

COSTILLA COUNTY, COLORADO

FINANCIAL STATEMENTS

December 31, 2022



Wall,
Smith,
Bateman Inc.
Certified Public Accountants

COSTILLA COUNTY, COLORADO
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INDEPENDENT AUDITORS' REPORT

To the Board of County Commissioners
Costilla County, Colorado
San Luis, Colorado



Wall,
Smith,
Bateman Inc.

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Costilla County, Colorado (the County), as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County, as of December 31, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

Change in Accounting Principle

As discussed in Note 1 – Summary of Significant Accounting Policies, in fiscal year 2022 the County adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*, and GASB Statement No. 87, *Leases*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Certified Public Accountants

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Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 County's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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 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 is the responsibility of management and, 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.

Supplementary 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 accompanying combining and individual nonmajor fund financial schedules, the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the Local Highway Finance Report, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 nonmajor 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 25, 2023 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's 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 25, 2023

COSTILLA COUNTY, COLORADO

BASIC FINANCIAL STATEMENTS

COSTILLA COUNTY, COLORADO

STATEMENT OF NET POSITION

December 31, 2022

	Primary Government		TOTAL
	Governmental Activities	Business-Type Activities	
ASSETS			
Current Assets			
Cash and Cash Equivalents	\$ 8,812,550	\$ 121,998	\$ 8,934,548
Property Taxes Receivable	2,243,633	-	2,243,633
Accounts Receivable	41,459	(216)	41,243
Due from Other Governments	703,383	-	703,383
Prepaid Expenses	20,939	-	20,939
Inventory	148,899	-	148,899
Total Current Assets	11,970,863	121,782	12,092,645
Noncurrent Assets			
Capital Assets			
Land and Land Improvements	1,927,699	-	1,927,699
Buildings	10,157,668	-	10,157,668
Equipment	9,394,760	-	9,394,760
Infrastructure	6,899,262	-	6,899,262
Water and Sewer Plant	-	4,606,133	4,606,133
Less: Accumulated Depreciation/Depletion	(15,159,021)	(3,291,648)	(18,450,669)
Total Noncurrent Assets	13,220,368	1,314,485	14,534,853
TOTAL ASSETS	25,191,231	1,436,267	26,627,498
LIABILITIES			
Current Liabilities			
Accounts Payable	123,799	14,296	138,095
Due to Other Governments	2,326	-	2,326
Unearned Revenue - Other	1,034,699	-	1,034,699
Financed Purchase Agreement	79,002	-	79,002
Compensated Absences	8,685	-	8,685
Total Current Liabilities	1,248,511	14,296	1,262,807
Noncurrent Liabilities			
Financed Purchase Agreement	249,111	-	249,111
Compensated Absences	70,837	-	70,837
Total Noncurrent Liabilities	319,948	-	319,948
TOTAL LIABILITIES	1,568,459	14,296	1,582,755
DEFERRED INFLOWS OF RESOURCES - CURRENT			
Unavailable Revenue - Property Tax	2,243,633	-	2,243,633
NET POSITION			
Net Investment in Capital Assets	12,892,255	1,314,485	14,206,740
Restricted for TABOR	340,000	-	340,000
Unrestricted	8,146,884	107,486	8,254,370
TOTAL NET POSITION	\$ 21,379,139	\$ 1,421,971	\$ 22,801,110

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

COSTILLA COUNTY, COLORADO
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2022

Functions/Programs	Net (Expense) Revenue and Changes in Net Position					
	Program Revenues			Primary Government		
	Charges for Services	Grants & Contributions	Capital Grants & Contributions	Governmental Activities	Business-Type Activities	TOTAL
Primary Government:						
Governmental Activities:						
General Government	\$ 2,666,883	\$ 873,734	\$ 112,149	\$ (1,681,000)	\$ -	\$ (1,681,000)
Public Safety	1,337,590	150,084	122,228	(1,065,278)	-	(1,065,278)
Health and Welfare	8,912,653	437,524	8,046,880	(428,249)	-	(428,249)
Highways and Streets	4,093,712	19,282	4,084,302	9,872	-	9,872
Auxiliary Services	271,304	-	43,626	(227,678)	-	(227,678)
Culture and Recreation	105,156	-	50,719	(54,437)	-	(54,437)
Interest Expense	19,230	-	-	(19,230)	-	(19,230)
Total Governmental Activities	17,406,528	1,480,624	12,459,904	(3,466,000)	-	(3,466,000)
Business-Type Activities						
Water	202,653	118,876	4,000	-	(79,777)	(79,777)
Sanitation	123,251	60,567	1,400	-	(61,284)	(61,284)
Total Business-Type Activities	325,904	179,443	5,400	-	(141,061)	(141,061)
Total Primary Government	\$ 17,732,432	\$ 1,660,067	\$ 12,459,904	\$ (3,466,000)	(141,061)	(3,607,061)
General Revenues:						
Taxes						
General Property Taxes - Net				2,356,263	-	2,356,263
Sales Taxes				378,424	-	378,424
Other Taxes				201,940	-	201,940
Payment in Lieu of Taxes				297	-	297
Interest on Investments				1,151	-	1,151
Miscellaneous				101,632	-	101,632
Total General Revenues				3,039,707	-	3,039,707
Change in Net Position				(426,293)	(141,061)	(567,354)
Net Position - Beginning of Year				21,805,432	1,563,032	23,368,464
Net Position - End of Year				\$ 21,379,139	\$ 1,421,971	\$ 22,801,110

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

COSTILLA COUNTY, COLORADO
GOVERNMENTAL FUNDS
BALANCE SHEET
December 31, 2022

	GENERAL FUND	ROAD AND BRIDGE FUND	SOCIAL SERVICES FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS					
Cash and Cash Equivalents	\$ 3,754,237	\$ 4,527,594	\$ 263,542	\$ 267,177	\$ 8,812,550
Receivables					
Property Taxes Receivable	1,848,185	-	336,248	59,200	2,243,633
Accounts Receivable	-	-	18	41,441	41,459
Due From Other Governments	71,372	402,819	96,080	133,112	703,383
Prepaid Expenses	20,939	-	-	-	20,939
Inventory	-	148,899	-	-	148,899
TOTAL ASSETS	\$ 5,694,733	\$ 5,079,312	\$ 695,888	\$ 500,930	\$ 11,970,863
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE					
LIABILITIES					
Accounts Payable	\$ 76,386	\$ 33,434	\$ -	\$ 13,979	\$ 123,799
Due to Other Governments	-	-	2,326	-	2,326
Unearned Revenue - Other	995,813	-	38,035	851	1,034,699
TOTAL LIABILITIES	1,072,199	33,434	40,361	14,830	1,160,824
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue - Property Tax	1,848,185	-	336,248	59,200	2,243,633
FUND BALANCE					
Nonspendable	20,939	148,899	-	-	169,838
Restricted	115,000	125,000	80,000	20,000	340,000
Committed	-	4,771,979	239,279	406,900	5,418,158
Assigned	925,000	-	-	-	925,000
Unassigned	1,713,410	-	-	-	1,713,410
TOTAL FUND BALANCE	2,774,349	5,045,878	319,279	426,900	8,566,406
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	\$ 5,694,733	\$ 5,079,312	\$ 695,888	\$ 500,930	\$ 11,970,863

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

COSTILLA COUNTY, COLORADO
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO THE STATEMENT OF NET POSITION
December 31, 2022

Total governmental fund balances	\$	8,566,406
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		13,220,368
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.		
Financed Purchase Agreement	\$ (328,113)	
Compensated Absences	(79,522)	
		(407,635)
Net position of governmental activities	\$	21,379,139

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

COSTILLA COUNTY, COLORADO
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
For the Year Ended December 31, 2022

	GENERAL FUND	ROAD AND BRIDGE FUND	SOCIAL SERVICES FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES					
Taxes	\$ 2,491,892	-	\$ 377,445	\$ 67,290	\$ 2,936,627
Intergovernmental Revenue	337,395	4,104,089	7,395,224	636,472	12,473,180
Licenses and Permits	23,663	-	-	-	23,663
County Ordinances	56,736	-	-	-	56,736
Charges for Services	840,234	-	-	437,524	1,277,758
Miscellaneous	173,926	17,685	-	20,660	212,271
TOTAL REVENUES	3,923,846	4,121,774	7,772,669	1,161,946	16,980,235
EXPENDITURES					
Current Expenditures					
General Government	2,548,715	-	-	-	2,548,715
Public Safety	1,281,042	-	-	-	1,281,042
Health and Welfare	-	-	7,701,349	1,099,791	8,801,140
Highways and Streets	-	3,219,062	-	-	3,219,062
Auxiliary Services	271,304	-	-	-	271,304
Culture and Recreation	-	-	-	101,226	101,226
Capital Outlay	41,944	702,627	-	-	744,571
Debt Service	22,099	-	72,078	-	94,177
TOTAL EXPENDITURES	4,165,104	3,921,689	7,773,427	1,201,017	17,061,237
Excess (deficiency) of revenues over expenditures	(241,258)	200,085	(758)	(39,071)	(81,002)
OTHER FINANCING SOURCES (USES)					
Transfers from Other Funds	37,027	-	-	5,228	42,255
Transfers to Other Funds	(5,228)	(37,027)	-	-	(42,255)
TOTAL OTHER FINANCING SOURCES (USES)	31,799	(37,027)	-	5,228	-
Net change in fund balance	(209,459)	163,058	(758)	(33,843)	(81,002)
Fund Balance at Beginning of Year	2,983,808	4,882,820	320,037	460,743	8,647,408
Fund Balance at End of Year	\$ 2,774,349	\$ 5,045,878	\$ 319,279	\$ 426,900	\$ 8,566,406

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

COSTILLA 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, 2022

Net change in fund balances - total governmental funds \$ (81,002)

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. This is the activity in the capital assets in the current period.

Capital Asset Additions	\$	778,056	
Depreciation Expense		(1,185,823)	
		(407,767)	(407,767)

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. This is the activity in debt in the current period.

Financed Purchase Agreement Payments	55,000		74,947
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Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Compensated Absences			(12,471)
			(12,471)

Change in net position of governmental activities	\$		(426,293)
			(426,293)

COSTILLA COUNTY, COLORADO
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
December 31, 2022

	WATER AND SANITATION FUND
ASSETS	
Current Assets	
Cash and Cash Equivalents	\$ 121,998
Accounts Receivable	(216)
Total Current Assets	121,782
Noncurrent Assets	
Capital Assets	
Water and Sewer Plant	4,606,133
Less: Accumulated Depreciation/Depletion	(3,291,648)
Total Noncurrent Assets	1,314,485
TOTAL ASSETS	1,436,267
LIABILITIES	
Current Liabilities	
Accounts Payable	14,296
Total Current Liabilities	14,296
TOTAL LIABILITIES	14,296
NET POSITION	
Net Investment in Capital Assets	1,314,485
Unrestricted	107,486
TOTAL NET POSITION	\$ 1,421,971

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

COSTILLA COUNTY, COLORADO
PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET POSITION
For the Year Ended December 31, 2022

	WATER AND SANITATION FUND
OPERATING REVENUES	
Charges for Services	\$ 179,443
Total Charges for Services	<u>179,443</u>
Total operating revenues	<u>179,443</u>
OPERATING EXPENSES	
Salaries and Benefits	86,637
Supplies	24,717
Utilities	34,562
Professional Services	18,617
Repairs and Maintenance	41,897
Permits and Fees	7,859
Depreciation Expense	95,206
Miscellaneous	16,409
Total operating expenses	<u>325,904</u>
Operating Income (Loss)	<u>(146,461)</u>
CAPITAL CONTRIBUTIONS AND TRANSFERS	
Tap Fees	5,400
Transfer In	-
Total Capital Contributions and Transfers	<u>5,400</u>
Change in Net Position	(141,061)
Net Position, Beginning of Year	<u>1,563,032</u>
Net Position, End of Year	<u><u>\$ 1,421,971</u></u>

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

COSTILLA COUNTY, COLORADO
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2022

	<u>WATER AND SANITATION FUND</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received from Customers	\$ 185,058
Cash Payments to Suppliers for Goods and Services	(144,204)
Cash Payments to Employees for Services	<u>(86,637)</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>(45,783)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Cash Received from Tap Fees	<u>5,400</u>
NET CASH PROVIDED (USED) FOR CAPITAL AND RELATED FINANCING ACTIVITIES	<u>5,400</u>
CASH FLOWS FROM INVESTING ACTIVITIES	<u>-</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(40,383)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>162,381</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u><u>\$ 121,998</u></u>
 RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	
Operating Income (Loss)	\$ (146,461)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:	
Depreciation Expense	95,206
(Increase) Decrease in Accounts Receivable	5,615
Increase (Decrease) in Accounts Payable	<u>(143)</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u><u>\$ (45,783)</u></u>

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

COSTILLA COUNTY, COLORADO
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
December 31, 2022

	<u>PUBLIC TRUSTEE</u>	<u>COUNTY CLERK</u>	<u>COUNTY TREASURER</u>	<u>TOTAL CUSTODIAL FUNDS</u>
ASSETS				
Cash and Cash Equivalents	\$ 1,912	\$ 80,419	\$ 368,566	\$ 450,897
Property Tax Receivable	-	-	6,549,715	6,549,715
TOTAL ASSETS	<u>1,912</u>	<u>80,419</u>	<u>6,918,281</u>	<u>7,000,612</u>
LIABILITIES				
Funds Held for Others	-	-	330,864	330,864
Due to Other Governments	-	80,419	-	80,419
TOTAL LIABILITIES	<u>-</u>	<u>80,419</u>	<u>330,864</u>	<u>411,283</u>
DEFERRED INFLOWS OF RESOURCES - CURRENT				
Unavailable Revenue - Property Tax	-	-	6,549,715	6,549,715
NET POSITION				
Restricted for:				
Individuals, Organizations, and Other Governments	<u>1,912</u>	<u>-</u>	<u>37,702</u>	<u>39,614</u>
TOTAL NET POSITION	<u>\$ 1,912</u>	<u>\$ -</u>	<u>\$ 37,702</u>	<u>\$ 39,614</u>

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

COSTILLA COUNTY, COLORADO
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
For the Year Ended December 31, 2022

	<u>PUBLIC TRUSTEE</u>	<u>COUNTY CLERK</u>	<u>COUNTY TREASURER</u>	<u>TOTAL CUSTODIAL FUNDS</u>
ADDITIONS				
Tax Collections for Other Governments	\$ -	\$ -	\$ 8,101,955	\$ 8,101,955
Public Trustee Activity	41,245	-	-	41,245
County Clerk Collections	-	699,348	-	699,348
Miscellaneous	-	-	2,041,654	2,041,654
	<hr/>	<hr/>	<hr/>	<hr/>
Total Additions	41,245	699,348	10,143,609	10,884,202
DEDUCTIONS				
Taxes Disbursed	-	-	9,164,145	9,164,145
Public Trustee Disbursements	42,611	-	-	42,611
County Clerk Disbursements	-	699,348	-	699,348
Funds Held for Others	-	-	975,148	975,148
	<hr/>	<hr/>	<hr/>	<hr/>
Total Deductions	42,611	699,348	10,139,293	10,881,252
Net Increase (Decrease) in Fiduciary Net Position	<hr/> (1,366)	<hr/> -	<hr/> 4,316	<hr/> 2,950
Net position - Beginning of the Year	-	-	-	-
GASB 84 Restatement	<hr/> 3,278	<hr/>	<hr/> 33,386	<hr/> 36,664
Net position - Beginning of the Year, Restated	<hr/> 3,278	<hr/> -	<hr/> 33,386	<hr/> 36,664
Net position - End of the Year	<hr/> <u>\$ 1,912</u>	<hr/> <u>\$ -</u>	<hr/> <u>\$ 37,702</u>	<hr/> <u>\$ 39,614</u>

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

COSTILLA COUNTY, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
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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

Costilla County was created as a quasi-municipal corporation by the legislature in 1913 for the purpose of exercising a part of the political power 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 five other elected officials - assessor, clerk and recorder, coroner, sheriff, and treasurer. The treasurer is also the County Public Trustee. The County provides the following services: public safety (sheriff), highways and streets, health and welfare, water and sanitation system, property tax collection and distribution, land use planning and regulations, culture and recreation, library, and general administrative services.

Component Units

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

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

Based on the aforementioned criteria, Costilla 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, if any, 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.

COSTILLA COUNTY, COLORADO
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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, proprietary funds, and fiduciary funds, even though the fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

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

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

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

The County reports the following major governmental funds:

- The **General Fund** is the general operating fund of the County. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- The **Road and Bridge Fund** is used to account for the maintenance and improvements of streets and highways. The sources of funds include highway user's fees and other revenue sources.
- The **Social Services Fund** is used to account for the operations of social programs; i.e. Temporary Assistance for 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.

Proprietary fund financial statements are used to account for activities, which are similar to those often found in the private sector. The measurement focus is dependent upon determination of net income, financial position, and cash flows. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a

COSTILLA COUNTY, COLORADO
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proprietary fund's principal ongoing operations. The principal operating revenues of the Water and Sanitation Fund are service fees charged to customers. Operating expenses for the Water and Sanitation Fund consist primarily of salaries and operating expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

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

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the County's own programs. The fiduciary fund financial statements consist of custodial funds that are fiduciary in nature and present changes in fiduciary net position. Custodial funds are accounted for using the accrual basis of accounting. These funds are used to account for assets that the County holds for others in a fiduciary capacity.

- The *Public Trustee Fund* was established to account for the activity of the Public Trustee's Office. The Public Trustee is appointed by the Governor of Colorado for a four-year term. This office administers foreclosures including issuance of Public Trustee deeds, cure of default and lien redemptions.
- The *County Treasurer Fund* accounts for monies collected (principally tax collections) by the Costilla County Treasurer for various local government entities within the County.
- The *Clerk and Recorder Fund* accounts for the receipt and disbursement of revenues received by the clerk and recorder office for disbursement to other governments and recording funds to be used by the clerk and recorder.

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

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

Cash and Cash Equivalents

The County's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. All investments, 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 2022 property tax levy due January 1, 2023, has been recorded in the financial statements as a receivable and corresponding deferred inflows of resources.

Inventories

Inventory is valued at the lower of cost (first-in, first-out) or market. Inventory in the Road and Bridge Fund consists of expendable supplies held for use. Reported inventories are equally offset by nonspendable fund balance, which indicates that it does not constitute "available spendable resources" even though they are a component of net current assets.

COSTILLA COUNTY, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
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Capital Assets

Capital assets, which include land, construction in progress, buildings, equipment, infrastructure (e.g. roads, bridges, sidewalks, and similar items) and water and sewer plant are reported in the applicable governmental and business-type activities columns in the government-wide financial statements. The County defines capital assets as assets with an initial, individual cost of more than \$5,000. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

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

Assets	Years
Buildings	20-30
Equipment	5-15
Infrastructure	20-50

Long-Term Obligations

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

Compensated Absences

The County’s policy allows employees to accumulate unused vacation leave up to 80 hours. However, not all of the County offices adhere to this policy. The Treasurer does not carry over any unused leave. All vacation leave pay is accrued when incurred in the government-wide financial statements. A liability is reported in the governmental funds only if they have matured, for example as a result of employee retirements or resignations.

Unearned Revenue

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

Deferred Inflows of Resources

In addition to liabilities, the statement of net position and 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.

COSTILLA COUNTY, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
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- *Restricted* – consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Restricted assets consist of assets that have limitations imposed on their use either through the enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.
- *Unrestricted* – consists of the net amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted components of net position.

Fund Balance

Fund balances are reported by classification based on the extent to which the County is bound to honor constraints for the specific purpose 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.

FUND BALANCE	GENERAL FUND	ROAD AND BRIDGE FUND	SOCIAL SERVICES FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
Nonspendable					
Inventory	\$ -	\$ 148,899	\$ -	\$ -	\$ 148,899
Prepaid Expenses	20,939	-	-	-	20,939
Restricted					
TABOR Amendment Reserve	115,000	125,000	80,000	20,000	340,000
Committed					
Capital Projects	-	-	-	27,745	27,745
Health and Welfare	-	-	239,279	291,536	530,815
Highway and Streets	-	4,771,979	-	-	4,771,979
Culture and Recreation	-	-	-	87,619	87,619
Assigned					
Designated for Future Use	925,000	-	-	-	925,000
Unassigned	1,713,410	-	-	-	1,713,410
	<u>\$ 2,774,349</u>	<u>\$ 5,045,878</u>	<u>\$ 319,279</u>	<u>\$ 426,900</u>	<u>\$ 8,566,406</u>

COSTILLA COUNTY, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
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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 assigned actions.

Use of Estimates

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

New Accounting Pronouncements

During fiscal year 2022, the County adopted the provisions of GASB Statement No. 87, *Leases*, that establishes a single model for lease accounting based on the foundational principle that leases are financing of the right to use an underlying asset. The standard requires the recognition of certain lease assets and liabilities for leases that previously were classified as operating leases. Under the statement, a lessee is required to recognize a lease liability and a tangible right to use asset, and a lesser is required to recognize a lease receivable, and a deferred inflows of resources. Previously reported lease purchase agreements have been renamed finance purchase agreements. There is no effect on fund balance or net position as a result of the implementation of this standard.

The County adopted the provisions of GASB Statement No. 84, *Fiduciary Activities*, that improves guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and post-employment benefit arrangements that are fiduciary activities. This Statement changed the reporting of fiduciary activities by defining the four types of fiduciary funds as pension and OPEB trust funds, investment trust funds, private-purpose trust funds, and custodial funds. Custodial funds have replaced what was previously known as agency funds, although the criteria are slightly different. Fiduciary net position at the beginning of the year was restated by \$36,664 to reflect the change in accounting principle.

NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgets and Budgetary Accounting

Costilla 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.
- 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 2022. All budget amounts presented in the accompanying supplementary information reflect the original budget and the final amended budget.

COSTILLA COUNTY, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2022

NOTE 3 CASH, DEPOSITS AND INVESTMENTS

A summary of cash, deposits, and investments for the County are as follows:

Cash on hand	\$ 1,240
Cash deposited with banks	9,286,020
Investments	98,185
Total cash, deposits, and investments: (Book Balance)	9,385,445
Less: amounts related to Fiduciary Funds	(450,897)
Total cash, deposits, and investments on Statement of Net Position	\$ 8,934,548

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.

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, 2022, \$9,075,470 was exposed to credit risk. Deposits exposed to credit risk, if any, are collateralized with securities held by the pledging financial institutions through PDPA.

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.

COSTILLA COUNTY, COLORADO
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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.

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. As of December 31, 2022, the local government investment pools (Colotruster) in which the County had invested were 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. C-SAFE investments conform to Colorado Statutes CRS 24-75-601 et. seq. and therefore invests primarily in securities of the United States Treasury, United States Agencies, Primary Dealer Repurchase Agreements, highly rated commercial paper, highly rated corporate bonds, Colorado depositories collateralized at 102% of market value according to the guidelines of the Public Deposit Protection Act. C-SAFE measures all of its investments at amortized cost. C-SAFE is rated AAAM by Standard & Poor’s.

NOTE 4 PROPERTY TAXES RECEIVABLE

At December 31, 2022, the County had an estimated property tax receivable split between the funds as follows:

General Fund	\$ 1,848,185
Social Services Fund	336,248
Library Fund	59,200
	\$ 2,243,633
	\$ 2,243,633

NOTE 5 ACCOUNTS RECEIVABLE

At December 31, 2022, the County had accounts receivable as follows:

General Fund	\$ -
Social Services Fund	18
Public Health Fund (net of allowance for uncollectible accounts of \$0)	41,441
Water and Sanitation Fund (net of allowance for uncollectible accounts of \$856)	(216)
Total Accounts Receivable, Net	\$ 41,243

COSTILLA COUNTY, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
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NOTE 6 INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Interfund transfers for the year ended December 31, 2022, were as follows:

Transfers In	Transfers Out	Amount
General Fund	Road and Bridge Fund	\$ 37,027
Public Health Fund	General Fund	5,228
		\$ 42,255

The Road and Bridge Fund transferred \$37,027 to the General Fund for reimbursement of professional fees and the General Fund transferred \$5,228 to the Public Health Fund for the 2020 census rate.

NOTE 7 CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2022, was as follows:

	Balance 12/31/2021	Additions	Deletions	Balance 12/31/2022
<i>Governmental Activities</i>				
Capital assets not being depreciated				
Land and Land Improvements	\$ 1,747,190	\$ 180,509	\$ -	\$ 1,927,699
Construction in Progress	40,000	-	40,000	-
Total capital assets not being depreciated	1,787,190	180,509	40,000	1,927,699
Capital assets being depreciated				
Buildings	10,121,863	35,805	-	10,157,668
Equipment	8,950,281	561,744	117,265	9,394,760
Infrastructure	6,859,262	40,000	-	6,899,262
Total capital assets being depreciated	25,931,406	637,549	117,265	26,451,690
Less accumulated depreciation for:				
Buildings	5,372,909	291,228	-	5,664,137
Equipment	7,090,942	586,680	117,265	7,560,357
Infrastructure	1,626,610	307,917	-	1,934,527
Total accumulated depreciation	14,090,461	1,185,825	117,265	15,159,021
Total capital assets being depreciated, net	11,840,945	(548,276)	-	11,292,669
<i>Governmental Activities Capital Assets, net</i>	\$ 13,628,135	\$ (367,767)	\$ 40,000	\$ 13,220,368
<i>Business-type Activities</i>				
Capital assets being depreciated				
Water and Sewer Plant	\$ 4,606,133	\$ -	\$ -	\$ 4,606,133
Less: accumulated depreciation	(3,196,442)	(95,206)	-	(3,291,648)
Total capital assets being depreciated, net	1,409,691	(95,206)	-	1,314,485
<i>Business-type Activities Capital Assets, net</i>	\$ 1,409,691	\$ (95,206)	\$ -	\$ 1,314,485

COSTILLA COUNTY, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
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Depreciation expense was charged to functions/programs of the primary government as follows:

<i>Governmental activities:</i>	
General Government	\$ 114,156
Public Safety	45,042
Health and Welfare	148,113
Highways and Streets	874,583
Culture and Recreation	3,931
Total depreciation expense - governmental activities	\$ 1,185,825
<i>Business-type activities:</i>	
Water	\$ 49,117
Sanitation	46,089
Total depreciation expense - business-type activities	\$ 95,206

NOTE 8 LONG-TERM LIABILITIES

Changes in Long-term Liabilities

Long-term liability balances for the year ended December 31, 2022, were as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<i>Governmental Activities:</i>					
Financed Purchase Agreements	\$ 403,060	\$ -	\$ 74,947	\$ 328,113	\$ 79,002
Compensated Absences	67,051	12,471	-	79,522	8,685
Total Governmental Activities	\$ 470,111	\$ 12,471	\$ 74,947	\$ 407,635	\$ 87,687

Financed Purchase Agreements

Health and Human Services Complex - An annually renewable financed purchase agreement, dated June 15, 2007, was entered into between Alpine Bank (the “Bank”), as lessor, and Costilla County, Colorado (the “County”), as lessee. The bank issued \$869,000 at 5.2% interest, to the County for the purchase of the Health and Human Services Complex under construction. The County is leasing the building back via the financed purchase agreement. The County used the proceeds from the sale to construct and equip the Social Services wing of the Costilla County Health and Human Services Complex. The complex is included in fixed assets at a cost of \$2,547,072 with accumulated depreciation of \$1,273,531.

Payments are due to the Bank in semi-annual installments through June 15, 2027. The County can purchase the building back at any time for the purchase option price included in the agreement. Principal and interest were paid during 2022 in the amount of \$55,000 and \$16,978 respectively, from the Social Services Fund.

COSTILLA COUNTY, COLORADO
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The annual debt service for the health and human services complex is as follows:

	Principal	Interest	Total
2023	\$ 58,000	\$ 14,066	\$ 72,066
2024	61,000	11,024	72,024
2025	64,000	7,800	71,800
2026	67,000	4,446	71,446
2027	35,000	910	35,910
	\$ 285,000	\$ 38,246	\$ 323,246

Patrol Vehicles - On February 25, 2019 the County entered into a \$100,000 government obligation contract with Kansas State Bank, payable in annual installments of \$23,281 beginning on February 25, 2020, at 5.219% interest for the purchase of a three patrol vehicles. Final payment is due February 25, 2024. Principal and interest payments are paid from the General Fund. The principal balance at December 31, 2022 was \$43,113. This capital asset is recorded in the fixed assets of the governmental activities at \$125,000 less accumulated depreciation of \$99,996.

	Principal	Interest	Total
2023	\$ 21,002	\$ 2,279	\$ 23,281
2024	22,111	1,170	23,281
	\$ 43,113	\$ 3,449	\$ 46,562

NOTE 9 LEASE INCOME

The County leases office space in the Public Health building to Rocky Mountain Health Maintenance Organization. The lease term is July 1, 2022 to June 30, 2023, with the option to renew annually subject to negotiation. The lease calls for monthly payments to be made in the amount of \$2,000. Lease revenue recognized for this lease in 2022 totaled \$24,000.

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 Costilla County, and participation is mandatory. Employee contributions are always 100% vested, and the employer match follows a five-year vesting schedule of 20% per year after the first year of participation. Employees are fully vested after a five-year participation period. Elected officials are 100% vested immediately upon participation.

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, 2022, employee contributions totaled \$127,663 and the County

COSTILLA COUNTY, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2022

recognized pension expense of \$127,663. The County recognized \$11,405 of forfeitures in retirement expense during 2022.

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).

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 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. Revenue in excess of the limit must be refunded unless the voters approve retention of such revenue. In November 1997, the voters of Costilla County passed a ballot issue which stated that the County shall "be permitted to collect, retain, and expend the full proceeds of the County taxes, grants, fees and other revenues, and other funds collected, notwithstanding Article X, Section 20 of the Colorado Constitution from the date of January 1, 1996, provided that no local tax rate or mill levy shall be increased without further voter approval."

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 a restricted net position/fund balance in the financial statements. The County is not allowed to use the Emergency Reserve to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

NOTE 12 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.

COSTILLA COUNTY, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2022

At December 31, 2022, CAPP had assets of \$26,969,688, liabilities of \$18,155,009 (including \$16,155,601 reserved for losses and claims), and members' equity of \$8,814,679. The liability amount includes no long-term debt. Total revenues for the year ended December 31, 2022, amounted to \$12,086,565 and total expenses were \$12,274,918, resulting in net income before return of surplus/(loss) of \$(188,353).

NOTE 13 SEGMENT INFORMATION FOR ENTERPRISE FUND

Because water and sanitation services are provided for in one fund, several items cannot be allocated between each segment. Therefore, a condensed statement of cash flows, as well as some line items have been omitted in the segment information. The following is a summary of operating income and expense information on the various segments of the Water and Sanitation Fund. All services are provided from a single enterprise fund.

	<u>Water</u>	<u>Sanitation</u>	<u>Total</u>
Charges for Services	\$ 118,876	\$ 60,567	\$ 179,443
Total Operating Revenue	<u>118,876</u>	<u>60,567</u>	<u>179,443</u>
Operating Expenses	153,536	77,162	230,698
Depreciation Expenses	49,117	46,089	95,206
Total Operating Expenses	<u>202,653</u>	<u>123,251</u>	<u>325,904</u>
OPERATING INCOME (LOSS)	<u>(83,777)</u>	<u>(62,684)</u>	<u>(146,461)</u>
Capital Contributions (Water and Sewer Taps)	<u>4,000</u>	<u>1,400</u>	<u>5,400</u>
Change in Net Position	(79,777)	(61,284)	(141,061)
BEGINNING NET POSITON			1,563,032
ENDING NET POSITION			<u>\$ 1,421,971</u>
Current Assets			\$ 121,782
Capital Assets (net of accumulated) depreciation of \$3,291,648)	581,046	733,439	<u>1,314,485</u>
TOTAL ASSETS			<u>1,436,267</u>
Current Liabilities	7,148	7,148	<u>14,296</u>
TOTAL LIABILITIES			<u>14,296</u>
Net Investment in Capital Assets			1,314,485
Net Working Capital			<u>107,486</u>
TOTAL EQUITY			<u>\$ 1,421,971</u>

NOTE 14 COMMITMENTS AND CONTINGENCIES

Grants

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.

COSTILLA COUNTY, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2022

Insurance Pools

The County is a member of the Colorado Counties Casualty and Property Pool (CAPP). CAPP has 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 has 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 is not presently determinable.

Litigation

The County is currently the defendant in several lawsuits arising principally in the normal course of operations. Such litigation could result in a loss to the County, however, such amount is undetermined as of audit date.

COSTILLA 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.

COSTILLA COUNTY, COLORADO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended December 31, 2022

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE
				(NEGATIVE)
REVENUES				
Taxes	\$ 2,298,720	\$ 2,389,196	\$ 2,491,892	\$ 102,696
Intergovernmental Revenue	1,025,063	1,128,047	337,395	(790,652)
Licenses and Permits	35,000	35,000	23,663	(11,337)
County Ordinance	-	-	56,736	56,736
Charges for Services	840,190	893,105	840,234	(52,871)
Miscellaneous	168,979	171,978	173,926	1,948
TOTAL REVENUES	4,367,952	4,617,326	3,923,846	(693,480)
EXPENDITURES				
General Government	2,633,502	2,882,876	2,548,715	334,161
Public Safety	1,126,657	1,126,657	1,281,042	(154,385)
Health and Welfare	1,000	1,000	-	1,000
Auxiliary Services	996,283	996,283	271,304	724,979
Capital Outlay	-	-	41,944	(41,944)
Debt Service	-	-	22,099	(22,099)
TOTAL EXPENDITURES	4,757,442	5,006,816	4,165,104	841,712
Excess (deficiency) of revenues over expenditures	(389,490)	(389,490)	(241,258)	148,232
OTHER FINANCING SOURCES (USES)				
Transfers from Other Funds	-	-	37,027	37,027
Transfers to Other Funds	(30,000)	(30,000)	(5,228)	24,772
TOTAL OTHER FINANCING SOURCES (USES)	(30,000)	(30,000)	31,799	61,799
Net change in fund balance	(419,490)	(419,490)	(209,459)	210,031
Fund Balance at beginning of year	2,729,584	2,729,584	2,983,808	254,224
Fund Balance at end of year	\$ 2,310,094	\$ 2,310,094	\$ 2,774,349	\$ 464,255

Notes to Required Supplementary Information

The basis of budgeting is the same as GAAP.
This schedule is presented on the GAAP basis.

COSTILLA COUNTY, COLORADO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
ROAD AND BRIDGE FUND
For the Year Ended December 31, 2022

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE
				(NEGATIVE)
REVENUES				
Intergovernmental Revenue	\$ 3,947,400	\$ 3,970,105	\$ 4,104,089	\$ 133,984
Miscellaneous	15,700	15,700	17,685	1,985
TOTAL REVENUES	3,963,100	3,985,805	4,121,774	135,969
EXPENDITURES				
Highways and Streets	5,164,678	5,187,383	3,219,062	1,968,321
Capital Outlay	-	-	702,627	(702,627)
Debt Service	-	-	-	-
TOTAL EXPENDITURES	5,164,678	5,187,383	3,921,689	1,265,694
Excess (deficiency) of revenues over expenditures	(1,201,578)	(1,201,578)	200,085	1,401,663
OTHER FINANCING SOURCES (USES)				
Transfers Out	-	-	(37,027)	(37,027)
TOTAL OTHER FINANCING SOURCES (USES)	-	-	(37,027)	(37,027)
Net change in fund balance	(1,201,578)	(1,201,578)	163,058	1,364,636
Fund Balance at beginning of year	3,897,453	3,897,453	4,882,820	985,367
Fund Balance at end of year	\$ 2,695,875	\$ 2,695,875	\$ 5,045,878	\$ 2,350,003

Notes to Required Supplementary Information

The basis of budgeting is the same as GAAP.

This schedule is presented on the GAAP basis.

COSTILLA COUNTY, COLORADO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
SOCIAL SERVICES FUND
For the Year Ended December 31, 2022

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE
				(NEGATIVE)
REVENUES				
Taxes	\$ 337,109	\$ 337,109	\$ 377,445	\$ 40,336
Intergovernmental Revenue	7,275,308	7,586,908	7,395,224	(191,684)
TOTAL REVENUES	7,612,417	7,924,017	7,772,669	(151,348)
EXPENDITURES				
Health and Welfare	7,839,101	8,150,701	7,701,349	449,352
Debt Service	-	-	72,078	(72,078)
TOTAL EXPENDITURES	7,839,101	8,150,701	7,773,427	377,274
Excess (deficiency) of revenues over expenditures	(226,684)	(226,684)	(758)	225,926
Fund Balance at beginning of year	308,476	308,476	320,037	11,561
Fund Balance at end of year	\$ 81,792	\$ 81,792	\$ 319,279	\$ 237,487

Notes to Required Supplementary Information

The basis of budgeting is the same as GAAP.
This schedule is presented on the GAAP basis.

COSTILLA COUNTY, COLORADO

SUPPLEMENTARY INFORMATION

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

COSTILLA 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.

Public Health Fund – This fund is used to account for the multiple programs of providing health services. Financing is provided by grants and fees for services.

Library Fund – This fund is used to account for property tax revenues of the library district. These funds are used for the operation of the library.

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.

CAPITAL PROJECTS FUNDS

Capital Projects Fund – Capital project funds are used to account for and report on 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.

COSTILLA COUNTY, COLORADO
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
December 31, 2022

	NONMAJOR SPECIAL REVENUE FUNDS				TOTAL NONMAJOR GOVERNMENTAL
	PUBLIC HEALTH FUND	LIBRARY FUND	CONSERVATION TRUST FUND	CAPITAL PROJECTS FUND	
ASSETS					
Cash and Cash Equivalents	\$ 150,962	\$ 2,162	\$ 86,308	\$ 27,745	\$ 267,177
Property Taxes Receivable	-	59,200	-	-	59,200
Accounts Receivable	41,441	-	-	-	41,441
Due from Other Governments	133,112	-	-	-	133,112
TOTAL ASSETS	\$ 325,515	\$ 61,362	\$ 86,308	\$ 27,745	\$ 500,930
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE					
LIABILITIES					
Accounts Payable	\$ 9,979	\$ -	\$ -	\$ -	\$ 9,979
Security Deposit Payable	4,000	-	-	-	4,000
Unearned Revenue- Other	-	851	-	-	851
TOTAL LIABILITIES	13,979	851	-	-	14,830
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue - Property Tax	-	59,200	-	-	59,200
FUND BALANCE					
Nonspendable					
Inventory	-	-	-	-	-
Restricted					
TABOR Amendment Reserve	20,000	-	-	-	20,000
Committed					
Capital Projects	-	-	-	27,745	27,745
Health and Welfare	291,536	-	-	-	291,536
Culture and Recreation	-	1,311	86,308	-	87,619
TOTAL FUND BALANCE	311,536	1,311	86,308	27,745	426,900
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	\$ 325,515	\$ 61,362	\$ 86,308	\$ 27,745	\$ 500,930

COSTILLA COUNTY, COLORADO
NONMAJOR GOVERNMENTAL FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
For the Year Ended December 31, 2022

	NONMAJOR SPECIAL REVENUE FUNDS				TOTAL NONMAJOR GOVERNMENTAL
	PUBLIC HEALTH FUND	LIBRARY FUND	CONSERVATION TRUST FUND	CAPITAL PROJECTS FUND	
REVENUES					
Taxes	\$ -	\$ 67,290	\$ -	\$ -	\$ 67,290
Intergovernmental Revenue	605,753	6,649	24,070	-	636,472
Charges for Services	437,524	-	-	-	437,524
Miscellaneous	20,586	-	74	-	20,660
TOTAL REVENUES	1,063,863	73,939	24,144	-	1,161,946
EXPENDITURES					
Current Expenditures					
Health and Welfare	1,099,791	-	-	-	1,099,791
Culture and Recreation	-	90,228	10,998	-	101,226
Capital Outlay	-	-	-	-	-
TOTAL EXPENDITURES	1,099,791	90,228	10,998	-	1,201,017
Excess (deficiency) of revenues over expenditures	(35,928)	(16,289)	13,146	-	(39,071)
OTHER FINANCING SOURCES (USES)					
Transfers from Other Funds	5,228	-	-	-	5,228
TOTAL OTHER FINANCING SOURCES (USES)	5,228	-	-	-	5,228
Net change in fund balance	(30,700)	(16,289)	13,146	-	(33,843)
Fund Balance at beginning of year	342,236	17,600	73,162	27,745	460,743
Fund Balance at end of year	\$ 311,536	\$ 1,311	\$ 86,308	\$ 27,745	\$ 426,900

COSTILLA COUNTY, COLORADO
SCHEDULE OF EXPENDITURES/EXPENSES AND TRANSFERS OUT
BUDGET AND ACTUAL

ALL NON-MAJOR GOVERNMENTAL FUNDS,
AND MAJOR PROPRIETARY FUND

For the Year Ended December 31, 2022

	BUDGETED AMOUNTS		EXPENDITURES REPORTED ON THE GAAP BASIS		ADJUSTMENTS TO BUDGETARY BASIS		EXPENDITURES ON THE BUDGETARY BASIS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)	
	ORIGINAL	FINAL	BASIS		BASIS		BASIS		(NEGATIVE)	
Governmental Funds										
Non-major Governmental Funds										
Special Revenue Funds										
Public Health Fund	\$ 1,120,599	\$ 1,345,089	\$ 1,099,791	\$ -	\$ -	\$ -	\$ 1,099,791	\$ -	\$ 245,298	
Library Fund	97,272	97,272	90,228	-	-	-	90,228	-	7,044	
Conservation Trust Fund	43,678	43,678	10,998	-	-	-	10,998	-	32,680	
Total Special Revenue Funds	1,261,549	1,486,039	1,201,017	-	-	-	1,201,017	-	285,022	
Capital Projects Funds										
Capital Projects Fund	27,745	27,745	-	-	-	-	-	-	27,745	
Total Capital Projects Funds	27,745	27,745	-	-	-	-	-	-	27,745	
Total Non-major Governmental Funds	\$ 1,289,294	\$ 1,513,784	\$ 1,201,017	\$ -	\$ -	\$ -	\$ 1,201,017	\$ -	\$ 312,767	
Proprietary Fund										
Major Proprietary Fund										
Water and Sanitation Fund	\$ 248,162	\$ 248,162	\$ 325,904	\$ (95,206)	\$ (95,206)	\$ (95,206)	\$ 230,698	\$ -	\$ 17,464	
Total Major Proprietary Fund	\$ 248,162	\$ 248,162	\$ 325,904	\$ (95,206)	\$ (95,206)	\$ (95,206)	\$ 230,698	\$ -	\$ 17,464	

Adjustments to budgetary basis include depreciation expense.

COSTILLA COUNTY, COLORADO

OTHER SCHEDULES AND REPORTS

COSTILLA COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2022

<i>Federal Grantor/Program or Cluster Title</i>	<i>Federal Assistance Listing</i>	<i>Pass-through Grantor and Number</i>	<i>Federal Expenditures(\$)</i>
CCDF Cluster			
U.S. Department of Health and Human Services			
Child Care and Development Block Grant	93.575	Colorado Department of Human Services,N/A	\$ 11,472
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	Colorado Department of Human Services,N/A	14,504
<i>Total U.S. Department of Health and Human Services</i>			<u>25,976</u>
Total CCDF Cluster			<u>25,976</u>
Food Distribution Cluster			
U.S. Department of Agriculture			
Commodity Supplemental Food Program	10.565	Colorado Department of Human Services and Care and Share Food Bank, N/A	81,229
Emergency Food Assistance Program (Food Commodities)	10.569	Colorado Department of Human Services and Care and Share Food Bank, N/A	118,769
<i>Total U.S. Department of Agriculture</i>			<u>199,998</u>
Total Food Distribution Cluster			<u>199,998</u>
Medicaid Cluster			
U.S. Department of Health and Human Services			
Medical Assistance Program	93.778	Colorado Department of Health Care Policy & Financing,N/A	123,760
<i>Total U.S. Department of Health and Human Services</i>			<u>123,760</u>
Total Medicaid Cluster			<u>123,760</u>
SNAP Cluster			
U.S. Department of Agriculture			
Supplemental Nutrition Assistance Program	10.551	Colorado Department of Human Services,N/A	231
COVID-19 State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	Colorado Department of Human Services,N/A	2,237
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	Colorado Department of Human Services,N/A	62,767
<i>Total U.S. Department of Agriculture</i>			<u>65,235</u>
Total SNAP Cluster			<u>65,235</u>

COSTILLA COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2022

<i>Federal Grantor/Program or Cluster Title</i>	<i>Federal Assistance Listing</i>	<i>Pass-through Grantor and Number</i>	<i>Federal Expenditures(\$)</i>
<i>Forest Service Schools and Roads Cluster</i>			
U.S. Department of Agriculture			
Schools and Roads - Grants to States	10.665	Colorado Department of Treasury	252
<i>Total U.S. Department of Agriculture</i>			252
<i>Total Forest Service Schools and Roads Cluster</i>			252
<i>Total All Clusters</i>			415,221
<i>Other Programs</i>			
Environmental Protection Agency			
Leading Testing in School and Child Care Program Drinking Water (SDWA 1464(D)) (A)	66.444	Colorado Department of Public Health and Environment, FY22ACC SWAP	724
<i>Total Environmental Protection Agency</i>			724
U.S. Department of Homeland Security			
Hazard Mitigation Grant	97.039	Colorado Division of Homeland Security and Emergency Management, N/A	34,361
Emergency Management Performance Grants	97.042	Colorado Department of Local Affairs, N/A	28,478
<i>Total U.S. Department of Homeland Security</i>			62,839
U.S. Department of the Treasury			
Coronavirus Relief Fund	21.019	Colorado Department of Human Services, N/A	(100)
Coronavirus State and Local Fiscal Recovery Funds	21.027	Colorado Department of Local Affairs, N/A	29,506
Coronavirus State and Local Fiscal Recovery Funds	21.027	Colorado Department of Public Health and Environment, OPHP ARPA	30,568
Coronavirus State and Local Fiscal Recovery Funds	21.027	Colorado Department of Human Services, N/A	6,258
<i>Total U.S. Department of the Treasury</i>			66,232
U.S. Department of Health and Human Services			
Public Health Emergency Preparedness	93.069	Colorado Department of Public Health and Environment, C22PHPCONT	16,907
Guardianship Assistance	93.090	Colorado Department of Human Services, N/A	1,080
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	Colorado Department of Public Health and Environment, TB	596

COSTILLA COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2022

<i>Federal Grantor/Program or Cluster Title</i>	<i>Federal Assistance Listing</i>	<i>Pass-through Grantor and Number</i>	<i>Federal Expenditures(\$)</i>
COVID-19 Immunization Cooperative Agreements	93.268	Colorado Department of Public Health and Environment, IMM#4	3,984
Immunization Cooperative Agreements	93.268	Colorado Department of Public Health and Environment, IMM#3	83,037
COVID-19 Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	Colorado Department of Public Health and Environment, ELC	174,633
COVID-19 Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	93.354	Colorado Department of Public Health and Environment, OPHP LPHA	94,316
Title IV-E Prevention Program	93.472	Colorado Department of Human Services, N/A	32
Temporary Assistance for Needy Families (TANF) State Programs	93.558	Colorado Department of Human Services,N/A	206,415
Child Support Enforcement	93.563	Colorado Department of Human Services,N/A	75,464
Community Services Block Grant	93.569	Colorado Department of Local Affairs and SLV Community Action Agency,N/A	7,943
Stephanie Tubbs Jones Child Welfare Services Program	93.645	Colorado Department of Human Services,N/A	20,410
Foster Care_Title IV-E	93.658	Colorado Department of Human Services,N/A	261,452
Adoption Assistance	93.659	Colorado Department of Human Services,N/A	47,060
Social Services Block Grant	93.667	Colorado Department of Human Services,N/A	11,764
Maternal and Child Health Services Block Grant to the States	93.994	Colorado Department of Public Health and Environment,OPPI LPHA	4,098
<i>Total U.S. Department of Health and Human Services</i>			1,009,191
<i>Total Other Programs</i>			1,138,986
<i>Total Expenditures of Federal Awards</i>			\$ 1,554,207

COSTILLA COUNTY, COLORADO
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2022

NOTE 1 BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of Costilla County, Colorado under programs of the federal government for the year ended December 31, 2022. 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 Costilla County, Colorado, it is not intended to and does not present the financial position, changes in net position, or cash flows of Costilla County, Colorado.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting, except for funds passed-through the Colorado Department of Human Services, Department of Public Health and Environment, Department of Health Care Policy and Financing, and Care and Share Food Bank. These funds are reported on the cash basis. 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. 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, 2022. In addition, the County did not pass-through federal funds to subrecipients.

NOTE 3 FOOD DISTRIBUTION

Nonmonetary assistance is reported in the Schedule at the fair market value of commodities received and disbursed. The Commodity Supplemental Food Program was terminated effective October 1, 2022.

**INDEPENDENT AUDITOR’S 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
Costilla County, Colorado
San Luis, 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, the business-type activities, each major fund, and the aggregate remaining fund information of Costilla County, Colorado (the County), as of and for the year ended December 31, 2022, 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 25, 2023.

Report on 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) as a basis for designing 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as Finding 2022-001 that we consider to be a significant deficiency.

Report on 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

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financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The County's Response to the Finding

Government Auditing Standards requires the auditor to perform limited procedures on the County's response to the finding identified in our audit and described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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 25, 2023

**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
Costilla County, Colorado
San Luis, Colorado

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Costilla County, Colorado's (the County) compliance with the types of compliance requirements identified as subject to audit 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, 2022. The County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2022.

Basis for Opinion on Each Major Federal Program

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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the County's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the County's federal programs.

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Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the County's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as Finding 2022-002. Our opinion on each major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on the County's response to the noncompliance finding identified in our compliance audit and described in the accompanying corrective action plan. The County's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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 a 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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as finding 2022-002 to be a significant deficiency.

Government Auditing Standards requires the audit to perform limited procedures on the County's response to the internal control over compliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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 25, 2023

COSTILLA COUNTY, COLORADO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2022

Section I – Summary of Auditors’ Results

Financial Statements

Type of auditors’ report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? _____yes X no
- Significant deficiency(ies) identified that are **not** considered to be material weakness(es)? X yes _____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)? X yes _____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)? X yes _____no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
10.551/10.561	Supplemental Nutrition Assistance Program (SNAP) Cluster
21.027	Coronavirus State and Local Fiscal Recovery Funds
93.558	Temporary Assistance for Needy Families (TANF) State Programs

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

Auditee qualified as a low-risk auditee? X yes _____no

Section II – Financial Statement Findings

Finding 2022-001: Internal Control over Financial Reporting

Type of finding: Internal Control (significant deficiency)

Criteria: A system of internal control includes the design, documentation, and monitoring of control activities over the application of accounting principles, anti-fraud programs, non-routine transaction, and financial statement preparation.

COSTILLA COUNTY, COLORADO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2022

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

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

1. Audit adjustments were proposed to properly state the financial statements as of December 31, 2022, in accordance with generally accepted accounting principles.
2. The Costilla County Treasurers cash reconciliation identified errors of \$22,943 that were not corrected as of December 31, 2022.

Recommendation: The County should improve its internal controls with adopted policies and procedures regarding year-end reconciling of account balances to ensure accurate financial statements including the incorporation of a review process over the Treasurer's cash reconciliation's as well as the Water and Sanitation fund.

Management's Response: See corrective action plan.

Section III – Federal Award Findings and Questioned Costs

Finding 2022-002: **TANF Program, CFDA No. 93.558**
 U.S. Department of Health and Human Services

Passed through Colorado Department of Human Services

Compliance Requirement: Eligibility, Special Tests and Provisions

Grant No.: Not applicable

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

Criteria: The work provisions of the Colorado State Plan for Temporary Assistance for Needy Families (TANF) require that all applicants for Colorado Works are assessed no later than 30 days after the application date.

Context: We examined 5 of an average of 26 total case files for basic cash assistance with \$116,471 in total expenditures.

Condition: The initial assessment was completed 42 days after the application date on one of the five cases tested.

Cause: The Department experienced turnover and staff shortage in the income eligibility unit in the first three months of 2022.

Questioned Costs: None.

Effect: The Department is not in compliance with the provisions of the Colorado State Plan for TANF as it relates to initial assessments.

Recommendation: The Department should implement monitoring controls to ensure timely completion of initial assessments in compliance with federal eligibility and special tests and provisions requirements.

Grantee's Response: See corrective action plan.

COSTILLA COUNTY, COLORADO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2022

Section IV – Summary Schedule of Prior Audit Findings

None



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COSTILLA COUNTY

BOARD OF COUNTY COMMISSIONERS

"Where Colorado Began"

CORRECTIVE ACTION PLAN

Oversight Agencies: U.S. Department of Treasury, U.S. Department of Agriculture, and U.S. Department of Health and Human Services

Costilla County, Colorado respectfully submits the following corrective action plan for the year ended December 31, 2022.

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

Audit period: Year ended December 31, 2022

The findings from the December 31, 2022 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 2022-001: Internal Control over Financial Reporting

Type of Finding: Internal Control (significant deficiency)

Recommendation: The County should improve its internal controls with adopted policies and procedures regarding year-end reconciling of account balances to ensure accurate financial statements including the incorporation of a review process over the Treasurer's cash reconciliation's as well as the Water and Sanitation fund.

Action Taken: The County will strengthen and improve internal controls by implementing reviews of financial statements on a monthly basis and quarterly review with the Costilla County Water and Sanitation. We will seek training and assistance for staff to follow up and complete reviews.

Section III – Federal Award Findings

Finding 2022-002: TANF Program, CFDA No. 93.558 U.S. Department of Health and Human Services

Passed through Colorado Department of Human Services

Compliance Requirement: Eligibility, Special Tests and Provisions

STEVEN ROMERO - CHAIR * ROBERT ESPINOZA - VICE CHAIR * LORRAINE QUINTANA - COMMISSIONER TO CONVEY

Grant No.: Not Applicable

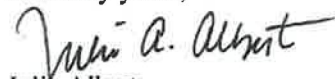
Type of Finding: Internal Control (significant deficiency) and Compliance (noncompliance)

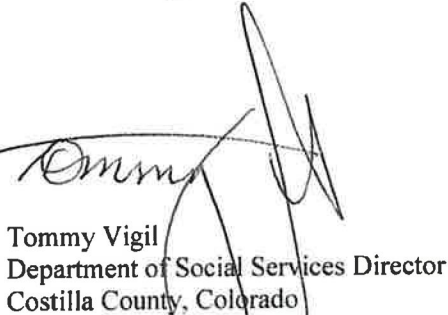
Recommendation: The Department should implement monitoring controls to ensure timely completion of initial assessments in compliance with federal eligibility and special tests and provisions requirements.

Action Taken: Costilla County DSS was experiencing turnover so no one was looking at the PEAK program cases on a daily basis. Moving forward, our Colorado Works caseworker will look at all cases coming in on a daily basis to ensure that all applications for Colorado Works are assessed no later than 30 days after an application date.

If the U.S. Department of Treasury, U.S. Department of Agriculture, or U.S. Department of Health and Human Services has questions regarding this plan, please call the responsible parties listed below.

Sincerely yours,


Julie Albert
Chief Financial Officer
Costilla County, Colorado


Tommy Vigil
Department of Social Services Director
Costilla County, Colorado

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

LOCAL HIGHWAY FINANCE REPORT		City or County: Costilla County
		YEAR ENDING : December 2022
This Information From The Records Of (example - City of _ or County of Costilla County)	Prepared By: Phone:	Julie Albert (719) 672-3372

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

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway disbursements:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	84,820
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	3,713,264
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	4,012
2. General fund appropriations		b. Snow and ice removal	26,592
3. Other local imposts (from page 2)	0	c. Other	0
4. Miscellaneous local receipts (from page 2)	17,433	d. Total (a. through c.)	30,604
5. Transfers from toll facilities		4. General administration & miscellaneous	130,028
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	
a. Bonds - Original Issues		6. Total (1 through 5)	3,958,716
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	0
7. Total (1 through 6)	17,433	b. Redemption	0
B. Private Contributions		c. Total (a. + b.)	0
C. Receipts from State government (from page 2)	4,103,584	2. Notes:	
D. Receipts from Federal Government (from page 2)	757	a. Interest	
E. Total receipts (A.7 + B + C + D)	4,121,774	b. Redemption	
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	0
		C. Payments to State for highway	
		D. Payments to toll facilities	
		E. Total disbursements (A.6 + B.3 + C + D)	3,958,716

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

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

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	4,882,820	4,121,774	3,958,716	5,045,878	0

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT

STATE:
Colorado
YEAR ENDING (mm/yy)
December 2022

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments		a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes		c. Parking Garage Fees	
2. Infrastructure & Impact Fees		d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	0
5. Specific Ownership &/or Other		g. Other Misc. Receipts	12,618
6. Total (1. through 5.)	0	h. Other	4,815
c. Total (a. + b.)	0	i. Total (a. through h.)	17,433
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government:		D. Receipts from Federal Government:	
1. Highway-user taxes	4,041,893	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	505
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	19,282	d. Federal Transit Admin	
d. Other (Specify) - HUTF SB-21-26	0	e. U.S. Corps of Engineers	
e. Other (Specify)- CSU Fire Mitigat	42,409	f. Other Federal	252
f. Total (a. through e.)	61,691	g. Total (a. through f.)	757
4. Total (1. + 2. + 3.f)	4,103,584	3. Total (1. + 2.g)	
			(Carry forward to page 1)

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs			0
b. Engineering Costs			0
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements		0	0
(3). System Preservation		30,082	30,082
(4). System Enhancement & Operation		54,738	54,738
(5). Total Construction (1) + (2) + (3) + (4)	0	84,820	84,820
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	84,820	84,820
			(Carry forward to page 1)

Notes and Comments: