchase of three vehicles for the Sheriff's department. Payments are due annually with an interest rate of 4.5%. Final payment is due September 2025. The vehicles are included in capital assets at a cost of \$120,474 and accumulated depreciation of \$34,420 as of December 31, 2019. Principal balance at December 31, 2019, was \$84,361.

***2019 Alamosa State Bank***

A lease purchase agreement, dated August 7, 2019, was entered into for \$142,058 between Alamosa State Bank as lessor, and Conejos County (the "County"), as lessee, for the purchase of four vehicles for the Sheriff's department. Payments are due annually with an interest rate of 4.57%. Final payment is due August 2024. The vehicles are included in capital assets at a cost of \$181,128 and accumulated depreciation of \$25,875 as of December 31, 2019. Principal balance at December 31, 2019, was \$142,058.

**CONEJOS COUNTY, COLORADO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**December 31, 2019**

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

	Principal	Interest	Total
2020	\$ 80,811	\$ 11,019	\$ 91,830
2021	40,247	8,530	48,777
2022	42,074	6,702	48,776
2023	43,986	4,791	48,777
2024	45,979	2,796	48,775
2025	15,651	704	16,355
	\$ 268,748	\$ 34,542	\$ 303,290

**NOTE 9 OPERATING LEASES**

The County is committed under various leases for office equipment and software. These leases are considered operating leases for accounting purposes. Lease expenses for the year totaled \$48,709.

**NOTE 10 RETIREMENT**

***Pension Plans***

All eligible employees, participate in the Colorado County Officials and Employees Retirement Association (CCOERA) (the Plan), a defined contribution plan, authorized by state statute. The Plan is a tax qualified plan under Section 401(a) of the Internal Revenue Code and all contributions by or on behalf of employees are tax deferred until time of withdrawal.

Employees are eligible after completing twelve months of service with the County, and participation is mandatory after one year of employment. Employee and employer contributions are 100% vested immediately upon employee participation in the plan.

The County must contribute 4% of the compensation of each participant. Each participant contributes a minimum amount equal to the County's contribution, and is permitted to make additional contributions not to exceed 10% of their compensation. For the year ended December 31, 2019, employee contributions totaled \$125,370 and the County recognized pension expense of \$128,167. The County recognized \$10,852 of forfeitures in retirement expense during 2019.

Plan benefits depend solely on amounts contributed to the plan plus investment earnings, less administrative expenses. The Plan may be amended by resolution of the Board of County Commissioners but it may not be amended beyond the limits established by state statute.

***Deferred Compensation Plan***

The County also offers its employees an additional voluntary deferred compensation plan created in accordance with Internal Revenue Code 457(f), administered by Colorado County Officials and Employees Retirement Association (CCOERA) (the Plan).

**CONEJOS COUNTY, COLORADO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
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The Plan permits the employees to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergencies. The County has no other liability other than to make the required monthly contribution.

**NOTE 11 COLORADO CONTRABAND FORFEITURE ACT**

We have reviewed financial activity in the Sheriff's Department for compliance with the above referenced act. There were no sales of contraband during the year ended December 31, 2019.

**NOTE 12 TABOR AMENDMENT 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 County believes it is in compliance with the requirements of the amendment.

Fiscal year spending and revenue limits are determined based on the prior year's spending adjusted for inflation and local growth. The voters of the County have approved a measure that allows the County to retain and spend revenue in excess of the limit.

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

**NOTE 13 RISK MANAGEMENT**

***Colorado Counties Casualty and Property Pool (CAPP)***

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

At December 31, 2019, CAPP had assets of \$22,027,018, liabilities of \$9,576,725 (including \$8,115,641 reserved for losses and claims), and members' equity of \$12,450,293. The liability amount includes no long-term debt. Total revenues for the year ended December 31, 2019, amounted to \$7,781,626 and total expenses were \$7,473,308 resulting in net income before return of surplus of \$308,318.

***Colorado Workers' Compensation Pool (CWCP)***

The County is exposed to various risks of loss related to injuries of employees while on the job. The County has joined together with other counties in the State of Colorado to form the Colorado Workers' Compensation Pool (CWCP), a public entity risk pool currently operating as a common risk management and insurance program for

**CONEJOS COUNTY, COLORADO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**December 31, 2019**

member counties. The County pays an annual contribution to CWCP for its workers' compensation insurance coverage. The intergovernmental agreement of formation of CWCP provides that the pool will be financially self-sustaining through member contributions and additional assessments, if necessary, and the Pool will purchase excess insurance through commercial companies for members' claims in excess of a specified self-insured retention that is determined each policy year. There have been no significant reductions in insurance coverage. Settled claims from these risks have not exceeded insurance coverage for the current year or the three prior years.

At December 31, 2019, CWCP had assets of \$45,163,710, liabilities of \$27,131,598 (including \$25,475,805 reserved for losses and claims) and members' equity of \$18,032,112. The liability amount includes no long-term debt. Total revenues for the year ended December 31, 2019, amounted to \$12,691,806. Total expenses were \$10,012,897 resulting in net income before return of surplus of \$2,678,909.

**NOTE 14 COMMITMENTS AND CONTINGENCIES**

***Grant Programs***

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

***Single Entry Point Program***

In 2019, the Colorado Department of Health Care Policy and Financing requested repayment of unspent Single Entry Point funds accumulated by the County. The County is required to pay back \$497,087. This amount is recorded as accounts payable and general government expenditures in the Public Health Fund. The County paid \$250,000 in January 2020. The remaining \$247,087 will be paid in four quarterly installments.

***Litigation***

The County is a party to various legal actions normally associated with governmental activities, aggregate effect, which in management's and legal counsel's opinion, would not be material to the financial statements.

***Insurance Pools***

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

**NOTE 15 SUBSEQUENT EVENTS**

In March of 2020, the COVID-19 virus was declared a global pandemic. Business continuity throughout the County could be severely impacted for months or more, as significant and unprecedented measures to mitigate the consequences of the pandemic are undertaken. No adjustments have been made to these financial statements as the potential impact is unknown at this time.

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## **CONEJOS COUNTY, 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 County's major special revenue funds.

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**CONEJOS COUNTY, COLORADO**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL**  
**GENERAL FUND**  
**For the Year Ended December 31, 2019**

	<b>BUDGETED AMOUNTS</b>		<b>ACTUAL</b>	<b>VARIANCE WITH</b>
	<b>ORIGINAL</b>	<b>FINAL</b>		<b>FINAL BUDGET</b>
				<b>POSITIVE</b>
				<b>(NEGATIVE)</b>
<b>REVENUES</b>				
Taxes	\$ 1,410,301	\$ 1,410,301	\$ 1,583,762	\$ 173,461
Intergovernmental Revenue	1,322,928	1,356,850	1,413,616	56,766
Licenses and Permits	50,000	50,000	45,066	(4,934)
Interest on Investments	165,743	165,743	171,819	6,076
Charges for Services	578,200	578,200	787,326	209,126
Miscellaneous	4,700	4,700	86,414	81,714
<b>TOTAL REVENUES</b>	<b>3,531,872</b>	<b>3,565,794</b>	<b>4,088,003</b>	<b>522,209</b>
<b>EXPENDITURES</b>				
General Government	2,017,305	2,057,358	1,699,662	357,696
Public Safety	1,828,603	1,828,603	1,533,989	294,614
Health and Welfare	626,299	626,299	650,346	(24,047)
Judicial - District Attorney	-	-	169,000	(169,000)
Auxiliary Services	19,685	19,685	21,833	(2,148)
Capital Outlay	-	-	220,787	(220,787)
Debt Service	-	-	16,356	(16,356)
<b>TOTAL EXPENDITURES</b>	<b>4,491,892</b>	<b>4,531,945</b>	<b>4,311,973</b>	<b>219,972</b>
Excess (Deficiency) of Revenues Over Expenditures	(960,020)	(966,151)	(223,970)	742,181
<b>OTHER FINANCING SOURCES (USES)</b>				
Lease Proceeds	-	-	142,058	142,058
Transfers In	100,000	100,000	100,000	-
Transfers Out	(190,000)	(190,000)	(100,000)	90,000
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(90,000)</b>	<b>(90,000)</b>	<b>142,058</b>	<b>232,058</b>
Net Change in Fund Balance	(1,050,020)	(1,056,151)	(81,912)	974,239
<b>Fund Balance at Beginning of Year</b>	<b>2,684,440</b>	<b>2,684,440</b>	<b>2,857,950</b>	<b>173,510</b>
<b>Fund Balance at End of Year</b>	<b>\$ 1,634,420</b>	<b>\$ 1,628,289</b>	<b>\$ 2,776,038</b>	<b>\$ 1,147,749</b>

**Notes to Required Supplementary Information**

The basis of budgeting is the same as GAAP.

This schedule is presented on the GAAP basis.

**CONEJOS COUNTY, COLORADO**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL**  
**ROAD AND BRIDGE FUND**  
**For the Year Ended December 31, 2019**

	<b>BUDGETED AMOUNTS</b>		<b>ACTUAL</b>	<b>VARIANCE WITH</b>
	<b>ORIGINAL</b>	<b>FINAL</b>		<b>FINAL BUDGET</b>
				<b>POSITIVE</b>
				<b>(NEGATIVE)</b>
<b>REVENUES</b>				
Taxes	\$ 94,955	\$ 94,955	\$ 95,455	\$ 500
Intergovernmental Revenue	1,820,000	1,820,000	2,590,028	770,028
Interest on Investments	100	100	25,694	25,594
Miscellaneous	-	-	16,791	16,791
<b>TOTAL REVENUES</b>	<b>1,915,055</b>	<b>1,915,055</b>	<b>2,727,968</b>	<b>812,913</b>
<b>EXPENDITURES</b>				
General Government	-	-	303,996	(303,996)
Highways and Streets	1,982,598	1,982,598	1,480,655	501,943
Capital Outlay	-	-	118,065	(118,065)
Debt Service	-	-	83,802	(83,802)
<b>TOTAL EXPENDITURES</b>	<b>1,982,598</b>	<b>1,982,598</b>	<b>1,986,518</b>	<b>(3,920)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	(180,000)	(180,000)	(100,000)	80,000
<b>TOTAL OTHER FINANCING SOURCSE (USES)</b>	<b>(180,000)</b>	<b>(180,000)</b>	<b>(100,000)</b>	<b>80,000</b>
Excess (Deficiency) of Revenues Over Expenditures	(247,543)	(247,543)	641,450	888,993
<b>Fund Balance at Beginning of Year</b>	<b>1,370,830</b>	<b>1,370,830</b>	<b>1,761,152</b>	<b>390,322</b>
<b>Fund Balance at End of Year</b>	<b>\$ 1,123,287</b>	<b>\$ 1,123,287</b>	<b>\$ 2,402,602</b>	<b>\$ 1,279,315</b>

**Notes to Required Supplementary Information**

The basis of budgeting is the same as GAAP.

This schedule is presented on the GAAP basis.

**CONEJOS COUNTY, COLORADO**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL**  
**SOCIAL SERVICES FUND**  
**For the Year Ended December 31, 2019**

	<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>
<b>REVENUES</b>				
Taxes	\$ 56,000	\$ 56,000	\$ 378,244	\$ 322,244
Intergovernmental Revenue	6,813,100	6,813,100	4,404,141	(2,408,959)
Miscellaneous Revenue	-	-	-	-
<b>TOTAL REVENUES</b>	<u>6,869,100</u>	<u>6,869,100</u>	<u>4,782,385</u>	<u>(2,086,715)</u>
<b>EXPENDITURES</b>				
Health and Welfare	6,911,443	6,911,443	4,642,400	2,269,043
<b>TOTAL EXPENDITURES</b>	<u>6,911,443</u>	<u>6,911,443</u>	<u>4,642,400</u>	<u>2,269,043</u>
Net Change in Fund Balance	(42,343)	(42,343)	139,985	182,328
<b>Fund Balance at Beginning of Year</b>	<u>832,476</u>	<u>832,476</u>	<u>974,530</u>	<u>142,054</u>
<b>Fund Balance at End of Year</b>	<u>\$ 790,133</u>	<u>\$ 790,133</u>	<u>\$ 1,114,515</u>	<u>\$ 324,382</u>

**Notes to Required Supplementary Information**

The basis of budgeting is the same as GAAP.

This schedule is presented on the GAAP basis.

**CONEJOS COUNTY, COLORADO**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL**  
**PUBLIC HEALTH FUND**  
**For the Year Ended December 31, 2019**

	<b>BUDGETED AMOUNTS</b>		<b>ACTUAL</b>	<b>VARIANCE WITH</b>
	<b>ORIGINAL</b>	<b>FINAL</b>		<b>FINAL BUDGET</b>
				<b>POSITIVE</b>
				<b>(NEGATIVE)</b>
<b>REVENUES</b>				
Intergovernmental Revenue	\$ 1,343,308	\$ 1,343,308	\$ 754,496	\$ (588,812)
Interest on Investments	200	200	1,034	834
Charges for Services	24,000	24,000	568,833	544,833
Miscellaneous	192,332	192,332	56,466	(135,866)
<b>TOTAL REVENUES</b>	<b>1,559,840</b>	<b>1,559,840</b>	<b>1,380,829</b>	<b>(179,011)</b>
<b>EXPENDITURES</b>				
General Government	-	-	497,087	(497,087)
Health and Welfare	1,569,917	1,569,917	1,290,723	279,194
Capital Outlay	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>1,569,917</b>	<b>1,569,917</b>	<b>1,787,810</b>	<b>(217,893)</b>
Excess (Deficiency) of Revenues Over Expenditures	(10,077)	(10,077)	(406,981)	(396,904)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	-	-
Commodities Received	-	-	83,135	83,135
Commodities Issued	-	-	(83,135)	(83,135)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net Change in Fund Balance	(10,077)	(10,077)	(406,981)	(396,904)
<b>Fund Balance at Beginning of Year</b>	<b>872,188</b>	<b>872,188</b>	<b>1,001,495</b>	<b>129,307</b>
<b>Fund Balance at End of Year</b>	<b>\$ 862,111</b>	<b>\$ 862,111</b>	<b>\$ 594,514</b>	<b>\$ (267,597)</b>

**Notes to Required Supplementary Information**

The basis of budgeting is the same as GAAP.

This schedule is presented on the GAAP basis.

## **CONEJOS COUNTY, COLORADO**

### **SUPPLEMENTARY INFORMATION**

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

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**CONEJOS COUNTY, COLORADO**  
**COMBINING BALANCE SHEET**  
**GENERAL FUND**  
**December 31, 2019**

	<b>GENERAL FUND</b>	<b>GENERAL CONTINGENCY FUND</b>	<b>CONTINGENCY FUND</b>	<b>PILT FUND</b>	<b>TOTAL</b>
<b>ASSETS</b>					
Cash and Investments	\$ 490,464	\$ 603,355	\$ 241,690	\$ 1,465,155	\$ 2,800,664
Accounts Receivable	38,607	-	-	-	38,607
Property Taxes Receivable	1,396,153	-	17,468	-	1,413,621
<b>TOTAL ASSETS</b>	<b>\$ 1,925,224</b>	<b>\$ 603,355</b>	<b>\$ 259,158</b>	<b>\$ 1,465,155</b>	<b>\$ 4,252,892</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</b>					
<b>LIABILITIES</b>					
Accounts Payable	\$ 14,468	\$ -	\$ -	\$ -	\$ 14,468
Unearned Grant Revenue	48,765	-	-	-	48,765
<b>TOTAL LIABILITIES</b>	<b>63,233</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>63,233</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unearned Revenue - Property Tax	1,396,153	-	17,468	-	1,413,621
<b>FUND BALANCE</b>					
Restricted for:					
TABOR Amendment Reserve	-	275,000	-	-	275,000
Committed to:					
Contingencies	-	328,355	241,690	1,465,155	2,035,200
Assigned	269,783	-	-	-	269,783
Unassigned	196,055	-	-	-	196,055
<b>TOTAL FUND BALANCE</b>	<b>465,838</b>	<b>603,355</b>	<b>241,690</b>	<b>1,465,155</b>	<b>2,776,038</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</b>	<b>\$ 1,925,224</b>	<b>\$ 603,355</b>	<b>\$ 259,158</b>	<b>\$ 1,465,155</b>	<b>\$ 4,252,892</b>

**CONEJOS COUNTY, COLORADO**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**GENERAL FUND**  
**For the Year Ended December 31, 2019**

	<b>GENERAL FUND</b>	<b>GENERAL CONTINGENCY FUND</b>	<b>CONTINGENCY FUND</b>	<b>PILT FUND</b>	<b>ELIMINATIONS</b>	<b>TOTAL</b>
<b>REVENUES</b>						
Taxes	\$ 1,562,749	\$ -	\$ 21,013	\$ -	\$ -	\$ 1,583,762
Intergovernmental Revenue	177,523	-	-	1,236,093	-	1,413,616
Licenses and Permits	45,066	-	-	-	-	45,066
Interest on Investments	88,873	8,863	697	73,386	-	171,819
Charges for Services	787,326	-	-	-	-	787,326
Miscellaneous	86,414	-	-	-	-	86,414
<b>TOTAL REVENUES</b>	<b>2,747,951</b>	<b>8,863</b>	<b>21,710</b>	<b>1,309,479</b>	<b>-</b>	<b>4,088,003</b>
<b>EXPENDITURES</b>						
General Government	1,699,145	-	517	-	-	1,699,662
Public Safety	1,533,989	-	-	-	-	1,533,989
Health and Welfare	650,346	-	-	-	-	650,346
Judicial - District Attorney	169,000	-	-	-	-	169,000
Auxiliary Services	21,833	-	-	-	-	21,833
Capital Outlay	220,787	-	-	-	-	220,787
Debt Service	16,356	-	-	-	-	16,356
<b>TOTAL EXPENDITURES</b>	<b>4,311,456</b>	<b>-</b>	<b>517</b>	<b>-</b>	<b>-</b>	<b>4,311,973</b>
Excess (Deficiency) of Revenues Over Expenditures	(1,563,505)	8,863	21,193	1,309,479	-	(223,970)
<b>OTHER FINANCING SOURCES (USES)</b>						
Lease Proceeds	142,058	-	-	-	-	142,058
Transfers In	1,600,000	-	-	100,000	(1,600,000)	100,000
Transfers Out	-	-	-	(1,700,000)	1,600,000	(100,000)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>1,742,058</b>	<b>-</b>	<b>-</b>	<b>(1,600,000)</b>	<b>-</b>	<b>142,058</b>
Net Change in Fund Balance	178,553	8,863	21,193	(290,521)	-	(81,912)
<b>Fund Balance at Beginning of Year</b>	<b>287,285</b>	<b>594,492</b>	<b>220,497</b>	<b>1,755,676</b>	<b>-</b>	<b>2,857,950</b>
<b>Fund Balance at End of Year</b>	<b>\$ 465,838</b>	<b>\$ 603,355</b>	<b>\$ 241,690</b>	<b>\$ 1,465,155</b>	<b>\$ -</b>	<b>\$ 2,776,038</b>

**CONEJOS COUNTY, COLORADO**  
**NONMAJOR GOVERNMENTAL FUNDS**

**SPECIAL REVENUE FUNDS**

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

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

*Lodging Tax Fund* – This fund is used to account for the County share of the lodging tax collected on each hotel/motel that is rented in Conejos County. The monies may be expended to promote Conejos County to tourists.

**CAPITAL PROJECT FUNDS**

Capital project funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlays including the acquisition or construction of capital facilities and other capital assets.

*Capital Expenditures Fund* – This fund is used to account for the monies set aside for capital expenditures.

**CONEJOS COUNTY, COLORADO**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING BALANCE SHEET**  
**December 31, 2019**

	NONMAJOR SPECIAL REVENUE FUNDS		CAPITAL PROJECTS FUND	TOTAL NONMAJOR GOVERNMENTAL
	CONSERVATION TRUST FUND	LODGING TAX FUND	CAPITAL EXPENDITURES FUND	
<b>ASSETS</b>				
Cash and Investments	\$ 74,173	\$ 62,400	\$ 257,788	\$ 394,361
Property Taxes Receivable	-	-	17,468	17,468
<b>TOTAL ASSETS</b>	<u>\$ 74,173</u>	<u>\$ 62,400</u>	<u>\$ 275,256</u>	<u>\$ 411,829</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</b>				
<b>LIABILITIES</b>				
Accounts Payable	\$ 9	\$ -	\$ -	\$ 9
<b>TOTAL LIABILITIES</b>	<u>9</u>	<u>-</u>	<u>-</u>	<u>9</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable Revenue - Property Tax	-	-	17,468	17,468
<b>FUND BALANCE</b>				
Committed to				
Capital Expenditures	-	-	257,788	257,788
Culture and Recreation	74,164	62,400	-	136,564
<b>TOTAL FUND BALANCE</b>	<u>74,164</u>	<u>62,400</u>	<u>257,788</u>	<u>394,352</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</b>	<u>\$ 74,173</u>	<u>\$ 62,400</u>	<u>\$ 275,256</u>	<u>\$ 411,829</u>

**CONEJOS COUNTY, COLORADO**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**For the Year Ended December 31, 2019**

	NONMAJOR SPECIAL REVENUE FUNDS		CAPITAL PROJECTS FUND	TOTAL NONMAJOR GOVERNMENTAL
	CONSERVATION TRUST FUND	LODGING TAX FUND	CAPITAL EXPENDITURES FUND	
<b>REVENUES</b>				
Taxes	\$ -	\$ 35,373	\$ 21,013	\$ 56,386
Intergovernmental Revenue	49,571	-	-	49,571
Interest on Investments	234	-	7,973	8,207
Miscellaneous	-	-	-	-
<b>TOTAL REVENUES</b>	<b>49,805</b>	<b>35,373</b>	<b>28,986</b>	<b>114,164</b>
<b>EXPENDITURES</b>				
General Government	-	-	517	517
Culture and Recreation	30,435	31,180	-	61,615
Capital Outlay	-	-	35,777	35,777
<b>TOTAL EXPENDITURES</b>	<b>30,435</b>	<b>31,180</b>	<b>36,294</b>	<b>97,909</b>
Excess (Deficiency) of Revenues Over Expenditures	19,370	4,193	(7,308)	16,255
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	100,000	100,000
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>-</b>	<b>100,000</b>	<b>100,000</b>
Net Change in Fund Balance	19,370	4,193	92,692	116,255
<b>Fund Balance at Beginning of Year</b>	<b>54,794</b>	<b>58,207</b>	<b>165,096</b>	<b>278,097</b>
<b>Fund Balance at End of Year</b>	<b>\$ 74,164</b>	<b>\$ 62,400</b>	<b>\$ 257,788</b>	<b>\$ 394,352</b>

**CONEJOS COUNTY, COLORADO**  
**SCHEDULE OF EXPENDITURES AND TRANSFERS OUT**  
**BUDGET AND ACTUAL**  
**ALL NON-MAJOR GOVERNMENTAL FUNDS**  
**For the Year Ended December 31, 2019**

	<u>BUDGETED AMOUNTS</u>		<u>EXPENDITURES</u>	<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>REPORTED ON</u>	<u>FINAL BUDGET</u>
			<u>THE GAAP</u>	<u>POSITIVE</u>
			<u>BASIS</u>	<u>(NEGATIVE)</u>
<b>Governmental Funds</b>				
Non-major Governmental Funds				
Special Revenue Funds				
Conservation Trust Fund	\$ 67,341	\$ 67,341	\$ 30,435	\$ 36,906
Lodging Tax Fund	30,266	30,266	31,180	(914)
Total Special Revenue Funds	<u>97,607</u>	<u>97,607</u>	<u>61,615</u>	<u>35,992</u>
Capital Projects Fund				
Capital Expenditures Fund	<u>30,475</u>	<u>36,475</u>	<u>36,294</u>	<u>181</u>
Total Non-major Governmental Funds	<u><u>\$ 128,082</u></u>	<u><u>\$ 134,082</u></u>	<u><u>\$ 97,909</u></u>	<u><u>\$ 36,173</u></u>

**CONEJOS COUNTY, COLORADO**

**OTHER SCHEDULES AND REPORTS**

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**CONEJOS COUNTY**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the Year Ended December 31, 2019**

<i>Federal Grantor/Program or Cluster Title</i>	<i>Federal CFDA Number</i>	<i>Pass-through Grantor and Number</i>	<i>Passed-through to Subrecipients (\$)</i>	<i>Federal Expenditures(\$)</i>
<b>CCDF Cluster</b>				
U.S. Department of Health and Human Services				
Child Care and Development Block Grant	93.575	Colorado Department of Human Services,N/A	\$	57,093
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	Colorado Department of Human Services,N/A		55,653
				<hr/>
<i>Total U.S. Department of Health and Human Services</i>				112,746
<b>Total CCDF Cluster</b>				<hr/> <hr/> 112,746
<b>Food Distribution Cluster</b>				
U.S. Department of Agriculture				
Commodity Supplemental Food Program - USDA Foods	10.565	Colorado Department of Human Services,N/A		83,135
Commodity Supplemental Food Program - Administrative Funds	10.565	Colorado Department of Human Services,N/A		45,533
Total Commodity Supplemental Food Program				<hr/> 128,668
Emergency Food Assistance Program (Food Commodities)	10.569	Colorado Department of Human Services and Care and Share Food Bank,N/A		77,327
				<hr/>
<i>Total U.S. Department of Agriculture</i>				205,995
<b>Total Food Distribution Cluster</b>				<hr/> <hr/> 205,995
<b>TANF Cluster</b>				
U.S. Department of Health and Human Services				
Temporary Assistance for Needy Families (TANF) State Programs	93.558	Colorado Department of Human Services,N/A		407,674
<b>Total TANF Cluster</b>				<hr/> 407,674
<b>Medical Assistance Program (Medicaid Cluster)</b>				
U.S. Department of Health and Human Services				
Medical Assistance Program	93.778	Colorado Department of Health Care Policy and Financing, N/A		125,222
Medical Assistance Program - HCA	93.778	Colorado Department of Health Care Policy and Financing, N/A		27,423
Medical Assistance Program - SEP	93.778	Colorado Department of Health Care Policy and Financing, N/A	124,158	251,727
Total Medical Assistance Program			<hr/> 124,158	<hr/> 404,372
<b>Total Medical Assistance Program (Medicaid Cluster)</b>			124,158	404,372

**CONEJOS COUNTY**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the Year Ended December 31, 2019**

<i>Federal Grantor/Program or Cluster Title</i>	<i>Federal CFDA Number</i>	<i>Pass-through Grantor and Number</i>	<i>Passed-through to Subrecipients (\$)</i>	<i>Federal Expenditures(\$)</i>
<b>SNAP Cluster</b>				
U.S. Department of Agriculture				
Supplemental Nutrition Assistance Program	10.551	Colorado Department of Human Services,N/A		987
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	Colorado Department of Human Services,N/A		60,500
<i>Total U.S. Department of Agriculture</i>				<u>61,487</u>
<b>Total SNAP Cluster</b>				<u>61,487</u>
<b>Forest Service Schools and Roads Cluster</b>				
U.S. Department of Agriculture				
Schools and Roads - Grants to States	10.665	Colorado Department of Treasury,N/A	275,363	289,856
<b>Total Forest Service Schools and Roads Cluster</b>			<u>275,363</u>	<u>289,856</u>
<b>Total All Clusters</b>			<u>399,521</u>	<u>1,482,130</u>
<b>Other Programs</b>				
U.S. Department of Homeland Security				
Emergency Management Performance Grants	97.042	Colorado Department of Local Affairs,N/A		53,295
<i>Total U.S. Department of Homeland Security</i>				<u>53,295</u>
U.S. Department of Health and Human Services				
Public Health Emergency Preparedness	93.069	Colorado Department of Public Health and Environment, HW19CJ		12,763
Guardianship Assistance	93.090	Colorado Department of Human Services,N/A		779
Immunization Cooperative Agreements	93.268	Colorado Department of Public Health and Environment, J20CH		1,131
PPHF Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure and Performanec financed in part by Prevention and Pubic Health Funds	93.539	Colorado Department of Public Health and Environment, JG17CH		4,487
Child Support Enforcement	93.563	Colorado Department of Human Services,N/A		108,592
Low-Income Home Energy Assistance	93.568	Colorado Department of Human Services,N/A		1,110
Stephanie Tubbs Jones Child Welfare Services Program	93.645	Colorado Department of Human Services,N/A		3,602
Foster Care_Title IV-E	93.658	Colorado Department of Human Services,N/A		113,202
Adoption Assistance	93.659	Colorado Department of Human Services,N/A		21,112
Social Services Block Grant	93.667	Colorado Department of Human Services,N/A		42,147

**CONEJOS COUNTY**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the Year Ended December 31, 2019**

<i>Federal Grantor/Program or Cluster Title</i>	<i>Federal CFDA Number</i>	<i>Pass-through Grantor and Number</i>	<i>Passed-through to Subrecipients (\$)</i>	<i>Federal Expenditures(\$)</i>
Maternal and Child Health Services Block Grant to the States	93.994	Colorado Department of Public Health and Environment,ND19FL		12,198
<i>Total U.S. Department of Health and Human Services</i>				321,123
<i>Total Other Programs</i>				374,418
<i>Total Expenditures of Federal Awards</i>				\$ 399,521 \$ 1,856,548

**CONEJOS COUNTY, COLORADO**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the Year Ended December 31, 2019**

**NOTE 1 BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of Conejos County, Colorado under programs of the federal government for the year ended December 31, 2019. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Conejos County, Colorado, it is not intended to and does not present the financial position, changes in net position, or cash flows of Conejos County, Colorado.

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through identifying numbers are presented where available. A portion of Medicaid Cluster and Schools and Roads Cluster funds were passed through to subrecipients. The County did not elect to use the 10-percent de minimis indirect cost rate as allowed under Uniform Guidance for the year ended December 31, 2019.

**NOTE 3 FOOD DISTRIBUTION**

Nonmonetary assistance is reported in the Schedule at the fair market value of commodities received and disbursed.

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



**Wall,  
Smith,  
Bateman Inc.**

To the Board of County Commissioners  
Conejos County, Colorado

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Conejos County, Colorado (the County), as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated September 28, 2020.

### **Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be a material weakness. Finding 2019-001.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The

**Certified Public Accountants**

3001 Adcock Circle PO Box 809 Alamosa, CO 81101 | 719-589-3619 | f 719-589-5492 | [www.wsbcpa.com](http://www.wsbcpa.com)

results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **County's Response to Finding**

The County's response to the finding identified in our audit are described in the accompanying corrective action plan. The County's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Wall, Smith, Bateman Inc.*

Wall, Smith, Bateman Inc.  
Alamosa, Colorado

September 28, 2020

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE  
FOR EACH MAJOR PROGRAM AND ON INTERNAL  
CONTROL OVER COMPLIANCE REQUIRED BY  
THE UNIFORM GUIDANCE**



**Wall,  
Smith,  
Bateman Inc.**

To the Board of County Commissioners  
Conejos County, Colorado  
Conejos, Colorado

**Report on Compliance for Each Major Federal Program**

We have audited Conejos County, Colorado's (the County) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended December 31, 2019. The County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the County's compliance.

***Opinion on Each Major Federal Program***

In our opinion, Conejos County, Colorado, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2019.

**Certified Public Accountants**

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## Report on Internal Control Over Compliance

Management of the County, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Wall, Smith, Bateman Inc.*

Wall, Smith, Bateman Inc.  
Alamosa, Colorado

September 28, 2020

**CONEJOS COUNTY, COLORADO**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For the Year Ended December 31, 2019**

**Section I – Summary of Auditors’ Results**

Financial Statements

Type of auditors’ report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified?   X   yes        no
- Significant deficiency(ies) identified that are **not** considered to be material weakness(es)?        yes   X   none reported
- Noncompliance material to financial statements noted?        yes   X   no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified?        yes   X   no
- Significant deficiency(ies) identified that are **not** considered to be material weakness(es)?        yes   X   none reported

Type of auditors’ report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)?        yes   X   no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
93.558	TANF Cluster
93.778	Medicaid Cluster

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as a low-risk auditee?        yes   X   no

**CONEJOS COUNTY, COLORADO**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For the Year Ended December 31, 2019**

**Section II – Financial Statement Findings**

**Finding 2019-001: Internal Control over Financial Reporting**  
**(Repeat of Finding 2018-001, 2017-001, 2016-001, 2015-001, 2014-001, 2013-001 and 12-1)**

*Type of finding: Internal Control (material weakness)*

*Condition/Cause:* Internal controls over monthly and year-end reconciliation procedures in the finance and sheriff administration were not sufficient to prevent and detect financial misstatements and document account transactions.

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

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

1. Audit adjustments were proposed to properly state the County financial statements as of December 31, 2019, in accordance with generally accepted accounting principles.
2. Capital asset and inventory listings were not updated to correctly reflect current year activity, unit costs, and year end balances.

*Recommendation:* The County finance and sheriff administration offices should strengthen its internal controls with adopted policies and procedures regarding monthly and year-end financial close accounting and government-wide reporting and continue to strengthen reconciliation and monitoring processes for year-end accruals, capital asset and inventory transactions and balances.

*Management's Response:* See corrective action plan.

**Section III – Federal Award Findings and Questioned Costs**

None

**CONEJOS COUNTY, COLORADO**  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**  
**For the Year Ended December 31, 2019**

**Section II – Financial Statement Findings**

**Finding 2018-001: Internal Control over Financial Reporting**  
**(Repeat of Finding 2017-001, 2016-001, 2015-001, 2014-001, 2013-001, and 12-1)**

*Type of finding: Internal Control (material weakness)*

*Condition/Cause:* Internal controls over monthly and year-end reconciliation procedures were not sufficient to prevent and detect financial misstatements. Capital asset and inventory listings were not updated to correctly reflect current year activity and year end balances. In addition, controls were not in place to monitor grant disbursements made to other entities to ensure funds were spent in accordance with the grant terms.

*Status: Partially Implemented (see Finding 2019-001)*



## Board of County Commissioners

J. Steven McCarroll

Carlos Garcia

Mitchell Jarvies

### CORRECTIVE ACTION PLAN

Oversight Agency - U.S. Department of Health and Human Services

Conejos County, Colorado respectfully submits the following corrective action plan for the year ended December 31, 2019.

Independent Accountants: Wall, Smith, Bateman Inc.  
Certified Public Accountants  
3001 Adcock Circle, P.O. Box 809  
Alamosa, CO 81101

Audit period: Year ended December 31, 2019

The findings from the December 31, 2019 schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule. Section I of the schedule, Summary of Auditors' Results, does not include findings and is not addressed.

#### Section II – Financial Statement Findings

**Finding 2019-001: Internal Control over Financial Reporting**  
(Repeat of Findings 2018-001, 2017-001, 2016-001, 2015-001, 2014-001, 2013-001, and 12-1)

*Type of finding: Internal Control (material weakness)*

*Recommendation:* The County finance and sheriff administration offices should strengthen its internal controls with adopted policies and procedures regarding monthly and year-end financial close accounting and government-wide reporting and continue to strengthen reconciliation and monitoring processes for year-end accruals, capital asset, and inventory transactions and balances.

*Action Taken:*

***Policies and procedure:*** Policies and procedures will be made in regards to County and Sheriffs Department for year-end financials, reconciliation and monitoring processes.

***Year-end accruals:*** Conejos County accountant will review all ledger accounts on a monthly bases to make sure all transactions are posted to the appropriate ledger accounts and/or budgets.

***Capital assets*** – copies of invoices and/or lease purchase agreements will be made available to county accountant so that he may update his capital asset list as they are being purchased. Road and Bridge supervisor, accountant and county administrator will meet on a quarterly basis to make sure all capital assets have been accounted for.

*Inventory transactions and balances: Road and Bridge supervisor will input all supplies, such as, but not limited to culverts, tires and other non- operational items into Pub-Works. Inventory will be printed out at the end of year from out Pub Works Program.*

If the U.S. Department of Health and Human Services have questions regarding this plan, please call the responsible party listed below.

Sincerely yours,



Tressesa Martinez  
County Administrator  
Conejos County, Colorado

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

<b>LOCAL HIGHWAY FINANCE REPORT</b>		City or County: Conejos County			
		YEAR ENDING : December 2019			
This Information From The Records Of : County of Conejos		Prepared By: Phone:	GARY GURULE (719)376-5772 x2		
<b>I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE</b>					
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					
<b>II. RECEIPTS FOR ROAD AND STREET PURPOSES</b>		<b>III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES</b>			
ITEM	AMOUNT	ITEM	AMOUNT		
<b>A. Receipts from local sources:</b>		<b>A. Local highway disbursements:</b>			
1. Local highway-user taxes		1. Capital outlay (from page 2)	118,065		
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	1,444,267		
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:			
c. Total (a.+b.)		a. Traffic control operations			
2. General fund appropriations		b. Snow and ice removal			
3. Other local imposts (from page 2)	95,455	c. Other Misc. Grant	0		
4. Miscellaneous local receipts (from page 2)	42,485	d. Total (a. through c.)	0		
5. Transfers from toll facilities		4. General administration & miscellaneous	156,629		
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	8,392		
a. Bonds - Original Issues		6. Total (1 through 5)	1,727,353		
b. Bonds - Refunding Issues		<b>B. Debt service on local obligations:</b>			
c. Notes		1. Bonds:			
d. Total (a. + b. + c.)	0	a. Interest			
7. Total (1 through 6)	137,940	b. Redemption			
<b>B. Private Contributions</b>		c. Total (a. + b.)	0		
<b>C. Receipts from State government</b> (from page 2)	2,300,172	2. Notes:			
<b>D. Receipts from Federal Government</b> (from page 2)	14,493	a. Interest	4,088		
<b>E. Total receipts (A.7 + B + C + D)</b>	2,452,605	b. Redemption	79,714		
		c. Total (a. + b.)	83,802		
		3. Total (1.c + 2.c)	83,802		
		<b>C. Payments to State for highways</b>			
		<b>D. Payments to toll facilities</b>			
		<b>E. Total disbursements (A.6 + B.3 + C + D)</b>	1,811,155		
<b>IV. LOCAL HIGHWAY DEBT STATUS</b> (Show all entries at par)					
	Opening Debt	Amount Issued	Redemptions	Closing Debt	
<b>A. Bonds (Total)</b>				0	
1. Bonds (Refunding Portion)					
<b>B. Notes (Total)</b>	122,095	0	79,714	42,381	
<b>V. LOCAL ROAD AND STREET FUND BALANCE</b>					
	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	1,761,152	2,452,605	1,811,155	2,402,602	0
<b>Notes and Comments:</b>					

**LOCAL HIGHWAY FINANCE REPORT**

STATE:  
Colorado  
YEAR ENDING (mm/yy):  
December 2019

**II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL**

ITEM	AMOUNT	ITEM	AMOUNT
<b>A.3. Other local imposts:</b>		<b>A.4. Miscellaneous local receipts:</b>	
a. Property Taxes and Assessments	78,311	a. Interest on investments	25,694
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	525
4. Licenses		f. Charges for Services	5,700
5. Specific Ownership &/or Other	17,144	g. Other Misc. Receipts	873
6. Total (1. through 5.)	17,144	h. Other	9,693
c. Total (a. + b.)	95,455	i. Total (a. through h.)	42,485
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
<b>C. Receipts from State Government</b>		<b>D. Receipts from Federal Government</b>	
1. Highway-user taxes	2,284,615	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	14,493
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	15,557	d. Federal Transit Admin	
d. Other (Specify) - Misc. Grant	0	e. U.S. Corps of Engineers	
e. Other (Specify)	0	f. Other Federal: RAC Grant	0
f. Total (a. through e.)	15,557	g. Total (a. through f.)	14,493
4. Total (1. + 2. + 3.f)	2,300,172	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)
<b>A.1. Capital outlay:</b>			
a. Right-Of-Way Costs			0
b. Engineering Costs			0
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements			0
(3). System Preservation		118,065	118,065
(4). System Enhancement & Operation			0
(5). Total Construction (1) + (2) + (3) + (4)	0	118,065	118,065
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	118,065	118,065
			(Carry forward to page 1)

Notes and Comments: