

CONEJOS COUNTY, COLORADO

FINANCIAL STATEMENTS

December 31, 2022



Wall,
Smith,
Bateman Inc.
Certified Public Accountants

CONEJOS COUNTY, COLORADO

TABLE OF CONTENTS

December 31, 2022

	<u>Page</u>
Independent Auditors' Report	1
Basic Financial Statements	
Government-wide Financial Statements	
Statement of Net Position	4
Statement of Activities	5
Governmental Fund Financial Statements	
Balance Sheet	6
Reconciliation of Total Governmental Fund Balances to the Statement of Net Position	7
Statement of Revenues, Expenditures, and Changes in Fund Balances	8
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	9
Fiduciary Fund Financial Statement	
Statement of Net Position	10
Statement of Changes in Fiduciary Net Position	11
Notes to the Basic Financial Statements	12
Required Supplementary Information:	
Schedule of Revenues, Expenditures, and Changes in Fund Balance- Budget and Actual	
General Fund	27
Road and Bridge Fund	28
Social Services Fund	29
Supplementary Information	
Combining General Fund Schedules	
Combining Balance Sheet	30
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances	31
Combining Schedules of Nonmajor Governmental Funds	
Combining Balance Sheet	32
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances	33
Schedule of Expenditures and Transfers out- Budget and Actual	
All Major Capital Projects Funds and Nonmajor Governmental Funds	34
Other Schedules and Reports:	
Schedule of Expenditures of Federal Awards	35
Notes to the Schedule of Expenditures of Federal Awards	38
Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	39
Independent Auditors' Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance	41
Schedule of Findings and Questioned Costs	44
Summary Schedule of Prior Audit Findings	46
Corrective Action Plan	
Local Highway Finance Report	

INDEPENDENT AUDITORS' REPORT



Wall,
Smith,
Bateman Inc.

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Conejos County, Colorado (the County), as of and for the year ended December 31, 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, each major fund, and the aggregate remaining fund information of the County, as of December 31, 2022, and the respective changes in financial position, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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.

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.

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

Certified Public Accountants

3001 Adcock Circle PO Box 809 Alamosa, CO 81101 | 719-589-3619 | f 719-589-5492 | www.wsbcpa.com

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 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 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 July 26, 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

July 26, 2023

CONEJOS COUNTY, COLORADO

BASIC FINANCIAL STATEMENTS

CONEJOS COUNTY, COLORADO
STATEMENT OF NET POSITION
December 31, 2022

	Primary Government Governmental Activities
ASSETS	
Current Assets	
Cash and Investments	\$ 10,258,472
Accounts Receivable	99,521
Due From Other Governments	828,167
Property Taxes Receivable	2,089,177
Inventories	106,086
Prepaid Expenditures	48,433
Total Current Assets	13,429,856
Noncurrent Assets	
Capital assets not being depreciated	1,276,957
Capital assets, net of accumulated depreciation	4,773,649
Total Noncurrent Assets	6,050,606
TOTAL ASSETS	19,480,462
LIABILITIES	
Current Liabilities	
Accounts Payable	5,919
Accrued Payroll Liabilities	37,720
Due To Other Governments	-
Unearned Grant Revenue	3,309,143
Financed Purchase Agreement	43,986
Compensated Absences	4,096
Total Current Liabilities	3,400,864
Noncurrent Liabilities	
Financed Purchase Agreement	61,630
Compensated Absences	287,791
Total Noncurrent Liabilities	349,421
TOTAL LIABILITIES	3,750,285
DEFERRED INFLOWS OF RESOURCES - CURRENT	
Unavailable Revenue - Property Tax	2,089,177
NET POSITION	
Net Investment in Capital Assets	5,944,990
Restricted for	
TABOR Amendment Reserve	355,000
Forest Reserve - Title III	40,079
Unrestricted	7,300,931
TOTAL NET POSITION	\$ 13,641,000

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

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

Functions/Programs	Expenses	Program Revenues			Net (Expense)
		Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Revenue and Changes in Net Position
					Primary Government
Primary Government					
Governmental Activities					
General Government	\$ 2,402,997	\$ 422,293	\$ 802,379	\$ -	\$ (1,178,325)
Public Safety	2,417,284	50,057	171,929	-	(2,195,298)
Health and Welfare	10,024,084	810,115	8,388,023	-	(825,946)
Highways and Streets	2,518,458	1,200	1,951,697	-	(565,561)
Judicial - District Attorney	187,088	-	-	-	(187,088)
Auxiliary Services	34,648	-	-	-	(34,648)
Culture and Recreation	67,621	-	50,519	-	(17,102)
Interest on Long-Term Debt	6,703	-	-	-	(6,703)
Total Governmental Activities	\$ 17,658,883	\$ 1,283,665	\$ 11,364,547	\$ -	(5,010,671)
General Revenues					
Taxes					
					2,370,788
					2,573,294
					47,863
					1,281,950
					108,946
					6
					403,527
Total General Revenues					6,786,374
					1,775,703
Net Position - Beginning					11,865,297
Net Position - Ending					\$ 13,641,000

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

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

	GENERAL FUND	ROAD AND BRIDGE FUND	SOCIAL SERVICES FUND	CAPITAL EXPENDITURES FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS						
Cash and Investments	\$ 4,326,195	\$ 2,547,939	\$ 1,746,306	\$ 1,183,094	\$ 454,938	\$ 10,258,472
Accounts Receivable	62,840	-	428	-	36,253	99,521
Due From Other Governments	492,384	150,685	83,057	-	102,041	828,167
Due From Other Funds	-	-	-	66,025	-	66,025
Property Taxes Receivable	1,605,297	101,305	361,015	21,560	-	2,089,177
Inventories	-	79,641	-	-	26,445	106,086
Prepaid Expenditures	33,746	9,721	-	-	4,966	48,433
TOTAL ASSETS	\$ 6,520,462	\$ 2,889,291	\$ 2,190,806	\$ 1,270,679	\$ 624,643	\$ 13,495,881
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE						
LIABILITIES						
Accounts Payable	\$ 27,417	\$ 4,885	\$ (26,232)	\$ -	\$ (151)	\$ 5,919
Accrued Payroll Liabilities	31,350	3,833	-	-	2,537	37,720
Due to Other Governments	-	-	-	-	-	-
Due to Other Funds	66,025	-	-	-	-	66,025
Unearned Grant Revenue	858,835	1,100,000	417,112	901,937	31,259	3,309,143
TOTAL LIABILITIES	983,627	1,108,718	390,880	901,937	33,645	3,418,807
DEFERRED INFLOWS OF RESOURCES						
Unearned Revenue - Property Tax	1,605,297	101,305	361,015	21,560	-	2,089,177
FUND BALANCE						
Nonspendable	33,746	89,362	-	-	31,411	154,519
Restricted	355,000	40,079	-	-	-	395,079
Committed	421,078	1,549,827	1,438,911	347,182	559,587	4,316,585
Assigned	262,024	-	-	-	-	262,024
Unassigned	2,859,690	-	-	-	-	2,859,690
TOTAL FUND BALANCE	3,931,538	1,679,268	1,438,911	347,182	590,998	7,987,897
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	\$ 6,520,462	\$ 2,889,291	\$ 2,190,806	\$ 1,270,679	\$ 624,643	\$ 13,495,881

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

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

Total governmental fund balances	\$	7,987,897
<p>Amounts reported for governmental activities in the statement of net position are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.</p>		6,050,606
<p>Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.</p>		
<p>Financed Purchase Agreement</p>	\$	(105,616)
<p>Compensated Absences</p>		(291,887)
		(397,503)
Net position of governmental activities	\$	13,641,000

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

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

	GENERAL FUND	ROAD AND BRIDGE FUND	SOCIAL SERVICES FUND	CAPITAL EXPENDITURES FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES						
Taxes	\$ 4,386,719	\$ 108,273	\$ 435,184	\$ 24,187	\$ 37,582	\$ 4,991,945
Intergovernmental Revenue	2,068,314	2,265,803	7,790,350	-	507,756	12,632,223
Licenses and Permits	97,980	-	-	-	-	97,980
Charges for Services	797,134	-	-	-	401,065	1,198,199
Interest on Investments	78,999	27,438	-	2,405	104	108,946
Miscellaneous	147,129	86,477	-	165,678	6,009	405,293
TOTAL REVENUES	7,576,275	2,487,991	8,225,534	192,270	952,516	19,434,586
EXPENDITURES						
Current Expenditures						
General Government	1,899,073	231,970	-	42,598	-	2,173,641
Public Safety	2,251,811	-	-	-	-	2,251,811
Health and Welfare	885,030	-	8,029,490	-	887,319	9,801,839
Highways and Streets	-	2,348,746	-	-	-	2,348,746
Judicial - District Attorney	187,088	-	-	-	-	187,088
Auxiliary Services	34,648	-	-	-	-	34,648
Culture and Recreation	-	-	-	-	63,569	63,569
Capital Outlay	518,787	301,309	-	-	-	820,096
Debt Service	48,777	-	-	-	-	48,777
TOTAL EXPENDITURES	5,825,214	2,882,025	8,029,490	42,598	950,888	17,730,215
Excess (Deficiency) of Revenues Over Expenditures	1,751,061	(394,034)	196,044	149,672	1,628	1,704,371
OTHER FINANCING SOURCES (USES)						
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-
Commodities Received	-	-	-	-	137,425	137,425
Commodities Issued	-	-	-	-	(137,425)	(137,425)
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-	-
Net Change in Fund Balance	1,751,061	(394,034)	196,044	149,672	1,628	1,704,371
Fund Balance at Beginning of Year	2,180,477	2,073,302	1,242,867	197,510	589,370	6,283,526
Fund Balance at End of Year	\$ 3,931,538	\$ 1,679,268	\$ 1,438,911	\$ 347,182	\$ 590,998	\$ 7,987,897

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

CONEJOS COUNTY, COLORADO
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2022

Net change in fund balances - total governmental funds \$ 1,704,371

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

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

Fixed asset additions	\$	602,168	
Depreciation expense		(563,181)	
Net effect of capital outlay, depreciation, and deletions		38,987	38,987

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

Financed Purchase Agreement			42,074
-----------------------------	--	--	--------

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

Change in compensated absences			(9,729)
--------------------------------	--	--	---------

Change in net position of governmental activities **\$ 1,775,703**

CONEJOS COUNTY, COLORADO
FIDUCIARY FUND
STATEMENT OF NET POSITION
For the Year Ended December 31, 2022

	PUBLIC TRUSTEE	COUNTY TREASURER	JAIL COMMISSARY	TOTAL CUSTODIAL FUNDS
ASSETS				
Cash and Cash Equivalents	\$ 9,848	\$ 151,888	\$ 131,459	\$ 293,195
TOTAL ASSETS	<u>9,848</u>	<u>151,888</u>	<u>131,459</u>	<u>293,195</u>
LIABILITIES				
Due to Other Governments	-	151,888	-	151,888
TOTAL LIABILITIES	<u>-</u>	<u>151,888</u>	<u>-</u>	<u>151,888</u>
NET POSITION				
Restricted for:				
Individuals, Organizations, and Other Governments	9,848	-	131,459	141,307
TOTAL NET POSITION	<u>\$ 9,848</u>	<u>\$ -</u>	<u>\$ 131,459</u>	<u>\$ 141,307</u>

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

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

	PUBLIC TRUSTEE	COUNTY TREASURER	JAIL COMMISSARY	TOTAL CUSTODIAL FUNDS
ADDITIONS				
Tax Collections for Other Governments	\$ -	\$ 6,215,870	\$ -	\$ 6,215,870
Public Trustee Activity	305,736	-	-	305,736
Held for Others	-	-	95,313	95,313
Miscellaneous	-	468,889	-	468,889
Total Additions	<u>305,736</u>	<u>6,684,759</u>	<u>95,313</u>	<u>7,085,808</u>
DEDUCTIONS				
Taxes Disbursed	-	6,684,759	-	6,684,759
Public Trustee Disbursements	305,053	-	-	305,053
Funds Held for Others	-	-	80,569	80,569
Total Deductions	<u>305,053</u>	<u>6,684,759</u>	<u>80,569</u>	<u>7,070,381</u>
Net Increase (Decrease) in Fiduciary Net Position	<u>683</u>	<u>-</u>	<u>14,744</u>	<u>15,427</u>
Net position - Beginning of the Year, Restated	<u>9,165</u>	<u>-</u>	<u>116,715</u>	<u>125,880</u>
Net position - End of the Year	<u>\$ 9,848</u>	<u>\$ -</u>	<u>\$ 131,459</u>	<u>\$ 141,307</u>

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

REPORTING ENTITY

Primary Government

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

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

Component Units

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

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

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

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

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

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

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

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

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

MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The County considers grant revenues to be available if they are collected within 120 days of the end of the current fiscal period. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

The County reports the following major governmental funds:

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

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.

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

- **Public Trustee Fund** was established to account for expenditures for 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.
- **County Treasurer Fund** accounts for monies collected (principally tax collections) the Conejos County Treasurer for various local government entities within the County.
- **Jail Commissary Fund** is used to account for funds collected for and disbursed for inmates.

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

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

Cash

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

Investments

All investments, if any, are recorded at fair market value.

Property Taxes

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

The 2022 property tax levy due January 1, 2023, has been recorded in the financial statements as a receivable and a corresponding deferred inflow of resources.

Receivables/Payables from Other County Funds

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

Inventories and Prepaid Items

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

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

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

Capital Assets

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

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

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

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

Long-Term Obligations

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

Compensated Absences

County policy allows employees to accumulate unused vacation, comp time, and sick leave up to certain maximum hours. At December 31 of each year, unused vacation time over 150 hours is forfeited. Retiring employees are paid 100% of unused vacation and comp time. Sick time unused by retiring employees is paid 50% up to 240 hours. All vacation and sick leave pay is accrued when incurred in the government-wide financial statements. A liability is reported in governmental funds only if they have matured, for example as a result of employee resignations or retirements.

Unearned Revenue

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

Deferred Inflows of Resources

In addition to liabilities, the Statement of Net Position and the governmental funds Balance Sheet report a separate section of deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future periods and will not be recognized as an inflow of resources (revenue) until that time.

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

Net Position

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

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

Fund Balance

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

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

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

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

	General Fund	Road and Bridge Fund	Social Services Fund	Capital Expenditures Fund	Other Governmental Funds	Total Governmental Funds
Nonspendable						
Inventory	\$ -	\$ 79,641	\$ -	\$ -	\$ 26,445	\$ 106,086
Prepaid Expenses	33,746	9,721	-	-	4,966	48,433
	<u>33,746</u>	<u>89,362</u>	<u>-</u>	<u>-</u>	<u>31,411</u>	<u>154,519</u>
Restricted						
TABOR	355,000	-	-	-	-	355,000
Title III	-	40,079	-	-	-	40,079
	<u>355,000</u>	<u>40,079</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>395,079</u>
Committed						
Contingencies	421,078	-	-	-	-	421,078
Capital Expenditures	-	-	-	347,182	-	347,182
Health and Welfare	-	-	1,438,911	-	351,815	1,790,726
Highways and Streets	-	1,549,827	-	-	-	1,549,827
Culture and Recreation	-	-	-	-	207,772	207,772
	<u>421,078</u>	<u>1,549,827</u>	<u>1,438,911</u>	<u>347,182</u>	<u>559,587</u>	<u>4,316,585</u>
Assigned						
Designated for Future Expenditures	262,024	-	-	-	-	262,024
Unassigned	2,859,690	-	-	-	-	2,859,690
Total Fund Balance	<u>\$ 3,931,538</u>	<u>\$ 1,679,268</u>	<u>\$ 1,438,911</u>	<u>\$ 347,182</u>	<u>\$ 590,998</u>	<u>\$ 7,987,897</u>

Use of Estimates

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

Reclassifications

Certain reclassifications were made to fiscal year 2021 financial statements in order to conform to the fiscal year 2022 financial statement presentation.

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. 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

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

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. There is not a material effect on fund balance or net position as a result of the implementation of this standard.

NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgets and Budgetary Accounting

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

- Preparation of budget documents by administrative staff, which shall be submitted to the Board no later than October 15 of each year.
- Publication of a notice stating that the budget is available for public inspection.
- 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.

NOTE 3 CASH, DEPOSITS, AND INVESTMENTS

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

Cash on Hand	\$ 3,658
Cash Deposited in Banks	868,681
C-SAFE	663,524
ColoTrust	8,402,649
ColoTrust Edge	<u>613,155</u>
Total Cash, Deposits, and Investments (Book Balance)	10,551,667
Less: Amounts Related to Agency Fund	<u>(293,195)</u>
Total Cash, Deposits, and Investments on the Statement of Net Position	<u><u>\$ 10,258,472</u></u>

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

Cash and Deposits

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

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized in accordance with the PDPA. PDPA allows the institution to create a single collateral pool for all public funds to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to the aggregate uninsured deposits. All deposits in 2022 were in eligible public depositories, as defined by the Public Deposit Protection Act of 1989.

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the County's deposits may not be returned to it. The County does not have a deposit policy for custodial credit risk. At December 31, 2022, \$848,808 was exposed to custodial credit risk. Deposits exposed to credit risk are collateralized with securities held by the pledging financial institutions through PDPA.

Investments

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

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

Custodial Credit Risk - Investments

The County's investment policy calls for investment diversification within the portfolio to avoid unreasonable risks inherent in over investing in specific instruments, individual financial institutions or maturities. The policy allows for the investment in local government investment pools.

Interest Rate Risk

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

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

Fair Value

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

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

ColoTrust Edge is a variable net asset value (NAV) local government investment pool that offers weekly liquidity to participants. Edge is suitable for a local government’s strategic reserves/non-operating funds and has a NAV that is managed to approximate a \$10.00 transactional share price. ColoTrust Edge measures its investments at fair value so investments in Edge are not required to be categorized within the fair value hierarchy. ColoTrust Edge investments is rated AAF by FitchRatings.

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

NOTE 4 ACCOUNTS RECEIVABLE

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

General Fund:	
Ambulance Accounts Receivable	\$ 221,386
(Less) Allowance for Uncollectible	(158,546)
	62,840
Social Services	428
Public Health	36,253
	\$ 99,521

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

NOTE 5 PROPERTY TAXES RECEIVABLE

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

General Fund	\$ 1,605,297
Road and Bridge Fund	101,305
Social Services Fund	361,015
Capital Expenditures Fund	21,560
	\$2,089,177

NOTE 6 INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Interfund Receivables/Payables

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

Interfund receivable and payable balances at December 31, 2022, were as follows:

Receivable Fund	Payable Fund	Amount
Capital Expenditures Fund	General Fund	\$ 66,025
		\$ 66,025

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

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	\$ 740,824	\$ 425,000	\$ -	\$ 1,165,824
Construction in Progress	111,133	-	-	111,133
Total capital assets not being depreciated	<u>851,957</u>	<u>425,000</u>	<u>-</u>	<u>1,276,957</u>
Capital assets being depreciated				
Infrastructure	1,709,599	-	-	1,709,599
Buildings and Improvements	6,642,513	-	-	6,642,513
Equipment	5,219,034	129,184	-	5,348,218
Vehicles	1,367,616	47,984	-	1,415,600
Total capital assets being depreciated	<u>14,938,762</u>	<u>177,168</u>	<u>-</u>	<u>15,115,930</u>
Less: accumulated depreciation for				
Infrastructure	741,640	151,097	-	892,737
Buildings and Improvements	3,395,327	136,123	-	3,531,450
Equipment	4,456,340	195,762	-	4,652,102
Vehicles	1,185,793	80,199	-	1,265,992
Total accumulated depreciation	<u>9,779,100</u>	<u>563,181</u>	<u>-</u>	<u>10,342,281</u>
Total Capital Assets being depreciated, net	<u>5,159,662</u>	<u>(386,013)</u>	<u>-</u>	<u>4,773,649</u>
Governmental Activities Capital Assets, Net	<u>\$ 6,011,619</u>	<u>\$ 38,987</u>	<u>\$ -</u>	<u>\$ 6,050,606</u>

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

Governmental Activities:

General Government	\$ 18,497
Public Safety	161,984
Health and Welfare	33,936
Highways and Streets	344,712
Culture and Recreation	4,052
Total Depreciation Expense	<u>\$ 563,181</u>

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

NOTE 8 LONG-TERM LIABILITIES

Changes in Long-term Liabilities

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

	12/31/2021			12/31/2022	Due Within
	Balance	Additions	Deletions	Balance	One Year
<i>Governmental Activities:</i>					
Financed Purchase Agreements	\$ 147,690	\$ -	\$ 42,074	\$ 105,616	\$ 43,986
Compensated Absences	282,158	9,729	-	291,887	4,096
Total Governmental Activities	<u>\$ 429,848</u>	<u>\$ 9,729</u>	<u>\$ 42,074</u>	<u>\$ 397,503</u>	<u>\$ 48,082</u>

Financed Purchase Agreements

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

2018 Alamosa State Bank

A financed purchase agreement, dated September 7, 2018, was entered into for \$96,380 between Alamosa State Bank as lessor, and Conejos County (the "County"), as lessee, for the purchase of three vehicles for the Sheriff's department. Payments are due annually with an interest rate of 4.5%. Final payment is due September 2025. The vehicles are included in capital assets at a cost of \$120,474 and accumulated depreciation of \$86,052 as of December 31, 2022. Principal balance at December 31, 2022, was \$44,961.

2019 Alamosa State Bank

A financed purchase agreement, dated August 7, 2019, was entered into for \$142,058 between Alamosa State Bank as lessor, and Conejos County (the "County"), as lessee, for the purchase of four vehicles for the Sheriff's department. Payments are due annually with an interest rate of 4.57%. Final payment is due August 2024. The vehicles are included in capital assets at a cost of \$162,104 and accumulated depreciation of \$123,138 as of December 31, 2022. Principal balance at December 31, 2022, was \$60,655.

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

	Principal	Interest	Total
2023	\$ 43,986	\$ 4,791	\$ 48,777
2024	45,979	2,796	48,775
2025	15,651	704	16,355
	<u>\$ 105,616</u>	<u>\$ 8,291</u>	<u>\$ 113,907</u>

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

NOTE 9 RETIREMENT

Pension Plans

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

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

The County must contribute 4% of the compensation of each participant. Each participant contributes a minimum amount equal to the County's contribution, and is permitted to make additional contributions not to exceed 10% of their compensation. For the year ended December 31, 2022, employee contributions totaled \$140,888 and the County recognized pension expense of \$129,137. The County recognized \$11,751 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 10 COLORADO CONTRABAND FORFEITURE ACT

We have reviewed financial activity in the Sheriff's Department for compliance with the above referenced act. There were no sales of contraband during the year ended December 31, 2022.

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. The voters of the County have approved a measure that allows the County to retain and spend revenue in excess of the limit.

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

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

NOTE 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.

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 loss before return of surplus of \$(188,353).

Colorado Workers' Compensation Pool (CWCP)

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

At December 31, 2022, CWCP had assets of \$53,672,566, liabilities of \$30,186,143 (including \$26,809,948 reserved for losses and claims) and members' equity of \$23,486,423. The liability amount includes no long-term debt. Total revenues for the year ended December 31, 2022, amounted to \$12,067,778 total expenses were \$7,809,099 resulting in net income before return of surplus of \$4,258,679.

NOTE 13 COMMITMENTS AND CONTINGENCIES

Grant Programs

The County participates in a number of federal and state grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The amount of expenditures, if any, which may be

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

disallowed by the granting agencies, cannot be determined at this time although the County expects any such amounts to be immaterial.

Litigation

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

Insurance Pools

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

CONEJOS COUNTY, COLORADO

REQUIRED SUPPLEMENTARY INFORMATION

In addition to the basic financial statements, a budgetary comparison schedule is required for the General Fund and, if applicable, each of the County's major special revenue funds.

CONEJOS 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	\$ 3,425,714	\$ 3,469,062	\$ 4,386,719	\$ 917,657
Intergovernmental Revenue	2,282,163	2,282,163	2,068,314	(213,849)
Licenses and Permits	-	-	97,980	97,980
Charges for Services	823,138	823,138	797,134	(26,004)
Interest on Investments	2,910	2,910	78,999	76,089
Miscellaneous	91,800	91,800	147,129	55,329
TOTAL REVENUES	6,625,725	6,669,073	7,576,275	907,202
EXPENDITURES				
General Government	2,100,289	2,143,637	1,899,073	244,564
Public Safety	2,354,860	2,354,860	2,251,811	103,049
Health and Welfare	947,528	947,528	885,030	62,498
Judicial - District Attorney	187,088	187,088	187,088	-
Auxiliary Services	33,335	33,335	34,648	(1,313)
Capital Outlay	646,500	646,500	518,787	127,713
Debt Service	-	-	48,777	(48,777)
TOTAL EXPENDITURES	6,269,600	6,312,948	5,825,214	487,734
Excess (Deficiency) of Revenues Over Expenditures	356,125	356,125	1,751,061	1,394,936
OTHER FINANCING SOURCES (USES)				
Transfers In	35,000	35,000	-	(35,000)
Transfers Out	-	-	-	-
Sale of Capital Assets	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	35,000	35,000	-	(35,000)
Net Change in Fund Balance	391,125	391,125	1,751,061	1,359,936
Fund Balance at Beginning of Year	3,682,811	3,682,811	2,180,477	(1,502,334)
Fund Balance at End of Year	\$ 4,073,936	\$ 4,073,936	\$ 3,931,538	\$ (142,398)

Notes to Required Supplementary Information

The basis of budgeting is the same as GAAP.

This schedule is presented on the GAAP basis.

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

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE
				(NEGATIVE)
REVENUES				
Taxes	\$ 129,729	\$ 170,069	\$ 108,273	\$ (61,796)
Intergovernmental Revenue	2,177,400	2,177,400	2,265,803	88,403
Interest on Investments	100	100	27,438	27,338
Miscellaneous	3,500	3,500	86,477	82,977
TOTAL REVENUES	2,310,729	2,351,069	2,487,991	136,922
EXPENDITURES				
General Government	272,500	237,500	231,970	5,530
Highways and Streets	2,469,185	2,544,525	2,348,746	195,779
Capital Outlay	100,000	100,000	301,309	(201,309)
Debt Service	-	-	-	-
TOTAL EXPENDITURES	2,841,685	2,882,025	2,882,025	-
Excess (Deficiency) of Revenues Over Expenditures	(530,956)	(530,956)	(394,034)	136,922
OTHER FINANCING SOURCES (USES)				
Sale of Capital Assets	-	-	-	-
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
TOTAL OTHER FINANCING SOURCSE (USES)	-	-	-	-
Net Change in Fund Balance	(530,956)	(530,956)	(394,034)	136,922
Fund Balance at Beginning of Year	1,594,455	1,594,455	2,073,302	478,847
Fund Balance at End of Year	\$ 1,063,499	\$ 1,063,499	\$ 1,679,268	\$ 615,769

Notes to Required Supplementary Information

The basis of budgeting is the same as GAAP.

This schedule is presented on the GAAP basis.

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

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FINAL BUDGET</u>
				<u>POSITIVE</u>
				<u>(NEGATIVE)</u>
REVENUES				
Taxes	\$ 523,677	\$ 523,677	\$ 435,184	\$ (88,493)
Intergovernmental Revenue	7,120,062	8,632,812	7,790,350	(842,462)
Miscellaneous Revenue	-	-	-	-
TOTAL REVENUES	<u>7,643,739</u>	<u>9,156,489</u>	<u>8,225,534</u>	<u>(930,955)</u>
EXPENDITURES				
Health and Welfare	7,698,980	9,211,730	8,029,490	1,182,240
TOTAL EXPENDITURES	<u>7,698,980</u>	<u>9,211,730</u>	<u>8,029,490</u>	<u>1,182,240</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(55,241)</u>	<u>(55,241)</u>	<u>196,044</u>	<u>251,285</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
TOTAL OTHER FINANCING SOURCSE (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	(55,241)	(55,241)	196,044	251,285
Fund Balance at Beginning of Year	<u>1,297,284</u>	<u>1,297,284</u>	<u>1,242,867</u>	<u>(54,417)</u>
Fund Balance at End of Year	<u>\$ 1,242,043</u>	<u>\$ 1,242,043</u>	<u>\$ 1,438,911</u>	<u>\$ 196,868</u>

Notes to Required Supplementary Information

The basis of budgeting is the same as GAAP.

This schedule is presented on the GAAP basis.

CONEJOS COUNTY, COLORADO

SUPPLEMENTARY INFORMATION

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

CONEJOS COUNTY, COLORADO
COMBINING BALANCE SHEET
GENERAL FUND
December 31, 2022

	GENERAL FUND	GENERAL CONTINGENCY FUND	CONTINGENCY FUND	TOTAL
ASSETS				
Cash and Investments	\$ 3,550,117	\$ 468,027	\$ 308,051	\$ 4,326,195
Accounts Receivable	62,840	-	-	62,840
Due From Other Governments	492,384	-	-	492,384
Due From Other Funds	-	-	-	-
Property Taxes Receivable	1,583,737	-	21,560	1,605,297
Prepaid Expenditures	33,746	-	-	33,746
TOTAL ASSETS	\$ 5,722,824	\$ 468,027	\$ 329,611	\$ 6,520,462
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE				
LIABILITIES				
Accounts Payable	\$ 27,417	\$ -	\$ -	\$ 27,417
Accrued Payroll Liabilities	31,350	-	-	31,350
Due to Other Governments	-	-	-	-
Due To Other Funds	66,025	-	-	66,025
Unearned Grant Revenue	858,835	-	-	858,835
TOTAL LIABILITIES	983,627	-	-	983,627
DEFERRED INFLOWS OF RESOURCES				
Unearned Revenue - Property Tax	1,583,737	-	21,560	1,605,297
FUND BALANCE				
Nonspendable	33,746	-	-	33,746
Restricted	-	355,000	-	355,000
Committed	-	113,027	308,051	421,078
Assigned	262,024	-	-	262,024
Unassigned	2,859,690	-	-	2,859,690
TOTAL FUND BALANCE	3,155,460	468,027	308,051	3,931,538
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	\$ 5,722,824	\$ 468,027	\$ 329,611	\$ 6,520,462

CONEJOS COUNTY, COLORADO
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GENERAL FUND
For the Year Ended December 31, 2022

	GENERAL FUND	GENERAL CONTINGENCY FUND	CONTINGENCY FUND	ELIMINATIONS	TOTAL
REVENUES					
Taxes	\$ 4,362,532	\$ -	\$ 24,187	\$ -	\$ 4,386,719
Intergovernmental Revenue	2,068,314	-	-	-	2,068,314
Licenses and Permits	97,980	-	-	-	97,980
Charges for Services	797,134	-	-	-	797,134
Interest on Investments	74,056	4,537	406	-	78,999
Miscellaneous	147,129	-	-	-	147,129
TOTAL REVENUES	7,547,145	4,537	24,593	-	7,576,275
EXPENDITURES					
General Government	1,898,457	-	616	-	1,899,073
Public Safety	2,251,811	-	-	-	2,251,811
Health and Welfare	885,030	-	-	-	885,030
Judicial - District Attorney	187,088	-	-	-	187,088
Auxiliary Services	34,648	-	-	-	34,648
Capital Outlay	518,787	-	-	-	518,787
Debt Service	48,777	-	-	-	48,777
TOTAL EXPENDITURES	5,824,598	-	616	-	5,825,214
Excess (Deficiency) of Revenues Over Expenditures	1,722,547	4,537	23,977	-	1,751,061
OTHER FINANCING SOURCES (USES)					
Transfers In	-	-	-	-	-
Transfers Out	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-
Net Change in Fund Balance	1,722,547	4,537	23,977	-	1,751,061
Fund Balance at Beginning of Year	1,432,913	463,490	284,074	-	2,180,477
Fund Balance at End of Year	\$ 3,155,460	\$ 468,027	\$ 308,051	\$ -	\$ 3,931,538

CONEJOS COUNTY, COLORADO
NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

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

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

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

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

	NONMAJOR SPECIAL REVENUE FUNDS			TOTAL NONMAJOR GOVERNMENTAL
	PUBLIC HEALTH FUND	CONSERVATION TRUST FUND	LODGING TAX FUND	
ASSETS				
Cash and Investments	\$ 247,161	\$ 135,464	\$ 72,313	\$ 454,938
Accounts Receivable	36,253	-	-	36,253
Due From Other Governments	102,041	-	-	102,041
Due From Other Funds	-	-	-	-
Property Taxes Receivable	-	-	-	-
Inventories	26,445	-	-	26,445
Prepaid Expenditures	4,966	-	-	4,966
TOTAL ASSETS	\$ 416,866	\$ 135,464	\$ 72,313	\$ 624,643
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE				
LIABILITIES				
Accounts Payable	\$ (151)	\$ -	\$ -	\$ (151)
Accrued Payroll Liabilities	2,532	5	-	2,537
Due To Other Governments	-	-	-	-
Unearned Grant Revenue	31,259	-	-	31,259
TOTAL LIABILITIES	33,640	5	-	33,645
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue - Property Tax	-	-	-	-
FUND BALANCE				
Nonspendable	31,411	-	-	31,411
Committed	351,815	135,459	72,313	559,587
TOTAL FUND BALANCE	383,226	135,459	72,313	590,998
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	\$ 416,866	\$ 135,464	\$ 72,313	\$ 624,643

CONEJOS 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	CONSERVATION TRUST FUND	LODGING TAX FUND	
REVENUES				
Taxes	\$ -	\$ -	\$ 37,582	\$ 37,582
Intergovernmental Revenue	457,237	50,519	-	507,756
Charges for Services	401,065	-	-	401,065
Interest on Investments	-	104	-	104
Miscellaneous	6,009	-	-	6,009
TOTAL REVENUES	864,311	50,623	37,582	952,516
EXPENDITURES				
General Government	-	-	-	-
Health and Welfare	887,319	-	-	887,319
Culture and Recreation	-	27,860	35,709	63,569
Capital Outlay	-	-	-	-
TOTAL EXPENDITURES	887,319	27,860	35,709	950,888
Excess (Deficiency) of Revenues Over Expenditures	(23,008)	22,763	1,873	1,628
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Commodities Received	137,425	-	-	137,425
Commodities Issued	(137,425)	-	-	(137,425)
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
Net Change in Fund Balance	(23,008)	22,763	1,873	1,628
Fund Balance at Beginning of Year	406,234	112,696	70,440	589,370
Fund Balance at End of Year	\$ 383,226	\$ 135,459	\$ 72,313	\$ 590,998

CONEJOS COUNTY, COLORADO
SCHEDULE OF EXPENDITURES AND TRANSFERS OUT
BUDGET AND ACTUAL
ALL NON-MAJOR GOVERNMENTAL FUNDS
For the Year Ended December 31, 2022

	BUDGETED AMOUNTS		EXPENDITURES	VARIANCE WITH
	ORIGINAL	FINAL	REPORTED ON	FINAL BUDGET
	ORIGINAL	FINAL	THE GAAP	POSITIVE
			BASIS	(NEGATIVE)
Governmental Funds				
Major Capital Projects Fund				
Capital Expenditures Fund	\$ 80,550	\$ 80,550	\$ 42,598	\$ 37,952
 Non-major Governmental Funds				
Special Revenue Funds				
Public Health Fund	2,432,549	2,432,549	1,024,744	1,407,805
Conservation Trust Fund	97,091	97,091	27,860	69,231
Lodging Tax Fund	38,650	38,650	35,709	2,941
Total Special Revenue Funds	<u>2,568,290</u>	<u>2,568,290</u>	<u>1,088,313</u>	<u>1,479,977</u>
Total Major Capital Projects Fund and Non-major Governmental Funds	<u>\$ 2,648,840</u>	<u>\$ 2,648,840</u>	<u>\$ 1,130,911</u>	<u>\$ 1,517,929</u>

CONEJOS COUNTY, COLORADO

OTHER SCHEDULES AND REPORTS

CONEJOS 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>Passed-through to Subrecipients (\$)</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	-	31,148
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	Colorado Department of Human Services, N/A	-	40,661
<i>Total U.S. Department of Health and Human Services</i>			-	71,809
Total CCDF Cluster			-	71,809
Food Distribution Cluster				
U.S. Department of Agriculture				
Commodity Supplemental Food Program - USDA Foods	10.565	Colorado Department of Human Services, N/A	-	137,425
Commodity Supplemental Food Program - Administrative Funds	10.565	Colorado Department of Human Services, N/A	-	23,593
Total Commodity Supplemental Food Program			-	161,018
Emergency Food Assistance Program (Food Commodities)	10.569	Colorado Department of Human Services and Care and Share Food Bank, N/A	-	71,876
<i>Total U.S. Department of Agriculture</i>			-	232,894
Total Food Distribution Cluster			-	232,894
Medical Assistance Program (Medicaid Cluster)				
U.S. Department of Health and Human Services				
Medical Assistance Program	93.778	Colorado Department of Health Care Policy and Financing, N/A	-	128,898
Total Medical Assistance Program			-	128,898
Total Medical Assistance Program (Medicaid Cluster)			-	128,898
SNAP Cluster				
U.S. Department of Agriculture				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	Colorado Department of Human Services, N/A	-	86,909
<i>Total U.S. Department of Agriculture</i>			-	86,909
Total SNAP Cluster			-	86,909

CONEJOS 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>Passed-through to Subrecipients (\$)</i>	<i>Federal Expenditures(\$)</i>
<i>Forest Service Schools and Roads Cluster</i>				
U.S. Department of Agriculture				
Title I Schools and Roads - Grants to States	10.665	Colorado Department of Treasury, N/A	235,579	314,106
<i>Total Forest Service Schools and Roads Cluster</i>			235,579	314,106
<i>Total All Clusters</i>			235,579	834,616
<i>Other Programs</i>				
U.S. Department of Homeland Security				
Emergency Management Performance Grants	97.042	Colorado Department of Local Affairs, N/A	-	34,415
<i>Total U.S. Department of Homeland Security</i>			-	34,415
U.S. Department of Justice				
Crime Victim Assistance	16.575	Colorado Division of Criminal Justice, N/A	-	25,082
Edward Byrne Memorial Justice Assistance Grant Program	16.738	Colorado Division of Criminal Justice, N/A	-	42,161
Body Worn Camera Policy and Implementation	16.835	Colorado Division of Criminal Justice, N/A	-	50,050
<i>Total U.S. Department of Justice</i>			-	117,293
U.S. Department of the Treasury				
Coronavirus State and Local Fiscal Recovery Funds	21.027	Colorado Department of Local Affairs, N/A	-	451,130
Coronavirus State and Local Fiscal Recovery Funds	21.027	Colorado Department of Public Health and Environment, N/A	-	36,702
<i>Total U.S. Department of the Treasury</i>			-	487,832
U.S. Department of Health and Human Services				
Public Health Emergency Preparedness	93.069	Colorado Department of Public Health and Environment, PHEP	-	11,088
COVID-19 Immunization Cooperative Agreements	93.268	Colorado Department of Public Health and Environment, IMM#3	-	18,265
Immunization Cooperative Agreements	93.268	Colorado Department of Public Health and Environment, IMM#3	-	12,324
COVID-19 Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	Colorado Department of Public Health and Environment, ELC	-	23,251

CONEJOS 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>Passed-through to Subrecipients (\$)</i>	<i>Federal Expenditures(\$)</i>
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	Colorado Department of Public Health and Environment, ELC	-	26,749
COVID-19 Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	93.354	Colorado Department of Public Health and Environment, N/A	-	13,004
Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	93.354	Colorado Department of Public Health and Environment, N/A	-	94,316
COVID-19 Temporary Assistance for Needy Families (TANF) State Programs	93.558	Colorado Department of Human Services, N/A	-	9,756
Temporary Assistance for Needy Families (TANF) State Programs	93.558	Colorado Department of Human Services, N/A	-	300,187
Child Support Enforcement	93.563	Colorado Department of Human Services, N/A	-	109,636
Stephanie Tubbs Jones Child Welfare Services Program	93.645	Colorado Department of Human Services, N/A	-	3,455
Foster Care Title IV-E	93.658	Colorado Department of Human Services, N/A	-	126,250
Adoption Assistance	93.659	Colorado Department of Human Services, N/A	-	44,837
Social Services Block Grant	93.667	Colorado Department of Human Services, N/A	-	37,354
Maternal and Child Health Services Block Grant to the States	93.994	Colorado Department of Public Health and Environment, OPPI LPHA	-	9,758
<i>Total U.S. Department of Health and Human Services</i>			-	840,230
<i>Total Other Programs</i>			-	1,479,770
<i>Total Expenditures of Federal Awards</i>			\$ 235,579	\$ 2,314,386

CONEJOS 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 Conejos 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 Conejos County, Colorado, it is not intended to and does not present the financial position, changes in net position, or cash flows of Conejos County, Colorado.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting, 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.

NOTE 3 FOOD DISTRIBUTION

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

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



Wall,
Smith,
Bateman Inc.

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Conejos County, Colorado (the County), as of and for the year ended December 31, 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 July 26, 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 the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as Finding 2022-001 that we consider to be a material weakness.

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 financial statements. However, providing an opinion on compliance with those provisions was not an

Certified Public Accountants

3001 Adcock Circle PO Box 809 Alamosa, CO 81101 | 719-589-3619 | f 719-589-5492 | www.wsbcpa.com

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*.

County's Response to Finding

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

Purpose of this Report

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

Wall, Smith, Bateman Inc

Wall, Smith, Bateman Inc.
Alamosa, Colorado

July 26, 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
Conejos County, Colorado
Conejos, Colorado

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Conejos 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.

Certified Public Accountants

3001 Adcock Circle PO Box 809 Alamosa, CO 81101 | 719-589-3619 | f 719-589-5492 | www.wsbcpa.com

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.

Report on Internal Control over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or 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.

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.

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

July 26, 2023

CONEJOS 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? ___X___yes ___no
- Significant deficiency(ies) identified that are **not** considered to be material weakness(es)? _____yes ___X___none reported
- Noncompliance material to financial statements noted? _____yes ___X___no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? _____yes ___X___no
- Significant deficiency(ies) identified that are **not** considered to be material weakness(es)? _____yes ___X___none reported

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)? _____yes ___X___no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
10.665	Forest Service Schools and Roads Cluster
21.027	Coronavirus State and Local Fiscal Recovery Funds
93.558	Temporary Assistance for Needy Families

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

Auditee qualified as a low-risk auditee? _____yes ___X___no

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

Section II – Financial Statement Findings

Finding 2022-001: Internal Control over Financial Reporting
(Repeat of Finding 2021-001, 2020-001, 2019-001, 2018-001, 2017-001, 2016-001, 2015-001, 2014-001, 2013-001 and 12-1)

Type of finding: Internal Control (material weakness)

Criteria: A system of internal controls includes the design, documentation, and monitoring of control activities over the application of accounting principles, financial statement preparation and grant management.

Condition: The County's system of internal controls did not prevent or detect and correct financial misstatements.

Cause: The County did not complete monthly reconciliations of general ledger accounts and properly track grant activity. Year-end reconciliation procedures included journal entries to fix ending balances without properly identifying and reconciling the differences. In addition, there is not a supervisory or department head review of the general ledger.

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

1. Audit adjustments were proposed to properly state the County financial statements as of December 31, 2022, in accordance with generally accepted accounting principles.
2. Public Health grant activity was not accurately recorded in the general ledger throughout the year, resulting in additional investigation and reconciliation during the audit.
3. Journal entries posted to the general ledger did not have adequate supporting documentation.
4. The payroll cash account was not reconciled with each payroll cycle to ensure proper accounting for all payroll transactions which resulted in the County not accurately filing the 2022 second quarter 941.

Recommendation: The County finance department should strengthen its internal controls with adopted policies and procedures regarding monthly and year-end financial close accounting as well as reconciling balance sheet accounts for accurate financial statement reporting. This should include standard procedures requiring supporting documentation and a review process for all journal entries posted to the general ledger. In addition, the County should incorporate a reconciliation and review process over the general ledger and grant activity. The review process should be completed by upper management with distribution of reconciliations to department heads on a regularly scheduled basis to identify errors, prevent them from accumulating, and correct them timely.

Management's Response: See corrective action plan.

Section III – Federal Award Findings and Questioned Costs

None

CONEJOS COUNTY, COLORADO
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the Year Ended December 31, 2022

Section II – Financial Statement Findings

Finding 2021-001: Internal Control over Financial Reporting
(Repeat of Finding 2020-001, 2019-001, 2018-001, 2017-001, 2016-001, 2015-001, 2014-001, 2013-001 and 12-1)

Type of finding: Internal Control (material weakness)

Condition: The County's system of internal controls did not prevent or detect and correct financial misstatements.

Cause: The County did not complete monthly reconciliations of general ledger accounts and properly track grant activity. Year-end reconciliation procedures included journal entries to fix ending balances without properly identifying and reconciling the differences.

Status: Not Implemented (see Finding 2022-001)



Board of County Commissioners

Mitchell Jarvies

Carlos Garcia

Joseph J. Baroz

CORRECTIVE ACTION PLAN

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

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

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

Audit period: Year ended December 31, 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
(Repeat of Findings 2021-001, 2020-001, 2019-001, 2018-001, 2017-001, 2016-001, 2015-001, 2014-001, 2013-001, and 12-1)

Type of finding: Internal Control (material weakness)

Recommendation: The County finance department should strengthen its internal controls with adopted policies and procedures regarding monthly and year-end financial close accounting as well as reconciling balance sheet accounts for accurate financial statement reporting. This should include standard procedures requiring supporting documentation and a review process for all journal entries posted to the general ledger. In addition, the County should incorporate a reconciliation and review process over the general ledger and

grant activity. The review process should be completed by upper management with distribution of reconciliations to department heads on a regularly scheduled basis to identify errors, prevent them from accumulating, and correct them timely.

Action Taken: The finance department currently has policies and procedures but do not have the specific information that has be addressed. The County accountant will work on those policies and procedures. Upper management does review general ledger activity; however, review is not done on a monthly basis. Accountant will keep supporting documentation for any adjustments he may have to make. County Administrator/budget officer does review financials for each department to see if departments are staying within their budget. Financials will be distributed to all departments on a monthly basis.

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

Sincerely yours,



Tressesa Martinez
County Administrator
Conejos County, Colorado

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

LOCAL HIGHWAY FINANCE REPORT		City or County: Conejos County
		YEAR ENDING : December 2022
This Information From The Records Of : County of Conejos	Prepared By: Phone:	GARY GURULE (719)376-5772 x2

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

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway disbursements:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	1,209,327
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	1,516,030
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	
2. General fund appropriations		b. Snow and ice removal	
3. Other local imposts (from page 2)	108,331	c. Other Misc. Grant	
4. Miscellaneous local receipts (from page 2)	114,446	d. Total (a. through c.)	0
5. Transfers from toll facilities		4. General administration & miscellaneous	168,171
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	2,918
a. Bonds - Original Issues		6. Total (1 through 5)	2,896,446
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	
7. Total (1 through 6)	222,777	b. Redemption	
B. Private Contributions		c. Total (a. + b.)	0
C. Receipts from State government (from page 2)	1,951,108	2. Notes:	
D. Receipts from Federal Government (from page 2)	328,527	a. Interest	
E. Total receipts (A.7 + B + C + D)	2,502,412	b. Redemption	
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	0
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total disbursements (A.6 + B.3 + C + D)	2,896,446

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	0

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	2,073,302	2,502,412	2,896,446	1,679,268	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	91,660	a. Interest on investments	27,438
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes		c. Parking Garage Fees	
2. Infrastructure & Impact Fees	58	d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	6
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other	16,613	g. Other Misc. Receipts	5,045
6. Total (1. through 5.)	16,671	h. Other	81,957
c. Total (a. + b.)	108,331	i. Total (a. through h.)	114,446
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	1,908,061	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	78,527
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations		d. Federal Transit Admin	
d. DOLA Grant		e. U.S. Corps of Engineers	
e. Other	43,047	f. Other Federal: ARPA	250,000
f. Total (a. through e.)	43,047	g. Total (a. through f.)	328,527
4. Total (1. + 2. + 3.f)	1,951,108	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			
(2). Capacity Improvements			0
(3). System Preservation		1,209,327	1,209,327
(4). System Enhancement & Operation			0
(5). Total Construction (1) + (2) + (3) + (4)	0	1,209,327	1,209,327
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	1,209,327	1,209,327
			(Carry forward to page 1)

Notes and Comments: