

**RIO GRANDE COUNTY, COLORADO**

**FINANCIAL STATEMENTS**

**December 31, 2019**



Wall,  
Smith,  
Bateman Inc.  
Certified Public Accountants

**RIO GRANDE COUNTY, COLORADO**  
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# INDEPENDENT AUDITORS' REPORT



Wall,  
Smith,  
Bateman Inc.

To the Board of County Commissioners  
Rio Grande County, Colorado  
Del Norte, Colorado

## Report on the Financial Statements

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

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

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

### *Auditors' Responsibility*

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

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

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

### *Opinions*

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

**Certified Public Accountants**

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in the United States of America.

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

***Other Information***

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated July 21, 2020, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on

internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

Wall, Smith, Bateman Inc.

Wall, Smith, Bateman Inc.  
Alamosa, Colorado

July 21, 2020

**Rio Grande County  
Management's Discussion and Analysis  
For the Year Ended December 31, 2019**

As management of Rio Grande County, we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the year ended December 31, 2019. In compliance with Statement Number 34 also known as GASB34, we present this report titled Management's Discussion and Analysis, or MD&A. This discussion and analysis of Rio Grande County's financial performance provides an overview of the County's financial activities for two fiscal years ending December 31, 2018 and December 31, 2019.

We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in the County's financial statements, which follow this section.

**Financial Highlights**

- As of December 31, 2019, Rio Grande County's government-wide net position totaled \$51,926,915. Total net position for the County increased by \$691,712, or 1.35 percent.
- The Statement of Activities indicates that Rio Grande County had \$19,544,286 in total government-wide revenues. Of this amount, general revenues (primarily taxes) account for approximately \$6,125,935 or 31.34 percent and program specific revenues in the form of charges for services, grants and contributions accounted for \$13,418,351 or 68.66 percent.
- Total government-wide revenues increased by \$1,122,019 compared to 2018. A Majority of the increase was in operating grants and contributions in the amount of \$668,292 and in general revenues \$450,812.
- The County had \$18,852,574 in expenses related to governmental activities, only \$13,418,351 of these expenses were offset by program specific charges for services and grants. The remaining balance of \$5,434,223 was supported by general revenues, mostly in the form of taxes.
- The government-wide expenditures increased by \$1,563,061 compared to 2018. A majority of the increase relates to highway and streets totaling \$916,816 and health and welfare totaling \$534,733.
- At the end of 2019, Rio Grande County's governmental funds reported combined ending fund balances of \$12,654,647, an increase of \$646,242 compared to 2018. Of this amount, \$1,431,383 is restricted, \$6,161,962 is committed, \$1,160,227 is assigned, \$3,353,325 is unassigned, and \$547,750 is nonspendable in the form of inventory and prepaid.
- Rio Grande County's long-term liabilities decreased by \$126,728 during the current fiscal year.

**Rio Grande County**  
**Management's Discussion and Analysis (Continued)**  
**For the Year Ended December 31, 2019**

**Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. We present two years of information, as recommended by GASB, so that the reader can review trends in the County's financial position and activities. The County's basic financial statements are comprised of three components: 1) Government-wide financial statements, 2) Fund financial statements, and 3) Notes to the basic financial statement. 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 a broad overview of the County's finances, in a manner similar to a private-sector business and provide both short-term and long-term information about the County's overall financial status.

The *statement of net position* presents information on all of Rio Grande County's assets, liabilities, and deferred inflows of resources, with the difference between them reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating. To assess the County's overall health, you need to consider additional non-financial factors such as changes in the County's property tax base and the condition of County buildings and other facilities.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. Changes in net position are recorded in the statement of activities when the underlying event occurs, regardless of the timing of related cash flows. Thus, revenue and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (*governmental activities*). The governmental activities of Rio Grande County include general government, public safety, health and welfare, highway and streets, judicial, auxiliary services, culture and recreation, and interest on debt.

**Fund Financial Statements**

The *fund financial statements* provide more detailed information about the County's funds, focusing on its most significant or "major" funds, not the County as a whole. Funds are accounting devices the County uses to track specific sources of funding and spending on particular programs. The County, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The County's funds are divided into two categories: governmental funds and fiduciary funds. Governmental Funds are further divided into Governmental Activities which includes: General Government, Public Safety, Health and Welfare, Highways and Streets, Judicial, Auxiliary Services and Culture and Recreation.

*Governmental Funds:* Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. All of the

**Rio Grande County**  
**Management's Discussion and Analysis (Continued)**  
**For the Year Ended December 31, 2019**

County's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) balances remaining at year-end which are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps determine financial resources that may be available in the near term to finance the County's programs. Because this information does not encompass the long-term focus of the government-wide statements, the reconciliations within the financial statements, explain the relationship (or differences) between them.

Rio Grande County maintains nine individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the (1) General Fund, (2) the Road and Bridge Fund, (3) the Social Services Fund, (4) the Capital Projects Fund, (5) Weed Control District Fund, (6) the Airport Fund, (7) the Conservation Trust Fund, (8) the Tourism Fund, and (9) the Public Health Agency Fund. Data from the Funds (4) through (9) are combined into a single, aggregated presentation.

Rio Grande County adopts an annual budget for each of the individual governmental funds. A budgetary comparison schedule for each fund is included in the fund financial statements to demonstrate compliance with the adopted budget.

*Fiduciary Funds:* Fiduciary funds are used to account for resources held for the benefit of parties outside the government. The County is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. 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.

### **Notes to the Financial Statements**

The notes provide additional information that is essential to a full 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 supplementary information. Supplementary information includes combining statements mentioned earlier in connection with non-major governmental funds as well as budget-to-actual information for all funds as dictated by state law.

### **Government-wide Financial Analysis**

#### **Analysis of Net Position**

The focus of this financial analysis is on comparisons of the activities of the current year (2019) with those of the prior year (2018) and comparison of balances at year-end (December 31) for the same two years.

**Rio Grande County**  
**Management's Discussion and Analysis (Continued)**  
**For the Year Ended December 31, 2019**

As noted earlier, the net position may serve, over time, as a useful indicator of a government's financial position. In the case of Rio Grande County, assets exceeded liabilities and deferred inflows by \$51,926,914 at December 31, 2019.

The County's net position can be separated into three primary categories: 1) Net investment in capital assets, 2) restricted assets, and 3) unrestricted assets.

The largest portion of the County's net position reflects its investment of \$39,577,717 in capital assets (e.g., land, buildings, improvements, equipment, and infrastructure); less any related outstanding debt used to acquire those assets. Rio Grande 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 capital assets is reported net of related debt, it should be noted that 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.

An additional portion of the County's net position of \$1,431,383 represent resources that are subject to external restrictions on how they may be used. The remaining balance of \$10,917,814, unrestricted net position, may be used to meet the County's ongoing obligations to citizens and creditors. During the current fiscal year the County's net position increased by \$691,712.

*Table 1 provides a summary of the County's net position at December 31, 2018, and 2019. Additional information is presented in the statement of net position.*

**Table 1 Condensed Statement of Net Position**

	<b>Governmental Activities</b>	
	<b>2018</b>	<b>2019</b>
Current and Other Assets	\$ 16,077,982	\$ 16,657,368
Noncurrent Assets	<u>40,913,304</u>	<u>40,830,464</u>
<b>Total Assets</b>	<b><u>\$ 56,991,286</u></b>	<b><u>\$ 57,487,832</u></b>
Current liabilities	\$ 1,284,312	\$ 1,108,989
Noncurrent liabilities	<u>1,432,074</u>	<u>1,302,735</u>
<b>Total Liabilities</b>	<b><u>\$ 2,716,386</u></b>	<b><u>\$ 2,411,724</u></b>
Deferred Inflows of Resources	\$ 3,039,698	\$ 3,149,194
Net position		
Net Invested in Capital Assets	\$ 39,509,963	\$ 39,577,717
Restricted	1,175,537	1,431,383
Unrestricted	<u>10,549,702</u>	<u>10,917,814</u>
<b>Total Net Position</b>	<b><u>\$ 51,235,202</u></b>	<b><u>\$ 51,926,914</u></b>

**Analysis of Changes in Net Position**

At the end of the current fiscal year, the County is able to report positive balances in all three categories of net position. The County's overall financial position improved during fiscal 2019. As stated earlier the County's net position increased by \$691,712 during fiscal year 2019.

**Rio Grande County**  
**Management's Discussion and Analysis (Continued)**  
**For the Year Ended December 31, 2019**

*Table 2 provides a summary of the changes in net position for the years 2018 and 2019. Following table 2 is specific discussion related to overall revenues and expenses. Additional information is presented in the Statement of Activities.*

**Table 2**  
**Changes in Net Position from Operating Results**

	<b>Governmental Activities 2018</b>	<b>Governmental Activities 2019</b>
<b>Revenues</b>		
Program Revenues		
Charges for Services	\$ 917,630	\$ 920,545
Operating Grants and Contributions	11,829,514	12,497,806
Capital Grants and Contributions	-	-
General revenues		
Taxes	\$ 4,477,014	\$ 4,889,957
Payment in Lieu of Taxes	873,159	892,392
Interest on Investments	187,870	247,798
Other	137,080	95,788
<b>Total Revenues</b>	<b>\$ 18,422,267</b>	<b>\$ 19,544,286</b>
<b>Expenses</b>		
General Government	\$ 3,536,697	\$ 3,232,676
Public Safety	2,200,282	2,710,020
Health and Welfare	8,698,386	9,233,119
Highways and Streets	2,155,759	3,072,575
Judicial	236,000	266,000
Auxiliary Services	64,547	67,881
Culture and recreation	335,046	205,958
Interest on Debt	62,796	64,345
<b>Total Expenses</b>	<b>\$ 17,289,513</b>	<b>\$ 18,852,574</b>
Increase (decrease) in Net Position	\$ 1,132,754	\$ 691,712
Beginning Net Position	\$ 50,102,448	\$ 51,235,202
<b>Ending Net Position</b>	<b>\$ 51,235,202</b>	<b>\$ 51,926,914</b>

The County is heavily reliant on operating grants and contributions and tax revenue to support governmental operations. Operating grants and contributions from the State and Federal government contributes \$12,497,806 or 64 percent. Property taxes, sales tax, PILT, and other taxes account for \$5,782,349 or 30 percent. The remainder comes from fees charged for services, investment income, and miscellaneous sources which totals \$1,264,131 or 6 percent of total governmental revenue. Rio Grande County's governmental revenue increased by \$1,122,019 or 6 percent compared to the 2018.

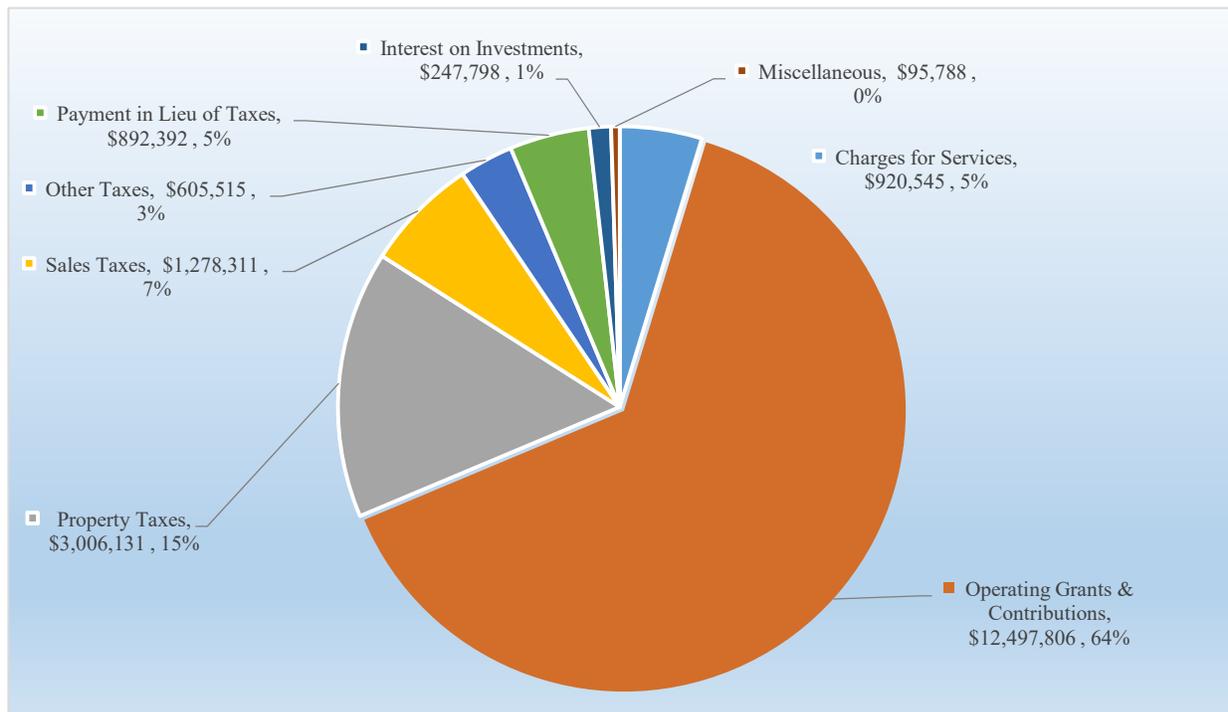
**Rio Grande County  
Management's Discussion and Analysis (Continued)  
For the Year Ended December 31, 2019**

**Governmental Activities**

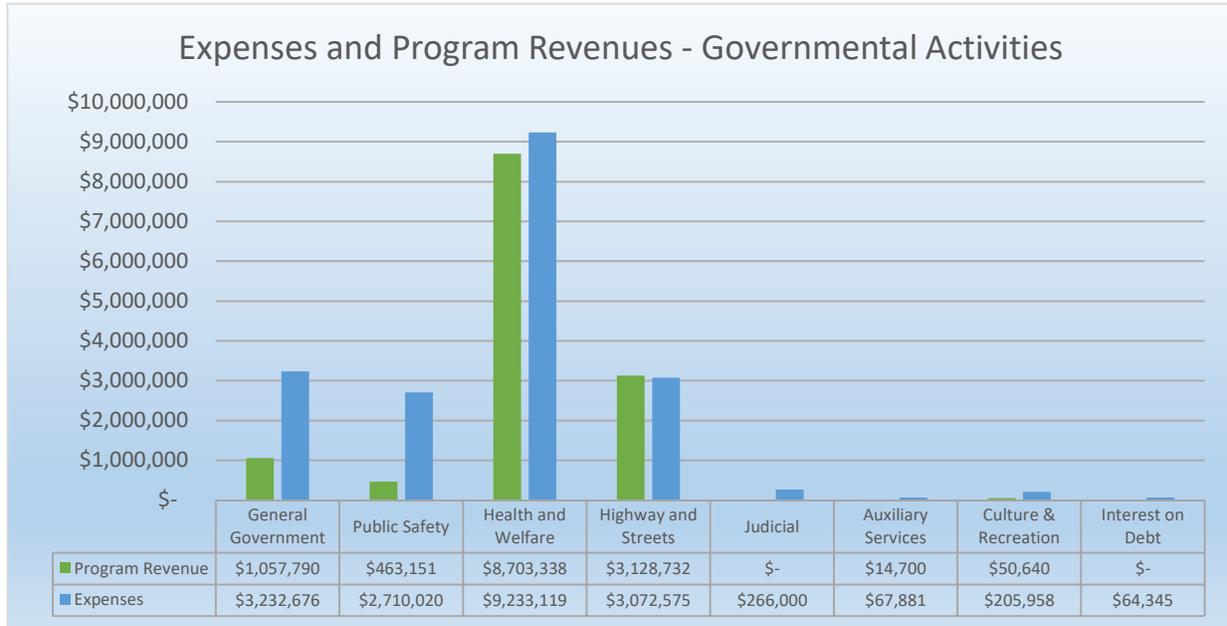
The County's governmental activities have been accounted for in eight departmental functions: 1) General Government, 2) Public Safety, 3) Health and Welfare, 4) Highway and Streets, 5) Judicial, 6) Auxiliary Services, 7) Culture and Recreation, 8) Interest on Long-term Debt.

Governmental activity expenses totaled \$18,852,574. Major expenses included in governmental activities are; \$9,233,119 for Health and Welfare, \$3,232,676 for General Government, \$3,072,575 for Highway and Streets, and \$2,710,020 for Public Safety. Over the prior fiscal year, the overall increase in governmental expenses was \$1,563,061 or approximately 9.04 percent. A majority of this increase relates to highway and streets \$916,816 and health and welfare \$534,733.

**REVENUES BY SOURCE – GOVERNMENTAL ACTIVITIES**



**Rio Grande County  
Management's Discussion and Analysis (Continued)  
For the Year Ended December 31, 2019**



*Table 3 presents the cost of each of the County's programs, including the net costs (i.e., total cost less revenue generated by the activities). The net costs illustrate the financial burden that was placed on the County's taxpayers by each of these functions.*

**Table 3  
Net Cost of Governmental Activities**

	Total Cost of Services	Percent of Total	Net (Cost) or Gain of Services	Percent of Total
General Government	\$ 3,232,676	17.15%	\$ (2,174,886)	40.02%
Public Safety	2,710,020	14.37%	(2,246,869)	41.35%
Health and Welfare	9,233,119	48.98%	(529,781)	9.75%
Highways and Streets	3,072,575	16.30%	56,157	-1.03%
Judicial	266,000	1.41%	(266,000)	4.89%
Auxiliary Services	67,881	0.36%	(53,181)	0.98%
Culture and Recreation	205,958	1.09%	(155,318)	2.86%
Interest on Debt	64,345	0.34%	(64,345)	1.18%
<b>Total</b>	<b>\$ 18,852,574</b>	<b>100.00%</b>	<b>\$ (5,434,223)</b>	<b>100.00%</b>

**Rio Grande County**  
**Management's Discussion and Analysis (Continued)**  
**For the Year Ended December 31, 2019**

**Financial Analysis of the County's Funds**

Rio Grande County uses fund accounting to ensure and demonstrate compliance with finance-related legal, federal and state requirements.

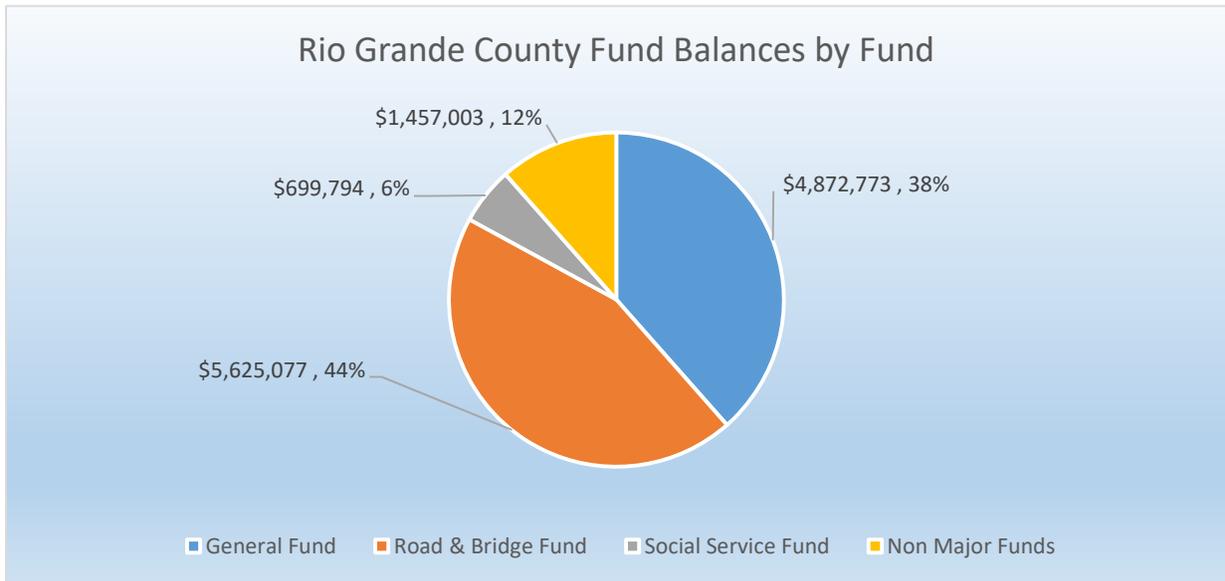
Governmental Funds. The focus of the County's governmental funds is to provide information on near-term inflows, outflows and balances of resources that are available for spending. Such information is useful in assessing the County's financing requirements. In particular, fund balances may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. Major governmental funds reported by Rio Grande County include the General Fund, Road and Bridge Fund, and Social Services Fund. Nonmajor funds include the Public Health Fund, Airport Fund, Conservation Trust Fund, Tourism Fund, and Capital Projects Fund. The Rio Grande County Weed Control District is a component unit within the County's reporting entity, therefore the district is blended into the County's financial statements within the nonmajor funds section.

Information about the County's funds follows the government-wide statements in the governmental funds statements. These funds are accounted for using the modified accrual basis of accounting. As of the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$12,654,647, an increase of \$646,242 from the prior year ending fund balances. Most of the increase was in the Road and Bridge Fund in the amount of \$446,428 followed by the General Fund in the amount of \$182,133. The County's fund balances are classified based on the extent to which the County is bound to honor constraints for the specific purpose on which amounts in the fund can be spent. In accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, the fund balances for the County were classified in the following categories:

- ✓ *Nonspendable fund balance* – amounts that are not in a spendable form (such as inventory) or are required to be maintained intact. As of December 31, 2019, the County's portion of nonspendable fund balance which is associated with inventory and prepaids was \$547,750.
- ✓ *Restricted Fund Balance* – are restricted when constraints are 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. As of December 31, 2019, the County's governmental funds reported a restricted fund balance of \$1,431,383.
- ✓ *Committed Fund Balance* – are amounts that can only be used for specific purposes as a result of constraints imposed by resolution of the Board of County Commissioners. Committed amounts cannot be used for any other purpose unless the Board removed those constraints by taking the same type of action. Committed fund balance differ from restricted balances because the constraints on their use do not come from outside parties, constitutional provisions, or enabling legislation. The County's governmental fund reported a committed fund balance of \$6,161,962, a majority of this fund balance is restricted for highway and streets in the amount of \$4,976,327.

**Rio Grande County  
Management's Discussion and Analysis (Continued)  
For the Year Ended December 31, 2019**

- ✓ *Assigned Fund Balance* – are amounts a government intend 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. The County reported an assigned fund balance of \$1,160,227.
- ✓ *Unassigned Fund Balance* – are amounts that are available for any purpose; these amounts are reported only in the General Fund. As of December 31, 2019, the county reported an unassigned fund balance of \$3,353,325.



The Road and Bridge Fund has an overall fund balance of \$5,625,077, an increase of \$446,428 compared to 2018. Of this amount, \$101,000 is restricted for Tabor, \$4,976,327 is available for highway and street related projects, and \$547,750 is nonspendable inventory and prepaid funds.

The General Fund has a fund balance of \$4,872,773, an increase of \$182,133 compared to 2018. Of this amount, \$179,000 is restricted for Tabor, \$50,795 for title III, \$92,916 for clerk's filing surcharge, \$36,510 for public safety, \$1,160,227 is assigned, and \$3,353,325 is unassigned.

The Social Services Fund has a fund balance of \$699,794, an increase of \$4,697 compared to 2018. Of this amount, \$78,000 is restricted for Tabor, \$213,744 for DSS programs, and \$408,050 is committed for health and welfare services.

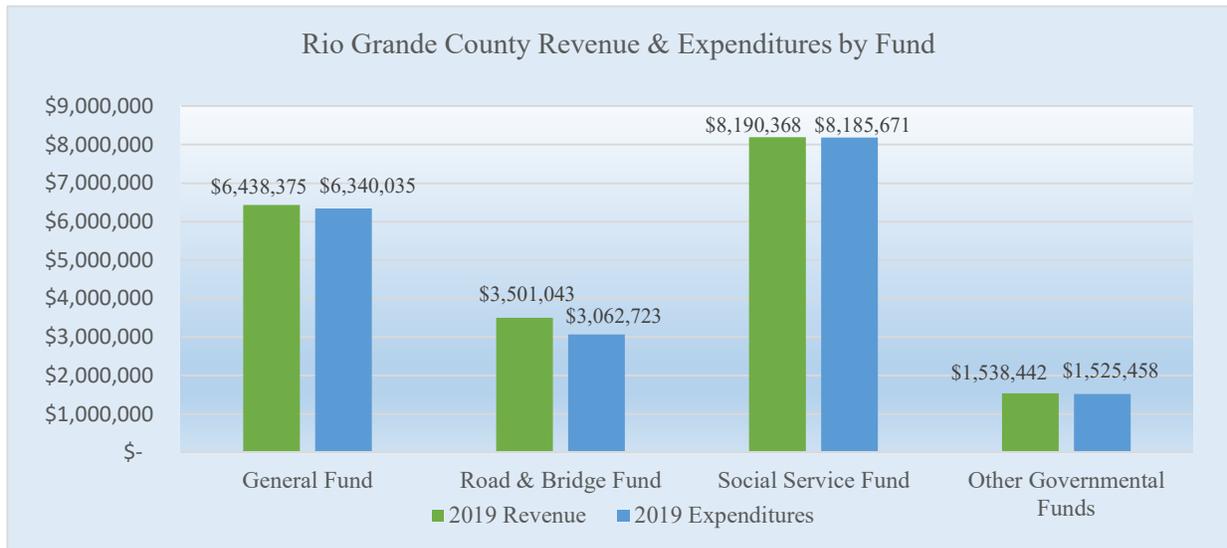
Non major funds have a fund balance of \$1,457,003, an increase of \$12,984 compared to 2018. Fund balances for non-major funds include, Public Health Fund \$452,920, Airport Fund \$107,518, Conservation Trust Fund \$463,855, Tourism Fund \$221,073, Weed Control District \$203,457. These funds are considered Special Revenue Funds which are used to account for specific revenues that are legally restricted to be expended for particular purposes. The Capital Project Fund is also included in non major funds with a fund balance of \$8,180.

*Revenue.* Revenues in governmental funds total \$19,668,228, an increase of \$1,234,229 or 6.69 percent compared to the prior year. The majority of the increase was in intergovernmental

**Rio Grande County  
Management's Discussion and Analysis (Continued)  
For the Year Ended December 31, 2019**

revenue with an increase of \$675,912, followed by tax revenue with an increase of \$412,943. Most of the increase in intergovernmental revenue was in the Social Services Fund with an increase of \$474,711. Total governmental fund revenues related to taxes was \$4,889,957, intergovernmental revenue was \$13,450,539, licenses and permits was \$123,972, investment income was \$247,798, charges for services was \$654,166, and miscellaneous revenue was \$301,796.

*Expenditures.* As of December 31, 2019, governmental fund expenditures totaled \$19,113,887, an increase of \$425,926. Of this amount, \$3,078,657 relates to General Government, \$2,588,630 to Public Safety, \$266,000 to Judicial, \$2,684,010 to Highway and Streets, \$9,213,438 to Health and Welfare, \$67,881 to Auxiliary Services, \$199,993 to Culture and Recreation, \$720,710 to Capital Outlay, and \$294,568 to Debt Service.



**General Fund:** 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. As of December 31, 2019, revenues exceed expenditures by \$182,133, increasing the fund balance by this amount.

- ✓ *Revenues.* General Fund revenues totaled \$6,438,375, an increase of \$299,029 compared to 2018. Tax revenue is the primary source of revenue in the General Fund totaling \$3,669,234, followed by intergovernmental revenue which totaled \$1,737,508. Compare to the prior fiscal year, tax revenue increased by \$237,647, intergovernmental revenue decreased by \$38,404, and all other revenue increased by \$99,786. Other financing sources in the form of lease proceeds and sale of capital assets totaled \$83,793.
- ✓ *Expenditures.* Total expenditures in the General Fund were \$6,340,035, an increase of \$661,983 compared to 2018. A majority of this increase relates to public safety in the amount of \$505,627.

**Road and Bridge Fund:** The Road and Bridge Fund is a special revenue fund 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. As of December 31, 2019,

**Rio Grande County**  
**Management's Discussion and Analysis (Continued)**  
**For the Year Ended December 31, 2019**

revenues exceeded expenditures by \$446,428, increasing the fund balance to \$5,625,077. This fund balance will be used to fund future road and bridge projects and equipment purchases or leases.

- ✓ *Revenues.* Total revenues, for 2019, in this fund were \$3,501,043, an increase of \$417,737 compared to 2018. Highway user tax funds (HUTF) is the primary source of revenue in the Road and Bridge Fund. During 2019, the Road and Bridge Fund received \$2,920,234 in HUTF revenue, an increase of \$171,852 compared to 2018. Other revenue in this fund totaled \$580,809, an increase of \$245,885. Other financings sources include sale of capital assets in the amount of \$8,108.
- ✓ *Expenditures.* Total expenditures in the Road and Bridge Fund were \$3,062,723, a decrease of \$338,374. A majority of this decrease relates to construction material and capital expense.

***Social Services Fund:*** The Social Service Fund is a special revenue fund used to account for the operations of social programs; i.e. Temporary Aid to Needy Families, Old Age Pension, Aide to blind, Aide to the Needy and Disabled, among other state mandated social services. At December 31, 2019, revenues exceeded expenditures by \$4,697, increasing the fund by this amount.

- ✓ *Revenues.* Social Service Fund revenues totaled \$8,190,368 in 2019, an increase of \$509,544 compared to 2018. Intergovernmental revenue which comes from Federal and State governments are the primary source of revenue in this fund. Intergovernmental revenue increased by \$474,711 and tax revenue increased by \$34,833.
- ✓ *Expenditures.* Total expenditures in the Social Service Fund were \$8,185,671, an increase of \$127,108 compared to 2018.

***Non-major Governmental Funds.*** Information for non-major governmental funds is aggregated and reported as special revenue funds. Special revenue funds are used to account for specific revenues that are legally restricted to be expended for particular purposes. Further detail by fund can be found in the other supplementary information section of this financial report. As of December 31, 2019, revenues exceeded expenditures by \$12,984, increasing the fund balance by this amount.

- ✓ *Revenues.* All other governmental funds have total revenues of \$1,538,442, an increase of \$7,919 compared to 2018. Other governmental funds include, Public Health Fund with total revenues of \$983,711, an increase of \$46,983, Airport Fund total revenues of \$127,955, an increase of \$39,043, Conservation Trust Fund total revenues of \$50,799, an increase of \$26, Tourism Fund total revenues of \$161,270, an increase of \$5,698, RG County Weed Control District total revenues of \$214,707, a decrease of \$58,831, and the Capital Project Fund revenues decreased by \$25,000.
- ✓ *Expenditures.* Total expenditures in other governmental funds were \$1,525,458, a decrease of \$24,701. Funds included in this expenditure amount are Public Health Fund \$950,948, Airport Fund \$225,898, Conservation Trust Fund \$6,950, Tourism Fund \$120,956, and the Weed Control District \$220,706.

**Rio Grande County  
Management's Discussion and Analysis (Continued)  
For the Year Ended December 31, 2019**

*Table 4 below provides you with a comparison of revenues, expenditures, and changes in fund balance as of December 31, 2018 and 2019.*

**Table 4  
Condensed Statement of Revenues, Expenditures,  
And Changes in Fund Balances**

	<b>Governmental Funds</b>	
	<b>2018</b>	<b>2019</b>
<b>Revenues</b>		
Taxes	\$ 4,477,014	\$ 4,889,957
Intergovernmental Revenue	12,774,627	13,450,539
Licenses and Permits	131,181	123,972
Investment Income	187,870	247,798
Charges for Services	665,129	654,166
Miscellaneous	198,178	301,796
<b>Total Revenue</b>	<b>\$ 18,433,999</b>	<b>\$ 19,668,228</b>
<b>Expenditures</b>		
General Government	\$ 3,339,821	\$ 3,078,657
Public Safety	2,083,003	2,588,630
Judicial	236,000	266,000
Highway and Streets	2,894,235	2,684,010
Health and Welfare	8,727,945	9,213,438
Auxiliary Services	64,547	67,881
Culture and Recreation	314,761	199,993
Capital Outlay	802,465	720,710
Debt Service	225,184	294,568
<b>Total Expenditures</b>	<b>\$ 18,687,961</b>	<b>\$ 19,113,887</b>
Excess (deficiency) of Revenue over Expenditures	\$ (253,962)	\$ 554,341
<b>Other Financing Sources (Uses)</b>		
Lease Proceeds	\$ 101,216	\$ 79,629
Sale of Capital Assets	42,300	12,272
<b>Total Other Financing Sources (Uses)</b>	<b>\$ 143,516</b>	<b>\$ 91,901</b>
Net Change in Fund Balance	\$ (110,446)	\$ 646,242
Fund Balance at the Beginning of Year	\$ 12,118,851	\$ 12,008,405
<b>Fund Balance at End of Year</b>	<b>\$ 12,008,405</b>	<b>\$ 12,654,647</b>

**General Fund Budgetary Highlights**

The County approved the 2019 annual budget in December, 2018, based on the needs of the various departments and the projected revenue. During fiscal year 2019, there was no need to amend the General Fund budget. The Public Health Fund budget was amended from an original revenue budget of \$943,450 to a final budget of \$1,013,217. The original expenditure budget of \$902,022 was also amended to a final budget of \$1,012,194. The primary reason for the supplementary budget was the receipt of various State of Colorado and Federal dollars passed through CDPHE in the Public Health Fund.

**Rio Grande County  
Management's Discussion and Analysis (Continued)  
For the Year Ended December 31, 2019**

At December 31, 2019, actual expenditures in the General Fund were \$1,343,969 below the original budget of \$7,684,004. Total revenues were \$32,639 under the estimated budget amount of \$6,471,014. The excess amount of revenues over expenditures was \$98,340, not including lease proceeds and sale of fixed assets.

The fund balance as of December 31, 2019 was \$4,872,773 compared to \$4,690,640. The net change in fund balance in the General Fund was an increase of \$182,133.

**Capital Assets and Debt Administration**

**Capital Assets**

Rio Grande County's investment in capital assets for its governmental activities as of December 31, 2019, amount to \$40,830,464 (net of accumulated depreciation). Capital assets include land, buildings and improvements, equipment, construction in progress, infrastructure (e.g. road, bridges, sidewalks, underground pipe, traffic signals, and similar items). The County defines a capital asset if the initial, individual cost is 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 cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset lives are not capitalized. Capital assets are depreciated using the straight-line method over their estimated useful lives.

As of December 31, 2019, the County had \$2,167,909 in additional capital assets and \$608,865 in deletions, increasing capital assets to \$79,947,854. Accumulated depreciation as of December 31, 2019 was \$39,117,370, bringing the County's net capital assets to \$40,830,464. Major capital asset additions during 2019 include, completion of Eagle Assessor Software installation \$180,845, Lowboy Loadking Trailer \$97,052, Kenworth Asphalt Distributor \$187,590, Four 2019 Ford Trucks \$146,325, Airport Improvements \$147,922, and Highway and Street Projects \$1,247,309.

*Table 5 below provides a summary of the County's capital assets (net of accumulated depreciation). Additional Information can be found in note 6 of the notes to the basic financial statements.*

**Table 5  
Rio Grande County's  
Capital Assets (net of accumulated depreciation)  
Governmental  
Activities**

	2018	2019
Land	\$ 458,301	\$ 458,301
Construction In Progress	101,216	5,000
Building & Site Improvements	4,711,641	4,657,022
Equipment & Vehicles	2,291,010	2,622,526
Infrastructure	33,351,136	33,087,615
Total	\$40,913,304	\$40,830,464

**Rio Grande County  
Management's Discussion and Analysis (Continued)  
For the Year Ended December 31, 2019**

**Debt Administration**

At the end of the year, the County's long-term liabilities totaled \$1,547,095. Rio Grande County's total debt decreased by \$126,728 during the current fiscal year. More detailed information about the County's long-term debt is presented in note 8 of the notes to the basic financial statements.

*Table 6 provides a summary of the County's long-term debt obligations at December 31, 2019.*

**Table 6  
Rio Grande County  
Long-Term Debt**

	Governmental Activities	
	2018	2019
Lease Purchase Agreements		
County Jail Expansion	\$ 1,132,469	\$ 992,081
Energy Performance Audit	169,656	122,042
Assessor's Software	101,216	138,624
Compensated Absences	270,482	294,348
Total Long-Term Debt	\$ 1,673,823	\$ 1,547,095

In order to finance the needed expansion of the County Jail, Rio Grande County entered into an annually renewable Lease Purchase Agreement with San Luis Valley Federal Bank. The bank issued \$2,500,000 for the purchase of the McCallister Building, the Annex, and two county shop buildings. The county is leasing the buildings back via the Lease Purchase Agreement at 4.5% interest. The payments are due to the bank in annual installments through October 2025, from the General Fund. The outstanding principle balance at December 31, 2019, was \$992,081.

A Lease Purchase Agreement was entered into between All American Investment Group, LLC, as lessor, and the County as lessee in the amount of \$367,062 with an interest rate of 2.5% on November 20, 2012 to purchase energy efficient components for the County buildings. Repayment began in April 2013 and quarterly thereafter from the General Fund. This Lease Purchase Agreement will be completed in 2023. The outstanding principal balance at December 31, 2019 was \$122,042.

A Lease Purchase Agreement, dated April 13, 2018, was entered into between Municipal Leasing Consultants, LLC, as lessor, and the County, as lessee, in the amount of \$180,845, with an interest rate of 4.58%. The County used the proceeds to purchase a server, computers, and a comprehensive municipal software package for the Assessor's office. Annual payments of principal and interest are made from the General Fund through April 2022. The outstanding principal balance at December 31, 2019 was \$138,624.

**Rio Grande County**  
**Management's Discussion and Analysis (Continued)**  
**For the Year Ended December 31, 2019**

**Factors Bearing on the County's Future**

At the time these financial statements were prepared and audited, the county was aware of the following existing circumstances that could significantly affect its financial health in the future

- Rio Grande County has seen a 5.54% increase in assessed value from 2018 to 2019.
- Total Revenue increased \$1,234,229 or 6.70% from 2018 to 2019.
- Sales tax had a significant increase in 2019, \$230,245 or 21.96% compared to 2018. This is due to online sales tax revenue.
- Tourism/Lodging Tax had an overall 6% increase from 2018 to 2019, even though tourism suffered in June due to high water.
- Property Tax, Sales Tax, Lodging Tax, and Specific Ownership Tax increased 5.29% in 2019
- Intergovernmental Revenue increased by \$675,912 or 5.29% in 2019.
- Licenses and Permits decreased by \$7,209 or 5.50%.
- Interest on investments increased \$59,928 from 2018 to 2019 (31.90%) which is down from an 83.24% increase from 2017 to 2018.
- Charges for Services was down \$10,963 or 1.65% in 2019 compared to 2018.
- The 2019 County Budget was funded by 68% intergovernmental Revenues; with 25% from Property Tax, Sales Tax, Lodging Tax, and Specific Ownership Tax; and 7% from Other Local Revenue.

In 2019, The County struggled replacing an Administrator, Human Resource Director and a Finance Officer. Despite these challenges, Rio Grande County financials look promising. With a new efficacious staff the county is complying with all regulatory mandates, and productively using constructive methods to analyze the budget to implement more effective procedures. Rio Grande County will be contributing conservation trust funds towards rebuilding the Ski-Hi Complex in Monte Vista which will prove to be advantageous to increase revenues, tourism, and enterprise in our county.

**Contacting the County's Financial Management**

This financial report is designed to provide the County's citizens, taxpayers, customers, and investors and creditors with a general overview of the County's finances and to demonstrate the County's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the County Administrator, 925 6th Street, Room 207, Del Norte, CO 81132.

**RIO GRANDE COUNTY, COLORADO**  
**BASIC FINANCIAL STATEMENTS**

**RIO GRANDE COUNTY, COLORADO**  
**STATEMENT OF NET POSITION**  
**December 31, 2019**

	<b>Primary Government</b>
	<b>Governmental</b>
	<b>Activities</b>
<b>ASSETS</b>	
<b>Current Assets:</b>	
Cash and Investments	\$ 11,656,909
Accounts Receivable	41,053
Due from Other Governments	1,262,462
Property Taxes Receivable	3,149,194
Prepaid Expenses	-
Inventories	547,750
<b>Total Current Assets</b>	<b>16,657,368</b>
<b>Noncurrent Assets:</b>	
Capital Assets:	
Land	458,301
Construction in Progress	5,000
Buildings	8,163,737
Machinery and Equipment	7,691,618
Infrastructure	63,629,178
Less: Accumulated Depreciation/Depletion	(39,117,370)
<b>Total Noncurrent Assets</b>	<b>40,830,464</b>
<b>TOTAL ASSETS</b>	<b>57,487,832</b>
<b>LIABILITIES</b>	
<b>Current Liabilities:</b>	
Accounts Payable	543,195
Due to Other Governments	43,633
Unearned Grant Revenue	266,699
Accrued Interest Payable	11,102
Lease Purchase Agreement	230,592
Compensated Absences	13,768
<b>Total Current Liabilities</b>	<b>1,108,989</b>
<b>Noncurrent Liabilities:</b>	
Lease Purchase Agreement	1,022,155
Compensated Absences	280,580
<b>Total Noncurrent Liabilities</b>	<b>1,302,735</b>
<b>TOTAL LIABILITIES</b>	<b>2,411,724</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred Revenue - Property Tax	3,149,194
<b>NET POSITION</b>	
Net Investment in Capital Assets	39,577,717
Restricted for:	
TABOR	394,200
DSS Programs - SEP and CHRP	213,744
Title III	50,795
Clerk's Filing Surcharge	92,916
Culture and Recreation	679,728
Unrestricted	10,917,814
<b>TOTAL NET POSITION</b>	<b>\$ 51,926,914</b>

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

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

<b>Functions/Programs</b>	<b>Expenses</b>	<b>Program Revenues</b>			<b>Net (Expenses) Revenues and Changes in Net Position Primary Government</b>
		<b>Charges for Services</b>	<b>Operating Grants &amp; Contributions</b>	<b>Capital Grants &amp; Contributions</b>	
<b>Primary Government:</b>					
<b>Governmental Activities:</b>					
General government	\$ 3,232,676	\$ 679,295	\$ 378,495	\$ -	\$ (2,174,886)
Public safety	2,710,020	126,739	336,412	-	(2,246,869)
Health and welfare	9,233,119	97,791	8,605,547	-	(529,781)
Highways and streets	3,072,575	200	3,128,532	-	56,157
Judicial	266,000	-	-	-	(266,000)
Auxiliary services	67,881	14,700	-	-	(53,181)
Culture and recreation	205,958	1,820	48,820	-	(155,318)
Interest on debt	64,345	-	-	-	(64,345)
<b>Total Governmental Activities</b>	<b>\$ 18,852,574</b>	<b>\$ 920,545</b>	<b>\$ 12,497,806</b>	<b>\$ -</b>	<b>(5,434,223)</b>
<b>General Revenues:</b>					
Taxes:					
General Property Taxes - Net					3,006,131
Sales Taxes					1,278,311
Other Taxes					605,515
Payment in Lieu of Taxes					892,392
Interest on Investments					247,798
Gain on Sale of Capital Assets					12,272
Miscellaneous					83,516
<b>Total General Revenues</b>					<b>6,125,935</b>
Change in Net Position					691,712
<b>Net Position - Beginning</b>					<b>51,235,202</b>
<b>Net Position - Ending</b>					<b>\$ 51,926,914</b>

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

**RIO GRANDE COUNTY, COLORADO**  
**GOVERNMENTAL FUNDS**  
**BALANCE SHEET**  
**December 31, 2019**

	<u>GENERAL FUND</u>	<u>ROAD AND BRIDGE FUND</u>	<u>SOCIAL SERVICES FUND</u>	<u>OTHER GOVERNMENTAL FUNDS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
<b>ASSETS</b>					
Cash and Investments	\$ 4,667,484	\$ 4,907,428	\$ 783,582	\$ 1,298,415	\$ 11,656,909
Accounts Receivable - Net	-	-	33,815	7,238	41,053
Property Taxes Receivable	2,165,637	396,746	433,308	153,503	3,149,194
Due From Other Governments	704,235	172,161	168,040	218,026	1,262,462
Due From Other Funds	-	9,006	-	25,000	34,006
Prepaid Expenditures	-	-	-	-	-
Inventory	-	547,750	-	-	547,750
<b>TOTAL ASSETS</b>	<u>\$ 7,537,356</u>	<u>\$ 6,033,091</u>	<u>\$ 1,418,745</u>	<u>\$ 1,702,182</u>	<u>\$ 16,691,374</u>
<b>LIABILITIES</b>					
Accounts Payable	\$ 438,154	\$ 11,268	\$ 4,973	\$ 88,800	\$ 543,195
Due to Other Governments	-	-	43,633	-	43,633
Due to Other Funds	31,130	-	-	2,876	34,006
Unearned Revenue - Grants	29,662	-	237,037	-	266,699
<b>TOTAL LIABILITIES</b>	<u>498,946</u>	<u>11,268</u>	<u>285,643</u>	<u>91,676</u>	<u>887,533</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred Revenue - Property Tax	2,165,637	396,746	433,308	153,503	3,149,194
<b>FUND BALANCE</b>					
Nonspendable - Inventory & Prepaid	-	547,750	-	-	547,750
Restricted for:					
TABOR	179,000	101,000	78,000	36,200	394,200
DSS Programs - SEP and CHRP	-	-	213,744	-	213,744
Title III	50,795	-	-	-	50,795
Clerk's Filing Surcharge	92,916	-	-	-	92,916
Culture and Recreation	-	-	-	679,728	679,728
Committed:					
Capital Projects	-	-	-	8,180	8,180
Public Safety	36,510	-	-	-	36,510
Highways and Streets	-	4,976,327	-	-	4,976,327
Health and Welfare	-	-	408,050	433,920	841,970
Weed Control	-	-	-	194,957	194,957
Astronaut Rominger Airport	-	-	-	104,018	104,018
Assigned - Designated for Subsequent Years	1,160,227	-	-	-	1,160,227
Unassigned	3,353,325	-	-	-	3,353,325
<b>TOTAL FUND BALANCE</b>	<u>4,872,773</u>	<u>5,625,077</u>	<u>699,794</u>	<u>1,457,003</u>	<u>12,654,647</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</b>	<u>\$ 7,537,356</u>	<u>\$ 6,033,091</u>	<u>\$ 1,418,745</u>	<u>\$ 1,702,182</u>	<u>\$ 16,691,374</u>

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

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

<b>Total governmental fund balances</b>		\$ 12,654,647
<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>		40,830,464
<p>Long-term liabilities are not due and payable in the current period and  therefore are not reported in the funds.</p>		
Lease Purchase Agreement	(1,252,747)	
Compensated Absences	(294,348)	
Accrued Interest Payable	(11,102)	
	(1,558,197)	(1,558,197)
<b>Net position of governmental activities</b>		<b>\$ 51,926,914</b>

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

	<b>GENERAL FUND</b>	<b>ROAD AND BRIDGE FUND</b>	<b>SOCIAL SERVICES FUND</b>	<b>OTHER GOVERNMENTAL FUNDS</b>	<b>TOTAL GOVERNMENTAL FUNDS</b>
<b>REVENUES</b>					
Taxes	\$ 3,669,234	\$ 380,874	\$ 505,500	\$ 334,349	\$ 4,889,957
Intergovernmental Revenue	1,737,508	3,013,667	7,684,868	1,014,496	13,450,539
Licenses and Permits	123,772	200	-	-	123,972
Investment Income	246,766	-	-	1,032	247,798
Charges for Services	509,756	-	-	144,410	654,166
Miscellaneous	151,339	106,302	-	44,155	301,796
<b>TOTAL REVENUES</b>	<b>6,438,375</b>	<b>3,501,043</b>	<b>8,190,368</b>	<b>1,538,442</b>	<b>19,668,228</b>
<b>EXPENDITURES</b>					
Current Expenditures:					
General Government	2,856,703	-	141,394	80,560	3,078,657
Public Safety	2,588,630	-	-	-	2,588,630
Judicial	266,000	-	-	-	266,000
Highways and Streets	-	2,684,010	-	-	2,684,010
Health and Welfare	10,003	-	8,036,981	1,166,454	9,213,438
Auxiliary Services	67,881	-	-	-	67,881
Culture and Recreation	72,087	-	-	127,906	199,993
Capital Outlay	184,163	378,713	7,296	150,538	720,710
Debt Service	294,568	-	-	-	294,568
<b>TOTAL EXPENDITURES</b>	<b>6,340,035</b>	<b>3,062,723</b>	<b>8,185,671</b>	<b>1,525,458</b>	<b>19,113,887</b>
Excess (deficiency) of revenues over expenditures	98,340	438,320	4,697	12,984	554,341
<b>OTHER FINANCING SOURCES (USES)</b>					
Lease Proceeds	79,629	-	-	-	79,629
Sale of Capital Assets	4,164	8,108	-	-	12,272
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>83,793</b>	<b>8,108</b>	<b>-</b>	<b>-</b>	<b>91,901</b>
Net Change in Fund Balance	182,133	446,428	4,697	12,984	646,242
<b>Fund Balance at beginning of year</b>	<b>4,690,640</b>	<b>5,178,649</b>	<b>695,097</b>	<b>1,444,019</b>	<b>12,008,405</b>
<b>Fund Balance at end of year</b>	<b>\$ 4,872,773</b>	<b>\$ 5,625,077</b>	<b>\$ 699,794</b>	<b>\$ 1,457,003</b>	<b>\$ 12,654,647</b>

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

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

**Net change in fund balances - total governmental funds** \$ 646,242

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

Governmental funds report capital outlays as expenditures. However, in the Statement of  
Activities the cost of those assets is allocated over their estimated useful lives and reported  
as depreciation expense. This is the activity for the current period.

Fixed Asset Additions	\$ 1,987,064	
Depreciation Expense	(2,069,904)	
		(82,840)

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. Debt activity is as follows:

Lease Proceeds	(79,629)	
Lease Payments	230,223	
		150,594

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	(23,866)	
Accrued Interest Payable Changes	1,582	
		(22,284)

**Change in net position of governmental funds** **\$ 691,712**

**RIO GRANDE COUNTY, COLORADO**  
**FIDUCIARY FUNDS**  
**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES**  
**December 31, 2019**

	<b>AGENCY FUND</b>
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 1,258,673
<b>TOTAL ASSETS</b>	\$ 1,258,673
<b>LIABILITIES</b>	
Funds Held For Others	\$ 1,258,673
<b>TOTAL LIABILITIES</b>	\$ 1,258,673

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

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

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting and reporting policies of Rio Grande County (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, health and social services, public improvements, planning, zoning, airport, and weed control.

***Component Units***

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

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

Rio Grande County has operational responsibility and manages the Rio Grande County Weed Control District. The District is blended into the County's financial statements as a special revenue fund.

**GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

The government-wide financial statements include the Statement of Net Position and the Statement of Activities. Government-wide statements report information on all of the activities of the 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.

**RIO GRANDE COUNTY, COLORADO**  
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The Statement of Activities reflects the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable within a specific function. Program revenues include:

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

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

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

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

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

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

The County reports the following major governmental funds:

- The *General Fund* is the general operating fund of the County. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- The *Road and Bridge Fund* is a special revenue fund 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 a special revenue fund 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.

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Fiduciary fund financial statements consist of the 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.

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

***Cash***

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

***Investments***

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

***Property Taxes***

Property taxes attach as an enforceable lien on property as of January 1 each year. The taxes are payable in two installments on February 28 and June 15 or in full on April 30. The County Treasurer bills and collects all property taxes for the County. Property tax revenue is recognized by the County to the extent it results in a current receivable. The 2019 property tax levy due January 1, 2020, has been recorded in the financial statements as a receivable and a corresponding deferred inflow of resources.

***Inventories***

Inventory is valued at the lower of cost (last-in, first-out) or market. Inventory in the Road and Bridge Fund consists of expendable supplies held for use.

***Capital Assets***

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

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

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

Assets	Years
Buildings and Improvements	20-100
Vehicles and Equipment	5-50
Infrastructure	40

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***Compensated Absences***

Annual leave may be accrued to the maximum of:

1st-10th year	21 days
11th-15th year	27 days
16th year and over	31 days

Upon separation from the County, an employee shall be paid for the amount of annual leave that he/she has accrued, subject to the limitation above. All vacation leave pay is accrued when incurred in the government-wide financial statements. A liability is reported in governmental funds only if they have matured, for example as a result of employee resignations or retirements.

***Unearned Revenue***

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

***Deferred Inflows of Resources***

In addition to liabilities, the statement of net position 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.

***Net Position***

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

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

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***Fund Balance***

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

- *Nonspendable Fund Balance* – are amounts that cannot be spent because they are not in spendable form—such as inventory and prepaid expense.
- *Restricted Fund Balance* – are restricted when constraints placed on the use of resources are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.
- *Committed Fund Balance* – are amounts that can only be used for specific purposes as a result of constraints imposed by resolution of the Board of County Commissioners, the highest level of decision making authority. Committed amounts cannot be used for any other purpose unless the Board removed those constraints by taking the same type of action. Committed fund balances differ from restricted balances because the constraints on their use do not come from outside parties, constitutional provisions, or enabling legislation.
- *Assigned Fund Balance* – are 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* – are 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 fund balance/net position 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.

***Reclassifications***

Certain amounts from prior years financial statements have been reclassified for current year financial statement presentation.

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

***Budgets and Budgetary Accounting***

Rio Grande 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.

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- 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 did adopt supplemental appropriations during 2019.

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

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

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

Cash on Hand	\$ 1,329
Cash Deposited in Banks	3,254,091
COLOTrust	8,008,533
Investments	1,651,629
 Total Cash, Deposits, and Investments (Book Balance)	 12,915,582
Less: Amounts Related to Agency Fund	(1,258,673)
 Total Cash, Deposits, and Investments on the Statement of Net Position	 \$ 11,656,909

***Cash and Deposits***

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

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

***Custodial Credit Risk – Deposits***

Custodial credit risk is the risk that in the event of a bank failure, the County's deposits may not be returned to it. The County does not have a deposit policy for custodial credit risk. At December 31, 2019, \$2,435,033 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

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

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

<u>Investment Type</u>		<u>Rating</u> Moody's/ S&P	<u>Fair Value</u> <u>Measurements</u>		
			<u>Up to 120</u> <u>days</u>	<u>121 days</u> <u>to 5 years</u>	<u>Using:</u> <u>Level 2</u>
SIGMA Certificates of Deposit	52%	unrated	\$ -	\$ 854,642	\$ 854,642
LPL Financial Certificates of Deposit	48%	unrated	99,846	693,844	793,690
			99,846	1,548,486	1,648,332
Money Market Funds	0%	unrated			3,297
					\$ 1,651,629

**RIO GRANDE COUNTY, COLORADO**  
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**NOTE 4 PROPERTY TAXES RECEIVABLE**

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

General Fund	\$ 2,165,637
Road and Bridge Fund	396,746
Social Services Fund	433,308
Public Health Fund	69,430
Weed Control District	84,073
	\$ 3,149,194

**NOTE 5 INTERFUND RECEIVABLES AND PAYABLES**

***Interfund Receivables/Payables***

The County reports interfund balances between 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, 2019, were as follows:

Receivable Fund	Payable Fund	Amount
Airport Fund	General Fund	\$ 25,000
Road & Bridge	Airport Fund	2,876
	General Fund	6,130
		9,006
		\$ 34,006

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**NOTE 6 CAPITAL ASSETS**

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

	Balance 12/31/2018	Additions	Deletions	Balance 12/31/2019
<i>Governmental Activities</i>				
Capital assets not being depreciated				
Land	\$ 458,301	\$ -	\$ -	\$ 458,301
Construction in Progress	101,216	84,629	180,845	5,000
Total capital assets not being depreciated	<u>559,517</u>	<u>84,629</u>	<u>180,845</u>	<u>463,301</u>
Capital assets being depreciated				
Buildings and Improvements	8,085,268	78,469	-	8,163,737
Vehicles and Equipment	7,452,305	667,333	428,020	7,691,618
Infrastructure	62,291,700	1,337,478	-	63,629,178
Total capital assets being depreciated	<u>77,829,273</u>	<u>2,083,280</u>	<u>428,020</u>	<u>79,484,533</u>
Less: accumulated depreciation for				
Buildings and Improvements	3,373,627	133,088	-	3,506,715
Vehicles and Equipment	5,161,295	335,817	428,020	5,069,092
Infrastructure	28,940,564	1,600,999	-	30,541,563
Total accumulated depreciation	<u>37,475,486</u>	<u>2,069,904</u>	<u>428,020</u>	<u>39,117,370</u>
Total Capital Assets being depreciated, net	<u>40,353,787</u>	<u>13,376</u>	<u>-</u>	<u>40,367,163</u>
Governmental Activities Capital Assets, Net	<u>\$ 40,913,304</u>	<u>\$ 98,005</u>	<u>\$ 180,845</u>	<u>\$ 40,830,464</u>

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

Governmental Activities:	
General Government	\$ 142,829
Public Safety	120,514
Health and Welfare	54,437
Highways and Streets	1,731,724
Culture and Recreation	20,400
Total Depreciation Expense	<u>\$ 2,069,904</u>

**NOTE 7 OPERATING LEASES**

The County has entered into operating lease arrangements for computer software, copy machines, and Road and Bridge equipment. Lease terms range from 36 to 60 months. Rental expense for all operating leases for the year ended December 31, 2019, was approximately \$290,917.

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**NOTE 8 LONG-TERM LIABILITIES**

*Changes in Long-term Liabilities*

Long-term liability activity for the year ended December 31, 2019, was as follows:

	12/31/2018			12/31/2019	Due Within
	<u>Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u>	<u>One Year</u>
<i>Governmental Activities:</i>					
Lease Purchase Agreement					
Jail	\$ 1,132,469	\$ -	\$ 140,388	\$ 992,081	\$ 146,920
Energy Performance Audit	169,656	-	47,614	122,042	39,517
Assessor's Software	<u>101,216</u>	<u>79,629</u>	<u>42,221</u>	<u>138,624</u>	<u>44,155</u>
Total	1,403,341	79,629	230,223	1,252,747	230,592
Compensated Absences	<u>270,482</u>	<u>23,866</u>	-	<u>294,348</u>	<u>13,768</u>
Total Governmental Activities	<u>\$ 1,673,823</u>	<u>\$ 103,495</u>	<u>\$ 230,223</u>	<u>\$ 1,547,095</u>	<u>\$ 244,360</u>

***Lease Purchase Agreements***

An annually renewable lease purchase agreement, dated January 11, 2005, was entered into between San Luis Valley Federal Bank (the "Bank"), as lessor, and Rio Grande County (the "County"), as lessee. The bank issued \$2,500,000 to the County for the purchase of the McCallister Building, the Courthouse Annex, the Road and Bridge Shop Building, and the Road and Bridge Truck Garage. The County is leasing the buildings back via the lease purchase agreement at 4.50% interest. The County used the proceeds from the sale to construct and equip a new jail facility. Payments are due to the Bank in annual installments through October 2025, from the General Fund. The County can purchase the building back at any time for the Purchase Option Price included in the lease. The buildings are included in fixed assets at a cost of \$1,762,653 with accumulated depreciation of \$941,894. Principal balance at December 31, 2019, was \$992,081.

A Lease Purchase Agreement, dated November 20, 2012, was entered into between All American Investment Group, LLC, as lessor, and Rio Grande County (the "County"), as lessee, in the amount of \$367,062, with an interest rate of 2.50%. The County used the proceeds to purchase energy efficient components based on an energy efficiency audit on the County buildings. Quarterly payments of principal and interest are made from the General Fund through January 2023. Principal balance at December 31, 2019, was \$122,042.

A Lease Purchase Agreement, dated April 13, 2018, was entered into between Municipal Leasing Consultants, LLC, as lessor, and Rio Grande County (the "County"), as lessee, in the amount of \$180,845, with an interest rate of 4.58%. The County used proceeds to purchase a server, computers, and a comprehensive municipal software package for the Assessor's office. Annual payments of principal and interest are made from the General Fund through April 2022. The software package is included in fixed assets at a cost of \$180,845 with accumulated depreciation of \$13,563. Principal balance at December 31, 2019, was \$138,624.

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

	Principal	Interest	Total
2020	\$ 230,592	\$ 53,428	\$ 284,020
2021	240,223	43,798	284,021
2022	250,744	33,751	284,495
2023	167,660	23,668	191,328
2024	175,205	16,123	191,328
2025	188,323	8,239	196,562
	\$ 1,252,747	\$ 179,007	\$ 1,431,754

**NOTE 9 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.

Employees are eligible immediately upon their employment with Rio Grande County, County contributions begin after one year of employment, and participation is mandatory after one year of employment. Employee contributions are always 100% vested, and the employer match follows a five year vesting schedule. Employees are fully vested after a five year participation period, or at the age of 55, whichever is earlier. Elected officials are 100% vested immediately upon participation.

The County must contribute a minimum of 4% and a maximum of 6% of the compensation of each employee. For 2019, the contribution rate was 4%. Each participant contributes a minimum amount equal to the County's contribution, and is permitted to make additional contributions not to exceed 10% of their compensation. For the year ended December 31, 2019, employee contributions totaled \$182,146 and the County recognized pension expense of \$182,268. The County recognized \$288 of forfeitures in retirement expense during 2019.

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

**NOTE 10 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.

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**NOTE 11 TABOR AMENDMENT RESERVE**

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

Fiscal year spending and revenue limits are determined based on the prior year's spending adjusted for inflation and local growth. The voters of the County passed a ballot issue in 1999 allowing the County to retain and expend all revenues collected in the year 2000 and thereafter, which do not involve any new taxes and or an increase in the existing mill levy, notwithstanding the limitations of section 29-1-301, C.R.S. and Article X, section 20 of the Colorado Constitution.

The amendment also requires that Emergency Reserves be established. These reserves must be at least 3% of fiscal year spending. The Emergency Reserve has been presented as a restriction of fund balance in the County funds and restricted net position on the Statement of Net Position. The County is not allowed to use the Emergency Reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

**NOTE 12 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, 2019.

**NOTE 13 RISK MANAGEMENT**

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

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

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

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

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

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excess insurance through commercial companies for members' claims in excess of a specified self-insured retention that is determined each policy year. There have been no significant reductions in insurance coverage. Settled claims from these risks have not exceeded insurance coverage for the current year or the three prior years.

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

**NOTE 14 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.

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 \$1,145,541 as landfill closure and post-closure care liability at December 31, 2019, that represents the cumulative amount reported to date based on the use of 38% of the estimated capacity of the landfill.

The Authority will recognize the remaining estimated cost of closure and post-closure care of \$1,903,057 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 2019, the most recent information available. The Authority expects to close the landfill in the year 2043, the remaining useful life is 24 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 \$4,691,022, total liabilities of \$1,180,980, and net position of \$3,510,042 at December 31, 2019.

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

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 15 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.

***Litigation***

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

***Insurance Pools***

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

**NOTE 16 SUBSEQUENT EVENT**

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

# **RIO GRANDE 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.

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

	<b>BUDGETED AMOUNTS</b>		<b>ACTUAL</b>	<b>VARIANCE WITH</b>
	<b>ORIGINAL</b>	<b>FINAL</b>		<b>FINAL BUDGET</b>
				<b>POSITIVE</b>
				<b>(NEGATIVE)</b>
<b>REVENUES</b>				
Taxes	\$ 3,248,504	\$ 3,248,504	\$ 3,669,234	\$ 420,730
Intergovernmental Revenue	2,342,965	2,342,965	1,737,508	(605,457)
Licenses and Permits	127,850	127,850	123,772	(4,078)
Investment Income	120,000	120,000	246,766	126,766
Charges for Services	440,600	440,600	509,756	69,156
Miscellaneous	191,095	191,095	151,339	(39,756)
<b>TOTAL REVENUES</b>	<b>6,471,014</b>	<b>6,471,014</b>	<b>6,438,375</b>	<b>(32,639)</b>
<b>EXPENDITURES</b>				
General Government	3,723,804	3,723,804	2,856,703	867,101
Public Safety	3,053,109	3,053,109	2,588,630	464,479
Judicial	266,000	266,000	266,000	-
Health and Welfare	65,000	65,000	10,003	54,997
Auxiliary Services	47,538	47,538	67,881	(20,343)
Culture and Recreation	94,325	94,325	72,087	22,238
Capital Outlay	175,500	175,500	184,163	(8,663)
Debt Service	258,728	258,728	294,568	(35,840)
<b>TOTAL EXPENDITURES</b>	<b>7,684,004</b>	<b>7,684,004</b>	<b>6,340,035</b>	<b>1,343,969</b>
Excess (deficiency) of revenues over expenditures	(1,212,990)	(1,212,990)	98,340	1,311,330
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of Capital Assets	1,000	1,000	4,164	3,164
Lease Proceeds	-	-	79,629	79,629
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>1,000</b>	<b>1,000</b>	<b>83,793</b>	<b>82,793</b>
Net Change in Fund Balance	(1,211,990)	(1,211,990)	182,133	1,394,123
<b>Fund Balance at beginning of year</b>	<b>3,727,165</b>	<b>3,727,165</b>	<b>4,690,640</b>	<b>963,475</b>
<b>Fund Balance at end of year</b>	<b>\$ 2,515,175</b>	<b>\$ 2,515,175</b>	<b>\$ 4,872,773</b>	<b>\$ 2,357,598</b>

**Notes to Required Supplementary Information**

The basis of budgeting is the same as GAAP.

This schedule is presented on the GAAP basis.

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

	<b>BUDGETED AMOUNTS</b>		<b>ACTUAL</b>	<b>VARIANCE WITH</b>
	<b>ORIGINAL</b>	<b>FINAL</b>		<b>FINAL BUDGET</b>
				<b>POSITIVE</b>
				<b>(NEGATIVE)</b>
<b>REVENUES</b>				
Taxes	\$ 422,064	\$ 422,064	\$ 380,874	\$ (41,190)
Intergovernmental Revenue	2,487,196	2,487,196	3,013,667	526,471
Licenses and Permits	250	250	200	(50)
Charges for Services	-	-	-	-
Miscellaneous	4,500	4,500	106,302	101,802
<b>TOTAL REVENUES</b>	<b>2,914,010</b>	<b>2,914,010</b>	<b>3,501,043</b>	<b>587,033</b>
<b>EXPENDITURES</b>				
Highways and Streets	3,301,555	3,301,555	2,684,010	617,545
Capital Outlay	400,000	400,000	378,713	21,287
<b>TOTAL EXPENDITURES</b>	<b>3,701,555</b>	<b>3,701,555</b>	<b>3,062,723</b>	<b>638,832</b>
Excess (deficiency) of revenues over expenditures	(787,545)	(787,545)	438,320	1,225,865
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of Capital Assets	500	500	8,108	7,608
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>500</b>	<b>500</b>	<b>8,108</b>	<b>7,608</b>
Net Change in Fund Balance	(787,045)	(787,045)	446,428	1,233,473
<b>Fund Balance at beginning of year</b>	<b>4,702,942</b>	<b>4,702,942</b>	<b>5,178,649</b>	<b>475,707</b>
<b>Fund Balance at end of year</b>	<b>\$ 3,915,897</b>	<b>\$ 3,915,897</b>	<b>\$ 5,625,077</b>	<b>\$ 1,709,180</b>

**Notes to Required Supplementary Information**

The basis of budgeting is the same as GAAP.

This schedule is presented on the GAAP basis.

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

	<b>BUDGETED AMOUNTS</b>		<b>ACTUAL</b>	<b>VARIANCE WITH</b>
	<b>ORIGINAL</b>	<b>FINAL</b>		<b>FINAL BUDGET</b>
				<b>POSITIVE</b>
				<b>(NEGATIVE)</b>
<b>REVENUES</b>				
Taxes	\$ 494,267	\$ 494,267	\$ 505,500	\$ 11,233
Intergovernmental Revenue	10,153,745	10,153,745	7,684,868	(2,468,877)
<b>TOTAL REVENUES</b>	<b>10,648,012</b>	<b>10,648,012</b>	<b>8,190,368</b>	<b>(2,457,644)</b>
<b>EXPENDITURES</b>				
General Government	-	-	141,394	(141,394)
Health and Welfare	10,813,134	10,813,134	8,036,981	2,776,153
Capital Outlay	-	-	7,296	(7,296)
<b>TOTAL EXPENDITURES</b>	<b>10,813,134</b>	<b>10,813,134</b>	<b>8,185,671</b>	<b>2,627,463</b>
Net Change in Fund Balance	(165,122)	(165,122)	4,697	169,819
<b>Fund Balance at beginning of year</b>	<b>796,891</b>	<b>796,891</b>	<b>695,097</b>	<b>(101,794)</b>
<b>Fund Balance at end of year</b>	<b>\$ 631,769</b>	<b>\$ 631,769</b>	<b>\$ 699,794</b>	<b>\$ 68,025</b>

**Notes to Required Supplementary Information**

The basis of budgeting is the same as GAAP.

This schedule is presented on the GAAP basis.

## **RIO GRANDE COUNTY, COLORADO**

### **OTHER 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.

**RIO GRANDE COUNTY, COLORADO**  
**NONMAJOR GOVERNMENTAL FUNDS**

**SPECIAL REVENUE FUNDS**

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

**PUBLIC HEALTH FUND** – This fund is used to account for the multiple programs of providing public health nursing services. Financing is provided by grants and fees for services.

**AIRPORT FUND** – This fund is used to account for improvements to and operations of the Astronaut Rominger Airport.

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

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

**RIO GRANDE COUNTY WEED CONTROL DISTRICT** – This fund is used to provide monies for spraying undesirable plants along the roads within Rio Grande County as required by the Colorado Weed Management Act.

**CAPITAL PROJECTS FUND**

Capital Projects Funds are used to account for the financing of capital purchases or construction for Rio Grande County and its facilities.

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

**SPECIAL REVENUE FUNDS**

	<b>PUBLIC HEALTH FUND</b>	<b>AIRPORT FUND</b>	<b>CONSERVATION TRUST FUND</b>	<b>TOURISM FUND</b>	<b>RIO GRANDE COUNTY WEED CONTROL DISTRICT</b>	<b>CAPITAL PROJECTS FUND</b>	<b>TOTAL NONMAJOR GOVERNMENTAL</b>
<b>ASSETS</b>							
Cash and Investments	\$ 306,174	\$ 89,249	\$ 461,876	\$ 245,117	\$ 187,819	\$ 8,180	\$ 1,298,415
Accounts Receivable	-	3,635	1,979	-	1,624	-	7,238
Property Taxes Receivable	69,430	-	-	-	84,073	-	153,503
Due From Other Governments	176,871	-	-	-	41,155	-	218,026
Due From Other Funds	-	25,000	-	-	-	-	25,000
<b>TOTAL ASSETS</b>	<b>\$ 552,475</b>	<b>\$ 117,884</b>	<b>\$ 463,855</b>	<b>\$ 245,117</b>	<b>\$ 314,671</b>	<b>\$ 8,180</b>	<b>\$ 1,702,182</b>
<b>LIABILITIES</b>							
Accounts Payable	\$ 30,125	\$ 7,490	\$ -	\$ 24,044	\$ 27,141	\$ -	\$ 88,800
Due To Other Funds	-	2,876	-	-	-	-	2,876
<b>TOTAL LIABILITIES</b>	<b>30,125</b>	<b>10,366</b>	<b>-</b>	<b>24,044</b>	<b>27,141</b>	<b>-</b>	<b>91,676</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Deferred Revenue - Property Tax	69,430	-	-	-	84,073	-	153,503
<b>FUND BALANCE</b>							
Restricted for:							
Tabor Amendment Reserve	19,000	3,500	200	5,000	8,500	-	36,200
Culture and Recreation	-	-	463,655	216,073	-	-	679,728
Committed to:							
Capital Projects	-	-	-	-	-	8,180	8,180
Health and Welfare	433,920	-	-	-	-	-	433,920
Weed Control	-	-	-	-	194,957	-	194,957
Astronaut Rominger Airport	-	104,018	-	-	-	-	104,018
<b>TOTAL FUND BALANCE</b>	<b>452,920</b>	<b>107,518</b>	<b>463,855</b>	<b>221,073</b>	<b>203,457</b>	<b>8,180</b>	<b>1,457,003</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</b>	<b>\$ 552,475</b>	<b>\$ 117,884</b>	<b>\$ 463,855</b>	<b>\$ 245,117</b>	<b>\$ 314,671</b>	<b>\$ 8,180</b>	<b>\$ 1,702,182</b>

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

	<b>SPECIAL REVENUE FUNDS</b>						
	<b>PUBLIC HEALTH FUND</b>	<b>AIRPORT FUND</b>	<b>CONSERVATION TRUST FUND</b>	<b>TOURISM FUND</b>	<b>RIO GRANDE COUNTY WEED CONTROL DISTRICT</b>	<b>CAPITAL PROJECTS FUND</b>	<b>TOTAL NONMAJOR GOVERNMENTAL</b>
<b>REVENUES</b>							
Taxes	\$ 78,135	\$ -	\$ -	\$ 161,270	\$ 94,944	\$ -	\$ 334,349
Intergovernmental Revenue	869,676	55,000	48,820	-	41,000	-	1,014,496
Investment Income	264	100	-	-	668	-	1,032
Charges For Services	11,702	54,892	-	-	77,816	-	144,410
Miscellaneous	23,934	17,963	1,979	-	279	-	44,155
<b>TOTAL REVENUES</b>	<b>983,711</b>	<b>127,955</b>	<b>50,799</b>	<b>161,270</b>	<b>214,707</b>	<b>-</b>	<b>1,538,442</b>
<b>EXPENDITURES</b>							
Current Expenditures:							
General Government	-	80,560	-	-	-	-	80,560
Health and Welfare	950,948	-	-	-	215,506	-	1,166,454
Culture and Recreation	-	-	6,950	120,956	-	-	127,906
Capital Outlay	-	145,338	-	-	5,200	-	150,538
<b>TOTAL EXPENDITURES</b>	<b>950,948</b>	<b>225,898</b>	<b>6,950</b>	<b>120,956</b>	<b>220,706</b>	<b>-</b>	<b>1,525,458</b>
Excess (deficiency) of revenues over expenditures	32,763	(97,943)	43,849	40,314	(5,999)	-	12,984
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfer In	-	-	-	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net Change in Fund Balance	32,763	(97,943)	43,849	40,314	(5,999)	-	12,984
<b>Fund Balance at beginning of year</b>	<b>420,157</b>	<b>205,461</b>	<b>420,006</b>	<b>180,759</b>	<b>209,456</b>	<b>8,180</b>	<b>1,444,019</b>
<b>Fund Balance at end of year</b>	<b>\$ 452,920</b>	<b>\$ 107,518</b>	<b>\$ 463,855</b>	<b>\$ 221,073</b>	<b>\$ 203,457</b>	<b>\$ 8,180</b>	<b>\$ 1,457,003</b>

**RIO GRANDE COUNTY, COLORADO**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**SCHEDULE OF EXPENDITURES AND TRANSFERS OUT**  
**BUDGET AND ACTUAL**  
**For the Year Ended December 31, 2019**

	<u>BUDGETED AMOUNTS</u>		<u>EXPENDITURES REPORTED ON THE GAAP BASIS</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
<b>Governmental Funds</b>				
Non-major Governmental Funds				
Special Revenue Funds				
Public Health Agency Fund	\$ 902,022	\$ 1,012,194	\$ 950,948	\$ 61,246
Airport Fund	368,170	368,170	225,898	142,272
Conservation Trust Fund	45,000	45,000	6,950	38,050
Tourism Fund	148,900	148,900	120,956	27,944
Pest & Weed Control District	240,884	240,884	220,706	20,178
Total Special Revenue Funds	<u>1,704,976</u>	<u>1,815,148</u>	<u>1,525,458</u>	<u>289,690</u>
Capital Projects Fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Non-major Governmental Funds	<u>\$ 1,704,976</u>	<u>\$ 1,815,148</u>	<u>\$ 1,525,458</u>	<u>\$ 289,690</u>

**RIO GRANDE COUNTY, COLORADO**

**OTHER SCHEDULES AND REPORTS**

**RIO GRANDE COUNTY, COLORADO**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the Year Ended December 31, 2019**

<i>Federal Grantor/Program or Cluster Title</i>	<i>Federal CFDA Number</i>	<i>Pass-through Grantor and Number</i>	<i>Passed-through to Subrecipients (\$)</i>	<i>Federal Expenditures(\$)</i>
<b>CCDF Cluster</b>				
Department of Health and Human Services				
Child Care and Development Block Grant	93.575	Colorado Department of Human Services,N/A	\$ -	\$ 96,197
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	Colorado Department of Human Services,N/A	-	66,589
<i>Total Department of Health and Human Services</i>			-	162,786
<b>Total CCDF Cluster</b>			-	162,786
<b>Food Distribution Cluster</b>				
Department of Agriculture				
Emergency Food Assistance Program (Food Commodities)	10.569	Colorado Department of Human Services and Care and Share Food Bank,N/A	-	65,142
<i>Total Department of Agriculture</i>			-	65,142
<b>Total Food Distribution Cluster</b>			-	65,142
<b>TANF Cluster</b>				
Department of Health and Human Services				
Temporary Assistance for Needy Families (TANF) State Programs	93.558	Colorado Department of Human Services,N/A	-	693,230
<i>Total Department of Health and Human Services</i>			-	693,230
<b>Total TANF Cluster</b>			-	693,230
<b>Medical Assistance Program (Medicaid Cluster)</b>				
Department of Health and Human Services				
Medical Assistance Program	93.778	Colorado Department of Health Care Policy and Financing, N/A	-	246,765
Medical Assistance Program	93.778	Colorado Department of Health Care Policy and Financing,N/A	-	24,631
Medical Assistance Program	93.778	Colorado Department of Health Care Policy and Financing, 19-110376A1	-	120,243
Medical Assistance Program	93.778	Colorado Department of Health Care Policy and Financing,UGAGP0196	-	57,540
<i>Total Department of Health and Human Services</i>			-	449,179
<b>Total Medical Assistance Program (Medicaid Cluster)</b>			-	449,179

**RIO GRANDE COUNTY, COLORADO**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the Year Ended December 31, 2019**

<i>Federal Grantor/Program or Cluster Title</i>	<i>Federal CFDA Number</i>	<i>Pass-through Grantor and Number</i>	<i>Passed-through to Subrecipients (\$)</i>	<i>Federal Expenditures(\$)</i>
<b>SNAP Cluster</b>				
Department of Agriculture				
Supplemental Nutrition Assistance Program	10.551	Colorado Department of Human Services,N/A	-	3,885
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	Colorado Department of Human Services,N/A	-	142,104
<i>Total Department of Agriculture</i>			-	145,989
<b>Total SNAP Cluster</b>			-	145,989
<b>Forest Service Schools and Roads Cluster</b>				
Department of Agriculture				
Schools and Roads - Grants to States, Title I	10.665	Colorado Department of Treasury,N/A	113,113	155,074
Schools and Roads - Grants to States, Title III	10.665	Colorado Department of Treasury,N/A	-	12,771
Total Department of Agriculture			113,113	167,845
<b>Total Forest Service Schools and Roads Cluster</b>			113,113	167,845
<b>Total All Clusters</b>			113,113	1,684,171
<b>Other Programs</b>				
Department of Homeland Security				
Homeland Security Grant Program	97.067	Governor's Office of Homeland Security, N/A	-	131,914
<i>Total Department of Homeland Security</i>			-	131,914
Department of the Interior				
National Wildlife Refuge Fund	15.659		-	24,304
<i>Total Department of the Interior</i>			-	24,304
Department of Health and Human Services				
Public Health Emergency Preparedness	93.069	Colorado Department of Public Health and Environment, FLWTHW20CJ	-	21,815
Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements	93.074	Colorado Department of Public Health and Environment, HCCBP1	-	29,321
Guardianship Assistance	93.090	Colorado Department of Human Services,N/A	-	3,792

**RIO GRANDE COUNTY, COLORADO**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the Year Ended December 31, 2019**

<i>Federal Grantor/Program or Cluster Title</i>	<i>Federal CFDA Number</i>	<i>Pass-through Grantor and Number</i>	<i>Passed-through to Subrecipients (\$)</i>	<i>Federal Expenditures(\$)</i>
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	Colorado Department of Public Health and Environment, LN19CH	-	701
Immunization Cooperative Agreements	93.268	Colorado Department of Public Health and Environment,JG20CH	-	1,287
Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	93.354	Colorado Department of Public Health and Environment, N/A	-	4,236
PPHF Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure and Performance financed in part by Prevention and Public Health Funds	93.539	Colorado Department of Public Health and Environment, JG17CH/JG18CH	-	8,817
Promoting Safe and Stable Families	93.556	Colorado Department of Human Services,N/A	-	115,607
Child Support Enforcement	93.563	Colorado Department of Human Services,N/A	-	219,798
Low-Income Home Energy Assistance	93.568	Colorado Department of Human Services,N/A	-	366,852
ACA - State Innovation Models: Funding for Model Design and Model Testing Assistance	93.624	Colorado Department of Human Services, ZM18CL	-	120,514
Stephanie Tubbs Jones Child Welfare Services Program	93.645	Colorado Department of Human Services,N/A	-	8,571
Foster Care_ Title IV-E	93.658	Colorado Department of Human Services,N/A	-	403,105
Adoption Assistance	93.659	Colorado Department of Human Services,N/A	-	54,985
Social Services Block Grant	93.667	Colorado Department of Human Services,N/A	-	70,897
Children's Health Insurance Program	93.767	Colorado Department of Health Care Policy and Financing,UCCBB0330	-	13,700

**RIO GRANDE COUNTY, COLORADO**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the Year Ended December 31, 2019**

<i>Federal Grantor/Program or Cluster Title</i>	<i>Federal CFDA Number</i>	<i>Pass-through Grantor and Number</i>	<i>Passed-through to Subrecipients (\$)</i>	<i>Federal Expenditures(\$)</i>
National Bioterrorism Hospital Preparedness Program	93.889	Colorado Department of Public Health and Environment,HCCBP2	-	106,684
Maternal and Child Health Services Block Grant to the States	93.994	Colorado Department of Public Health and Environment,ND20FL	-	16,779
Superfund State, Political Subdivision, and Indian Tribe Site-Specific Cooperative Agreements	66.802	Colorado Department of Public Health and Environment, 19FEEA112652	-	8,469
<i>Total Department of Health and Human Services</i>			-	1,575,930
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	255,200	255,200
<i>Total Department of Housing and Urban Development</i>			255,200	255,200
Department of Agriculture Cooperative Forest Road Agreements	10.705		-	5,000
<i>Total Department of Agriculture</i>			-	5,000
<b><i>Total Other Programs</i></b>			368,313	1,992,348
<b><i>Total Expenditures of Federal Awards</i></b>			\$ 368,313	\$ 3,676,519

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

**NOTE 1 BASIS OF PRESENTATION**

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

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**NOTE 3 FOOD DISTRIBUTION**

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

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



Wall,  
Smith,  
Bateman Inc.

To the Board of County Commissioners  
Rio Grande County, Colorado  
Del Norte, Colorado

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Rio Grande County, Colorado (the County), as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated July 21, 2020.

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

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

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

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

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations,

**Certified Public Accountants**

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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*.

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

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

### **Purpose of this Report**

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

*Wall, Smith, Bateman Inc.*

Wall, Smith, Bateman Inc.  
Alamosa, Colorado

July 21, 2020

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



Wall,  
Smith,  
Bateman Inc.

To the Board of County Commissioners  
Rio Grande County, Colorado  
Del Norte, Colorado

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

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

***Management's Responsibility***

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

***Auditors' Responsibility***

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

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

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

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

**Certified Public Accountants**

3001 Adcock Circle 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.*

Wall, Smith, Bateman Inc.  
Alamosa, Colorado

July 21, 2020

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

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

Financial Statements

Type of auditors’ report issued: Unmodified

Internal control over financial reporting:

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

Federal Awards

Internal control over major programs:

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

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

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

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
93.558	TANF Cluster
93.658	Foster Care Title IV-E
93.778	Medicaid Cluster

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

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

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

**Section II – Financial Statement Findings**

**Finding 2019-001: Internal Control Over Financial Reporting**  
**(Repeat of finding 2018-001, 2017-001, 2016-001 and 2015-001)**

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

*Condition:* The County has not implemented a complete system of internal control to prevent and detect financial misstatements.

*Cause:* Personnel changes in the finance department throughout 2019 and a state conversion for motor vehicle reporting in the clerk's office created reconciliation and year-end reporting difficulties.

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

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

1. Audit adjustments were proposed to properly state the financial statements as of December 31, 2019, in accordance with generally accepted accounting principles.
2. Specific ownership tax collected by the County Clerk was deposited into license plate fees in the General Fund in error from January 2019 through February of 2020. These funds should have been provided to the treasurer to disburse to the appropriate taxing entities. This may be a violation of Colorado Revised Statute 42-3-107.

*Recommendation:* The County should continue to strengthen its internal controls with adopted policies and procedures regarding monthly and year-end reconciling of account balances for accurate financial statement reporting.

*Management's Response:* See Corrective Action Plan

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

None

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

**Section II – Financial Statement Findings**

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

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

*Condition:* The County has not implemented a complete system of internal control to prevent and detect financial misstatements.

*Status: Partially Implemented. See finding 2019-001.*

**RIO GRANDE COUNTY**  
**BOARD OF COUNTY COMMISSIONERS**

[www.riograndecounty.org](http://www.riograndecounty.org)

925 6th St., Room 200  
Del Norte, Colorado  
81132  
(719) 657-2744  
Fax (719) 657-2514

**CORRECTIVE ACTION PLAN**

BOARD OF  
COMMISSIONERS

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

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

John Noffske  
Chairman

Independent Accountants: Wall, Smith, Bateman Inc.  
Certified Public Accountants  
700 Main Street, Suite 200, P.O. Box 809  
Alamosa, CO 81101

Suzanne Bothell  
Commissioner

Audit period: Year ended December 31, 2019

Gene Glover  
Commissioner

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

Administrator  
Tricia Slater

**Section II – Financial Statement Findings**

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

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

*Recommendation:* The County should strengthen its internal controls with adopted policies and procedures regarding monthly and year-end reconciling of account balances for accurate financial statement reporting.

*Action Taken:*

While we understand the importance of policies and procedures regarding monthly and year-end reconciling, we have not been able to address needed improvement due to lack of staffing levels and turnover. However, we will continue to adopt and review policies and procedures necessary to ensure all necessary reviews and compliances are occurring.

We have implemented the following steps in 2020 as we move toward improvements of a comprehensive system of internal controls.

1. We will continue to identify and documented necessary internal controls needed in order to complete a preventive action plan to prevent future recurrence.
2. In 2020 our staff accountant is responsible for monitoring accounts payable and payroll activity, monitoring department budgets, balancing receipts, and working closely with the County Administrator and Department Heads on a monthly basis to make sure entries are correct. It is also important that all needed journal entries or corrections be posted on a monthly basis to ensure the general ledger reconciles with account balances for accurate financial statement reporting and in the event of staff turnover the correcting entry does not get overlooked.

We will continue to use a team approach to develop, document and monitor internal controls. These policies and procedures will allow the County to review and identify concerns within the accounting system which may allow for misstatements in the financial statements.

The Previous Specific Ownership Tax for 2019 has been distributed properly as of July 17, 2020. The error was discovered in March of 2020 and the procedure for proper distribution has been implemented.

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

Sincerely yours,



Tricia Slater  
County Administrator  
Rio Grande County, Colorado



Cindy Hill  
County Clerk  
Rio Grande County, Colorado

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

<b>LOCAL HIGHWAY FINANCE REPORT</b>	City or County: <b>RIO GRANDE COUNTY</b>
	YEAR ENDING : December 2019

This Information From The Records Of Rio Grande County:	Prepared By: Debbie Phillips Phone: 719-657-2744
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**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)	2,003,038
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	\$ 648,205
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	\$ 35,854
2. General fund appropriations		b. Snow and ice removal	\$ 236,013
3. Other local imposts (from page 2)	380,873	c. Other	\$ 12,581
4. Miscellaneous local receipts (from page 2)	114,609	d. Total (a. through c.)	\$ 284,447
5. Transfers from toll facilities		4. General administration & miscellaneous	\$ 127,031
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	
a. Bonds - Original Issues		6. Total (1 through 5)	\$ 3,062,720
b. Bonds - Refunding Issues		<b>B. Debt service on local obligations:</b>	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	
7. Total (1 through 6)	495,482	b. Redemption	
<b>B. Private Contributions</b>		c. Total (a. + b.)	0
<b>C. Receipts from State government</b> (from page 2)	2,971,707	2. Notes:	
<b>D. Receipts from Federal Government</b> (from page 2)	41,961	a. Interest	
<b>E. Total receipts (A.7 + B + C + D)</b>	3,509,150	b. Redemption	
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	0
		<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>	3,062,720

**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>				0

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

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	5,178,649	3,509,150	3,062,720	5,625,079	0

Notes and Comments:

**LOCAL HIGHWAY FINANCE REPORT**

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

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

ITEM	AMOUNT	ITEM	AMOUNT
<b>A.3. Other local imposts:</b>		<b>A.4. Miscellaneous local receipts:</b>	
a. Property Taxes and Assessments	319,954	a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes		c. Parking Garage Fees	
2. Infrastructure & Impact Fees		d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	8,108
4. Licenses		f. Charges for Services	100,150
5. Specific Ownership &/or Other	60,919	g. Other Misc. Receipts	6,352
6. Total (1. through 5.)	60,919	h. Other	
c. Total (a. + b.)	380,873	i. Total (a. through h.)	114,609
	(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	2,920,234	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	41,961
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	51,472	d. Federal Transit Admin	
d. Other (Specify) - DOLA Grant		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	
f. Total (a. through e.)	51,472	g. Total (a. through f.)	41,961
4. Total (1. + 2. + 3.f)	2,971,707	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		2,003,038	2,003,038
(4). System Enhancement & Operation			0
(5). Total Construction (1) + (2) + (3) + (4)	0	2,003,038	2,003,038
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	2,003,038	2,003,038
			(Carry forward to page 1)

Notes and Comments: