

**ALAMOSA COUNTY, COLORADO**

**FINANCIAL STATEMENTS**

**December 31, 2017**



Wall,  
Smith,  
Bateman Inc.  
Certified Public Accountants

**ALAMOSA COUNTY, COLORADO**  
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# INDEPENDENT AUDITORS' REPORT



Wall,  
Smith,  
Bateman Inc.

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

## **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Alamosa County, Colorado (the County), as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

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

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

### ***Auditors' Responsibility***

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

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

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

**Certified Public Accountants**

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### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County, as of December 31, 2017, and the respective changes in financial position, and, where applicable, cash flows thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Emphasis of Matter***

As discussed in Note 18 to the financial statements, the San Luis Valley Airport became an operation of Alamosa County during 2017. A transfer of Airport operations of \$5,120,192 is shown as a special item. Our opinion is not modified with respect to this matter.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages I through X and 32 through 36 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining fund financial schedules and the Local Highway Finance Report are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements. The schedule of passenger facility charges collected and expended is present for purposes of additional analysis as required by the provisions of the *Passenger Facility Charge Audit Guide for Public Agencies*, issued by the Federal Aviation Administration (the Guide), and is also not a required part of the basic financial statements.

The combining fund financial schedules, the schedule of expenditures of federal awards, the schedule of passenger facility charges collected and expended, and the Local Highway Finance Report are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the

auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining fund financial schedules, the schedule of expenditures of federal awards, the schedule of passenger facility charges collected and expended, 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 May 31, 2018, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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

May 31, 2018

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This section of Alamosa County's (the County) annual financial report is presented to provide readers with a narrative overview and analysis of the County's financial performance during the calendar year ended December 31, 2017. We encourage readers to consider the information presented in this overview in conjunction with the financial statement information as provided.

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#### **FINANCIAL HIGHLIGHTS**

- In total, the County's total assets of \$77,706,056 exceed its total liabilities and deferred inflows of \$35,530,561 by \$42,175,495 (net position) for the calendar year reported. Of this amount \$11,742,711 (28%) may be used to meet the government's ongoing obligations to citizens and creditors.
- In total, net position increased by \$13,457,885 or 47%. The majority of this increase is related to the inclusion of the Airport Fund Financials with County Financials beginning in 2017.
- The County's governmental funds reported combined ending net position of \$30,537,999, an increase of \$1,892,600(7%) in comparison to 2016. The County's Business-type funds reported combined ending net position of \$11,637,496(160%) in comparison to 2016. 86% of this increase is attributed to the addition of the Airport Fund.
- At the end of the current calendar year, unassigned fund balance for the General Fund was \$923,437, or 11% of total General Fund expenditures, an decrease of \$1,433,985 in comparison to 2016.

#### **OVERVIEW OF THE FINANCIAL STATEMENTS**

This Management Discussion and Analysis document introduces the County's basic financial statements. The basic financial statements include:

- 1) Government-wide Financial Statements
- 2) Fund Financial Statements, and
- 3) Notes to the Basic Financial Statements.

This report also contains other supplementary information in addition to the basic financial statements.

#### **GOVERNMENT-WIDE FINANCIAL STATEMENTS**

The government-wide financial statements are designed to provide readers with a broad overview of the County's finances as a whole, using accounting methods comparable to those used by private-sector companies. They include the following two statements:

- The **Statement of Net Position** presents information on the County's assets, liabilities and deferred inflows, with the difference between the two factors reported as net position. Over time, increases or decrease in net position may serve as a useful indicator of whether the financial health of the County is improving or deteriorating.
- The **Statement of Activities** presents information demonstrating how the County's net position changed during the most recent fiscal year as compared with the previous fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, all of the current year's revenues and expenses are accounted for in this statement regardless of when cash is actually received or paid.

These statements are presented to distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) from those that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the County include general government; public safety; health and welfare; highways and streets; judicial; auxiliary services; culture and recreation.

**FUND FINANCIAL STATEMENTS**

A fund is an accounting device that a government uses to maintain control over and account for specific sources of funding that are to be spent for specific purposes. The County uses funds to ensure and demonstrate compliance with statutory requirements. These statements focus more on the individual functions of the County, reporting on financial operations in a more detailed format than is found in the government-wide statements. The County has three kinds of funds:

- **Governmental** funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. Unlike the government-wide financial statements, governmental funds focus on the near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Since the government-wide focus includes long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund operating statement provide a reconciliation to assist in understanding the differences between these two perspectives.

Alamosa County maintains six major governmental funds and five non-major funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the major governmental funds. Individual fund information for non-major governmental funds is found in combining statements in a later section of this report.

- **Proprietary** funds are used to account for services for which the County charges customers a fee. The County maintains three proprietary funds. One is classified as an internal service fund and two are enterprise funds. Internal service funds are used to report activities that provide supplies and services for the County's other programs and activities. The County has one proprietary fund classified as an internal Health Insurance Fund. The Health Insurance fund is used to accumulate funds to pay employee health insurance premiums. Because the internal service fund serves only governmental activities, this fund has been included within governmental activities in the government-wide financial statements.

- **Fiduciary** funds are used to account for resources held for the benefit of parties outside the County, i.e., the Treasurer's Agency Funds. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs. Treasurer's collections and the Jail/Inmate deposits are accounted for in this fund area.

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

The Notes to the Basic Financial Statements provide a more detailed explanation of some of the information contained in the financial statements that is essential to gain a better understanding of the data provided in the government-wide and fund financial statements.

**OTHER INFORMATION**

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information including combining and individual fund statements as well as budgetary schedules comparing original budgets, final budgets, and actual expenditures for all funds subject to budgetary restrictions.

**COMPONENT UNITS**

The County will recognize the following component units of government for inclusion in the financial analysis:

- 1) Alamosa County Events & Local Marketing District – Local Marketing District & Tourism & Development
- 2) Mosca General Improvement District
- 3) Alamosa (Northwest) Weed Control District

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**December 31, 2017**

**Alamosa County, Colorado**

The financial information for these component units of government has been blended into the County's financial statements as "Special Revenue Funds." More information on component units can be found in the notes to the basic financial statements.

**FINANCIAL ANALYSIS OF ALAMOSA COUNTY AS A WHOLE**

The following table was derived from the current and prior years Statement of Net Position:

	Governmental Activities		Business-Type Activities	
	2017	2016	2017	2016
<b>Assets:</b>				
Current and other assets	\$ 39,893,994	\$ 44,904,304	\$ 1,176,718	\$ 53,675
Capital assets	<u>25,006,134</u>	<u>17,431,740</u>	<u>11,629,210</u>	<u>20,092</u>
Total Assets	64,900,128	62,336,044	12,805,928	73,767
<b>Liabilities:</b>				
Current and other liabilities	4,462,014	2,754,422	1,060,705	1,556
Long-term liabilities	<u>25,544,057</u>	<u>26,755,982</u>	<u>107,727</u>	<u>-</u>
Total Liabilities	30,006,071	29,510,404	1,168,432	1,556
Deferred Inflows of Resources - Noncurrent	<u>4,356,058</u>	<u>4,180,241</u>	<u>-</u>	<u>-</u>
<b>Net Position:</b>				
Net Investment in Capital Assets	17,638,655	14,757,936	11,505,159	-
Restricted	1,288,970	1,191,848	-	-
Unrestricted	<u>11,610,374</u>	<u>12,695,615</u>	<u>132,337</u>	<u>72,211</u>
Total net position	<u>\$ 30,537,999</u>	<u>\$ 28,645,399</u>	<u>\$ 11,637,496</u>	<u>\$ 72,211</u>

Alamosa County's governmental assets exceed liabilities by \$30,537,999(net position) in 2017 and by \$28,645,399 in 2016 providing an overall increase in governmental net position of \$1,892,600(7%). Current and other assets decreased by \$5,010,310 (11%). The County's Capital assets increased \$7,574,394 (43%), which included asset additions of \$8,914,424 being offset by the depreciation of current assets of \$1,250,634 and asset deletions of \$89,396. Included in that increase were Capital assets not being depreciated of \$8,289,584 for Construction In Progress. There was also an increase of \$495,667 (2%) in the total liabilities of the County from 2017 to 2016.

Note that approximately 58% of the County's governmental net position are invested in capital assets (e.g. land, buildings and improvements, equipment and infrastructure); less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens. Consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities

The County's portion of unrestricted net position \$11,610,374 (38%) may be used to meet the government's ongoing obligations to citizens and creditors.

A special item occurred in 2017. In previous years the San Luis Valley Regional Airport was accounted for separate from Alamosa County. Beginning in 2017, the Airport has been more appropriately reported as a business type activity. Alamosa County's business type assets exceed liabilities by \$11,637,496(net position) in 2017 and by \$72,211 in 2016 providing an overall increase in business net position of \$11,565,285(16000%). 86% of the increase is attributed to the inclusion of the Airport Fund.

The following table was derived from the current and prior years' Statement of Activities:

SUMMARY OF CHANGES IN NET POSITION

	Governmental Activities		Business-Type Activities	
	2017	2016	2017	2016
<b>Revenues:</b>				
Program Revenues:				
Charges for services	\$ 1,376,892	\$ 1,405,727	\$ 225,749	\$ 16,939
Operating Grants and contributions	19,472,870	20,167,650	-	-
Capital Grants and contributions	1,360,829	638,119	6,339,052	8,363
General Revenues:				
Property taxes	4,096,860	4,184,112	-	-
Sales taxes	5,090,480	4,961,315	-	-
Other taxes	1,316,719	1,268,255	-	-
Payment in Lieu of taxes	218,230	214,688	-	-
Interest on investments	307,543	79,781	373	-
Gain on Sale of Assets	34,191	165,206	-	-
Miscellaneous	155,526	135,917	55,647	-
Total revenues	33,430,140	33,220,770	\$ 6,620,821	\$ 25,302
<b>Expenses:</b>				
Program expense:				
Operating	\$ -	\$ -	\$ 653,780	\$ 9,946
General government	3,907,982	3,677,874	-	-
Public safety	4,606,145	4,151,944	-	-
Health and welfare	17,867,812	17,640,175	-	-
Highways and streets	2,658,903	2,641,985	-	-
Judicial	254,000	246,704	-	-
Auxiliary services	174,571	161,827	-	-
Culture and recreation	633,083	560,304	-	-
Interest on long-term debt	956,992	530,561	-	-
Total expenses	31,059,488	29,611,374	\$ 653,780	\$ 9,946
Excess (deficiency) in net position before Transfers	2,370,652	3,609,396	5,967,041	15,356
Special Item	-	-	5,120,192	-
Transfers to other funds	(478,052)	-	478,052	-
Change in net position	1,892,600	3,609,396	11,565,285	15,356
Net position - beginning, restated	28,645,399	25,036,003	72,211	56,855
Net position - ending	30,537,999	28,645,399	11,637,496	72,211

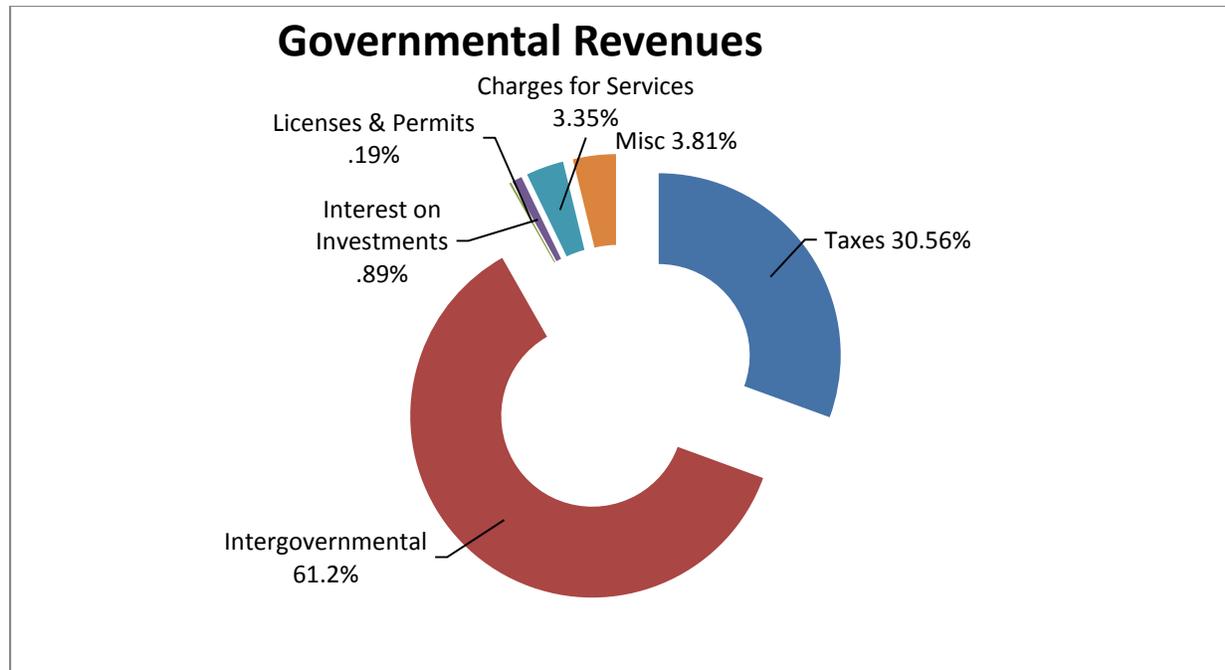
A key factor in determining a governments' ability to fund operations is whether revenues exceed expenses for each calendar year. In 2017, Governmental activity revenues exceeded expenses by \$2,370,652, which is an decrease to the 2016 excess of \$3,609,396. Business-type activity revenues exceeded expenses by \$5,967,041, which is an increase to the 2016 excess of \$15,356.

**GOVERNMENTAL REVENUES**

Total revenues reported in the Government-wide Statement of Activities for 2017 increased by \$209,370(.6%) compared to 2016. Very comparable to prior year revenues.

	2017 Governmental Revenues		Increase/ Decrease	Percent Change
	2017	2016		
Taxes	\$ 10,501,355	\$ 10,408,931	\$ 92,424	0.89%
Intergovernmental Revenue	21,030,821	20,493,428	537,393	2.62%
Licenses and Permits	64,868	70,110	(5,242)	-7.48%
Interest on Investments	307,543	79,781	227,762	285.48%
Charges for Services	1,149,789	1,110,995	38,794	3.49%
Miscellaneous	1,309,865	1,358,487	(48,622)	-3.58%
<b>Total Revenue</b>	<b>\$ 34,364,241</b>	<b>\$ 33,521,732</b>	<b>\$ 842,509</b>	<b>2.51%</b>

The County relies greatly on Intergovernmental Revenue and Taxes to support operations and capital acquisitions.

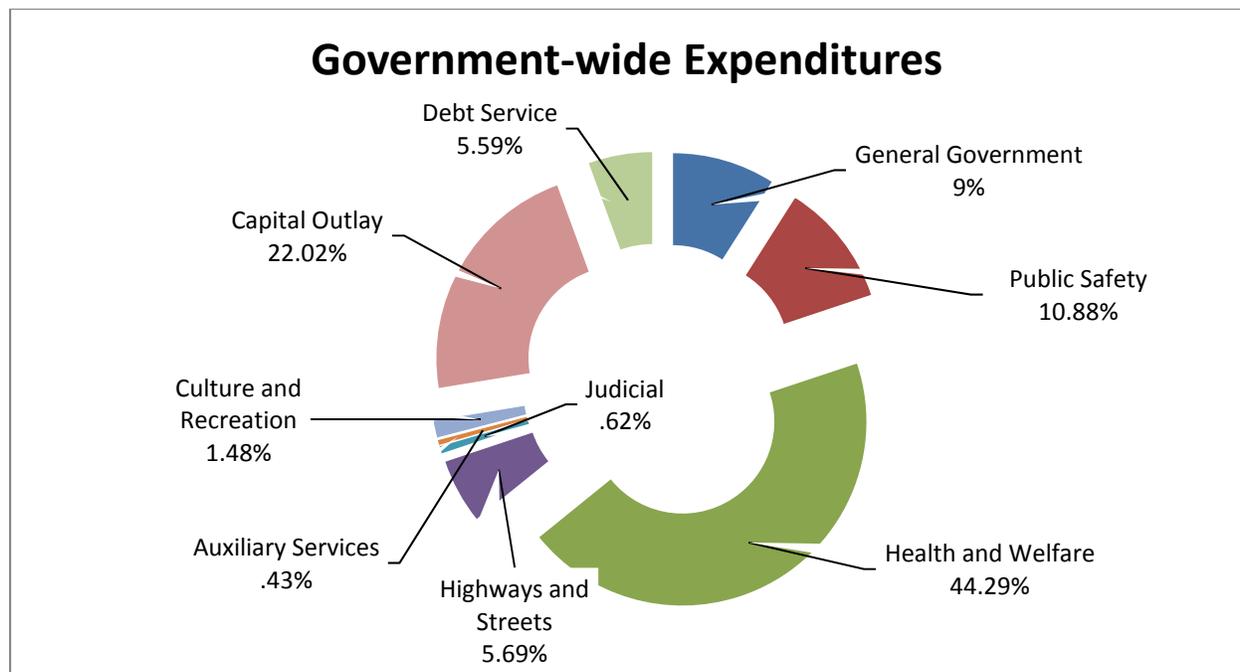


**GOVERNMENTAL EXPENDITURES**

Total reported expenditures for 2017 increased by \$9,998,857 (32%). Expenditures are broken down by classification and compared to 2016 for further detail.

	2017 Governmental Expenditures			
	2017	2016	Increase/ Decrease	Percent Change
General Government	\$ 3,672,222	\$ 3,724,007	\$ (51,785)	-1.39%
Public Safety	4,438,141	3,962,204	475,937	12.01%
Health and Welfare	18,062,464	17,570,008	492,456	2.80%
Highways and Streets	2,319,686	1,980,874	338,812	17.10%
Judicial	254,000	246,704	7,296	2.96%
Auxiliary Services	174,571	161,827	12,744	7.88%
Culture and Recreation	604,099	532,894	71,205	13.36%
Capital Outlay	8,980,382	1,880,155	7,100,227	377.64%
Debt Service	2,279,555	727,590	1,551,965	213.30%
<b>Total Expenditures</b>	<b>\$ 40,785,120</b>	<b>\$ 30,786,263</b>	<b>\$ 9,998,857</b>	<b>32.48%</b>

During 2017, Public Safety expenditures increased by 12.01% compared to 2016. The County still faces challenges with increased numbers in inmate population and related expenditures, such as food and transport. Capital outlay increased by \$7,100,227 for Construction In Progress.



**FINANCIAL ANALYSIS OF THE COUNTY'S GOVERNMENTAL FUNDS**

**Governmental Funds**

The focus of the County's governmental funds is to provide information on short-term inflows and outflows, as well as, what resources remain available for future spending. Such information is useful in assessing the County's financing requirements. As mentioned, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. Governmental funds reported total ending fund balance of \$31,953,135, an decrease of \$6,864,740 (17%) over 2016. Of this year-end total, \$13,115,415 is unrestricted indicating availability for continuing County service requirements.

The following table depicts the County's six major governmental funds financial activities for 2017 and 2016. 2016 was the first year of reporting for the Justice Center Fund.

**MAJOR GOVERNMENTAL FUNDS ACTIVITY**

	<u>General Fund</u>	<u>Road &amp; Bridge Fund</u>	<u>Social Services Fund</u>	<u>Public Health Fund</u>	<u>Justice Center Fund</u>	<u>Facilities Expansion Fund</u>
<b>Fiscal year 2017</b>						
Revenues	\$8,432,802	\$2,879,218	\$14,350,829	\$3,300,596	\$4,117,222	\$ 246,404
Expenditures	8,667,992	2,845,733	14,356,816	3,761,223	82,641	8,502,354
Other financing sources/(use)	129,224	26,915	-	-	(3,603,808)	1,314,525
Inc/(dec) in fund balance	(105,966)	60,400	(5,987)	(460,627)	430,773	(6,941,425)
<b>Fiscal year 2016</b>						
Revenues	\$8,714,078	\$2,580,355	\$14,301,126	\$3,506,688	\$3,348,176	\$ 45,306
Expenditures	8,115,716	2,896,754	14,223,083	3,487,395	180,802	1,099,623
Other financing sources/(use)	600,000	609,243	-	-	(1,468,373)	24,816,542
Inc/(dec) in fund balance	1,198,362	292,844	78,043	19,293	1,699,001	23,762,225

- **General Fund** – As the County's major operating fund, the General Fund accounts for all transactions not accounted for in other funds. The General Fund completed the year with a total fund balance of \$4,737,791, a 2.19% decrease over 2016. Unassigned fund balance represents 19.5% of total fund balance.

Total General Fund revenues for 2017 were \$8,432,802 a decrease of \$281,276 over 2016. Taxes account for \$6,063,167 (71.9%) of total general fund revenues. Intergovernmental revenue saw a decrease of \$127,832 (20.7%) over 2016. Miscellaneous Revenues decreased by \$312,351(29%) from 2016.

In total, operating expenditures had an increase by \$552,276 (7%) over 2016.

Actual expenditures were \$796,367 less than budgeted.

- **Road and Bridge Fund** – The Road and Bridge Fund was also considered a major fund for 2017. The Road and Bridge fund primary purpose is to account for the maintenance and improvement of the County's road and bridge infrastructure as well as snow removal. The fund balance increased by \$60,400 (2.6%) in 2017 and has an overall fund balance of \$2,367,937 of which \$381,930 is inventory and is non-spendable. This leaves \$1,986,007 of available fund balance in the fund. This increase can be attributed to a hold on large construction projects in order to build up reserves in the fund for future equipment purchases or projects.

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Total revenues in this fund increased by \$298,863(12%) over 2016. During 2017 the Road and Bridge Fund completed a number of projects for the County's Construction Projects. Their costs were reimbursed and attributed to a significant increase in Miscellaneous Revenue for Road & Bridge. The majority of Road and Bridge's revenue is derived from intergovernmental sources and under statute must be expended for road and bridge construction, maintenance and repair. These revenues made up 81% of the total revenues for 2017.

Expenditures decreased by \$51,021 (2%) over 2016, very comparable to 2016 spending for the fund.

- **Social Services Fund** – The Social Services Fund provides and coordinates a variety of State mandated social services including public assistance, child support, and family service programs. Fund balance decreased by \$5,987 (.4%) over 2016.

Total revenues in the social services fund were \$14,350,829, of this only 4.6% is funded through property tax revenues. The remaining 95.4% is funded by federal and state grants and reimbursements.

Total expenditures in the social services fund for 2017 were \$14,356,816.

- **Public Health Fund** – The Public Health fund is used to account for the multiple programs associated with the provision of public health services. Fund balance decreased in the public health fund by \$460,627 (17%) compared to 2016, leaving a total ending fund balance of \$2,319,361.

Total revenues in this fund for 2017 were \$3,300,596 a decrease of \$206,092 (6%) over 2016. The majority of public health's revenues are derived from intergovernmental revenues (93.6%).

Total expenditures during 2017 increased by \$273,828(7.3%) over 2016. Total expenditures for the fund for 2017 were \$3,761,223.

- **Justice Center Fund** – The Justice Center fund was established in 2016 and is used to account for the Voter approved 1% sales tax for Construction and Remodel of the County Jail, Construction of a new 12<sup>th</sup> Judicial Courthouse and additional operating expenses for the Sheriff department. Fund balance for 2017 is \$2,129,774, an increase of \$430,773(25.4%) from 2016.

Total revenues in this fund for 2017 were \$4,117,222 a decrease of \$769,046 (23%) over 2016. In 2017 the revenue derived from sales tax and grants for construction projects.

Total expenditures during 2017 were \$82,641 a decrease of \$98,161 (54%) over 2016. Transfers to other funds were \$3,603,808 in 2017.

- **Facilities Expansion Fund** – The Facilities Expansion Fund is used to account for capital acquisition or improvements, including construction of capital facilities to all County facilities. Fund balance decreased by \$6,941,425 (29%) compared to 2016, leaving a total ending fund balance of \$17,166,820. In 2016 the County issued COP's for the construction projects mentioned above. Total proceeds from the COP's and Capital Lease were \$23,948,169. In 2017 Construction was in full swing and the County spent a portion of those proceeds.

Total revenues in this fund for 2017 were \$246,404 an increase of \$201,098(444%) over 2016. Facilities expansion revenues tend to fluctuate with different projects and different revenue sources. They vary from grants, Mill levy allocation, and transfers from other funds. The majority of increase in 2017 is attributed to the interest income earned from the COP's funds held for Construction.

Total expenditures during 2017 increased by \$7,402,731(673%) over 2016. Total expenditures for the fund for 2017 were \$8,502,354. Again directly related to the current Construction projects.

#### **Other Non-major Governmental Funds**

Information for non-major governmental funds is aggregated and reported as other types of funds in the statement of revenues, expenditures and changes in fund balances. Further detail by fund is reported as part of the other supplementary information

section of this financial report. Included in the County's non-major governmental funds are the following; Conservation Trust Fund and the Lease Service Fund. In addition, the component units of government are also considered as non-major governmental funds and they consist of the following; Alamosa County Events & Local Marketing District Fund-Local Marketing District; Alamosa County Events & Local Marketing District-Tourism & Development Fund and the Alamosa (Northwest) Weed Control District Fund.

For the year ended 2017, the non-major governmental funds had an ending fund balance of \$1,737,280.

**Proprietary Funds**

Total net position of the Internal Service fund at the end of the year amounted to \$304,307.

Total net position of the Mosca General Improvement District Fund at the end of the year amounted to \$1,207,436.

Total net position of the Airport Fund at the end of the year amounted to \$10,430,060.

**Fiduciary/Trust & Agency Funds**

Fiduciary funds are not reported in the Government-wide financial statements. A total of \$1,261,999 in deposits was being held at December 31, 2017.

**ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

Alamosa County's investments in capital assets for its governmental activities as of December 31, 2017 amounted to \$25,006,134 (net of accumulated depreciation) and for its business type activities \$11,629,210. Capital assets include land, buildings and improvements, furniture and equipment, vehicles and infrastructure. Additional information regarding capital assets can be found in Note 7.

**Long-Term Debt**

As of December 31, 2017, Alamosa County governmental activities had long-term debt outstanding of \$26,725,577 and for its business type activities \$124,051. Long-term debt consists of several lease purchase agreements, certificates of participation, note payable, and compensated absences for employees. Additional information regarding long-term debt can be found in Note 10.

**FACTORS AFFECTING FUTURE COUNTY FINANCIAL CONDITIONS**

- Assessed valuations and decrease in the residential assessment rates, the County could lose out on significant property tax dollars, for 2018 already had approximately \$150,000 negative impact on our Revenue.
- The Jail addition of 64 beds was increased to 132 beds during the design phase. The additional 32 in beds will present a large challenge to the budget and additional funds for operating and overhead costs to the Sheriff's department. Finance will be working closely with the Sheriff to watch spending with the changes.
- Alamosa County has also been awarded a FLAP grant for the Road & Bridge department for critical road repair to the Lane 6 North. The project can be financed over approximately 5 years, allowing for designation of future funds and reserves for the County's \$2 million dollar match for the project.
- Alamosa County has been fortunate to maintain and even see a slight increase in sales tax over the past few years.
- Stabilization of Community Development Fund by voluntary contributions from solar development companies. Dollars may be utilized to provide non-government organizations with financial support, scholarships etc. These funds can help offset a portion of revenue being lost from other revenues to the County.
- Completion and implementation of a local road & bridge plan which will address the need of repairs and maintenance of county roads by prioritization. Also address preventive maintenance to keep costs down in the long range.

- 
- Being consistent and competitive with our Pay plan to help maintain outstanding employees and recruitment of new ones.
  - Several projects to be applied for grant funding, if successful grant match dollars could be significant.
  - The Airport has several large capital projects that can be secured with FAA and CDOT funding but will require matching Airport dollars for the projects.
  - The Airport is currently in the process of reorganizing the Fixed Based Operator and the potential revenue sources.
  - A 1% sales tax was approved by voters in 2015. The sales tax began in 2016 and will be used for construction of a new Judicial Facility, Remodel and addition to the current county jail, and operating expenses related to Public Safety needs for Alamosa County citizens.

The County will aim to provide the citizens of Alamosa County with the highest quality of services while maintaining a healthy financial status as a government entity. It is an important goal of the County to maintain our fund balances at a healthy level and to continue to build on those all while expanding operations and services to our citizens.

**REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the County's finances and to demonstrate the County's accountability for the monies it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be directed to the Alamosa County Finance Officer at POB 178, 8900 Independence Way, Alamosa, Colorado, 81101.

**ALAMOSA COUNTY, COLORADO**  
**BASIC FINANCIAL STATEMENTS**

**ALAMOSA COUNTY, COLORADO**  
**STATEMENT OF NET POSITION**  
December 31, 2017

	<b>Primary Government</b>		<b>Total</b>
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	\$ 32,955,951	\$ 369,197	\$ 33,325,148
Accounts Receivable	421,310	23,375	444,685
Internal Balances	399,881	(169,881)	230,000
Due from Other Governments	1,377,615	954,027	2,331,642
Property Taxes Receivable	4,356,058	-	4,356,058
Inventories	284,401	-	284,401
Prepaid Expenses	98,778	-	98,778
<b>Total Current Assets</b>	<b>39,893,994</b>	<b>1,176,718</b>	<b>41,070,712</b>
<b>Noncurrent Assets</b>			
Capital Assets:			
Land	424,869	23,006	447,875
Construction in Progress	9,228,963	6,599,151	15,828,114
Buildings and Improvements	15,862,203	5,030,854	20,893,057
Land Improvements	-	1,219,392	1,219,392
Furniture and Equipment	6,061,886	658,944	6,720,830
Vehicles	1,567,890	-	1,567,890
Infrastructure	19,729,864	-	19,729,864
Less Accumulated Depreciation/Depletion	(27,869,541)	(1,902,137)	(29,771,678)
<b>Total Noncurrent Assets</b>	<b>25,006,134</b>	<b>11,629,210</b>	<b>36,635,344</b>
<b>TOTAL ASSETS</b>	<b>64,900,128</b>	<b>12,805,928</b>	<b>77,706,056</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Accounts Payable	2,426,839	575,019	3,001,858
Construction Retainage Payable	-	467,613	467,613
Due to Other Governments	331,835	-	331,835
Unearned Grant Revenue	521,820	1,749	523,569
Long-term Liabilities - due within one year (Note 10)	1,181,520	16,324	1,197,844
<b>Total Current Liabilities</b>	<b>4,462,014</b>	<b>1,060,705</b>	<b>5,522,719</b>
<b>Noncurrent Liabilities</b>			
Long-term Liabilities (Note 10)	25,544,057	107,727	25,651,784
<b>Total Noncurrent Liabilities</b>	<b>25,544,057</b>	<b>107,727</b>	<b>25,651,784</b>
<b>TOTAL LIABILITIES</b>	<b>30,006,071</b>	<b>1,168,432</b>	<b>31,174,503</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable Revenue - Property Tax	4,356,058	-	4,356,058
<b>NET POSITION</b>			
Net Investment in Capital Assets	17,638,655	11,505,159	29,143,814
Restricted for:			
TABOR	570,000	-	570,000
Public Health - Single Entry Point/Home Care Allowance	718,970	-	718,970
Unrestricted	11,610,374	132,337	11,742,711
<b>TOTAL NET POSITION</b>	<b>\$ 30,537,999</b>	<b>\$ 11,637,496</b>	<b>\$ 42,175,495</b>

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

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

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Primary Government		TOTAL
					Governmental Activities	Business-Type Activities	
<b>Primary Government:</b>							
<b>Governmental Activities:</b>							
General government	\$ 3,907,982	\$ 807,187	\$ 252,039	\$ -	\$ (2,848,756)	\$ -	\$ (2,848,756)
Public safety	4,606,145	282,508	314,410	-	(4,009,227)	-	(4,009,227)
Health and welfare	17,867,812	244,459	16,715,948	-	(907,405)	-	(907,405)
Highways and streets	2,658,903	42,738	2,084,056	-	(532,109)	-	(532,109)
Judicial	254,000	-	-	1,360,829	1,106,829	-	1,106,829
Auxiliary services	174,571	-	40,813	-	(133,758)	-	(133,758)
Culture and recreation	633,083	-	65,604	-	(567,479)	-	(567,479)
Interest on long-term debt	956,992	-	-	-	(956,992)	-	(956,992)
<b>Total Governmental Activities</b>	<b>31,059,488</b>	<b>1,376,892</b>	<b>19,472,870</b>	<b>1,360,829</b>	<b>(8,848,897)</b>	<b>-</b>	<b>(8,848,897)</b>
<b>Business-Type Activities</b>							
Mosca General Improvement District	8,895	12,363	-	965,189	-	968,657	968,657
Airport	644,885	213,386	-	5,373,863	-	4,942,364	4,942,364
<b>Total Business-Type Activities</b>	<b>653,780</b>	<b>225,749</b>	<b>-</b>	<b>6,339,052</b>	<b>-</b>	<b>5,911,021</b>	<b>5,911,021</b>
<b>Total Primary Government</b>	<b>\$ 31,713,268</b>	<b>\$ 1,602,641</b>	<b>\$ 19,472,870</b>	<b>\$ 7,699,881</b>	<b>(8,848,897)</b>	<b>5,911,021</b>	<b>(2,937,876)</b>
<b>General Revenues:</b>							
Taxes:							
General Property Taxes - Net					4,096,860	-	4,096,860
Sales Taxes					5,090,480	-	5,090,480
Other Taxes					1,316,719	-	1,316,719
Payment in Lieu of Taxes					218,230	-	218,230
Interest on Investments					307,543	373	307,916
Miscellaneous					155,526	55,647	211,173
Gain on Sale of Assets					34,191	-	34,191
<b>Special Item - Airport transfer of operations (Note 18)</b>					-	5,120,192	5,120,192
<b>Transfers</b>					(478,052)	478,052	-
<b>Total General Revenues, Special Items, and Transfers</b>					<b>10,741,497</b>	<b>5,654,264</b>	<b>16,395,761</b>
Change in Net Position					1,892,600	11,565,285	13,457,885
<b>Net Position - Beginning of Year</b>					<b>28,645,399</b>	<b>72,211</b>	<b>28,717,610</b>
<b>Net Position - End of Year</b>					<b>\$ 30,537,999</b>	<b>\$ 11,637,496</b>	<b>\$ 42,175,495</b>

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

**ALAMOSA COUNTY, COLORADO**  
**GOVERNMENTAL FUNDS**  
**BALANCE SHEET**  
**December 31, 2017**

	General Fund	Road and Bridge Fund	Social Services Fund	Public Health Fund	Justice Center Fund	Facilities Expansion Fund	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>								
Cash and Cash Equivalents	\$ 3,810,886	\$ 1,823,572	\$ 1,906,196	\$ 2,053,163	\$ 2,261,202	\$ 19,162,203	\$ 1,629,800	\$ 32,647,022
Accounts Receivable	2,651	-	-	414,159	-	-	4,500	421,310
Property Taxes Receivable	3,677,337	-	610,368	-	-	-	68,353	4,356,058
Due from Other Funds	1,095,994	44,803	-	-	-	-	9,000	1,149,797
Due from Other Governments	463,010	189,380	152,900	-	475,425	300	96,600	1,377,615
Inventory	-	284,401	-	-	-	-	-	284,401
Prepaid Expenses	-	97,529	-	1,249	-	-	-	98,778
<b>TOTAL ASSETS</b>	<b>\$ 9,049,878</b>	<b>\$ 2,439,685</b>	<b>\$ 2,669,464</b>	<b>\$ 2,468,571</b>	<b>\$ 2,736,627</b>	<b>\$ 19,162,503</b>	<b>\$ 1,808,253</b>	<b>\$ 40,334,981</b>
<b>LIABILITIES</b>								
Accounts Payable	\$ 302,915	\$ 71,748	\$ 25,436	\$ 33,734	\$ 6,853	\$ 1,981,461	\$ 70	\$ 2,422,217
Due to Other Funds	-	-	81,193	51,951	600,000	14,222	2,550	749,916
Due to Other Governments	331,835	-	-	-	-	-	-	331,835
Unearned Revenue - Grants	-	-	458,295	63,525	-	-	-	521,820
<b>TOTAL LIABILITIES</b>	<b>634,750</b>	<b>71,748</b>	<b>564,924</b>	<b>149,210</b>	<b>606,853</b>	<b>1,995,683</b>	<b>2,620</b>	<b>4,025,788</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>								
Unavailable Revenue - Property Tax	3,677,337	-	610,368	-	-	-	68,353	4,356,058
<b>FUND BALANCE</b>								
Nonspendable - Inventory and Prepaid Expenses	-	381,930	-	-	-	-	-	381,930
Restricted								
TABOR Amendment Reserve	570,000	-	-	-	-	-	-	570,000
Public Health - SEP/HCA	-	-	-	718,970	-	-	-	718,970
Committed								
Capital Projects	-	-	-	-	754,545	17,166,820	-	17,921,365
Debt Service	-	-	-	-	-	-	287,311	287,311
Equipment Acquisition	264,520	-	-	-	-	-	-	264,520
Highways and Streets	-	1,986,007	-	-	-	-	-	1,986,007
Health and Welfare	-	-	1,494,172	1,600,391	-	-	-	3,094,563
Public Safety	-	-	-	-	1,375,229	-	-	1,375,229
Culture and Recreation	-	-	-	-	-	-	1,280,142	1,280,142
Weed Control	-	-	-	-	-	-	169,827	169,827
Assigned - Designated for Future Expenditures	2,979,834	-	-	-	-	-	-	2,979,834
Unassigned	923,437	-	-	-	-	-	-	923,437
<b>TOTAL FUND BALANCE</b>	<b>4,737,791</b>	<b>2,367,937</b>	<b>1,494,172</b>	<b>2,319,361</b>	<b>2,129,774</b>	<b>17,166,820</b>	<b>1,737,280</b>	<b>31,953,135</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</b>	<b>\$ 9,049,878</b>	<b>\$ 2,439,685</b>	<b>\$ 2,669,464</b>	<b>\$ 2,468,571</b>	<b>\$ 2,736,627</b>	<b>\$ 19,162,503</b>	<b>\$ 1,808,253</b>	<b>\$ 40,334,981</b>

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

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

<b>TOTAL GOVERNMENTAL FUND BALANCES</b>	\$ 31,953,135
<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>	25,006,134
<p>Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.</p>	
<p>Lease Purchase Agreements</p>	\$ (2,704,495)
<p>Certificates of Participation</p>	(21,015,000)
<p>Notes Payable</p>	(195,116)
<p>Premium on Bonds</p>	(2,302,731)
<p>Compensated Absences</p>	(508,235)
	(26,725,577)
<p>Internal service funds are used by management to charge the costs of services to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.</p>	304,307
<b>NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b>\$ 30,537,999</b>

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

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

	<b>General Fund</b>	<b>Road and Bridge Fund</b>	<b>Social Services Fund</b>	<b>Public Health Fund</b>	<b>Justice Center Fund</b>	<b>Facilities Expansion Fund</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>REVENUES</b>								
Taxes	\$ 6,063,167	\$ 102,385	\$ 669,178	\$ -	\$ 2,756,393	\$ 94	\$ 910,138	\$ 10,501,355
Intergovernmental Revenue	489,208	2,343,793	13,681,651	3,089,736	1,360,829	-	65,604	21,030,821
Licenses and Permits	64,868	-	-	-	-	-	-	64,868
Interest on Investments	78,193	-	-	-	-	222,710	6,640	307,543
Charges for Services	960,380	-	-	189,409	-	-	-	1,149,789
Miscellaneous	776,986	433,040	-	21,451	-	23,600	54,788	1,309,865
<b>TOTAL REVENUES</b>	<b>8,432,802</b>	<b>2,879,218</b>	<b>14,350,829</b>	<b>3,300,596</b>	<b>4,117,222</b>	<b>246,404</b>	<b>1,037,170</b>	<b>34,364,241</b>
<b>EXPENDITURES</b>								
Current Expenditures								
General Government	3,659,022	-	-	-	-	13,200	-	3,672,222
Public Safety	4,438,060	-	-	-	81	-	-	4,438,141
Health and Welfare	-	-	14,356,816	3,705,648	-	-	-	18,062,464
Highways and Streets	-	2,319,686	-	-	-	-	-	2,319,686
Judicial	254,000	-	-	-	-	-	-	254,000
Auxiliary Services	174,571	-	-	-	-	-	-	174,571
Culture and Recreation	-	-	-	-	-	-	604,099	604,099
Capital Outlay	142,339	210,754	-	55,575	82,560	8,489,154	-	8,980,382
Debt Service	-	315,293	-	-	-	-	1,964,262	2,279,555
<b>TOTAL EXPENDITURES</b>	<b>8,667,992</b>	<b>2,845,733</b>	<b>14,356,816</b>	<b>3,761,223</b>	<b>82,641</b>	<b>8,502,354</b>	<b>2,568,361</b>	<b>40,785,120</b>
Excess (Deficiency) of Revenues Over Expenditures	(235,190)	33,485	(5,987)	(460,627)	4,034,581	(8,255,950)	(1,531,191)	(6,420,879)
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers In	600,000	-	-	-	-	1,314,525	1,689,283	3,603,808
Transfers Out	(478,052)	-	-	-	(3,603,808)	-	-	(4,081,860)
Sale of Capital Assets	7,276	26,915	-	-	-	-	-	34,191
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>129,224</b>	<b>26,915</b>	<b>-</b>	<b>-</b>	<b>(3,603,808)</b>	<b>1,314,525</b>	<b>1,689,283</b>	<b>(443,861)</b>
Net Change in Fund Balance	(105,966)	60,400	(5,987)	(460,627)	430,773	(6,941,425)	158,092	(6,864,740)
<b>Fund Balance at Beginning of Year</b>	<b>4,843,757</b>	<b>2,307,537</b>	<b>1,500,159</b>	<b>2,779,988</b>	<b>1,699,001</b>	<b>24,108,245</b>	<b>1,579,188</b>	<b>38,817,875</b>
<b>Fund Balance at End of Year</b>	<b>\$ 4,737,791</b>	<b>\$ 2,367,937</b>	<b>\$ 1,494,172</b>	<b>\$ 2,319,361</b>	<b>\$ 2,129,774</b>	<b>\$ 17,166,820</b>	<b>\$ 1,737,280</b>	<b>\$ 31,953,135</b>

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

**ALAMOSA 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, 2017**

**NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS** \$ (6,864,740)

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	\$ 8,914,424	
Deletions Net of Accumulated Depreciation	(89,396)	
Depreciation Expense	<u>(1,250,634)</u>	
		7,574,394

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. The bond premium provides a current financial resource to governmental funds, but must be capitalized and amortized over the life of the bonds in the government-wide financial statements.

Lease Purchase Agreement Principal Payments	426,606	
Certificates of Participation Payments	720,000	
Note Principal Payments	48,028	
COP Premium Amortization	<u>127,929</u>	
		1,322,563

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

Compensated Absences		(90,189)
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Internal Service Funds are used by management to charge the costs of certain activities to individual funds. The net revenue (expense) of the internal service funds is reported with governmental activities.

(49,428)

**CHANGE IN NET POSITION OF GOVERNMENTAL FUNDS** \$ 1,892,600

**ALAMOSA COUNTY, COLORADO**  
**PROPRIETARY FUND**  
**STATEMENT OF NET POSITION**  
**December 31, 2017**

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS			GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUND
	AIRPORT FUND	MOSCA GENERAL IMPROVEMENT DISTRICT FUND	TOTAL BUSINESS-TYPE ACTIVITIES	HEALTH INSURANCE FUND
	FUND	DISTRICT FUND	ACTIVITIES	FUND
<b>ASSETS</b>				
<b>Current Assets:</b>				
Cash and Cash Equivalents	\$ 182,251	\$ 186,946	\$ 369,197	\$ 308,929
Accounts Receivable	16,951	6,424	23,375	-
Due from Other Government	597,707	356,320	954,027	-
Due from Other Funds	-	14,222	14,222	-
<b>Total Current Assets</b>	<b>796,909</b>	<b>563,912</b>	<b>1,360,821</b>	<b>308,929</b>
<b>Noncurrent Assets:</b>				
Capital Assets:				
Land	23,006	-	23,006	-
Construction in Progress	5,465,085	1,134,066	6,599,151	-
Land Improvements	1,219,392	-	1,219,392	-
Buildings	5,030,854	-	5,030,854	-
Equipment	658,944	-	658,944	-
Less Accumulated Depreciation	(1,902,137)	-	(1,902,137)	-
<b>Total Noncurrent Assets</b>	<b>10,495,144</b>	<b>1,134,066</b>	<b>11,629,210</b>	<b>-</b>
<b>TOTAL ASSETS</b>	<b>11,292,053</b>	<b>1,697,978</b>	<b>12,990,031</b>	<b>308,929</b>
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
Accounts Payable	159,477	415,542	575,019	4,622
Construction Retainage Payable	467,613	-	467,613	-
Due to Other Funds	109,103	75,000	184,103	-
Lease Payable	16,324	-	16,324	-
Deferred Revenue	1,749	-	1,749	-
<b>Total Current Liabilities</b>	<b>754,266</b>	<b>490,542</b>	<b>1,244,808</b>	<b>4,622</b>
<b>Noncurrent Liabilities</b>				
Lease Payable	107,727	-	107,727	-
<b>TOTAL LIABILITIES</b>	<b>861,993</b>	<b>490,542</b>	<b>1,352,535</b>	<b>4,622</b>
<b>NET POSITION</b>				
Net Investment in Capital Assets	10,371,093	1,134,066	11,505,159	-
Unrestricted	58,967	73,370	132,337	304,307
<b>TOTAL NET POSITION</b>	<b>\$ 10,430,060</b>	<b>\$ 1,207,436</b>	<b>\$ 11,637,496</b>	<b>\$ 304,307</b>

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

**ALAMOSA COUNTY, COLORADO**  
**PROPRIETARY FUND**  
**STATEMENT OF REVENUES, EXPENSES, AND**  
**CHANGES IN NET POSITION**  
**December 31, 2017**

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS			GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUND
	MOSCA GENERAL		TOTAL	HEALTH
	AIRPORT	IMPROVEMENT	BUSINESS-TYPE	INSURANCE
	FUND	DISTRICT FUND	ACTIVITIES	FUND
<b>OPERATING REVENUES</b>				
Charges for Services	\$ 213,386	\$ 12,363	\$ 225,749	\$ -
Employer Contributions	-	-	-	1,436,685
Employee Contributions	-	-	-	562,334
Miscellaneous	54,079	1,568	55,647	20
<b>TOTAL OPERATING REVENUES</b>	<b>267,465</b>	<b>13,931</b>	<b>281,396</b>	<b>1,999,039</b>
<b>OPERATING EXPENSES</b>				
Salaries and Benefits	187,617	-	187,617	-
Utilities	50,053	1,563	51,616	-
Repairs and Maintenance	84,549	6,850	91,399	-
Depreciation	246,826	-	246,826	-
Premiums	-	-	-	2,045,569
Interest on Debt	6,024	482	6,506	-
Other	69,816	-	69,816	2,898
<b>TOTAL OPERATING EXPENSES</b>	<b>644,885</b>	<b>8,895</b>	<b>653,780</b>	<b>2,048,467</b>
<b>OPERATING INCOME (LOSS)</b>	<b>(377,420)</b>	<b>5,036</b>	<b>(372,384)</b>	<b>(49,428)</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Grant Revenue	5,373,863	965,189	6,339,052	-
Interest on Investments	373	-	373	-
<b>TOTAL NONOPERATING REVENUES (EXPENSES)</b>	<b>5,374,236</b>	<b>965,189</b>	<b>6,339,425</b>	<b>-</b>
<b>INCOME BEFORE SPECIAL ITEMS AND TRANSFERS</b>	<b>4,996,816</b>	<b>970,225</b>	<b>5,967,041</b>	<b>(49,428)</b>
Special Item - Airport transfer of operations	5,120,192	-	5,120,192	-
Transfer In	313,052	165,000	478,052	-
<b>TOTAL SPECIAL ITEMS AND TRANSFERS</b>	<b>5,433,244</b>	<b>165,000</b>	<b>5,598,244</b>	<b>-</b>
<b>CHANGE IN NET POSITION</b>	<b>10,430,060</b>	<b>1,135,225</b>	<b>11,565,285</b>	<b>(49,428)</b>
<b>NET POSITION - BEGINNING OF YEAR</b>	<b>-</b>	<b>72,211</b>	<b>72,211</b>	<b>353,735</b>
<b>NET POSITION - END OF YEAR</b>	<b>\$ 10,430,060</b>	<b>\$ 1,207,436</b>	<b>\$ 11,637,496</b>	<b>\$ 304,307</b>

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

**ALAMOSA COUNTY, COLORADO**  
**PROPRIETARY FUND**  
**STATEMENT OF CASH FLOWS**  
**For the Year Ended December 31, 2017**

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS			GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUND
	MOSCA GENERAL		TOTAL	HEALTH INSURANCE FUND
	AIRPORT FUND	IMPROVEMENT DISTRICT FUND	BUSINESS-TYPE ACTIVITIES	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash Received From Services Provided	\$ 276,320	\$ 15,593	\$ 291,913	\$ -
Cash Received From Interfund Services Provided	-	-	-	1,999,039
Cash Paid to Employees for Services Provided	(187,617)	-	(187,617)	-
Cash Paid to Suppliers/Vendors	(210,442)	(8,895)	(219,337)	(2,043,845)
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>(121,739)</b>	<b>6,698</b>	<b>(115,041)</b>	<b>(44,806)</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Transfer from Other Funds	422,155	225,778	647,933	-
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Acquisition and construction of capital assets	(5,228,131)	(699,988)	(5,928,119)	-
Grant Proceeds	4,800,096	617,232	5,417,328	-
Principal paid on long-term debt	(15,655)	-	(15,655)	-
Airport transfer of operations	325,152	-	325,152	-
<b>NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES</b>	<b>(118,538)</b>	<b>(82,756)</b>	<b>(201,294)</b>	<b>-</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest Income	373	-	373	-
<b>NET INCREASE (DECREASE) IN CASH</b>	<b>182,251</b>	<b>149,720</b>	<b>331,971</b>	<b>(44,806)</b>
<b>CASH AT BEGINNING OF YEAR</b>	<b>-</b>	<b>37,226</b>	<b>37,226</b>	<b>353,735</b>
<b>CASH AT END OF YEAR</b>	<b>\$ 182,251</b>	<b>\$ 186,946</b>	<b>\$ 369,197</b>	<b>\$ 308,929</b>
<b>Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:</b>				
Operating Income (Loss)	\$ (377,420)	\$ 5,036	\$ (372,384)	\$ (49,428)
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities				
Depreciation Expense	246,826	-	246,826	0
(Increase) Decrease in Accounts Receivable	(1,716)	1,662	(54)	-
Increase (Decrease) in Accounts Payable	-	-	-	4,622
Increase (Decrease) in Deferred Revenue	10,571	-	10,571	-
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>\$ (121,739)</b>	<b>\$ 6,698</b>	<b>\$ (115,041)</b>	<b>\$ (44,806)</b>
<b>NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES - Airport transfer of operations</b>				<b>\$ 4,795,040</b>

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

**ALAMOSA COUNTY, COLORADO**  
**FIDUCIARY FUNDS**  
**STATEMENT OF ASSETS AND LIABILITIES**  
**December 31, 2017**

	<b>TREASURER'S AGENCY FUND</b>
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 1,261,999
<b>TOTAL ASSETS</b>	\$ 1,261,999
<b>LIABILITIES</b>	
Funds Held For Others	\$ 1,031,999
Due to General Fund	230,000
<b>TOTAL LIABILITIES</b>	\$ 1,261,999

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

**ALAMOSA COUNTY**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**December 31, 2017**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**REPORTING ENTITY**

***Primary Government***

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

The County provides a wide range of services to its residents including general administration, public safety, highways and streets, parks and open spaces, health and social services, airport operations, public improvements, planning, zoning, and predatory animal control.

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.

The Northwest Weed Control District was voted into existence in 1989. In 1992, the Alamosa County Commissioners assumed administration of the District and tax revenue received by the fund. The District is blended into the County's financial statements as a special revenue fund.

The Mosca General Improvement District operates a sewer system in Mosca, Colorado. The County Commissioners administer the District and funds from the supplement user charges received by the fund. The District is blended into the County's financial statements as an enterprise fund.

The Alamosa County Events and Facilities Local Marketing District was voted into existence November 3, 2003. The County Commissioners administer the District and tax revenue received by the fund. The District is blended into the County's financial statements as a special revenue fund.

**ALAMOSA COUNTY, COLORADO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**December 31, 2017**

**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.

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

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

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

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

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

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

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, Aide to the Blind, Aide to the Needy and Disabled, among others. Financing is provided by grants, allotments, and property tax revenue.
- The **Public Health Fund** is used to account for the multiple programs of providing health services. Financing is provided by grants and fees for services.
- The **Justice Center Fund** is used to account for sales taxes collected to meet the statutory obligations of the County to provide adequate judicial and detention facilities.
- The **Facilities Expansion Fund**, a Capital Projects fund, is used to account for the facility construction projects of Alamosa County.

**ALAMOSA COUNTY, COLORADO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**December 31, 2017**

Proprietary fund financial statements are used to account for activities, which are similar to those often found in the private sector. The measurement focus is dependent upon determination of net income, financial position, and cash flows. The County's proprietary funds consist of two enterprise funds and an internal service fund described as follows:

- The *Mosca General Improvement District Fund* is an enterprise fund used to provide quality sewer service to the residents of Mosca. The District is supported by fees of the users. Expenses are for operation and repair of the sewage system.
- The *Airport Fund* is an enterprise fund used to provide airport services to the San Luis Valley. The Airport is supported by intergovernmental revenue and fees. Expenses are for operation and repair of the airport.
- The *Health Insurance Fund* is an internal service fund used to account for the County's group medical insurance program. Revenues are derived from County contributions and employee contributions. Expenses are for the purchase of health insurance premiums.

The proprietary fund is accounted for using the accrual basis of accounting as follows:

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

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

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

**ALAMOSA COUNTY, COLORADO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**December 31, 2017**

***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 nonspendable fund balance, which indicates that they do not constitute "available spendable resources" even though they are a component of net current assets. Inventory policy on government-wide statements is consistent with fund statements.

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

***Capital Assets***

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

Assets	Years
Building	35-50
Furniture & Fixtures	5-10
General Equipment	3-20
Vehicles	5-15
Infrastructure	5-50

***Long-Term Obligations***

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

***Compensated Absences***

County employees may earn and accumulate unused vacation and sick leave benefits. 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.

***Deferred Inflows of Resources***

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

***Encumbrances***

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

**ALAMOSA COUNTY, COLORADO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**December 31, 2017**

***Net Position***

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

- *Net investment in capital assets* – consists of capital assets, net accumulated depreciation, reduced by the outstanding balances of any borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt should be included in this component of net position.
- *Restricted* – consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Restricted assets consist of assets that have limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.
- *Unrestricted* – consists of 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 classified based on the extent to which the District 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 five categories:

- *Nonspendable Fund Balance* – amounts that cannot be spent because they are not in spendable form—such as inventory and prepaid insurance.
- *Restricted Fund Balance* – amounts with 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 resolution by the Board of County Commissioners, the highest level of decision making authority. Committed amounts cannot be used for any other purpose unless the Board removes those constraints by taking the same type of action. Committed fund balances differ from restricted balances because the constraints on their use do not come from outside parties, constitutional provisions, or enabling legislation.
- *Assigned Fund Balance* – amounts a government intends to use for a specific purpose; intent can be expressed by the Board of County Commissioners or by an official or body to which the governing body delegates the authority.
- *Unassigned Fund Balance* – amounts that are available for any purpose; these amounts are reported only in the General Fund.

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

***Use of Estimates***

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

**ALAMOSA COUNTY, COLORADO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**December 31, 2017**

***Reclassifications***

Certain reclassifications were made to fiscal year 2016 financial statements in order to conform to the fiscal year 2017 financial statement presentation.

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

***Budgets and Budgetary Accounting***

Alamosa 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 2017.

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

***Stewardship***

Expenditures in the Public Health Fund exceeded appropriations during 2017 by \$14,540. This may be a violation of Colorado Revised State Statutes.

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

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

Cash on hand	\$ 3,400
Cash in banks	10,451,733
Cash with fiscal agent	18,849,863
COLOTrust	4,625,383
CSIP	148,516
Investments	<u>508,252</u>
Total cash, deposits, and investments: (book balance)	34,587,147
Less: amounts related to Treasurer's Agency Fund	<u>(1,261,999)</u>
Total cash, deposits, and investments on Statement of Net Position	<u><u>\$ 33,325,148</u></u>

***Cash and Deposits***

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

**ALAMOSA COUNTY, COLORADO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**December 31, 2017**

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

***Custodial Credit Risk – Deposits***

Custodial credit risk is the risk that in the event of a bank failure, the County's deposits may not be returned to it. The County does not have a deposit policy for custodial credit risk. At December 31, 2017, \$9,918,705 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.

***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.

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

**ALAMOSA COUNTY, COLORADO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**December 31, 2017**

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 and Poor’s.

Colorado Statewide Investment Program (CSIP) is a money market mutual fund. Portfolio investments are assigned a level based upon the observability of the inputs which are significant to the overall valuation. The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. The fair value of investments in money market funds is based on the published net asset values per share of those funds. Money market securities are valued using amortized cost. Generally, amortized cost approximates the current fair value of a security. CSIP is rated AAAM by Standard and Poor’s.

Investment Type	Rating	Up to 120 Days	121 Days to 5 Years	Fair Value Measurements Using: Level 2
Sigma Certificates of Deposit	98% (un-rated)	\$ -	\$ 498,861	\$ 498,861
SIGMA Money Market	2% (un-rated)			9,391
				\$ 508,252

**NOTE 4 ACCOUNTS RECEIVABLE**

Accounts receivable at December 31, 2017, consisted of the following:

<i>Governmental Activities</i>	
General Fund Miscellaneous Receivable	\$ 2,651
Public Health Nurse (net of allowance for doubtful accounts of \$26,569)	414,159
Nonmajor Funds	4,500
Total Governmental Activities Accounts Receivable, net	421,310
<i>Business-type Activities</i>	
Airport Fund	16,951
Mosca General Improvement District	6,424
Total Accounts Receivable, net	\$ 444,685

**NOTE 5 PROPERTY TAXES RECEIVABLE**

At December 31, 2017, the County had an estimated property tax receivable divided among the funds as follows:

General Fund	\$ 3,677,337
Social Services Fund	610,368
Nonmajor Funds	68,353
	\$ 4,356,058

**ALAMOSA COUNTY, COLORADO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**December 31, 2017**

**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 balances are generally expected to be repaid within one year of the financial statement date.

Interfund receivable and payable balances at December 31, 2017, were as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Conservation Trust Fund	\$ 2,550
	Justice Center	600,000
	Airport Fund	64,300
	Public Health	42,951
	Social Services	81,193
	MGID	75,000
	Treasurer's Agency Fund	230,000
		<u>1,095,994</u>
Road and Bridge	Airport Fund	44,803
MGID	Facilities Expansion	14,222
Lease Service Fund	Public Health Fund	9,000
		<u>\$ 1,164,019</u>

During 2017, the General Fund (Equipment Acquisition Fund ) advanced \$42,200 to the Airport Fund for the purchase of equipment and a vehicle. The Airport Fund will make 3 annual payments of \$11,807 and 2 annual payments of \$5,500 including interest of 10%, over the next 5 years. At December 31, 2017, the long-term portion of the advance was \$31,468.

***Interfund Transfers***

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

<u>Transfer In</u>	<u>Transfer Out</u>	<u>Amount</u>
General Fund	Justice Center	\$ 600,000
Facilities Expansion Fund	Justice Center	1,314,525
Lease Service Fund	Justice Center	1,689,283
MGID	General Fund	165,000
Airport Fund	General Fund	313,052
		<u>\$ 4,081,860</u>

Transfers were made from the Justice Center Fund to reimburse the General Fund for sheriff's expenditures, the Facilities Expansion Fund for construction expenditures, and the Debt Service Fund for bond payments for the construction projects.

Transfers were made from the General Fund to MGID and the Airport Fund for construction projects.

**ALAMOSA COUNTY, COLORADO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**December 31, 2017**

**NOTE 7 CAPITAL ASSETS**

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

	Balance 12/31/2016	Transfer of Airport Operations	Additions	Deletions	Balance 12/31/2017
<i>Governmental Activities:</i>					
Capital assets not being depreciated:					
Land	\$ 424,869	\$ -	\$ -	\$ -	\$ 424,869
Construction in Progress	939,379	-	8,289,584	-	9,228,963
Total capital assets not being depreciated	<u>1,364,248</u>	<u>-</u>	<u>8,289,584</u>	<u>-</u>	<u>9,653,832</u>
Capital assets being depreciated					
Buildings and Improvements	16,037,378	-	200,173	375,348	15,862,203
Furniture and Equipment	5,954,004	-	312,937	205,055	6,061,886
Vehicles	1,647,659	-	111,730	191,499	1,567,890
Infrastructure	19,729,864	-	-	-	19,729,864
Total capital assets being depreciated	<u>43,368,905</u>	<u>-</u>	<u>624,840</u>	<u>771,902</u>	<u>43,221,843</u>
Less accumulated depreciation for:					
Buildings	5,837,196	-	330,261	304,157	5,863,300
Furniture and Equipment	4,555,374	-	384,825	205,056	4,735,143
Vehicles	1,361,817	-	62,895	173,293	1,251,419
Infrastructure	15,547,026	-	472,653	-	16,019,679
Total accumulated depreciation	<u>27,301,413</u>	<u>-</u>	<u>1,250,634</u>	<u>682,506</u>	<u>27,869,541</u>
Total capital assets being depreciated, net	<u>16,067,492</u>	<u>-</u>	<u>(625,794)</u>	<u>89,396</u>	<u>15,352,302</u>
Governmental Activities Capital Assets, Net	<u>\$17,431,740</u>	<u>\$ -</u>	<u>\$ 7,663,790</u>	<u>\$ 89,396</u>	<u>\$25,006,134</u>
<i>Business Type Activities:</i>					
Capital assets not being depreciated:					
Land	\$ -	\$ 23,006	\$ -	\$ -	\$ 23,006
Construction in Progress	20,092	171,752	6,579,059	171,752	6,599,151
Total capital assets not being depreciated	<u>20,092</u>	<u>194,758</u>	<u>6,579,059</u>	<u>171,752</u>	<u>6,622,157</u>
Capital assets being depreciated					
Buildings and Improvements	-	5,018,551	12,303	-	5,030,854
Equipment	-	636,744	62,200	40,000	658,944
Land Improvements	-	886,641	332,751	-	1,219,392
Total capital assets being depreciated	<u>-</u>	<u>6,541,936</u>	<u>407,254</u>	<u>40,000</u>	<u>6,909,190</u>
Less accumulated depreciation:					
	<u>-</u>	<u>1,695,311</u>	<u>246,826</u>	<u>40,000</u>	<u>1,902,137</u>
Total capital assets being depreciated, net	<u>-</u>	<u>4,846,625</u>	<u>160,428</u>	<u>-</u>	<u>5,007,053</u>
Business Type Activities Capital Assets, Net	<u>\$ 20,092</u>	<u>\$ 5,041,383</u>	<u>\$ 6,739,487</u>	<u>\$ 171,752</u>	<u>\$11,629,210</u>

**ALAMOSA COUNTY, COLORADO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**December 31, 2017**

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

Governmental Activities:	
General Government	\$ 188,661
Public Safety	167,308
Health and Welfare	107,784
Highways and Streets	757,897
Culture and Recreation	28,984
	\$ 1,250,634

**NOTE 8 OPERATING LEASES**

The County has entered into several operating lease arrangements for several copy machines, postage machines, procurement of software, and computer services. Rental Expense for all operating leases for the year ended December 31, 2017, was approximately \$157,828.

**NOTE 9 SHORT-TERM LIABILITIES**

On November 2, 2017, the County obtained a \$159,000 promissory note through the USDA, which was repaid December 29, 2017. The Note yielded a fixed interest rate of 1.875%. This was used in conjunction with grant funding for the construction of the MGID project.

Balance December 31, 2016	\$ -
Additions	159,000
Reductions	159,000
Balance December 31, 2017	\$ -

**NOTE 10 LONG-TERM LIABILITIES**

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

Long-term liability activity for the year ended December 31, 2017, was as follows:

	12/31/2016			12/31/2017		Due Within
	Balance	Additions	Deletions	Balance		One Year
<i>Governmental Activities</i>						
Lease Purchase Agreements	\$ 3,131,101	\$ -	\$ 426,606	\$ 2,704,495	\$	193,676
Certificates of Participation	21,735,000	-	720,000	21,015,000		820,000
Note Payable	243,144	-	48,028	195,116		23,918
Premium on COP's	2,430,660	-	127,929	2,302,731		127,929
Compensated Absences	418,046	90,189	-	508,235		15,997
Total Governmental Activities	\$ 27,957,951	\$ 90,189	\$ 1,322,563	\$ 26,725,577		\$ 1,181,520
<i>Business Type Activities</i>						
Lease Purchase Agreements	\$ 139,706	\$ -	\$ 15,655	\$ 124,051	\$	16,324
Total Business Type Activities	\$ 139,706	\$ -	\$ 15,655	\$ 124,051		\$ 16,324

**ALAMOSA COUNTY, COLORADO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**December 31, 2017**

***Governmental Activities***

***Lease Purchase Agreements***

*2012 Alamosa County and Caterpillar Financial Services Leases*

A Lease Purchase agreement, dated January 12, 2012, was entered into with Caterpillar Financial Services, as lessor, and Alamosa County, as lessee in the amount of \$176,800 for the purchase of a Caterpillar Motor Grader. Payments are due in monthly installments of \$1,695, which include interest at a rate of 3.20%. Final payment was made in February 2017. Payments were made from the Road and Bridge Fund. Principal balance at December 31, 2017, was \$0. The equipment is included in capital assets at a cost of \$193,050 with accumulated depreciation of \$163,175

A Lease Purchase agreement, dated January 18, 2012, was entered into with Caterpillar Financial Services, as lessor, and Alamosa County, as lessee in the amount of \$209,300 for the purchase of a Caterpillar Motor Grader. Payments are due in monthly installments of \$2,010, which include interest at a rate of 3.20%. Final payment was made in February 2017. Payments were made from the Road and Bridge Fund. Principal balance at December 31, 2017, was \$0. The equipment is included in capital assets at a cost of \$193,050 with accumulated depreciation of \$163,175

*2013 Alamosa County Services and Department of Human Services Building Lease*

An annually renewable Lease Purchase Agreement, dated December 9, 2013, was entered into between a Bank, as lessor, and Alamosa County (the "County"), as lessee. The Bank issued \$2,735,000 to the County to construct the new Annex building. The County is leasing the Department of Social Services building back at 3.9% interest via the Lease Purchase Agreement. The County used the proceeds to repay the 2009 lease purchase agreement and to construct the new Annex building on land owned by the County and located in Alamosa, Colorado for the housing of County offices. The building is included in capital assets at a cost of \$3,230,870 with accumulated depreciation of \$549,248.

Payments are due to the Bank in March, June, September, and December through December 2033. The County can purchase the building back at any time for the Purchase Option Price included in the lease. Payments will be made from the Lease Service Fund. Principal balance at December 31, 2017, was \$2,343,583.

*2014 Alamosa County and Alamosa State Bank Vehicle Lease*

A Lease Purchase agreement, dated March 24, 2014, was entered into with Alamosa State Bank, as lessor, and Alamosa County, as lessee in the amount of \$71,557 for the purchase of two 2014 Dodge 1500 Pickup Trucks. Payments are due in annual installments of \$20,432, which include interest at a rate of 3.50%. Final payment was made in April 2017. Payments were made from the General Fund. Principal balance at December 31, 2017, was \$0. The equipment is included in capital assets at a cost of \$76,608 with accumulated depreciation of \$40,128.

*2016 Alamosa County and John Deere Financial Services Leases*

A Lease Purchase agreement, dated February 11, 2016, was entered into with John Deere Financial Services, as lessor, and Alamosa County, as lessee in the amount of \$444,053 for the purchase of two John Deere Motor Graders. Payments are due in annual installments of \$97,789, which include interest at a rate of 3.25%. Final payment is due in February 2021. Principal balance at December 31, 2017, was \$360,912. The equipment is included in capital assets at a cost of \$444,053 with accumulated depreciation of \$121,582.

**ALAMOSA COUNTY, COLORADO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**December 31, 2017**

The annual debt service for the leases, are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 193,676	\$ 101,734	\$ 295,410
2019	200,772	94,638	295,410
2020	207,903	87,507	295,410
2021	215,760	79,650	295,410
2022	125,885	71,735	197,620
2023-2027	708,014	280,086	988,100
2028-2032	859,669	128,431	988,100
2033	192,816	4,713	197,529
	<u>\$ 2,704,495</u>	<u>\$ 848,494</u>	<u>\$ 3,552,989</u>

***Certificates of Participation***

*2016 Justice Center Lease Agreement*

An annually renewable Lease Purchase Agreement, dated October 15, 2016, was entered into between UMB Bank, as lessor, and Alamosa County, as lessee. UMB Bank issued \$21,735,000 of Certificates of Participation Series 2016 to finance the acquisition, construction, installation, and equipping of various public improvements, and paying the costs of issuance by UMB Bank. The buildings will be leased to the County from UMB Bank under the Lease Agreement, dated October 15, 2016. The justice center is included in construction in progress of \$9,228,963 at December 31, 2017.

The County will make lease payments to UMB Bank and UMB Bank will use those funds to pay the principal and interest payments prescribed by the Certificates of Participation document. Payments on these Certificates of Participation will be funded from the judicial and detention sales tax. Principal repayments began November 15, 2017, and will finish on November 15, 2035. The interest rate ranges from 2.00% to 5.00% and will be paid semi-annually. The cost of issuing the Certificates of Participation was \$197,562. Principal balance at December 31, 2017, was \$21,015,000.

As of December 31, 2017, the County had \$18,849,863 in a trust account held by UMB Bank for the construction of the 12<sup>th</sup> Judicial Courthouse and Jail/Detention Center improvements.

The annual debt service for the certificates are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 820,000	\$ 879,875	\$ 1,699,875
2019	840,000	855,275	1,695,275
2020	875,000	821,675	1,696,675
2021	910,000	786,675	1,696,675
2022	940,000	757,100	1,697,100
2023-2027	5,295,000	3,191,850	8,486,850
2028-2032	6,625,000	1,854,750	8,479,750
2033	4,710,000	381,600	5,091,600
	<u>\$ 21,015,000</u>	<u>\$ 9,528,800</u>	<u>\$ 30,543,800</u>

**ALAMOSA COUNTY, COLORADO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**December 31, 2017**

***Note Payable***

*2015 Alamosa County Depot and Motorway Building Note*

A note payable, with a cancellation clause for annual non-appropriation, dated December 23, 2015, was entered into between a Bank and The Alamosa County Events and Facilities Local Marketing District. The Bank issued \$265,000 to the District to pay off the 2007 Depot and Motorway Building Lease and the 2014 Alamosa County Depot and Motorway Building Note. Payments are due monthly in the amount \$2,662, which includes interest at a rate of 3.750%. Payments began in February 2016 and will be made from the Local Marketing District Fund. Principal balance at December 31, 2017 was \$195,116. The building is included in capital assets at a cost of \$973,900 with accumulated depreciation of \$177,934.

The annual debt service for the note, is as follows:

	Principal	Interest	Total
2018	\$ 23,918	\$ 8,025	\$ 31,943
2019	24,844	7,100	31,944
2020	25,787	6,157	31,944
2021	26,803	5,141	31,944
2022	27,840	4,104	31,944
2023-2026	65,924	5,697	71,621
	\$ 195,116	\$ 36,224	\$ 231,340

***Business Type Activities:***

***Lease Purchase Agreement***

*2008 Airport Air Ambulance Hanger Lease*

Lease payable to a bank, payable in monthly installments of \$1,798 including interest at 4.50%, for the purchase of a hanger. Final payment is due in 2024.

The annual debt service for the lease, is as follows:

	Principal	Interest	Total
2018	\$ 16,324	\$ 5,248	\$ 21,572
2019	17,074	4,499	21,573
2020	17,859	3,714	21,573
2021	18,679	2,894	21,573
2022	19,537	2,036	21,573
2023-2024	34,578	1,376	35,954
	\$ 124,051	\$ 19,767	\$ 143,818

**NOTE 11 DEFINED CONTRIBUTION PLAN**

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.

**ALAMOSA COUNTY, COLORADO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**December 31, 2017**

Employees are eligible after completing twelve months of service with Alamosa 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, 2017, employee contributions totaled \$296,480 and the County recognized pension expense of \$300,048. The County recognized \$0 of forfeitures in retirement expense during 2017.

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.

**NOTE 12 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 13 COLORADO CONTRABAND FORFEITURE ACT**

We have reviewed financial activities in the Sheriff's Department for compliance with the above referenced act. There were no sales of contraband during the year ended December 31, 2017.

**NOTE 14 TABOR AMENDMENT RESERVE**

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

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

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

**ALAMOSA COUNTY, COLORADO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**December 31, 2017**

**NOTE 15 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, 2017, CAPP had assets of \$24,284,660, liabilities of \$9,537,262 (including \$7,397,260 reserved for losses and claims), and members' equity of \$14,747,398. The liability amount includes no long-term debt. Total revenues for the year ended December 31, 2017, amounted to \$6,753,835 and total expenses were \$5,989,546, resulting in net income before return of surplus of \$764,289.

***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, 2017, CWCP had assets of \$42,592,056, liabilities of \$25,179,086 (including \$23,745,055 reserved for losses and claims) and members' equity of \$17,412,970. The liability amount includes no long-term debt. Total revenues for the year ended December 31, 2017, amounted to \$11,357,033, total expenses were \$12,061,986, resulting in net loss before return of surplus of \$(704,953).

**NOTE 16 JOINT VENTURES**

***San Luis Valley Regional Solid Waste Authority***

The San Luis Valley Regional Solid Waste Authority was created by an intergovernmental agreement between Rio Grande County and Alamosa County on April 14, 1995, pursuant to the authority granted by C.R.S. 29-1-203. It has been designated as a joint venture under the provisions of GASB Statement No. 14. Its purpose is to provide the citizens of both counties an integrated municipal solid waste disposal facility in accordance with provision of C.R.S. 30-20-1005.

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

**ALAMOSA COUNTY, COLORADO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**December 31, 2017**

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

*Closure and Post-Closure Care*

Rio Grande and Alamosa Counties are exposed to closure and post-closure expenses should the Authority be unable to meet those obligations when they become due. Management believes the risk of failure to be minimal. State and federal laws and regulations require the Authority to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site after closure. Although closure and post-closure care costs will be paid only near or after the date that the landfill stops accepting waste, the Authority reports a portion of these closure and post-closure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The Authority reported \$834,204 as landfill closure and post-closure care liability at December 31, 2017, that represents the cumulative amount reported to date based on the use of 34% of the estimated capacity of the landfill.

The Authority will recognize the remaining estimated cost of closure and post-closure care of \$1,626,720 as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and post-closure care in 2017, the most recent information available. As the Authority expects to close the landfill in the year 2043, the remaining useful life is 26 years. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

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

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

**NOTE 17 COMMITMENTS AND CONTINGENCIES**

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

***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.

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

**ALAMOSA COUNTY, COLORADO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**December 31, 2017**

*Construction Project* – The County is in process of constructing the Jail/Detention addition and the 12<sup>th</sup> Judicial Courthouse. The estimated completion date for the Jail/Detention addition is July 2018 and the 12<sup>th</sup> Judicial Courthouse is September 2018. Total project costs to date are approximately \$9,400,000 with total estimated project costs of \$26,600,000. The County is using lease proceeds from Revenue Bonds and Energy/Mineral Impact Assistance Fund grants for the project.

The County is in the process of constructing a new wastewater system for the Mosca General Improvement District. Total project costs to date are \$1,376,464 with a total estimated cost of \$1,400,000. The estimated completion date is February 2018. The County is using a USDA grant and an Energy/Mineral Impact Assistance Fund grant for the project.

**NOTE 18 AIRPORT TRANSFER OF OPERATIONS**

The San Luis Valley Regional Airport became an operation of Alamosa County on January 1, 2017 and is included in the financial statements as a business-type activity. A transfer of Airport operations of \$5,120,192 is shown as a special item to transfer the Airport's net position to the County.

**NOTE 19 SUBSEQUENT EVENT**

The Mosca General Improvement District was dissolved on February 7, 2018. Activities will continue to be managed by Alamosa County as the Alamosa Mosca Wastewater Treatment Center.

## **ALAMOSA 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.

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

	<b>BUDGETED AMOUNTS</b>		<b>ACTUAL</b>	<b>VARIANCE WITH</b>
	<b>ORIGINAL</b>	<b>FINAL</b>		<b>FINAL BUDGET</b>
				<b>POSITIVE</b>
				<b>(NEGATIVE)</b>
<b>REVENUES</b>				
Taxes	\$ 5,775,835	\$ 5,775,835	\$ 6,063,167	\$ 287,332
Intergovernmental Revenue	446,187	446,187	489,208	43,021
Licenses and Permits	56,450	56,450	64,868	8,418
Interest on Deposits	30,000	30,000	78,193	48,193
Charges for Services	821,900	821,900	960,380	138,480
Miscellaneous	636,812	636,812	776,986	140,174
<b>TOTAL REVENUES</b>	<b>7,767,184</b>	<b>7,767,184</b>	<b>8,432,802</b>	<b>665,618</b>
<b>EXPENDITURES</b>				
General Government	3,978,205	3,978,205	3,659,022	319,183
Public Safety	4,701,543	4,701,543	4,438,060	263,483
Judicial	278,262	278,262	254,000	24,262
Auxiliary Services	226,349	226,349	174,571	51,778
Capital Outlay	280,000	280,000	142,339	137,661
<b>TOTAL EXPENDITURES</b>	<b>9,464,359</b>	<b>9,464,359</b>	<b>8,667,992</b>	<b>796,367</b>
Excess (Deficiency) of Revenues Over Expenditures	(1,697,175)	(1,697,175)	(235,190)	1,461,985
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	600,000	600,000	600,000	-
Sale of Capital Assets	104,500	104,500	7,276	(97,224)
Transfers Out	(516,500)	(516,500)	(478,052)	38,448
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>188,000</b>	<b>188,000</b>	<b>129,224</b>	<b>(58,776)</b>
Net Change in Fund Balance	(1,509,175)	(1,509,175)	(105,966)	1,403,209
<b>Fund Balance at Beginning of Year</b>	<b>4,894,940</b>	<b>4,894,940</b>	<b>4,843,757</b>	<b>(51,183)</b>
<b>Fund Balance at End of Year</b>	<b>\$ 3,385,765</b>	<b>\$ 3,385,765</b>	<b>\$ 4,737,791</b>	<b>\$ 1,352,026</b>

**Notes to Required Supplementary Information**

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

**ALAMOSA COUNTY, COLORADO**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL**  
**ROAD AND BRIDGE FUND**  
**For the Year Ended December 31, 2017**

	<b>BUDGETED AMOUNTS</b>		<b>ACTUAL</b>	<b>VARIANCE WITH</b>
	<b>ORIGINAL</b>	<b>FINAL</b>		<b>FINAL BUDGET</b>
				<b>POSITIVE</b>
				<b>(NEGATIVE)</b>
<b>REVENUES</b>				
Taxes	\$ 91,906	\$ 91,906	\$ 102,385	\$ 10,479
Intergovernmental Revenue	2,088,459	2,371,259	2,343,793	(27,466)
Miscellaneous	407,800	407,800	433,040	25,240
<b>TOTAL REVENUES</b>	<b>2,588,165</b>	<b>2,870,965</b>	<b>2,879,218</b>	<b>8,253</b>
<b>EXPENDITURES</b>				
Highways and Streets	2,034,367	2,317,167	2,319,686	(2,519)
Capital Outlay	218,000	218,000	210,754	7,246
Debt Service	321,115	321,115	315,293	5,822
<b>TOTAL EXPENDITURES</b>	<b>2,573,482</b>	<b>2,856,282</b>	<b>2,845,733</b>	<b>10,549</b>
Excess (Deficiency) of Revenues Over Expenditures	14,683	14,683	33,485	18,802
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of Capital Assets	30,000	30,000	26,915	(3,085)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>30,000</b>	<b>30,000</b>	<b>26,915</b>	<b>(3,085)</b>
Net Change in Fund Balance	44,683	44,683	60,400	15,717
<b>Fund Balance at Beginning of Year</b>	<b>1,771,479</b>	<b>1,771,479</b>	<b>2,307,537</b>	<b>536,058</b>
<b>Fund Balance at End of Year</b>	<b>\$ 1,816,162</b>	<b>\$ 1,816,162</b>	<b>\$ 2,367,937</b>	<b>\$ 551,775</b>

**Notes to Required Supplementary Information**

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

**ALAMOSA COUNTY, COLORADO**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL**  
**SOCIAL SERVICES FUND**  
**For the Year Ended December 31, 2017**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FINAL BUDGET</u>
				<u>POSITIVE</u>
				<u>(NEGATIVE)</u>
<b>REVENUE</b>				
Taxes	\$ 687,009	\$ 687,009	\$ 669,178	\$ (17,831)
Intergovernmental Revenue	15,302,842	15,302,842	13,681,651	(1,621,191)
<b>TOTAL REVENUE</b>	<u>15,989,851</u>	<u>15,989,851</u>	<u>14,350,829</u>	<u>(1,639,022)</u>
<b>EXPENDITURES</b>				
Health and Welfare	15,813,853	15,813,853	14,356,816	1,457,037
Capital Outlay	61,000	61,000	-	61,000
<b>TOTAL EXPENDITURES</b>	<u>15,874,853</u>	<u>15,874,853</u>	<u>14,356,816</u>	<u>1,518,037</u>
Excess (Deficiency) of Revenues Over Expenditures	114,998	114,998	(5,987)	(120,985)
<b>Fund Balance at Beginning of Year</b>	<u>1,401,796</u>	<u>1,401,796</u>	<u>1,500,159</u>	<u>98,363</u>
<b>Fund Balance at End of Year</b>	<u><u>\$ 1,516,794</u></u>	<u><u>\$ 1,516,794</u></u>	<u><u>\$ 1,494,172</u></u>	<u><u>\$ (22,622)</u></u>

**Notes to Required Supplementary Information**

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

**ALAMOSA COUNTY, COLORADO**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL**  
**PUBLIC HEALTH FUND**  
**For the Year Ended December 31, 2017**

	<b>BUDGETED AMOUNTS</b>		<b>ACTUAL</b>	<b>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</b>
	<b>ORIGINAL</b>	<b>FINAL</b>		
<b>REVENUES</b>				
Intergovernmental Revenue	\$ 3,500,549	\$ 3,500,549	\$ 3,089,736	\$ (410,813)
Charges for Services	279,540	279,540	189,409	(90,131)
Miscellaneous	13,500	13,500	21,451	7,951
<b>TOTAL REVENUES</b>	<b>3,793,589</b>	<b>3,793,589</b>	<b>3,300,596</b>	<b>(492,993)</b>
<b>EXPENDITURES</b>				
Health and Welfare	3,694,183	3,691,083	3,705,648	(14,565)
Capital Outlay	-	55,600	55,575	25
<b>TOTAL EXPENDITURES</b>	<b>3,694,183</b>	<b>3,746,683</b>	<b>3,761,223</b>	<b>(14,540)</b>
Excess (Deficiency) of Revenues Over Expenditures	99,406	46,906	(460,627)	(507,533)
<b>Fund Balance at Beginning of Year</b>	<b>2,904,862</b>	<b>2,904,862</b>	<b>2,779,988</b>	<b>(124,874)</b>
<b>Fund Balance at End of Year</b>	<b>\$ 3,004,268</b>	<b>\$ 2,951,768</b>	<b>\$ 2,319,361</b>	<b>\$ (632,407)</b>

**Notes to Required Supplementary Information**

The basis of budgeting is the same as GAAP.

The schedule is presented on the GAAP basis.

**ALAMOSA COUNTY, COLORADO**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL**  
**JUSTICE CENTER FUND**  
**For the Year Ended December 31, 2017**

	<b>BUDGETED AMOUNTS</b>		<b>ACTUAL</b>	<b>VARIANCE WITH</b>
	<b>ORIGINAL</b>	<b>FINAL</b>		<b>FINAL BUDGET</b>
				<b>POSITIVE</b>
				<b>(NEGATIVE)</b>
<b>REVENUES</b>				
Taxes	\$ 2,500,000	\$ 2,500,000	\$ 2,756,393	\$ 256,393
Intergovernmental Revenue	1,180,858	1,180,858	1,360,829	179,971
<b>TOTAL REVENUES</b>	<b>3,680,858</b>	<b>3,680,858</b>	<b>4,117,222</b>	<b>436,364</b>
<b>EXPENDITURES</b>				
Public Safety	-	-	81	(81)
Capital Outlay	82,236	82,236	82,560	(324)
<b>TOTAL EXPENDITURES</b>	<b>82,236</b>	<b>82,236</b>	<b>82,641</b>	<b>(405)</b>
Excess (Deficiency) of Revenues Over Expenditures	3,598,622	3,598,622	4,034,581	435,959
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	(14,299,102)	(14,299,102)	(3,603,808)	10,695,294
Lease Proceeds	10,819,142	10,819,142	-	(10,819,142)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(3,479,960)</b>	<b>(3,479,960)</b>	<b>(3,603,808)</b>	<b>(123,848)</b>
Net Change in Fund Balance	118,662	118,662	430,773	312,111
<b>Fund Balance at Beginning of Year</b>	<b>1,765,507</b>	<b>1,765,507</b>	<b>1,699,001</b>	<b>(66,506)</b>
<b>Fund Balance at End of Year</b>	<b>\$ 1,884,169</b>	<b>\$ 1,884,169</b>	<b>\$ 2,129,774</b>	<b>\$ 245,605</b>

**Notes to Required Supplementary Information**

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

## **ALAMOSA COUNTY, COLORADO**

### **SUPPLEMENTARY INFORMATION**

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

**ALAMOSA COUNTY, COLORADO**  
**COMBINING SCHEDULE - BALANCE SHEET**  
**GENERAL FUND**  
**December 31, 2017**

	<u>General Fund</u>	<u>Contingency Fund</u>	<u>Employee Retirement Fund</u>	<u>Equipment Acquisition Fund</u>	<u>Eliminations</u>	<u>Total</u>
<b>ASSETS</b>						
Cash and Cash Equivalents	\$ 3,364,771	\$ 165,081	\$ 123,015	\$ 158,019	\$ -	\$ 3,810,886
Receivables						
Accounts Receivable	2,651	-	-	-	-	2,651
Property Taxes Receivable	3,505,402	-	171,935	-	-	3,677,337
Due from Other Funds	1,058,299	-	-	106,501	(68,806)	1,095,994
Due from Other Governments	463,010	-	-	-	-	463,010
<b>TOTAL ASSETS</b>	<u>\$ 8,394,133</u>	<u>\$ 165,081</u>	<u>\$ 294,950</u>	<u>\$ 264,520</u>	<u>\$ (68,806)</u>	<u>\$ 9,049,878</u>
<b>LIABILITIES</b>						
Accounts Payable	\$ 302,915	\$ -	\$ -	\$ -	\$ -	\$ 302,915
Due to Other Funds	68,806	-	-	-	(68,806)	-
Due to Other Governments	331,835	-	-	-	-	331,835
<b>TOTAL LIABILITIES</b>	<u>703,556</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(68,806)</u>	<u>634,750</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unearned Revenue - Property Tax	3,505,402	-	171,935	-	-	3,677,337
<b>FUND BALANCE</b>						
Restricted						
TABOR Amendment Reserve	570,000	-	-	-	-	570,000
Committed - Equipment Acquisition	-	-	-	264,520	-	264,520
Assigned - Designated for Future Expenditures	2,691,738	165,081	123,015	-	-	2,979,834
Unassigned	923,437	-	-	-	-	923,437
<b>TOTAL FUND BALANCE</b>	<u>4,185,175</u>	<u>165,081</u>	<u>123,015</u>	<u>264,520</u>	<u>-</u>	<u>4,737,791</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</b>	<u>\$ 8,394,133</u>	<u>\$ 165,081</u>	<u>\$ 294,950</u>	<u>\$ 264,520</u>	<u>\$ (68,806)</u>	<u>\$ 9,049,878</u>

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

	<b>General Fund</b>	<b>Contingency Fund</b>	<b>Employee Retirement Fund</b>	<b>Equipment Acquisition Fund</b>	<b>Eliminations</b>	<b>Total</b>
<b>REVENUES</b>						
Taxes	\$ 5,879,682	\$ 5	\$ 183,480	\$ -	\$ -	\$ 6,063,167
Intergovernmental Revenue	489,208	-	-	-	-	489,208
Licenses and Permits	64,868	-	-	-	-	64,868
Interest on Deposits	78,193	-	-	-	-	78,193
Charges for Services	960,380	-	-	-	-	960,380
Miscellaneous	739,290	-	-	106,501	(68,805)	776,986
<b>TOTAL REVENUES</b>	<b>8,211,621</b>	<b>5</b>	<b>183,480</b>	<b>106,501</b>	<b>(68,805)</b>	<b>8,432,802</b>
<b>EXPENDITURES</b>						
Current Expenditures						
General Government	3,535,495	-	156,735	-	(33,208)	3,659,022
Public Safety	4,468,077	-	-	-	(30,017)	4,438,060
Judicial	254,000	-	-	-	-	254,000
Auxiliary Services	180,151	-	-	-	(5,580)	174,571
Capital Outlay	-	-	-	142,339	-	142,339
<b>TOTAL EXPENDITURES</b>	<b>8,437,723</b>	<b>-</b>	<b>156,735</b>	<b>142,339</b>	<b>(68,805)</b>	<b>8,667,992</b>
Excess (Deficiency) of Revenues Over Expenditures	(226,102)	5	26,745	(35,838)	-	(235,190)
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers In	600,000	-	-	-	-	600,000
Transfers Out	(478,052)	-	-	-	-	(478,052)
Sale of Capital Assets	7,276	-	-	-	-	7,276
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>129,224</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>129,224</b>
Net Change in Fund Balance	(96,878)	5	26,745	(35,838)	-	(105,966)
<b>Fund Balance at Beginning of Year</b>	<b>4,282,053</b>	<b>165,076</b>	<b>96,270</b>	<b>300,358</b>	<b>-</b>	<b>4,843,757</b>
<b>Fund Balance at End of Year</b>	<b>\$ 4,185,175</b>	<b>\$ 165,081</b>	<b>\$ 123,015</b>	<b>\$ 264,520</b>	<b>\$ -</b>	<b>\$ 4,737,791</b>

**ALAMOSA COUNTY, COLORADO**  
**NONMAJOR GOVERNMENTAL FUNDS**

**SPECIAL REVENUE FUNDS**

Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service and capital projects.

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

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

***Northwest Weed Control District Fund*** – This fund is used to provide monies for spraying of undesirable plants along the roads within the northwest corner of the County.

***Local Marketing District Fund*** – This fund is used to oversee the collection and disbursement of a 4% cultural and tourism tax on each hotel/motel room sold in Alamosa County.

**DEBT SERVICE FUNDS**

Debt service funds are used to account for and report financial resources that are restricted or committed to expenditure for principal and interest.

***Lease Service Fund*** – This fund is used to pay the debt service on the construction of the Alamosa County buildings, which were financed by Lease Purchase Agreements.

**ALAMOSA COUNTY, COLORADO**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING BALANCE SHEET**  
**December 31, 2017**

	<b>NONMAJOR SPECIAL REVENUE FUNDS</b>				<b>DEBT SERVICE FUND</b>	<b>TOTALS</b>
	<b>Conservation Trust Fund</b>	<b>Tourism Development Fund</b>	<b>Northwest Weed Control District Fund</b>	<b>Local Marketing District Fund</b>	<b>Lease Service Fund</b>	
<b>ASSETS</b>						
Cash and Cash Equivalents	\$ 587,524	\$ 273,920	\$ 169,827	\$ 340,218	\$ 258,311	\$ 1,629,800
Accounts Receivable	-	-	-	-	4,500	4,500
Due from Other Funds	-	-	-	-	9,000	9,000
Property Taxes Receivable	-	-	17,040	-	51,313	68,353
Due from Other Governments	-	40,462	-	40,638	15,500	96,600
<b>TOTAL ASSETS</b>	<b>\$ 587,524</b>	<b>\$ 314,382</b>	<b>\$ 186,867</b>	<b>\$ 380,856</b>	<b>\$ 338,624</b>	<b>\$ 1,808,253</b>
<b>LIABILITIES</b>						
Accounts Payable	\$ 70	\$ -	\$ -	\$ -	\$ -	\$ 70
Due to Other Funds	2,550	-	-	-	-	2,550
<b>TOTAL LIABILITIES</b>	<b>2,620</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,620</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable Revenue - Property Tax	-	-	17,040	-	51,313	68,353
<b>FUND BALANCE</b>						
Committed						
Debt Service	-	-	-	-	287,311	287,311
Culture and Recreation	584,904	314,382	-	380,856	-	1,280,142
Weed Control	-	-	169,827	-	-	169,827
<b>TOTAL FUND BALANCE</b>	<b>584,904</b>	<b>314,382</b>	<b>169,827</b>	<b>380,856</b>	<b>287,311</b>	<b>1,737,280</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</b>	<b>\$ 587,524</b>	<b>\$ 314,382</b>	<b>\$ 186,867</b>	<b>\$ 380,856</b>	<b>\$ 338,624</b>	<b>\$ 1,808,253</b>

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

	<b>NONMAJOR SPECIAL REVENUE FUNDS</b>				<b>DEBT SERVICE FUND</b>	<b>TOTALS</b>
	<b>Conservation Trust Fund</b>	<b>Tourism and Development Fund</b>	<b>Northwest Weed Control District Fund</b>	<b>Local Marketing District Fund</b>	<b>Lease Service Fund</b>	
<b>REVENUES</b>						
Taxes	\$ -	\$ 246,261	\$ 19,570	\$ 495,140	\$ 149,167	\$ 910,138
Intergovernmental Revenue	65,604	-	-	-	-	65,604
Interest on Investments	6,640	-	-	-	-	6,640
Miscellaneous	-	-	-	-	54,788	54,788
<b>TOTAL REVENUES</b>	<b>72,244</b>	<b>246,261</b>	<b>19,570</b>	<b>495,140</b>	<b>203,955</b>	<b>1,037,170</b>
<b>EXPENDITURES</b>						
Current Expenditures						
Culture and Recreation	44,469	200,000	17,130	342,500	-	604,099
Debt Service	-	-	-	56,944	1,907,318	1,964,262
<b>TOTAL EXPENDITURES</b>	<b>44,469</b>	<b>200,000</b>	<b>17,130</b>	<b>399,444</b>	<b>1,907,318</b>	<b>2,568,361</b>
Excess (Deficiency) of Revenues Over Expenditures	27,775	46,261	2,440	95,696	(1,703,363)	(1,531,191)
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers In	-	-	-	-	1,689,283	1,689,283
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,689,283</b>	<b>1,689,283</b>
Net Change in Fund Balance	27,775	46,261	2,440	95,696	(14,080)	158,092
<b>Fund Balance at Beginning of Year</b>	<b>557,129</b>	<b>268,121</b>	<b>167,387</b>	<b>285,160</b>	<b>301,391</b>	<b>1,579,188</b>
<b>Fund Balance at End of Year</b>	<b>\$ 584,904</b>	<b>\$ 314,382</b>	<b>\$ 169,827</b>	<b>\$ 380,856</b>	<b>\$ 287,311</b>	<b>\$ 1,737,280</b>

**ALAMOSA COUNTY, COLORADO**  
**MAJOR CAPITAL PROJECTS FUND, ALL NON-MAJOR GOVERNMENTAL FUNDS, AND ALL PROPRIETARY FUNDS**  
**COMBINING SCHEDULE OF EXPENDITURES AND TRANSFERS OUT**  
**BUDGET AND ACTUAL**  
**For the Year Ended December 31, 2017**

	<u>BUDGETED AMOUNTS</u>		<u>EXPENDITURES</u>	<u>ADJUSTMENTS</u>	<u>EXPENDITURES</u>	<u>VARIANCE</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>REPORTED ON</u>	<u>TO BUDGETARY</u>	<u>ON THE</u>	<u>WITH FINAL</u>
			<u>THE GAAP</u>	<u>BASIS</u>	<u>BUDGETARY</u>	<u>BUDGET</u>
			<u>BASIS</u>		<u>BASIS</u>	<u>POSITIVE</u>
						<u>(NEGATIVE)</u>
<b>Governmental Funds</b>						
Capital Projects Fund						
Facilities Expansion Fund	\$ 12,110,800	\$ 12,110,800	\$ 8,502,354	\$ -	\$ 8,502,354	\$ 3,608,446
Nonmajor Governmental Funds						
Special Revenue Funds						
Conservation Trust Fund	127,452	127,452	44,469	-	44,469	82,983
Tourism and Development Fund	200,000	200,000	200,000	-	200,000	-
Northwest Weed Control District Fund	300	300	-	-	-	300
Local Marketing District Fund	400,000	400,000	399,444	-	399,444	556
Total Special Revenue Funds	<u>727,752</u>	<u>727,752</u>	<u>643,913</u>	<u>-</u>	<u>643,913</u>	<u>83,839</u>
Debt Service Fund						
Lease Service Fund	<u>1,939,804</u>	<u>1,939,804</u>	<u>1,907,318</u>	<u>-</u>	<u>1,907,318</u>	<u>32,486</u>
Total Major Capital Projects Fund and Non-Major Governmental Funds	<u>\$ 14,778,356</u>	<u>\$ 14,778,356</u>	<u>\$ 11,053,585</u>	<u>\$ -</u>	<u>\$ 11,053,585</u>	<u>\$ 3,724,771</u>
<b>Proprietary Funds</b>						
Enterprise Funds						
Mosca General Improvement District Fund	\$ 1,480,040	\$ 1,639,530	\$ 8,895	\$ 1,113,974	\$ 1,122,869	\$ 516,661
Airport Fund	<u>6,912,257</u>	<u>6,912,257</u>	<u>644,885</u>	<u>5,469,416</u>	<u>6,114,301</u>	<u>797,956</u>
Total Enterprise Funds	<u>8,392,297</u>	<u>8,551,787</u>	<u>653,780</u>	<u>6,583,390</u>	<u>7,237,170</u>	<u>1,314,617</u>
Internal Service Funds						
Health Insurance Fund	<u>1,947,527</u>	<u>2,056,027</u>	<u>2,048,467</u>	<u>-</u>	<u>2,048,467</u>	<u>7,560</u>
Total Proprietary Funds	<u>\$ 10,339,824</u>	<u>\$ 10,607,814</u>	<u>\$ 2,702,247</u>	<u>\$ 6,583,390</u>	<u>\$ 9,285,637</u>	<u>\$ 1,322,177</u>

Adjustments to budgetary basis include the cost of capitalized assets, debt payments, and depreciation expense.

**ALAMOSA COUNTY, COLORADO**  
**OTHER SCHEDULES AND REPORTS**

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

<b>LOCAL HIGHWAY FINANCE REPORT</b>	City or County: ALAMOSA COUNTY
	YEAR ENDING: December 2017
This Information From The Records Of (example - City of _ or County of _): COUNTY OF ALAMOSA	Prepared By: Brittney DeHerrera Phone: 719-589-4848

**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
<b>A. Receipts from local sources:</b>		<b>A. Local highway disbursements:</b>	
1. Local highway-user taxes		1. Capital outlay (from page 2)	471,810
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	1,710,920
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	17,845
2. General fund appropriations		b. Snow and ice removal	78,455
3. Other local imposts (from page 2)	145,820	c. Other	6,826
4. Miscellaneous local receipts (from page 2)	473,165	d. Total (a. through c.)	103,126
5. Transfers from toll facilities		4. General administration & miscellaneous	232,466
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	12,815
a. Bonds - Original Issues		6. Total (1 through 5)	2,531,137
b. Bonds - Refunding Issues		<b>B. Debt service on local obligations:</b>	
c. Notes	0	1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	
7. Total (1 through 6)	618,985	b. Redemption	
<b>B. Private Contributions</b>		c. Total (a. + b.)	0
<b>C. Receipts from State government</b> (from page 2)	2,067,536	2. Notes:	
<b>D. Receipts from Federal Government</b> (from page 2)	220,309	a. Interest	15,179
<b>E. Total receipts (A.7 + B + C + D)</b>	2,906,830	b. Redemption	300,114
		c. Total (a. + b.)	315,293
		3. Total (1.c + 2.c)	315,293
		<b>C. Payments to State for highways</b>	
		<b>D. Payments to toll facilities</b>	
		<b>E. Total disbursements (A.6 + B.3 + C + D)</b>	2,846,430

**IV. LOCAL HIGHWAY DEBT STATUS**

(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
<b>A. Bonds (Total)</b>				0
1. Bonds (Refunding Portion)				
<b>B. Notes (Total)</b>	667,067	0	300,114	366,953

**V. LOCAL ROAD AND STREET FUND BALANCE**

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	2,307,537	2,906,830	2,846,430	2,367,937	0

Notes and Comments:

<b>LOCAL HIGHWAY FINANCE REPORT</b>	STATE: Colorado
	YEAR ENDING (mm/yy): December 2017

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

ITEM	AMOUNT	ITEM	AMOUNT
<b>A.3. Other local imposts:</b>		<b>A.4. Miscellaneous local receipts:</b>	
a. Property Taxes and Assessments	30,029	a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes	70,046	c. Parking Garage Fees	
2. Infrastructure & Impact Fees		d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	26,915
4. Licenses	42,738	f. Charges for Services	241,391
5. Specific Ownership &/or Other	3,007	g. Other Misc. Receipts	56,489
6. Total (1. through 5.)	115,791	h. Other	148,370
c. Total (a. + b.)	145,820	i. Total (a. through h.)	473,165
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
<b>C. Receipts from State Government</b>		<b>D. Receipts from Federal Government</b>	
1. Highway-user taxes	2,067,536	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	2,079
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations		d. Federal Transit Admin	
d. Other (Specify) - DOLA Grant		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	218,230
f. Total (a. through e.)	0	g. Total (a. through f.)	220,309
4. Total (1. + 2. + 3.f)	2,067,536	3. Total (1. + 2.g)	
			(Carry forward to page 1)

**III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL**

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
<b>A.1. Capital outlay:</b>			
a. Right-Of-Way Costs			0
b. Engineering Costs			0
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements			0
(3). System Preservation		471,810	471,810
(4). System Enhancement & Operation			0
(5). Total Construction (1) + (2) + (3) + (4)	0	471,810	471,810
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	471,810	471,810
			(Carry forward to page 1)

Notes and Comments:

**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  
Alamosa County, Colorado  
Alamosa, Colorado

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Alamosa County, Colorado (the County), as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated May 31, 2018.

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

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

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

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

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Certified Public Accountants**

700 Main Street, Suite 200 PO Box 809 Alamosa, CO 81101 | 719-589-3619 | f 719-589-5492 | [www.wsbcpa.com](http://www.wsbcpa.com)

**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

May 31, 2018

**ALAMOSA COUNTY, COLORADO**

**SINGLE AUDIT SECTION**

**ALAMOSA COUNTY**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended December 31, 2017**

<i>Federal Grantor/Program or Cluster Title</i>	<i>Federal CFDA Number</i>	<i>Pass-through Grantor and Number</i>	<i>Federal Expenditures(\$)</i>
<b>CCDF Cluster</b>			
Department of Health and Human Services			
Child Care and Development Block Grant	93.575	Colorado Department of Human Services,N/A	\$ 242,969
Total Child Care and Development Block Grant			<u>242,969</u>
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	Colorado Department of Human Services,N/A	123,457
Total Child Care Mandatory and Matching Funds of the Child Care and Development Fund			<u>123,457</u>
<i>Total Department of Health and Human Services</i>			<u>366,426</u>
<b>Total CCDF Cluster</b>			<u>366,426</u>
<b>SNAP Cluster</b>			
Department of Agriculture			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	Colorado Department of Human Services,N/A	248,530
<i>Total Department of Agriculture</i>			<u>248,530</u>
<b>Total SNAP Cluster</b>			<u>248,530</u>
<b>Food Distribution Cluster</b>			
Department of Agriculture			
Emergency Food Assistance Program (Food Commodities)	10.569	State of Colorado and Care and Share Food Bank,N/A	47,860
<i>Total Department of Agriculture</i>			<u>47,860</u>
<b>Total Food Distribution Cluster</b>			<u>47,860</u>
<b>Forest Service Schools and Roads Cluster</b>			
Department of Agriculture			
Schools and Roads - Grants to States	10.665	Colorado Department of Treasury,N/A	2,079
<i>Total Department of Agriculture</i>			<u>2,079</u>
<b>Total Forest Service Schools and Roads Cluster</b>			<u>2,079</u>
<b>TANF Cluster</b>			
Department of Health and Human Services			
Temporary Assistance for Needy Families	93.558	Colorado Department of Human Services,N/A	778,416
<i>Total Department of Health and Human Services</i>			<u>778,416</u>
<b>Total TANF Cluster</b>			<u>778,416</u>
<b>Medical Assistance Program (Medicaid Cluster)</b>			
Department of Health and Human Services			
Medical Assistance Program	93.778	Colorado Department of Human Services,N/A	396,552
Medical Assistance Program - Single Entry Point/HCA	93.778	Colorado Department of Human Services,N/A	60,918
Medical Assistance Program - Single Entry Point	93.778	Colorado Department of Health Care Policy and Financing,N/A	262,421
<i>Total Department of Health and Human Services</i>			<u>719,891</u>
<b>Total Medical Assistance Program (Medicaid Cluster)</b>			<u>719,891</u>
<b>Total All Clusters</b>			<u>2,163,202</u>

**ALAMOSA COUNTY**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended December 31, 2017**

<i>Federal Grantor/Program or Cluster Title</i>	<i>Federal CFDA Number</i>	<i>Pass-through Grantor and Number</i>	<i>Federal Expenditures(\$)</i>
<b><i>Other Programs</i></b>			
Department of Homeland Security			
Emergency Management Performance Grants	97.042	Colorado Department of Local Affairs,N/A	13,708
Total Emergency Management Performance Grants			<u>13,708</u>
<i>Total Department of Homeland Security</i>			<u>13,708</u>
United States Department of Justice			
Crime Victim Assistance	16.575	Colorado Division of Criminal Justice,N/A	165,751
Total Crime Victim Assistance			<u>165,751</u>
<i>Total United States Department of Justice</i>			<u>165,751</u>
Department of Transportation			
Airport Improvement Program	20.106		43,029
Airport Improvement Program	20.106		5,191,831
Total Airport Improvement Program			<u>5,234,860</u>
<i>Total Department of Transportation</i>			<u>5,234,860</u>
Department of Health and Human Services			
Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements	93.074	Colorado Department of Public Health and Environment, HI17J//HN17J/HW17J/HW18J	293,362
Total Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements			<u>293,362</u>
Guardianship Assistance	93.090	Colorado Department of Human Services,N/A	2,462
Total Guardianship Assistance			<u>2,462</u>
Immunization Cooperative Agreements	93.268	Colorado Department of Public Health and Environment, KA16H/KA17H	7,935
Total Immunization Cooperative Agreements			<u>7,935</u>
Child Support Enforcement	93.563	Colorado Department of Human Services,N/A	264,518
Total Child Support Enforcement			<u>264,518</u>
Low-Income Home Energy Assistance	93.568	Colorado Department of Human Services,N/A	740,185
Total Low-Income Home Energy Assistance			<u>740,185</u>
Stephanie Tubbs Jones Child Welfare Services Program	93.645	Colorado Department of Human Services,N/A	30,476
Total Stephanie Tubbs Jones Child Welfare Services Program			<u>30,476</u>
Foster Care_Title IV-E	93.658	Colorado Department of Human Services,N/A	570,061
Total Foster Care_Title IV-E			<u>570,061</u>

**ALAMOSA COUNTY**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended December 31, 2017**

<i>Federal Grantor/Program or Cluster Title</i>	<i>Federal CFDA Number</i>	<i>Pass-through Grantor and Number</i>	<i>Federal Expenditures(\$)</i>
Adoption Assistance	93.659	Colorado Department of Human Services,N/A	157,862
Total Adoption Assistance			<u>157,862</u>
Social Services Block Grant	93.667	Colorado Department of Human Services,N/A	201,993
Total Social Services Block Grant			<u>201,993</u>
Chafee Foster Care Independence Program	93.674	Colorado Department of Human Services,N/A	6,710
Total Chafee Foster Care Independence Program			<u>6,710</u>
Preventive Health and Health Services Block Grant funded solely with Prevention and Public Health Funds (PPHF)	93.758	Colorado Department of Public Health and Environment,HC16A/HC17A	50,000
Total Preventive Health and Health Services Block Grant funded solely with Prevention and Public Health Funds (PPHF)			<u>50,000</u>
Maternal and Child Health Services Block Grant to the States	93.994	Colorado Department of Public Health and Environment,NC17L	18,141
Total Maternal and Child Health Services Block Grant to the States			<u>18,141</u>
<i>Total Department of Health and Human Services</i>			<u>7,758,024</u>
Department of Housing and Urban Development			
Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	14.228	Colorado Department of Local Affairs,H7CDBG17051	4,792
Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	14.228	Colorado Department of Local Affairs,H7CDB17007	10,459
Total Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii			<u>15,251</u>
<i>Total Department of Housing and Urban Development</i>			<u>15,251</u>
United States Department of Agriculture			
Water and Waste Disposal Systems for Rural Communities	10.760	Department of AG Rural Utilities Services,N/A	159,000
Water and Waste Disposal Systems for Rural Communities	10.760	Department of AG Rural Utilities Services,N/A	316,981
Total Water and Waste Disposal Systems for Rural Communities			<u>475,981</u>
<i>Total United States Department of Agriculture</i>			<u>475,981</u>
<b><i>Total Other Programs</i></b>			<u>8,249,256</u>
<b><i>Total Expenditures of Federal Awards</i></b>			<u><u>\$ 10,412,458</u></u>

The accompanying notes are an integral part of this schedule.

**ALAMOSA COUNTY, COLORADO**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the Year Ended December 31, 2017**

**NOTE 1 BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of Alamosa County, Colorado under programs of the federal government for the year ended December 31, 2017. 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 Alamosa County, Colorado, it is not intended to and does not present the financial position, changes in net position, or cash flows of Alamosa County, Colorado.

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available. Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii funds were passed through to subrecipients. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. 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, 2017.

**NOTE 3 FOOD DISTRIBUTION**

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

**NOTE 4 WATER AND WASTE DISPOSAL SYSTEMS FOR RURAL COMMUNITIES**

The Water and Waste Disposal Systems for Rural Communities loan funds are administered by the the U.S. Department of Agriculture. The loans are payable by Alamosa County. The outstanding loan balances were paid off as of December 31, 2017. The detail of loans outstanding at the beginning and end of the year are described in the Notes to the Financial Statements.

**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  
Alamosa County, Colorado  
Alamosa, Colorado

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

We have audited Alamosa County, Colorado's (the County) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended December 31, 2017. The County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

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

***Auditors' Responsibility***

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

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

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

In our opinion, Alamosa County, Colorado, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2017.

**Certified Public Accountants**

700 Main Street, Suite 200 PO Box 809 Alamosa, CO 81101 | 719-589-3619 | f 719-589-5492 | [www.wsbcpa.com](http://www.wsbcpa.com)

## Report on Internal Control Over Compliance

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

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

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

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



Wall, Smith, Bateman Inc.  
Alamosa, Colorado

May 31, 2018

**ALAMOSA COUNTY, COLORADO**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**Year Ended December 31, 2017**

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

Financial Statements

Type of auditors’ report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? \_\_\_\_\_yes        X  no
- Significant deficiency(ies) identified that are **not** considered to be material weakness(es)? \_\_\_\_\_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>
20.106	Airport Improvement Program

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

Auditee qualified as a low-risk auditee? \_\_\_\_\_yes        X  no

**Section II – Financial Statement Findings**

None

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

None



**ALAMOSA COUNTY, COLORADO**

**PASSENGER FACILITY CHARGE PROGRAM  
AUDIT SECTION**

**ALAMOSA COUNTY, COLORADO**  
**SAN LUIS VALLEY REGIONAL AIRPORT**  
**SCHEDULE OF PASSENGER FACILITY CHARGES COLLECTED AND EXPENDED**  
**For the Year Ended December 31, 2017**

	<u>Total Authorization</u>	<u>Program Total 12/31/2016</u>	<u>Year Ended 12/31/2017</u>	<u>Program Total 12/31/2017</u>
<b>Revenue:</b>				
Collections		\$ 300,176	\$ 29,814	\$ 329,990
<b>Disbursements:</b>				
Application 96-01-C-00-ALS:				
Construct Parallel Taxiway A	\$ 288,836	288,836	-	288,836
Application 16-02-C-00-ALS:				
Acquire Aircraft Rescue and Fire Fighting Vehicle	16,812	11,340	5,472	16,812
Construct New Terminal Building	42,158	-	24,342	24,342
PFC Administration	8,000	-	-	-
Rehabilitate Runway 2/20 (Design)	16,667	-	-	-
Rehabilitate Runway 2/20 (Construction)	341,667	-	-	-
Total Disbursements	<u>\$ 714,140</u>	<u>300,176</u>	<u>29,814</u>	<u>329,990</u>
Net PFC Revenue (revenue - disbursement)		<u>-</u>	<u>-</u>	<u>-</u>
PFC Account Balance		<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**NOTE 1 BASIS OF PRESENTATION**

The accompanying Schedule of Passenger Facility Charges (PFCs) Collected and Expended (Schedule) includes the PFC activity of the San Luis Valley Regional Airport. The information in this schedule is presented for purposes of additional analysis as specified in the *Passenger Facility Charge Audit Guide for Public Agencies*, issued by the Federal Aviation Administration. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in preparation of, the basic financial statements.

PFC expenditures may consist of direct project costs, administrative costs, debt service costs, and bond financing costs, if requested in the application. Eligible expenditures not requested or approved in the application are not applied against PFCs collected. The accompanying Schedule of PFCs Collected and Expended include eligible expenditures that have been applied against PFCs collected as of December 31, 2017.

**NOTE 2 RECLASSIFICATIONS**

Certain reclassifications were made to fiscal year 2016 amounts in order to conform to the fiscal year 2017 report presentation.

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH  
REQUIREMENTS APPLICABLE TO THE PASSENGER FACILITY  
CHARGE PROGRAM AND ON INTERNAL CONTROL OVER  
COMPLIANCE IN ACCORDANCE WITH REQUIREMENTS  
ISSUED BY THE FEDERAL AVIATION ADMINISTRATION**



**Wall,  
Smith,  
Bateman Inc.**

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

**Report on Compliance for Passenger Facility Charges**

We have audited San Luis Valley Regional Airport's (the Airport) compliance with the types of compliance requirements described in the *Passenger Facility Charge Audit Guide for Public Agencies*, issued by the Federal Aviation Administration (the Guide) for the year ended December 31, 2017.

***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to the passenger facility charge program.

***Auditors' Responsibility***

Our responsibility is to express opinions on compliance for the Airport's passenger facility charge program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the Guide. Those standards and the Guide require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above occurred. An audit includes examining, on a test basis, evidence about the Airport's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinions on compliance for the Airport's passenger facility charge program. However, our audit does not provide a legal determination of the Airport's compliance.

***Basis for Qualified Opinion on the Passenger Facility Charge Program***

As described in the accompanying schedule of findings on pages 57-58, the Airport did not comply with the passenger facility charge program requirements regarding reporting and record retention. Compliance with such requirements is necessary, in our opinion, for the Airport to comply with the requirements applicable to that program.

***Qualified Opinion on the Passenger Facility Charges***

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, the San Luis Valley Regional Airport complied, in all material respects, with the requirements of the passenger facility charge program for the year ended December 31, 2017.

**Report on Internal Control Over Compliance**

Management of the Airport is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Airport's internal control over compliance with the passenger facility charge program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance and to test and report on internal control over compliance in accordance with the Guide, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Airport's internal control over compliance.

**Certified Public Accountants**

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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 the passenger facility charge program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with the passenger facility charge 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 the passenger facility charge program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified deficiencies in internal control over compliance that we consider to be material weaknesses. Findings 2017-001, 2017-002, and 2017-003.

The Airport's response to the internal control over compliance findings identified in our audit are described in the accompanying schedule of findings. The Airport's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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 Guide. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in blue ink that reads "Wall, Smith, Bateman Inc." in a cursive script.

Wall, Smith, Bateman Inc.  
Alamosa, Colorado

May 31, 2018

**ALAMOSA COUNTY, COLORADO**  
**SAN LUIS VALLEY REGIONAL AIRPORT**  
**PFC AUDIT – SCHEDULE OF FINDINGS**  
**For the Years Ended December 31, 2017**

**Finding 2017-001: Internal Control Over Passenger Facility Charge (PFC) Program Compliance  
(Repeat of Finding 2013-001, 2014-001, 2015-001 and 2016-001)**

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

*Condition:* The Airport does not have a system of internal control to properly monitor passenger facility reporting of disbursements to the FAA, and retention of records to prevent and detect noncompliance with Title 14 Code of Federal Regulations (CFR) Part 158, Passenger Facility Charges (PFC).

*Criteria:* A system of internal controls includes the design, documentation, and monitoring of control activities over the collection, disbursement, reporting, and retention of records in accordance with 14 CFR Part 158 – Passenger Facility Charges.

*Cause:* The Airport experienced turnover in management during 2017.

*Effect:* Lack of controls have led to noncompliance with 14 CFR Part 158.

*Recommendation:* The Airport should develop policies and procedures for the PFC program, including segregation of duties where possible to ensure no one person is responsible for the entire PFC program.

*Management's Response:* *The Airport has reexamined the PFC program guidelines and has developed internal controls in order to ensure PFC program compliance with the current PFC application. The Airport will restructure to ensure a segregation of duties and oversight for the PFC reporting and program.*

**Finding 2017-002: Passenger Facility Charge Program Reporting  
(Repeat of Finding 2016-002)**

*Type of finding: Internal Control (material weakness) and Material Noncompliance*

*Condition:* The PFC quarterly reports were not reported accurately and in a timely manner. Reports were not completed within 30 days of the quarter end dates.

*Criteria:* Part 158.63 of Title 14 CFR identifies the reporting requirements of public agencies and requires each quarterly report to be submitted to carriers within 30 days of the last day of the quarter.

*Cause:* The Airport does not have a complete system of internal control to prevent and detect misstatements and ensure timely PFC reporting.

*Effect:* The Airport received a qualified opinion on the Schedule of Passenger Facility Charges in relation to the basic financial statements for the year ended December 31, 2017.

*Recommendation:* The Airport should implement internal controls to ensure that the quarterly reports are prepared accurately and reconciled to accounting and other records in a timely manner.

*Management's Response:* *The Airport is once again restructuring the PFC program and will be implementing new policies, procedures, segregation of duties and oversight with regard to the PFC program and reporting.*

**ALAMOSA COUNTY, COLORADO**  
**SAN LUIS VALLEY REGIONAL AIRPORT**  
**PFC AUDIT – SCHEDULE OF FINDINGS**  
**For the Years Ended December 31, 2017**

**Finding 2017-003: Passenger Facility Charge Program Assurance 10**  
**(Repeat of Finding 2013-001, 2014-001, 2015-001 and 2016-003)**

*Type of finding: Internal Control (material weakness) and Material Noncompliance*

*Condition:* The Airport has not maintained required documentation for the PFC program including, project costs incurred since inception of the 1996 ROD, notifications to air carriers of PFC collection requirement, and copies of all quarterly reports submitted since the inception of the program.

*Criteria:* Appendix A to Part 158 – Assurance 10, requires the public agency to maintain accounting records for audit purposes for three years after the physical and financial completion of the project. In addition all records must satisfy the requirements of 14 CFR Part 158 and contain documentary evidence for all items of project costs.

*Cause:* The Airport has experienced turnover in management during the years this PFC application has been open (1996-2016).

*Effect:* The Airport is not in compliance with the provisions of 14 CFR Part 158.

*Recommendation:* The Airport should implement internal controls to ensure documentation of all program requirements is maintained throughout the program and for three years following completion.

*Management's Response:* The Airport has noted the issues with regard to the prior application and will be implementing new controls and procedures after the 2016 application.

**ALAMOSA COUNTY, COLORADO**  
**SAN LUIS VALLEY REGIONAL AIRPORT**  
**PFC AUDIT – SCHEDULE OF PRIOR AUDIT FINDINGS**  
**For the Year Ended December 31, 2017**

**Finding 2016-001: Internal Control Over Passenger Facility Charge (PFC) Program Compliance  
(Repeat of Finding 2015-001, 2014-001, and 2013-001)**

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

*Condition:* The Airport does not have a system of internal control to properly monitor passenger facility charge receipts, reporting of disbursements to the FAA, and retention of records to prevent and detect noncompliance with Title 14 Code of Federal Regulations (CFR) Part 158, Passenger Facility Charges (PFC).

*Status:* Not implemented

**Finding 2016-002: Passenger Facility Charge Program Reporting**

*Type of finding: Internal Control (material weakness) and Material Noncompliance*

*Condition:* The PFC quarterly reports were not reported accurately and in a timely manner. All 2016 Agency Quarterly Reports were completed in July 2017.

*Status:* Not implemented

**Finding 2016-003: Passenger Facility Charge Program Assurance 10  
(Repeat of Finding 2015-003, 2014-003, and 2013-003)**

*Type of finding: Internal Control (material weakness) and Material Noncompliance*

*Condition:* The Airport has not maintained required documentation for the PFC program including, project costs incurred since inception of the program in 1996, notifications to air carriers of PFC collection requirement, and copies of all quarterly reports submitted since the inception of the program.

*Status:* Not implemented