

MONTEZUMA COUNTY, COLORADO

Accountants' Reports
and
Basic Financial Statements

December 31, 2016



RECEIVED

By the Office of the State Auditor at 4:35 pm, Aug 01, 2017

MONTEZUMA COUNTY, COLORADO

TABLE OF CONTENTS

December 31, 2016

Independent Auditors' Report on Basic Financial Statements and Supplementary Schedule of Expenditures of Federal Awards	1-2
Management's Discussion and Analysis	3-13
Basic Financial Statements	
Government -Wide Financial Statements	
Statement of Net Position	14
Statement of Activities	15
Fund Financial Statements	
Balance Sheet-Governmental Funds and the Reconciliation of the Governmental Funds Balance Sheet with the Statement of Net Position	16
Statement of Revenues, Expenditures and Changes in Fund Balance-Governmental Funds	17
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance- Governmental Funds to the Statement of Activities	18
Statement of Net Position-Proprietary Funds	19
Statement of Revenues, Expenses, and Changes in Net Position-Proprietary Funds	20
Statement of Cash Flows-Proprietary Funds	21
Statement of Fiduciary Net Assets	22
Notes to the Financial Statements	23-41
Required Supplemental Information	42
Statement of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual-General Fund	43-45
Statement of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual- Road and Bridge Fund	46
Statement of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual- Social Services Fund	47
Other Supplementary Information	48
Non Major Governmental Funds	49
Combining Balance Sheet-Nonmajor Governmental Funds	50
Combining Statement of Revenues, Expenditures and Changes in Fund Balances-Nonmajor Governmental Funds	51
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual-Public Health Fund	52
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual-Conservation Trust Fund	53

MONTEZUMA COUNTY, COLORADO

TABLE OF CONTENTS December 31, 2016

Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual-Ormiston Fund	54
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual-Emergency Telephone Fund	55
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual-Sheriff's Forfeiture Fund	56
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual-Revolving Loan Fund	57
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual-Lodger's Tax Fund	58
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual-Emergency Reserve Fund	59
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual-Contingent Fund	60
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual Law Enforcement Authority Fund	61
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual-Capital Fund	62
Statement of Revenues, Expenditures and Changes in Net Position-Budget and Actual-Landfill Fund	63
Statement of Revenues, Expenditures and Changes in Net Position-Budget and Actual-Fleet Fund	64
Information Required by Oversight Authorities	65
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements in Accordance with Government Auditing Standards	66-67
Independent Auditors' Report on Compliance with Requirements Applicable to Each Major Program and Internal Control over Compliance in Accordance with OMB Circular A-133	68-69
Schedule of Federal Financial Assistance	70
Notes to the Schedule of Federal Financial Assistance	71
Schedule of Findings and Questioned Costs	72
Summary of Prior Audit Findings	73
Schedule of Corrective Action Plan	74
Local Highway Finance Report	75-76

Majors and Haley, P.C.
Certified Public Accountants

P.O. Box 1478
Cortez, CO 81321
(970) 565-9521
Fax: (970) 565-9441

Chris L. Majors, CPA, MT

Lori Hasty Haley, CPA

INDEPENDENT AUDITORS' REPORT

To the Board of County Commissioners
Montezuma County, Colorado
Cortez, Colorado 81321

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Montezuma County, Colorado as of and for the year ended December 31, 2016, 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 of 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 auditors consider 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 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, the business-type activities, each major fund, and the aggregate remaining fund information of the Montezuma County, Colorado, as of December 31, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted 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 on pages 3 through 13 and pages 42 through 47 be presented to supplement the basic financial statements. Such information, although not a required 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.

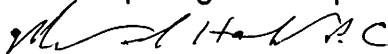
Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Montezuma County, Colorado's basic financial statements. The combining non-major fund financial statements, budgetary comparison schedules, and Local Highway Finance Report are presented for purposes of additional analysis and are not a required part of the 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 non-major fund financial statements, budgetary comparison schedules, Local Highway Finance Report and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relates 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 themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining non-major fund financial statements, budgetary comparison schedules, 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 June 15, 2017, on our consideration of the Montezuma County, Colorado'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 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 Montezuma County, Colorado's internal control over financial reporting and compliance.



Majors and Haley, P.C.
June 15, 2017

MONTEZUMA COUNTY, COLORADO

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) For the Year Ended December 31, 2016

FINANCIAL HIGHLIGHTS

Key financial highlights for the County in 2016 are as follows:

- In total, net position increased \$4,607,370. Net position of governmental activities increased \$4,638,525 which represents a 10.6 percent increase from 2015. Net assets of business type activities decreased \$31,155 or 2.3 percent from 2015.
- General revenues accounted for \$17.43 million in revenue or 43 percent of all revenues. Program specific revenues in the form of charges for services, grants and contributions accounted for \$23.15 million or 57 percent of total revenues of \$40.58 million.
- Governmental activities total assets increased by \$3,207,117. Total liabilities increased by \$349,553. Deferred inflows of resources decreased by \$1,780,961.
- The County incurred \$34.82 million in expenses related to government activities. \$22.04 million of these expenses were offset by program specific charges for services, grants and contributions. General revenues (primarily mineral leasing and property taxes) of \$17.42 million were adequate to cover the balance of the costs of these programs.
- Among the major funds, the General Fund had \$13.64 million in revenues, and \$14.50 million in expenditures including net transfers. It's fund balance decreased by \$860,827 from \$14.65 million to \$13.79 million.
- Net assets of the Enterprise Fund decreased from \$1,372,059 to \$1,340,904.

MONTEZUMA COUNTY, COLORADO

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) For the Year Ended December 31, 2016

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of four parts: management's discussion and analysis, the basic financial statements, required supplementary information, and supplementary information. The basic financial statements include two kinds of statements that present different views of the County.

- The first two statements are County-wide financial statements that provide both short-term and long-term information about the County's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the County, reporting the County's operations in more detail than the County-wide statements.
- The governmental funds statements tell how basic services such as public works were financed in the short-term as well as what remains for future spending.
- Proprietary funds statements offer short-term and long-term financial information about the activities the County operates like businesses, such as landfill services.
- Fiduciary funds statements provide information about the financial relationships in which the County acts solely as a trustee or agent for the benefit of others.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplemental information that further explains and supports the financial statements with a comparison of the County's budget for the year.

County-wide Statements

The County-wide statements report information about the County as a whole using accounting methods similar to those used by private companies. The statement of net position includes all of the County's assets and liabilities. All of

MONTEZUMA COUNTY, COLORADO

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) For the Year Ended December 31, 2016

the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two County-wide statements report the County's net position and how it has changed. Net position (the difference between the County's assets and liabilities) is one way to measure the County's financial position.

- Over time, increases or decreases in the County's net position is an indicator of whether its financial position 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 facilities.

In the County-wide financial statements, the County's activities are divided into two categories:

- **Governmental activities-** Most of the County's basic services are included here, such as general government, public safety, public health, public works, and culture and recreation. These activities are financed mainly through property taxes and grants.
- **Business-type activities-** The County charges fees to help cover the costs of certain services it provides. The County's landfill facility is included here.

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 keep track of specific sources of funding and spending on particular programs. Some funds are required to be established by state law. However, the County establishes many other funds to help it manage and control its finances to achieve certain results.

The County uses three types of funds:

- **Governmental funds-** Most of the County's basic services are included in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for

MONTEZUMA COUNTY, COLORADO

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) For the Year Ended December 31, 2016

spending. These funds are reported using the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the County's general operations and the services it provides. Governmental fund information helps one determine whether there are more or fewer financial resources that can be spent in the near future to finance the County's programs. Because this information does not encompass the additional long-term focus of the County-wide statements, additional information at the bottom of the governmental funds statements explains the relationship (or difference) between them.

- **Proprietary funds-** Services for which the County charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the County-wide financial statements. The County's enterprise funds (one type of proprietary fund) are the same as its business-type activities but provide more detail and additional information such as cash flow analysis. The County uses an enterprise fund to account for its landfill operations

The other type of proprietary fund is an internal service fund. Internal service funds are used to accumulate and allocate costs internally among the County's various functions. The County uses an internal service fund to account its internal fleet costs.

- **Fiduciary funds-** The County is the agent, or fiduciary, for assets that belong to others, such as the Agency Fund. The County is responsible for ensuring that the assets reported in this fund are used only for their intended purposes and by those to whom the assets belong. The County excludes these activities from the County-wide financial statements because it cannot use these assets to finance its operations.

FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE

Total assets increased by \$3,102,940. Total liabilities increased by \$276,531. Deferred inflows of resources decreased by \$1,780,961.

The County's combined net position was larger on December 31, 2016 than it was at December 31, 2015, increasing by 10.25 percent to \$49,576,660. All of the increase came from its governmental activities, the net position of which

MONTEZUMA COUNTY, COLORADO

MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)
For the Year Ended December 31, 2016

increased \$4,638,525 to \$48,235,756. The net position of the County's business type activities decreased \$31,155 to \$1,340,904.

Table 1 provides a summary of the County's net position for 2016 compared to 2015:

Table 1
Condensed Statement of Net Position
(In millions)

	Governmental Activities		Business-type Activities		Total County	
	2016	2015	2016	2015	2015	2015
Assets						
Current assets	\$ 46.051	\$ 45.596	\$ 0.387	\$ 0.544	\$ 46.438	\$ 46.140
Capital assets	16.437	13.685	2.186	2.133	18.623	15.818
Total assets	62.488	59.281	2.573	2.677	65.061	61.958
Liabilities						
Current liabilities	4.134	3.288	1.232	1.305	5.366	4.593
Noncurrent liabilities	0.926	1.423			0.926	1.423
Deferred inflows of resources	9.192	10.973			9.192	10.973
Net Position						
Invested in capital	14.659	11.637	1.341	1.372	16.000	13.009
Nonspendable	0.050	0.050			0.050	0.050
Restricted	10.692	0.810			10.692	0.810
Unrestricted	22.835	31.100			22.835	31.100
Total net position	\$ 48.236	\$ 43.597	\$ 1.341	\$ 1.372	\$ 49.577	\$ 44.969

MONTEZUMA COUNTY, COLORADO

MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)
For the Year Ended December 31, 2016

Table 2 shows the changes in net position for fiscal year 2016 compared to 2015.

Table 2
Changes in Net Position
(In millions)

	Governmental Activities		Business-type Activities		Total County	
	2016	2015	2016	2015	2016	2015
Revenues						
Program revenues						
Charges for services	\$ 2.562	\$ 2.590	\$ 1.107	\$ 1.092	\$ 3.669	\$ 3.682
Operating grants	18.341	16.629			18.341	16.629
Capital grants	1.139	0.119			1.139	0.119
General revenues						
Property taxes	11.874	10.984			11.874	10.984
Mineral leasing	2.414	2.259			2.414	2.259
Other	3.131	2.425	0.013		3.144	2.425
Total revenues	<u>39.461</u>	<u>35.006</u>	<u>1.120</u>	<u>1.092</u>	<u>40.581</u>	<u>36.098</u>
Expenses						
General government	4.561	4.707			4.561	4.707
Public safety	7.117	6.713			7.117	6.713
Public works	7.652	5.945	1.151	1.103	8.803	7.048
Public health and welfare	14.604	14.375			14.604	14.375
Culture and recreation	0.745	0.610			0.745	0.610
Depreciation-unallocated	0.143	0.144			0.143	0.144
Total expenses	<u>34.822</u>	<u>32.494</u>	<u>1.151</u>	<u>1.103</u>	<u>35.973</u>	<u>33.597</u>
Increase (decrease) in net position	<u>\$ 4.639</u>	<u>\$ 2.512</u>	<u>\$ (0.031)</u>	<u>\$ (0.011)</u>	<u>\$ 4.608</u>	<u>\$ 2.501</u>

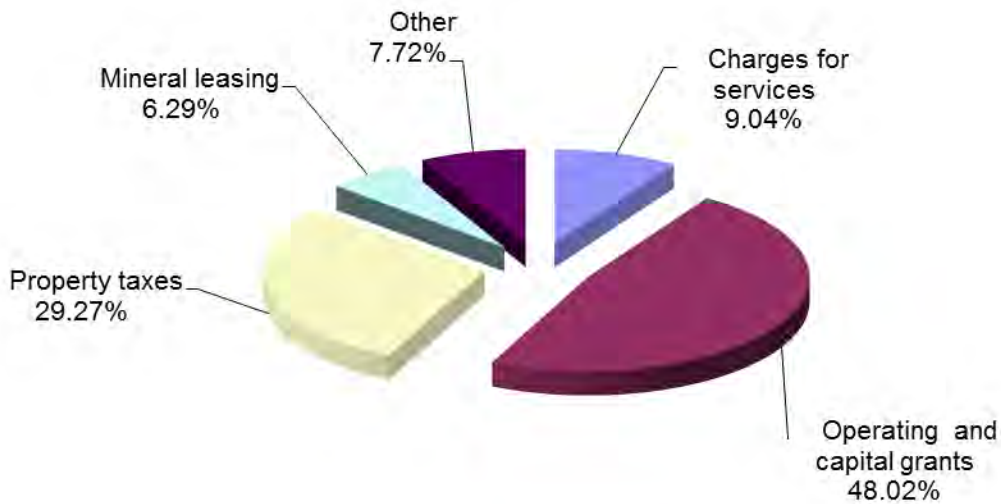
MONTEZUMA COUNTY, COLORADO

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) For the Year Ended December 31, 2016

Operating and capital grants and property taxes accounted for most of the County's total revenue, with each contributing 48.02 percent and 29.27 percent respectively (See Table 3). Another 9.04 percent came from charges for services and the remainder from mineral leasing, and other sources.

The County's expenses are predominately related to public health and welfare, (40.6 percent), public works (24.5 percent) and public safety (19.8 percent) (See Table 4). The County's general government activities accounted for 12.7 percent of total costs.

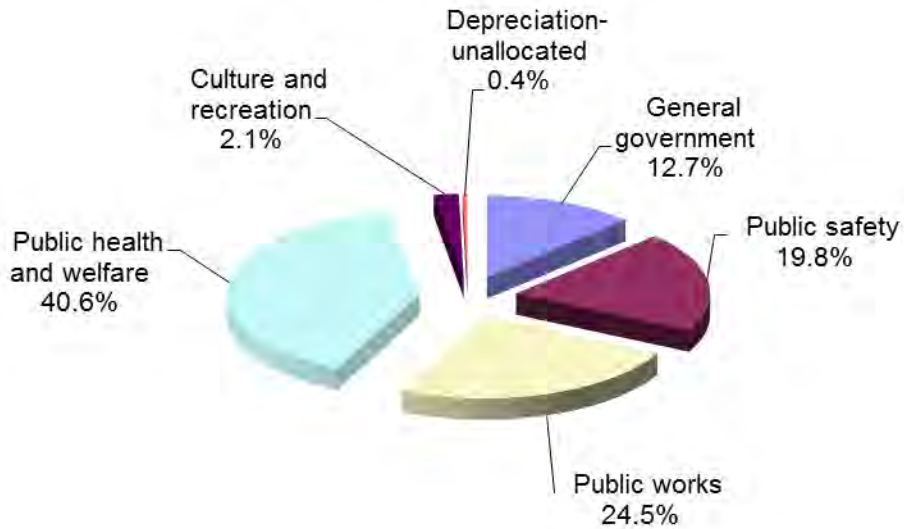
Table 3
Sources of Revenue for Fiscal Year 2016



MONTEZUMA COUNTY, COLORADO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)
For the Year Ended December 31, 2016**

**Table 4
Expenses for Fiscal Year 2016**



Governmental Activities

The primary sources of operating revenue for the County come from operating grants and general property taxes. The County receives approximately 77 percent of this funding from these sources while the remaining amounts come from charges for services and other general revenues.

The statement of activities shows the cost of program services and the charges for services and grants offsetting those service costs. Table 5 shows, for governmental activities, the total cost of services and net cost of services. That is, it identifies the cost of these services supported by general revenues including general property taxes and sales taxes.

MONTEZUMA COUNTY, COLORADO

MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)
For the Year Ended December 31, 2016

Table 5
Government Activities
(In millions)

	Total Cost of Services		Net Cost of Services	
	2016	2015	2016	2015
General government	\$ 4.561	\$ 4.707	\$ 3.671	\$ 3.840
Public safety	7.117	6.713	4.666	5.536
Public works	7.652	7.048	3.186	2.600
Public health and welfare	14.604	14.375	0.916	0.706
Culture and recreation	0.745	0.610	0.198	0.330
Depreciation-unallocated	0.143	0.144	0.143	0.144
Total	\$ 34.822	\$ 33.597	\$ 12.780	\$ 13.156

- The cost of all governmental activities during the year was \$34.822 million.
- Some of the cost was financed by the users of the County's programs (\$2.562 million)
- Federal and state government subsidized certain programs with grants and contributions (\$19.480 million).
- However, \$17.419 million was financed by state and county taxpayers. This portion of governmental activities was financed with \$11.874 million in property taxes, \$2.414 million in mineral leasing and \$3.130 million in other general revenues.

MONTEZUMA COUNTY, COLORADO

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) For the Year Ended December 31, 2016

Business-type Activities

Business-type activities are made up of the Landfill Fund. This program had revenues of \$1.120 million and expenses of \$1.151 million. Business-type activities receive no support from tax revenue.

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

Information about the County's major funds starts on page 16. These funds are accounted for using the modified accrual basis of accounting. All governmental funds have total revenues of \$39.605 million and expenditures of \$37.985 million.

General Fund Budgetary Highlights

The County's budget is prepared according to Colorado law and is based on accounting for certain transactions on a basis of cash receipts and disbursements. The most significant budgeted fund is the General Fund.

Over the course of the year, the County revised the annual operating budget by making an increase in appropriations.

- Increases in appropriations were due primarily to increases in expenditures that were not foreseen at the time of the original budget.
- Actual expenditures were \$1,279,481 under budget, primarily because the County closely monitored expenditures in an effort to remain below budget levels.

CAPITAL ASSET ADMINISTRATION

By the end of 2016, the County has invested \$34.554 million in land, buildings, and equipment (including vehicles), of this total \$29.532 million was from governmental activities.

Table 6 shows capital assets for 2016 compared to 2015:

MONTEZUMA COUNTY, COLORADO

MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)
For the Year Ended December 31, 2016

Table 6
Capital Assets at December 31
(In millions)

	Governmental Activities		Business-Type Activities		Total County	
	2016	2015	2016	2015	2016	2015
Land	\$ 1.323	\$ 1.258			\$ 1.323	\$ 1.258
Infrastructure	1.859	1.859			1.859	1.859
Buildings	15.577	12.703			15.577	12.703
Equipment	10.773	11.828	\$ 5.021	\$ 4.772	15.794	16.600
Total	<u>\$ 29.532</u>	<u>\$ 27.648</u>	<u>\$ 5.021</u>	<u>\$ 4.772</u>	<u>\$ 34.553</u>	<u>\$ 32.420</u>

Additional information on the County's capital assets can be found in the Notes to the Financial Statements on page 34 of this report.

FACTORS BEARING ON THE COUNTY'S FUTURE

At the time these financial statements were prepared and audited, the County is not aware of any existing circumstances that could significantly affect its financial health in the future.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide the County's citizens, taxpayers, 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 Montezuma County Administration Office, 109 W Main, Room 302 Cortez, Colorado 81321.

MONTEZUMA COUNTY, COLORADO
Statement of Net Position

December 31, 2016

	Governmental Activities	Business-type Activities	Total
Assets			
Cash	\$ 34,040,021	\$ 386,842	\$ 34,426,863
Property taxes receivable	9,191,809		9,191,809
Due from other funds	276,225		276,225
Other receivables	875,135		875,135
Due from state	203,051		203,051
Due from other governments	1,414,885		1,414,885
Inventory	50,000		50,000
Capital assets	29,532,393	5,021,440	34,553,833
Accumulated depreciation	(13,095,702)	(2,835,543)	(15,931,245)
Total capital assets, net of depreciation	<u>16,436,691</u>	<u>2,185,897</u>	<u>18,622,588</u>
Total Assets	<u>62,487,817</u>	<u>2,572,739</u>	<u>65,060,556</u>
Liabilities			
Accounts payable	1,356,941	23,718	1,380,659
Accrued closure costs		931,892	931,892
Due to other funds		276,225	276,225
Due to other governments	58,206		58,206
Trusts payable	140		140
Payments in arrears	812,882		812,882
Deferred revenue	1,664,873		1,664,873
Long-term liabilities			
Due in one year	241,646		241,646
Due in more than one year	925,564		925,564
Total Liabilities	<u>5,060,252</u>	<u>1,231,835</u>	<u>6,292,087</u>
Deferred Inflows of Resources			
Deferred property tax revenue	<u>9,191,809</u>		<u>9,191,809</u>
Net Position			
Net investment in capital assets	14,658,761	1,340,904	15,999,665
Nonspendable			
Inventories	50,000		50,000
Restricted			
Cancer treatments	38,853		38,853
TABOR	772,119		772,119
Roads and bridges	7,599,103		7,599,103
Public health and welfare	2,281,979		2,281,979
Unrestricted	22,834,941		22,834,941
Total Net Position	<u>\$ 48,235,756</u>	<u>\$ 1,340,904</u>	<u>\$ 49,576,660</u>

The accompanying notes are an integral part of this statement.

MONTEZUMA COUNTY, COLORADO
Statement of Activities

For the Year Ended December 31, 2016

	Program Revenues			Net (Expenses) Revenue And Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business- type Activities	Total
Governmental Activities							
General government	\$ 4,561,308	\$ 890,133			\$ (3,671,175)		\$ (3,671,175)
Public safety	7,116,990	686,932	\$ 625,064	\$ 1,139,076	(4,665,918)		(4,665,918)
Public works	7,651,938	392,517	4,074,019		(3,185,402)		(3,185,402)
Public health and welfare	14,603,646	504,924	13,182,959		(915,763)		(915,763)
Culture and recreation	745,021	87,987	458,796		(198,238)		(198,238)
Depreciation-unallocated	143,441				(143,441)		(143,441)
Total Governmental Activities	34,822,344	2,562,493	18,340,838	1,139,076	(12,779,937)		(12,779,937)
Business-Type Activities							
County landfill	1,151,127	1,107,085				\$ (44,042)	(44,042)
Total Business-Type Activities	1,151,127	1,107,085				(44,042)	(44,042)
Total County	\$ 35,973,471	\$ 3,669,578	\$ 18,340,838	\$ 1,139,076	(12,779,937)	(44,042)	(12,823,979)

General Revenues

Property Tax for general purposes	11,874,134		11,874,134
Specific Ownership Tax for general purposes	897,778		897,778
Delinquent Tax and Interest	967,464		967,464
Lodgers Tax	139,906		139,906
Severance Tax	152,005		152,005
Intergovernmental			
Motor Vehicle License Fees	93,414		93,414
Mineral Leasing	2,414,480		2,414,480
Payment in Lieu of Taxes	175,218		175,218
Tobacco Taxes	7,761		7,761
Earnings on investments	195,317		195,317
Reimbursements	192,165		192,165
Royalties	215,201		215,201
Asset sales	39,099	12,887	51,986
Miscellaneous	54,520		54,520
Total General Revenues	17,418,462	12,887	17,431,349

Changes in Net Position

Net Position Beginning of the Year	43,597,231	1,372,059	44,969,290
Net Position End of the Year	\$ 48,235,756	\$ 1,340,904	\$ 49,576,660

The accompanying notes are an integral part of this statement.

MONTEZUMA COUNTY, COLORADO

Balance Sheet
Governmental Funds

December 31, 2016

	General Fund	Road and Bridge Fund	Social Services Fund	Capital Fund	Other Governmental Funds	Total Governmental Funds
Assets						
Cash-unrestricted	\$ 13,911,234	\$ 6,743,499	\$ 2,240,620	\$ 6,468,233	\$ 3,277,692	\$ 32,641,278
Property taxes receivable	6,666,468	1,686,852	838,489			9,191,809
Due from other funds		2,000,000		276,225		2,276,225
Other receivables	62,253		812,882			875,135
Due from state			203,051			203,051
Due from other governments	32,343	499,571	23,872	829,257	29,842	1,414,885
Inventory		50,000				50,000
Total Assets	\$ 20,672,298	\$ 10,979,922	\$ 4,118,914	\$ 7,573,715	\$ 3,307,534	\$ 46,652,383
Liabilities						
Accounts payable	\$ 215,113	\$ 143,967		\$ 978,509	\$ 9,889	\$ 1,347,478
Trusts payable			\$ 140			140
Payments in arrears			812,882			812,882
Due to other governments			58,206			58,206
Unearned revenue		1,500,000	127,218		37,655	1,664,873
Total Liabilities	215,113	1,643,967	998,446	978,509	47,544	3,883,579
Deferred inflows of resources						
Deferred property tax revenues	6,666,468	1,686,852	838,489			9,191,809
Fund Balances						
Nonspendable						
Inventories		50,000				50,000
Restricted						
TABOR	50,000				722,119	772,119
Cancer treatments					38,853	38,853
Roads and bridges		7,599,103				7,599,103
Public health and welfare			2,281,979			2,281,979
Unrestricted						
Assigned for future year's expenditures	13,740,717			6,595,206	2,499,018	22,834,941
Total Fund Balances	13,790,717	7,649,103	2,281,979	6,595,206	3,259,990	33,576,995
Total Liabilities, Deferred inflows of resources and Fund Balances	\$ 20,672,298	\$ 10,979,922	\$ 4,118,914	\$ 7,573,715	\$ 3,307,534	\$ 46,652,383

Reconciliation of the Governmental Funds Balance Sheet with the Statement of Net Position

Total Fund Balance Governmental Funds \$ 33,576,995

Amounts reported for governmental activities in the Statement of Net Position are different because

Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.

Capital assets	\$ 26,624,672
Accumulated depreciation	<u>(11,534,081)</u>

Long term liabilities are not due and payable in the current period and therefore, they are not reported in the governmental funds balance sheet. 15,090,591

Due in one year	(241,646)
Due in more than one year	<u>(925,564)</u>

(1,167,210)

The internal service fund is used by the County to account for the internal transportation costs of the County. The assets and liabilities of the internal service fund are included with the governmental activities

735,380

Total Net Position Governmental Activities \$ 48,235,756

The accompanying notes are an integral part of this statement.

MONTEZUMA COUNTY, COLORADO
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds

For the Year Ended December 31, 2016

	General Fund	Road and Bridge Fund	Social Services Fund	Capital Fund	Other Governmental Funds	Total Governmental Funds
Revenues						
Taxes	\$ 8,731,777	\$ 2,339,575	\$ 1,175,560		\$ 1,096,035	\$ 13,342,947
Intergovernmental revenues	1,964,857	4,972,261	10,860,065	\$ 2,236,772	2,070,028	22,103,983
Charges for services	278,036	392,515			557,945	1,228,496
Fines and forfeitures	38,903					38,903
Earnings on investments	185,887				2,136	188,023
Fee accounts	1,354,139					1,354,139
Other	1,082,734	205,910		60,294		1,348,938
Total Revenues	13,636,333	7,910,261	12,035,625	2,297,066	3,726,144	39,605,429
Expenditures						
General government	4,591,471			58,618	147,900	4,797,989
Public safety	6,719,325			2,853,887	149,603	9,722,815
Public works		7,871,801				7,871,801
Public health and welfare	613,985		11,748,225		2,238,027	14,600,237
Culture and recreation	386,919			348,952		735,871
Total Expenditures	12,311,700	7,871,801	11,748,225	3,261,457	2,535,530	37,728,713
Excess revenues over (under) expenditures	1,324,633	38,460	287,400	(964,391)	1,190,614	1,876,716
Other Financing Sources (Uses)						
Transfers in	1,031,762			3,000,000	39,578	4,071,340
Transfers out	(3,039,578)	(9,657)			(1,020,805)	(4,070,040)
Debt service principal	(157,292)	(75,380)				(232,672)
Debt service interest	(20,352)	(8,307)				(28,659)
Total Other Financing Sources (Uses)	(2,185,460)	(93,344)	-	3,000,000	(981,227)	(260,031)
Net Change in Fund Balances	(860,827)	(54,884)	287,400	2,035,609	209,387	1,616,685
Fund Balances beginning of the year	14,651,544	7,703,987	1,994,579	4,559,597	3,050,603	31,960,310
Fund Balances end of the year	\$ 13,790,717	\$ 7,649,103	\$ 2,281,979	\$ 6,595,206	\$ 3,259,990	\$ 33,576,995

The accompanying notes are an integral part of this statement.

MONTEZUMA 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, 2016

Net Change in Fund Balances Governmental Funds \$ 1,616,685

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

Governmental funds report capital outlay as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period.

Capital asset purchases capitalized	\$ 3,575,082	
Depreciation expense	(745,193)	
		2,829,889

Governmental funds report assets sales as revenue. However, in the Statement of Activities gain or loss on the disposal is computed.

Proceeds from the sale of assets	(184,959)	
Gain on asset sales	39,099	
		(145,860)

The change in net position of the internal service fund is reported with governmental activities (150,323)

Repayment of debt principal is an expenditure in the governmental funds but the repayment reduces long term liabilities in the Statement of Net Position

Principal payments on capital leases	232,672	
Decrease in accrued compensated absences	255,462	
		488,134

Change in Net Position of Governmental Activities \$ 4,638,525

The accompanying notes are an integral part of this statement.

MONTEZUMA COUNTY, COLORADO

Statement of Net Position
Proprietary Funds

December 31, 2016

	<u>Landfill Fund Enterprise Fund</u>	<u>Fleet Fund Internal Service Fund</u>
Assets		
Current Assets		
Cash	\$ 386,842	\$ 1,398,743
Other receivables		
Total Current Assets	<u>386,842</u>	<u>1,398,743</u>
Noncurrent Assets		
Capital Assets	5,021,440	2,907,721
Accumulated Depreciation	(2,835,543)	(1,561,621)
Total Noncurrent Assets	<u>2,185,897</u>	<u>1,346,100</u>
Total Assets	<u>2,572,739</u>	<u>2,744,843</u>
Liabilities		
Current Liabilities		
Accounts payable	23,718	9,463
Due to other funds	276,225	2,000,000
Accrued closure costs	931,892	
Total Current Liabilities	<u>1,231,835</u>	<u>2,009,463</u>
Net Position		
Net investment in capital assets	1,340,904	735,380
Total Net Position	<u>\$ 1,340,904</u>	<u>\$ 735,380</u>

The accompanying notes are an integral part of this statement.

MONTEZUMA COUNTY, COLORADO

Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds

For the Year Ended December 31, 2016

	<u>Landfill Fund Enterprise Fund</u>	<u>Fleet Fund Internal Service Fund</u>
Operating Revenues		
Landfill fees	\$ 1,107,085	
Fleet fees		\$ 683,018
Total Operating Revenues	<u>1,107,085</u>	<u>683,018</u>
Operating Expenses		
Salaries	387,484	227,450
Employee benefits	119,480	71,303
Other operating expenses	150,812	220,152
Professional fees	117,429	2,820
Utilities	25,062	6,950
Insurance and bonds	28,588	63,379
Repairs and maintenance	68,619	
Depreciation	207,121	260,314
Total Operating Expenses	<u>1,104,595</u>	<u>852,368</u>
Operating income (loss)	<u>2,490</u>	<u>(169,350)</u>
Non-Operating Revenue (Expense)		
Increase in accrued closure costs	(39,238)	
Gain on sale of assets	12,887	20,327
Interfund loan interest	(7,294)	
Total Non-Operating Revenue (Expense)	<u>(33,645)</u>	<u>20,327</u>
Income (loss) before capital contributions and transfers	(31,155)	(149,023)
Capital contributions		1,013,193
Transfers out		<u>(1,300)</u>
Change in net position	(31,155)	862,870
Net position beginning of the year	1,372,059	(127,490)
Net position end of the year	<u>\$ 1,340,904</u>	<u>\$ 735,380</u>

The accompanying notes are an integral part of this statement.

MONTEZUMA COUNTY, COLORADO

Statement of Cash Flows
Proprietary Funds

For the Year Ended December 31, 2016

	Landfill Fund Enterprise Fund	Fleet Fund Internal Service Fund
Cash Flows from Operating Activities		
Cash received from customers	\$ 1,107,085	
Cash received from interfund services		\$ 695,752
Cash payments to employees for services	(506,964)	(298,753)
Cash payments to suppliers for goods and services	(414,282)	(460,519)
Net Cash Flows provided (used) by Operating Activities	<u>185,839</u>	<u>(63,520)</u>
Cash Flows from Capital and Related Financing Activities		
Purchase of equipment	(309,759)	(327,539)
Proceeds from sale of equipment	62,555	20,327
Repayment of interfund borrowing	(95,782)	
Net Cash Flows provided (used) by Capital and Related Financing Activities	<u>(342,986)</u>	<u>(307,212)</u>
Cash Flows from Noncapital Financing Activities		
Transfers out		<u>(1,300)</u>
Net increase (decrease) in cash and cash equivalents	(157,147)	(372,032)
Cash and cash equivalents beginning of the year	543,989	1,770,775
Cash and cash equivalents end of the year	<u>\$ 386,842</u>	<u>\$ 1,398,743</u>
Reconciliation of operating income (loss) to Net Cash provided (used) by Operating Activities		
Operating income (loss)	\$ 2,490	\$ (169,350)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities		
Depreciation	207,121	260,314
(Increase) or decrease in Accounts receivable		12,734
Increase or (decrease) in Accounts payable	(23,772)	(167,218)
Net Cash Flows provided (used) by Operating Activities	<u>\$ 185,839</u>	<u>\$ (63,520)</u>

The accompanying notes are an integral part of this statement.

MONTEZUMA COUNTY, COLORADO

Statement of Fiduciary Net Position

As of December 31, 2016

	<u>Agency Fund</u>
Assets	
Cash	\$ 591,147
Total Assets	<u>591,147</u>
Liabilities	
Due to agency recipient	591,147
Total Liabilities	<u>591,147</u>
Net Position	<u><u>\$ -</u></u>

The accompanying notes are an integral part of this statement.

MONTEZUMA COUNTY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2016

Summary of Significant Accounting Policies – Montezuma County, Colorado's (the County) financial statements are prepared in accordance with U.S. generally accepted accounting principals (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements of Interpretations).

The following significant accounting policies were applied to the preparation of the accompanying financial statements.

Reporting Entity – Montezuma County, Colorado is a statutory (non-home-rule) county and serves as an administrative unit of the State of Colorado.

The County follows the Governmental Accounting Standards Board (GASB) accounting pronouncements that provide guidance for determining which governmental activities, organizations, and functions should be included within the financial reporting entity. GASB pronouncements set forth the financial accountability of a governmental organization's elected governing body as the criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens and fiscal dependency.

In applying these criteria, the Montezuma County Hospital District and the Montezuma County Housing Authority have been excluded from the financial statements of the reporting entity. These organizations are financially independent units that select a governing board, designate management staff, set user charges, establish budgets and control all aspects of daily activities.

The Montezuma County Sheriff's Department Forfeiture Account is a blended component unit of the County (primary government). A three-member board is appointed by the County which oversees the activities of the account. This blended component unit is accounted for as a Special Revenue Fund. Pursuant to C.R.S. Section 16-13-506, proceeds from the property ordered forfeited by the courts are placed in an account by the seizing agency and used for non-operating purposes. Expenditures of monies forfeited after July 1, 1992 must be approved by the board created pursuant to C.R.S. Section 16-13-702 (2).

Fund Accounting – The accounts of the County are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources and liabilities and deferred inflows of resource, fund equity, revenues and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and

MONTEZUMA COUNTY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2016

in the means by which spending activities are controlled. The various funds are grouped into three categories: governmental, proprietary and fiduciary. Each category, in turn, is divided into separate “fund types”.

Governmental Funds – are used to account for all or most of a government’s general activities, including the collection and disbursement of earmarked funds (special revenue funds). The following are the County’s major governmental funds.

General Fund – is the general operating fund of the County. It is used to account for all financial resources except those required to be accounted for in another fund. Major revenue sources include local property taxes, specific ownership taxes and state and federal grants.

Special Revenue Funds-

Road and Bridge Fund – accounts for the costs related to county road and bridge construction and maintenance. By state law, a portion of this fund’s property tax revenues are allocated to cities and towns for use in their road and street activities. This fund is required by state law.

Social Services Fund- accounts for federal and state public welfare programs administered by the County. This fund is also required by state law.

Capital Projects Funds-

Capital Fund- accounts for revenue and expenditures related to general capital projects of the County.

Non-major Funds- The following other governmental funds of the County are Special Revenue Funds. These funds account for revenues derived from earmarked revenue sources. Special revenue funds consist of the Public Health Fund, Conservation Trust Fund, Law Enforcement Authority Fund, Clara Ormiston Fund, Emergency Telephone Service Fund, Sheriff’s Forfeiture Fund, Revolving Loan Fund, Lodgers’ Tax Fund, Emergency Reserve Fund, and the Contingent Fund.

Proprietary Funds– focus on the determination of the changes in net position, financial position and cash flows and are classified as either enterprise or internal service. The County has the following proprietary funds:

Enterprise Fund-

Landfill Fund- is used to account for the financial transactions related to the landfill operations of the County.

MONTEZUMA COUNTY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2016

Internal Service Fund-

Fleet Fund- is used to account for the County's internal transportation costs.

Fiduciary Funds – reporting focuses on net position and changes in net position. The fiduciary fund category is split into trust funds and agency funds. Trust funds are used to account for assets held by the County under a trust agreement for individuals, private organizations, or other governments and are therefore, not available to support the County's own programs. The County does not have any trust funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results or operations. The County has one agency fund.

Basis of Presentation-

County-wide Financial Statements- The statement of net position and the statement of activities display information about the County as a whole. These statements include the financial activities of the primary government except for fiduciary funds. The statements distinguish between those activities of the County that are governmental and those that are considered business-type activities.

The county-wide statements are prepared using the economic resources measurement focus and the accrual basis of accounting. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements therefore include reconciliation with a brief explanation to better identify the relationship between the county-wide financial statements and the statements for governmental funds.

The county-wide statement of activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the County and for each function or program of the County's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues, which are not classified as program revenues, are presented as general revenues of the County, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the County.

Fund Financial Statements- Fund financial statements report detailed information about the County. The focus of governmental and enterprise fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Non-

MONTEZUMA COUNTY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2016

major funds are aggregated and presented in a single column. Fiduciary funds are reported by fund type.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources measurement focus. The financial statements for governmental funds are a balance sheet, which generally includes only current assets and current liabilities, and a statement of revenues, expenditures and changes in fund balances, which reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources.

All proprietary fund types are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operations of these funds are included on the statement of net position. The statement of revenues, expenses and changes in net position presents increases (i.e., revenues) and decreases (i.e., expenses) in net position. The statement of cash flows provides information about how the County finances and meets the cash flow needs of its proprietary activities.

Fiduciary funds are reported using the economic resources measurement focus.

Basis of Accounting – determines when transactions are recorded in the financial records and reported on the financial statements. County-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Proprietary and fiduciary funds also use the accrual basis of accounting.

Revenues- Exchange and Non-exchange Transactions- Revenues resulting from exchange transactions, in which each party gives and receives essentially equal value are recorded on the accrual basis when the exchange takes place. On a modified accrual basis revenues are recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the County, available means expected to be received within sixty days of fiscal year-end.

Non-exchange transactions, in which the County receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenues from property taxes are recognized in the fiscal year for which the taxes are levied. Revenues from grants, entitlements and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when used is first permitted, matching requirements, in which the County must provide local resources to be used for a specified purpose, and expenditure requirements, in which the

MONTEZUMA COUNTY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2016

resources are provided to the County on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year-end: property taxes collected within 60 days after year-end, interest, and certain grants.

Unearned Revenue- arises when potential revenue does not meet both the “measurable” and “available” criteria for recognition in the current period. In subsequent periods, when both revenue recognition criteria are met, or when the County has a legal claim to the resources, the liability for deferred revenue is removed and revenue is recognized.

Expenses/Expenditures- On the accrual basis of accounting, expenses are recognized at the time they are incurred. The fair value of donated commodities used during the year is reported in the statement of revenues, expenses and changes in fund net position as an expense with a like amount reported as donated commodities revenue.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

Budgets and Budgetary Accounting – The County is required by Colorado Statutes to adopt annual budgets for all funds. Each budget is prepared on the same basis (U.S. GAAP basis) as that used for accounting purposes, except for the Landfill Fund, which is prepared essentially on the modified accrual basis of accounting. This basis of accounting is at variance with U.S. GAAP.

The following procedures are followed in establishing the budgetary data reflected in the financial statements:

Prior to October 20, the Budget Officer submits to the County Commissioners a proposed operating budget for the fiscal year commencing the following January 1.

The operating budget includes proposed expenditures and the means of financing them.

Public hearings are conducted to obtain comments.

Prior to December 31, the budget is legally adopted through passage of adoption and appropriations resolutions.

Formal budgetary integration is employed as a management control device during the year.

MONTEZUMA COUNTY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2016

Department directors are authorized to transfer budget amounts within the department. However, the County Commissioners must approve any revisions that alter the total expenditures of any department.

Appropriations are adopted by resolution for each fund in total and lapse at the end of each year. Over-expenditures are not deemed to exist unless the fund as a total has expenditures in excess of appropriations.

Cash and Cash Equivalents – for the purpose of the Statement of Cash Flows of the Enterprise Fund is considered to be all of the highly liquid investments with a maturity of six months or less.

Short-term Inter-fund Receivables/Payables- During the course of operations, certain transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as internal balances on the County-wide statement of net position and, classified as due from other funds or due to other funds on the balance sheet.

Inventories – in the governmental funds consist of expendable supplies held for consumption, the cost of which is recorded as an expenditure at the time of purchase. Restrictions of fund balance have been established for the inventory balances.

Capital Assets – General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the county-wide statement of net position but are not reported in the fund financial statements. Capital assets utilized by the proprietary funds are reported both in the business-type activities column of the county-wide statements of net position and in the respective fund financial statements.

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated general fixed assets are valued at their estimated fair value on the date donated. The County maintains a capitalization threshold of five thousand dollars.

All reported capital assets are depreciated. Depreciation is computed using the straight-line method over the following useful lives:

MONTEZUMA COUNTY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2016

Description	Governmental Activities <u>Estimated Lives</u>	Business-Type Activities <u>Estimated Lives</u>
Buildings and Improvements	20-50 Years	15-50 Years
Furniture and Equipment	5-15 Years	5-20 Years
Vehicles	8 Years	5 Years

Property Tax Revenue Recognition – The County bills and collects its own property taxes as well as property taxes of all other taxing authorities within the County. The property taxes are levied and certified in December of the year prior to the year the taxes are collected. Property taxes become an enforceable lien on January 1 of each year. Secured property taxes are due in two equal installments on February 28 and June 15, and are delinquent after February 28 and June 15 respectively. The entire balance can be paid by April 30 without penalty. Property taxes levied are recorded as deferred revenues in the year levied, as they are not due until the following year. An allowance for un-collectible taxes is not provided as the un-collectible amounts were determined to be negligible based upon an analysis of historical trends.

Compensated absences- Compensated absences arise from policies concerning vacation and sick leave. County employees accrue unlimited sick leave on the basis of one working day per month. Unused accrued sick leave shall not be paid at the time of termination of the employee’s service, except in the event the employee terminated voluntarily in good standing after 5 years of service with the County and the employee has reached eligible retirement age. Such employees will be paid at the rate of 50% of wages for actual accumulated sick days up to a maximum of 15 days for 5 to 10 years of service, 25 days for the following 5 years, 45 days for 21 to 30 years and 60 days for over 31 years of service. County employees are entitled to paid vacation after completion of six months of service. All full-time employees begin to accumulate vacation at the time of entry into service. The rate of accumulation varies from 1 day per month for the first five years of employment up to 2.5 days per month after 25 years of service. Vacation is accumulated throughout each calendar year, but the maximum accumulation is 17 days for the first five years of service, 20 days for the following five years and 23 days for eleven years and over. For the Sheriff’s department only, vacation time accrued during a given calendar year must be used in the immediately following year, or be forfeited.

Accrued Liabilities and General Long-Term Obligations- All payables, accrued liabilities and long-term obligations are reported in the county-wide financial statements, and all payables, accrued liabilities and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements.

In general, payables and accrued liabilities that will be paid from governmental funds are

MONTEZUMA COUNTY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2016

reported on the governmental fund financial statements regardless of whether they will be liquidated with current resources. However, claims and judgments, the non-current portion of capital leases, compensated absences, and special termination benefits that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they will be paid with current, expendable, available financial resources. In general, payment made within sixty days after year-end are considered to have been made with current available financial resources. Bonds and other long-term obligations that will be paid from governmental funds are not recognized as a liability in the fund financial.

Governmental Fund Balances- In the governmental fund financial statements, fund balances are classified as follows:

Non-spendable- Amounts that cannot be spent either because they are in a non-spendable form or because they are legally or contractually required to be maintained intact. This includes inventory maintained in the Road and Bridge Fund.

Restricted- Amounts that can be used only for specific purposes because of state or federal laws, or externally imposed conditions by grantors or creditors. This includes the County's TABOR reserve.

Committed- Amounts that can be used only for specific purposes determined by a formal action by the Board of County Commissioners.

Assigned- Amounts that are designated by the Board of County Commissioners for a particular purpose but are not spendable until appropriated. This includes assignments for subsequent year's expenditures.

Unassigned- All amounts not included in the other spendable classifications.

Use of Restricted Resources-When an expense is incurred that can be paid using either restricted or unrestricted resources (net position), the County's policy is to first apply the expense toward restricted resources and then toward unrestricted resources. In governmental funds, the County's policy is to first apply the expenditure toward restricted fund balance and then to other less restrictive classifications-committed and then assigned fund balances before using unassigned fund balance.

Net Position- Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are liabilities imposed on their use either through the enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

MONTEZUMA COUNTY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2016

Operating Revenues and Expenses- Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the County, these revenues are sales related to landfill operations and fleet services. Operating expenses are necessary costs incurred to provide the goods or services that are the primary activities of the fund. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Inter-fund Transactions- Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. All other inter-fund transactions, except quasi-external transactions and reimbursements, are reported as transfers.

Estimates – The preparation of financial statements in conformity with generally accepted accounting principles requires the use of management’s estimates.

Capital Contributions- Capital contributions in the Fleet fund represent the net book value of vehicles transferred to the Fleet fund from governmental funds.

Cash and Investments – The County Treasurer maintains a cash and investment pool that is available for use by all funds. Each fund type’s portion of this pool is displayed on the combined balance sheet as “Cash”.

Cash on the Combined Balance Sheet consisted of:

Cash on hand	\$ 180,744
Deposits and certificates of deposit	10,662,955
Investments at cost	24,174,311
Total cash and investments	<u>\$ 35,018,010</u>

Deposits- The Colorado Public Deposit Protection Act (PDPA) governs the County’s cash deposits. The statutes specify eligible depositories for public cash deposits, which must be Colorado institutions and must maintain federal insurance on deposits held. Each eligible depository with deposits in excess of the insured levels must pledge a collateral pool of defined eligible assets, to be maintained by another institution or held in trust for all of its local government depositors as a group, with a market value at least equal to 102% of the uninsured deposits. The State Regulatory Commissions for banks and savings and loan associations are required by statute to monitor the naming of eligible depositories and the reporting of uninsured deposits and assets maintained in the collateral pools.

MONTEZUMA COUNTY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2016

At December 31, the carrying amount of the County's deposits was \$10,662,955 and the bank balance was \$10,678,216. Of the bank balance, \$1,148,158 was covered by federal depository insurance and \$9,530,059 was collateralized with securities held in single financial institution collateral pools as provided by statute. Collateral for uninsured deposits is held by banks in the name of a number of government accounts of which the County is a part.

Investments- Colorado statutes define eligible investments for local governments. These include bonds and other interest-bearing obligations of or guaranteed by the United States government or its agencies, bonds which are direct obligations of the State of Colorado or any of its political subdivisions, repurchase agreements, commercial paper, guaranteed investment contracts and local government investment pools.

At December 31, the County had investments in two local government investment pools: the Colorado Government Liquid Asset Trust (COLOTRUST), and the Colorado Surplus Asset Fund Trust (CSAFE). These investment pools are investment vehicles established for local government entities in Colorado to pool surplus funds for investment purposes. The pools are routinely monitored by the Colorado Division of Securities with regard to their operations and investments, which are subject to provisions of C.R.S. Title 24, Article 75, Section 6. The fair value of the investments in the pools is the same as the value of the pool shares. None of these types of investments are categorized because they are not evidenced by securities that exist in physical or book form. COLOTRUST is rated AAA from Standard and Poor's, and CSAFE is rated AAAM from Standard and Poor's.

At December 31, the County had invested in money market funds with Wells Fargo and LPL Financial. These accounts are used to hold money from the sale of government securities until they are reinvested. All funds in these accounts will be reinvested in Federal Government securities and mortgages. The money market accounts are rated AAA from Standard and Poor's. These investments are not categorized because they are not evidenced by securities that exist in physical or book form.

At December 31, the County had the following investments subject to interest rate risk:

MONTEZUMA COUNTY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2016

Investment Type	Cost	Investment Maturities (in years)			
		Less than 1	1-5	6-10	More than 10
Investment Pools					
COLOTRUST	\$ 20,483,136				
CSAFE	112,306				
	<u>20,595,442</u>				
Wells Fargo Money Market	157,669				
LPL Financial Money Market	9,598				
Federal Government backed securities and mortgages	3,411,602		\$ 3,411,602		
Total	<u>\$ 24,174,311</u>				

The County does not have a formal policy limiting investment maturities that would help manage its exposure to fair value losses from increasing interest rates.

Retirement Plan – The County is a member of the Colorado County Officials and Employees Retirement Association. All members of the Association are participants in a defined contribution retirement plan which was adopted and is administered to provide income after retirement in addition to benefits provided by Federal Social Security. All County employees are required to participate after six months of continuous service. Contributions made by the employee are a minimum of five percent and a maximum of ten percent of gross salary, at the employees' discretion. Employees may make additional voluntary contributions not to exceed twenty five percent of compensation.

The County maintains no control over the plan, other than being a member of the Association. Employees are fully vested upon participation in the plan. The County has no unfunded liability under the plan. The total 2016 County payroll was \$10,954,484. The covered payroll for retirement plan purposes was \$9,635,521. The 2016 employer and employee contributions to the plan were \$481,776 and \$553,402 respectively. There were no County securities or other transactions included in the plan's assets.

MONTEZUMA COUNTY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2016

Capital Assets – Capital asset activity for the fiscal year ended December 31, 2016:

	Capital Assets Jan 1, 2016	Additions	Deletions/ Transfers	Capital Assets Dec 31, 2016
Governmental Activities				
Capital assets, not being depreciated:				
Land	\$ 1,257,990	\$ 65,000		\$ 1,322,990
Total capital assets not depreciated	<u>1,257,990</u>	<u>65,000</u>	<u>-</u>	<u>1,322,990</u>
Capital assets, being depreciated:				
Buildings	12,705,923	2,871,562		15,577,485
Equipment	11,828,209	966,059	\$ (2,021,555)	10,772,713
Infrastructure	1,859,205			1,859,205
Total capital assets being depreciated	<u>26,393,337</u>	<u>3,837,621</u>	<u>(2,021,555)</u>	<u>28,209,403</u>
Less accumulated depreciation for:				
Buildings	(4,484,814)	(323,220)		(4,808,034)
Equipment	(8,191,589)	(629,167)	1,875,696	(6,945,060)
Infrastructure	(1,289,488)	(53,120)		(1,342,608)
Total accumulated depreciation	<u>(13,965,891)</u>	<u>(1,005,507)</u>	<u>1,875,696</u>	<u>(13,095,702)</u>
Total capital assets, being depreciated, net	<u>12,427,446</u>	<u>2,832,114</u>	<u>(145,859)</u>	<u>15,113,701</u>
Governmental Activities Capital Assets, net	<u><u>\$ 13,685,436</u></u>	<u><u>\$ 2,897,114</u></u>	<u><u>\$ (145,859)</u></u>	<u><u>\$ 16,436,691</u></u>
Business Type Activities				
Equipment and facilities	\$ 4,771,682	\$ 309,759	\$ (60,001)	\$ 5,021,440
Less accumulated depreciation	(2,638,755)	(207,121)	10,333	(2,835,543)
Business Type Activities Capital Assets net	<u><u>\$ 2,132,927</u></u>	<u><u>\$ 102,638</u></u>	<u><u>(49,668)</u></u>	<u><u>\$ 2,185,897</u></u>

Depreciation expense was charged as a direct expense to the following governmental programs:

General government	\$ 27,956
Public safety	152,549
Public works	348,688
Public health and welfare	3,409
Culture and recreation	69,150
Internal service fund	260,314
Unallocated	143,441
Total depreciation government activities	<u><u>\$ 1,005,507</u></u>

MONTEZUMA COUNTY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2016

Schedule of Social Services Costs Due To/From State of Colorado –

	<u>Due To (From)</u>
Colorado works	\$ 49,185
Child care	3,096
Child welfare	60,855
County administration	50,464
Core services	16,725
Child support	4,158
Adult protective services	5,861
Colorado community response	18,146
Aid to needy disabled	(7,611)
Home care allowance	(706)
Old age pension	1,511
Food assistance	(270)
State incentives	1,371
Federal incentives	304
Tanf collections retained	282
Medicaid collections	(320)
Net Amount Due From State	<u>\$ 203,051</u>

All Electronic Benefit transfers paid by the State of Colorado for Montezuma County are included in the financial statements.

Operating Leases –In 2016, the County leased four blades from John Deere Financial with semi-annual payments of \$43,032.

The future minimum payments for these leases are as follows:

<u>Year</u>	<u>Payments</u>
2017	\$ 86,064
2018	86,064
	<u>\$ 172,128</u>

MONTEZUMA COUNTY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2016

Long-Term Debt-

Leases Payable-

In 2014, the County entered into a lease agreement for a John Deere backhoe. The lease is payable in ten semi-annual payments of \$9,401 beginning on November 24, 2014. This obligation is serviced by the Road and Bridge Fund and the equipment serves as collateral.

In 2014 the County entered into a lease agreement for two John Deere skidsteer loaders. The lease is payable in ten semi-annual payments of \$12,068 beginning September 2, 2014. This obligation is serviced by the Road and Bridge Fund and the equipment serves as collateral.

In 2014 the County entered into a lease agreement for two John Deere backhoes. The lease is payable in ten semi-annual payments of \$20,375 beginning September 2, 2014. This obligation is serviced by the Road and Bridge Fund and the equipment serves as collateral.

In 2014 the County entered into a lease agreement for 18 vehicles for the Sheriff's department. The lease is payable in five annual payments of \$177,644 beginning February 1, 2014. This obligation is serviced by the General Fund and the vehicles serve as collateral.

Changes in General Long-Term Debt- A summary of changes in general long-term debt follows:

	Balance January 1, 2016	Additions	Deletions	Balance December 31, 2016
Accrued compensation	\$ 888,875		\$ 255,462	\$ 633,413
Lease obligation	60,803		16,513	44,290
Lease obligation	79,599		21,897	57,702
Lease obligation	134,390		36,970	97,420
Lease obligation	491,677		157,292	334,385
Total	\$ 1,655,344	\$ -	\$ 488,134	\$ 1,167,210

MONTEZUMA COUNTY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2016

Annual requirements to amortize the lease purchase are as follows:

<u>Year Ending December 31,</u>	<u>Lease Purchases</u>
2017	261,332
2018	261,332
2019	41,844
 Total	 <u>564,508</u>
Less Interest	<u>(30,711)</u>
 Outstanding principal	 <u><u>\$ 533,797</u></u>

Interfund Operating Transfers- consist of the following:

	<u>Transfer In</u>	<u>Transfer out</u>
General Fund	\$ 1,031,762	\$ 3,039,578
Special Revenue Funds		
Public Health Fund	39,578	
Conservation Trust		92,472
Law Enforcement Authority Fund		883,664
Emergency Telephone Fund		44,669
Road and Bridge Fund		9,657
Capital Projects Funds		
Capital Fund	3,000,000	
Internal Service Funds		
Fleet Fund		1,300
	 <u>\$ 4,071,340</u>	 <u>\$ 4,071,340</u>

All transfers were made for the purpose of subsidizing the receiving fund.

Fund Balance Restrictions and Assignments – Nonspendable indicates amounts that cannot be spent, either because they are in nonspendable form or because they are legally or contractually required to be maintained intact. Restricted indicates that a portion of the fund balance can only be spent for specific purposes because of state or federal laws, or externally imposed conditions by grantors or creditors. Assigned indicates amounts that are designated for a specific purpose by the Board of County Commissioners but are not spendable until appropriated. The County uses the following restrictions and assignments:

MONTEZUMA COUNTY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2016

Non-spendable

Inventory- indicates that the portion of fund balance represented by inventories is not available for appropriation and expenditure at the balance sheet date. Non-spendable fund balance related to inventory consists of \$50,000 in the Road and Bridge Fund.

Restricted

TABOR- indicates that a portion of the fund balance has been segregated for expenditures for declared emergencies only. Fund balance restricted for TABOR consists of \$722,119 in the Emergency Reserve Fund and \$50,000 in the General Fund.

Cancer treatments-indicates that the fund balance within the Ormiston Fund is restricted for the payment of cancer treatments costs of qualified county residents.

Roads and bridges-indicates that the fund balance within the Road and Bridge Fund is restricted for constructions and maintenance of County roads and bridges.

Public health and welfare-indicates that the fund balance of the Social Services Fund is restricted for the purpose of public health and welfare.

Assigned for future expenditures- indicates anticipated fund balance available for appropriation in the next budget year. Fund balances assigned for future expenditures consist of the following:

General Fund	\$ 13,740,717
Special Revenue Funds	
Contingent Fund	607,789
Emergency Telephone Service Fund	284,939
Sheriff's Forfeiture Fund	10,738
Conservation Trust Fund	214,592
Law Enforcement Authority Fund	544,106
Revolving Loan Fund	146,182
Lodger's Tax Fund	144,911
Public Health Fund	545,761
Capital Projects Funds	
Capital Fund	6,595,206
Total	<u><u>\$ 22,834,941</u></u>

MONTEZUMA COUNTY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2016

Public Trustee – The County Treasurer holds the office of the County Public Trustee. Public Trustees are named as trustees for Deeds of Trust and perform all the functions and exercise all the powers conferred upon them by the Deeds of Trust. These functions include releasing Deeds of Trust when indebtedness is paid in full, making sales whenever default occurs, issuing Certificates of Purchase and Certificates of Redemption of Trustee’s Deeds. Fees for such services are used to cover related expenses and pay the Trustee an annual salary.

The accounts of the County Public Trustee consist of the following as of and for the year ended December 31, 2016:

Cash at January 1, 2016	\$ 37,087
Revenues	
Interest and fees	19,095
Expenditures	(21,930)
Cash at December 31, 2016	<u>\$ 34,252</u>

Commitments and Contingent Liabilities – There appear to be no commitments or contingencies that would pose a threat of significant liability to the County.

Tax Spending, Revenue and Debt Limitations- 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.

“Enterprises,” defined as government owned businesses authorized to issue revenue bonds and receiving less than 10 percent of their annual revenue in grants from all state and local governments combined, are excluded from the provisions of the Amendment.

Fiscal year spending and revenue limits are determined based on the prior year’s spending adjusted for inflation and local growth. Revenue in excess of the fiscal year spending limit must be refunded unless the voters approve retention of such revenue.

Fiscal year spending is generally defined as expenditures plus reserve increases with certain exceptions. Those exceptions include spending from certain revenue and financial sources such as federal funds, gifts, property sales, fund transfers, damage awards, and fund reserves.

The Amendment requires local governments to establish Emergency Reserves. These reserves must be at least 3% of fiscal year spending. Local governments are not allowed to

MONTEZUMA COUNTY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2016

use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

The Amendment is complex and subject to judicial interpretation. The County believes it is in compliance with the requirements of the Amendment.

Risk Management – County Workers Compensation Pool – The County is exposed to various risks of loss related to injuries of employees while on the job. The County joined the County 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 formation agreement of CWCP provides that the pool will be financially self-sustaining through member contributions and additional assessments, if necessary, and the pool will purchase excess insurance through commercial companies for members' claims in excess of a specified self-insured retention, which is determined each policy year.

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets, errors and omissions, injuries to employees, and natural disasters. The County has purchased commercial insurance for such risks. Settled claims resulting from these risks have not exceeded commercial insurance in any of the past three years.

Colorado Immunity Act – Under Colorado statutes, the County has immunity from liability in excess of \$150,000 per individual and \$600,000 per occurrence.

Municipal Solid Waste Landfill- The County assumed operation of the landfill in 1991 from the Cortez Sanitation District. The old inactive landfill areas have monitoring wells in place and closure and post-closure costs are not estimated to exceed normal operating costs.

Currently, the landfill is operating on a cell basis. An average "life to closure" has been estimated at 30 to 40 years for the cells. It is estimated that at December 31, 2016 51.6% of the capacity had been used. Engineer estimates have been obtained for anticipated closure and post-closure costs. The County is required to perform certain maintenance and monitoring functions for thirty years after closure. The expense and liability associated with these requirements are reflected in the financial statements of the Landfill Fund.

MONTEZUMA COUNTY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2016

	<u>Estimated Costs</u>	<u>Estimated Capacity Used</u>	<u>Accrued Closure Costs</u>
Closure	\$ 1,094,215	51.60%	\$ 564,615
Post-closure	531,308	51.60%	274,155
Post-closure Carver Landfill	<u>93,122</u>	100%	<u>93,122</u>
 Total	 <u><u>\$ 1,718,645</u></u>		 <u><u>\$ 931,892</u></u>

It is anticipated that the remaining amount will be recognized in the future as the landfill reaches capacity. These figures are estimates. The County has provided the "Financial Assurance for Compliance" required by the Colorado Department of Public Health and Environment.

Compliance with Laws and Regulations-The County may be in violation of State Statute. Expenditures exceeded appropriations in the Road and Bridge Fund, Conservation Trust Fund and the Landfill Fund.

MONTEZUMA COUNTY, COLORADO

Required Supplementary Information

December 31, 2016

Required supplementary information includes financial information and disclosures that are required by the GASB but are not considered a part of the basic financial statements.

Such information includes:

Budgetary Comparison Schedules

General Fund

Road and Bridge Fund

Social Services Fund

MONTEZUMA COUNTY, COLORADO

Schedule of Revenues, Expenditures and Changes in
Fund Balances- Budget and Actual
General Fund

For the Year Ended December 31, 2016

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
Revenues				
Taxes				
General property taxes	\$ 7,958,222	\$ 7,958,222	\$ 7,972,856	\$ 14,634
Specific ownership taxes	590,000	590,225	599,155	8,930
Severance taxes	455,000	455,000	152,005	(302,995)
Tobacco products taxes	9,600	9,600	7,761	(1,839)
Total taxes	9,012,822	9,013,047	8,731,777	(281,270)
Intergovernmental revenues				
Payment in lieu of taxes	170,000	170,000	175,218	5,218
Mineral leasing	750,000	750,000	804,827	54,827
Grants				
Other grants	34,800	34,800	94,686	59,886
Sherrif grants	422,194	561,967	471,333	(90,634)
Senior services grants	522,072	327,474	418,793	91,319
Total intergovernmental revenues	1,899,066	1,844,241	1,964,857	120,616
Charges for services				
General government	25,000	25,375	34,655	9,280
Senior nutrition		194,599	155,394	(39,205)
County fair and fairground user fees	95,000	99,005	87,987	(11,018)
Total charges for services	120,000	318,979	278,036	(40,943)
Fines and forfeitures				
Court fines	30,000	30,000	38,903	8,903
Total fines and forfeitures	30,000	30,000	38,903	8,903
Earnings on investments				
		-	185,887	185,887
Miscellaneous revenues				
Rents and royalties	240,000	240,000	215,201	(24,799)
Reimbursements		16,632	140,165	123,533
Delinquent tax and interest			696,101	696,101
Other	35,600	62,806	31,267	(31,539)
Total miscellaneous revenues	275,600	319,438	1,082,734	763,296
Fee accounts				
Sheriff fees	472,529	399,371	498,661	99,290
Clerk fees	550,000	554,219	566,918	12,699
Treasurers fees	220,000	220,000	261,565	41,565
Public trustee fees	35,000	35,000	26,995	(8,005)
Total fee accounts	1,277,529	1,208,590	1,354,139	145,549
Total revenues	12,615,017	12,734,295	13,636,333	902,038

(continued)

MONTEZUMA COUNTY, COLORADO

Schedule of Revenues, Expenditures and Changes in
Fund Balances- Budget and Actual
General Fund

For the Year Ended December 31, 2016

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
Expenditures				
General government				
Board of county commissioners	\$ 276,317	\$ 274,779	\$ 261,306	\$ 13,473
Planning department	196,155	196,155	173,026	23,129
Clerk	629,712	642,581	569,274	73,307
Treasurer	286,903	286,903	285,857	1,046
Public trustee	18,531	18,531	16,541	1,990
Assessor	469,449	468,746	472,733	(3,987)
Attorney	237,325	237,325	236,060	1,265
Grounds and buildings	730,093	728,003	702,450	25,553
Administration	282,756	280,680	274,690	5,990
Elections	119,375	119,375	66,327	53,048
Extention services	115,336	116,107	98,967	17,140
Veteran's office	74,150	89,582	75,171	14,411
Purchasing	71,000	71,000	71,830	(830)
Computer services and mapping	493,504	551,731	561,454	(9,723)
Surveyor	3,720	4,320	4,827	(507)
Natural resources and public lands	80,490	80,490	78,009	2,481
Miscellaneous	1,157,908	1,252,497	642,949	609,548
Total general government	5,242,724	5,418,805	4,591,471	827,334
Public safety				
Sheriff administration	3,769,744	3,898,225	3,567,143	331,082
Coroner	100,057	98,627	99,268	(641)
District attorney	809,629	809,629	809,629	-
Jail	2,666,428	2,249,373	2,153,250	96,123
Emergency management	85,742	85,408	90,035	(4,627)
Total public safety	7,431,600	7,141,262	6,719,325	421,937
Health and welfare				
Senior services	522,073	523,968	532,882	(8,914)
Public health services	12,500	12,500	10,496	2,004
Animal and pest control	71,500	71,500	70,607	893
Total health and welfare	606,073	607,968	613,985	(6,017)

(continued)

MONTEZUMA COUNTY, COLORADO

Schedule of Revenues, Expenditures and Changes in
Fund Balances- Budget and Actual
General Fund

For the Year Ended December 31, 2016

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
Expenditures (continued)				
Culture and recreation				
County fair	\$ 21,250	\$ 54,760	\$ 47,124	\$ 7,636
Fairgrounds	276,425	276,170	247,323	28,847
Conservation trust	92,216	92,216	92,472	(256)
Total culture and recreation	389,891	423,146	386,919	36,227
Total expenditures	13,670,288	13,591,181	12,311,700	1,279,481
Excess (deficit) of revenues over (under) expenditures	(1,055,271)	(856,886)	1,324,633	2,181,519
Other financing sources (uses)				
Operating transfers in	1,272,849	1,272,849	1,031,762	(241,087)
Operating transfers (out)	(3,039,578)	(3,236,289)	(3,039,578)	196,711
Debt service principal	(157,500)	(157,500)	(157,292)	208
Debt service interest	(20,500)	(20,500)	(20,352)	148
Total other financing sources (uses)	(1,944,729)	(2,141,440)	(2,185,460)	(44,020)
Excess (deficit) of revenues and other financing sources over (under) expenditures and other financing uses	(3,000,000)	(2,998,326)	(860,827)	2,137,499
Fund balance, beginning	13,171,481	14,651,544	14,651,544	-
Fund balance, ending	\$ 10,171,481	\$ 11,653,218	\$ 13,790,717	\$ 2,137,499

MONTEZUMA COUNTY, COLORADO

Schedule of Revenues, Expenditures and Changes in
Fund Balance- Budget and Actual
Road and Bridge Fund

For the Year Ended December 31, 2016

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
Revenues				
Taxes				
General property taxes	\$ 2,013,804	\$ 2,013,804	\$ 2,013,260	\$ (544)
Specific ownership taxes	169,250	169,250	151,327	(17,923)
Delinquent taxes and interest			174,988	174,988
Total taxes	2,183,054	2,183,054	2,339,575	156,521
Intergovernmental revenues				
Federal shared revenues				
Forest Service	50,000	81,000	51,271	(29,729)
Mineral leasing	753,000	753,000	804,827	51,827
State shared revenues				
Highway user's tax	2,488,038	2,488,038	2,660,870	172,832
Additional motor vehicle registration fee	94,000	94,000	93,414	(586)
Grants	1,347,879	1,361,879	1,361,879	-
Total intergovernmental revenues	4,732,917	4,777,917	4,972,261	194,344
Miscellaneous revenues				
Permits and charges for services		25,000	203,126	178,126
Sale of assets		43,500	184,959	141,459
Impact fees	40,000	40,000	119,501	79,501
Dust abatement	100,000	75,000	69,888	(5,112)
Other		142,539	20,951	(121,588)
Total miscellaneous revenues	140,000	326,039	598,425	272,386
Total revenues	7,055,971	7,287,010	7,910,261	623,251
Expenditures				
Current operating				
Public Works				
Administration	159,964	159,964	156,607	3,357
Maintenance of condition	4,758,893	4,936,532	5,166,692	(230,160)
Snow and ice removal	549,377	571,074	594,620	(23,546)
System preservation	1,680,842	1,747,225	1,819,267	(72,042)
Payments to cities	139,376	139,376	134,615	4,761
Total public works	7,288,452	7,554,171	7,871,801	(317,630)
Total expenditures	7,288,452	7,554,171	7,871,801	(317,630)
Excess (deficit) of revenues over (under) expenditures	(232,481)	(267,161)	38,460	305,621
Other financing sources (uses)				
Transfers out	(14,585)	(14,585)	(9,657)	4,928
Debt service interest			(8,307)	(8,307)
Debt service principal			(75,380)	(75,380)
Total other financing sources (uses)	(14,585)	(14,585)	(93,344)	(78,759)
Excess (deficit) of other financing sources over (under) expenditures and other financing uses	(247,066)	(281,746)	(54,884)	226,862
Fund balance, beginning	7,563,464	7,703,987	7,703,987	-
Fund balance, ending	\$ 7,316,398	\$ 7,422,241	\$ 7,649,103	\$ 226,862

MONTEZUMA COUNTY, COLORADO

Schedule of Revenue, Expenditures and Changes in
Fund Balance - Budget and Actual
Social Services Fund
For the year Ended December 31, 2016

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
Revenues				
Taxes				
General Property Taxes	\$ 1,000,744	\$ 1,000,744	\$ 1,089,953	\$ 89,209
Specific Ownership Taxes	74,081	74,081	85,607	11,526
Total taxes	1,074,825	1,074,825	1,175,560	100,735
Intergovernmental revenues				
Programs settled by CFMS				
Colorado Works	1,032,806	917,806	733,605	(184,201)
Child Care	477,759	372,759	327,940	(44,819)
Child Welfare	1,656,365	1,590,365	1,343,297	(247,068)
Administration	772,801	772,801	655,187	(117,614)
Core Services	375,620	375,620	338,816	(36,804)
Child Support	182,748	182,748	132,256	(50,492)
LEAP	749,347	664,347	347,236	(317,111)
Adult Protective Services	89,539	89,539	73,994	(15,545)
Aid to Needy Disabled	65,130	105,130	88,459	(16,671)
Home Care Allowance	39,201	74,201	77,930	3,729
Old Age Pension	410,856	510,856	509,941	(915)
Food Assistance Fraud	30,341	30,341	30,129	(212)
Food Assistance	5,615,528	5,805,528	5,799,470	(6,058)
Food Assistance Job Search	4,982	4,982	2,792	(2,190)
Child Welfare Discretionary Grants	10,064	10,064	32,348	22,284
Colorado Community Response Grant			149,856	149,856
Tanf Collections EBT	(2,659)	(2,659)	(3,218)	(559)
State and Federal Incentives	18,426	18,426	44,403	25,977
TANF Collections IVD Retained	(32,304)	(32,304)	(25,256)	7,048
Medicaid Collections	(699)	(699)	(6,355)	(5,656)
Total Programs settled by CFMS	11,495,851	11,489,851	10,652,830	(837,021)
Other				
Medicaid Transport	86,638	92,638	81,493	(11,145)
Integrated Care Management	105,220	105,220	67,035	(38,185)
Substance Abuse and Mental Health			41,948	41,948
Other	3,562	3,562	16,759	13,197
Total Other	195,420	201,420	207,235	5,815
Total Intergovernmental revenues	11,691,271	11,691,271	10,860,065	(831,206)
Total Revenues	12,766,096	12,766,096	12,035,625	(730,471)
Expenditures				
Health and Welfare				
Programs settled by CFMS				
Colorado Works	1,032,806	917,806	862,747	55,059
Child Care	494,514	389,514	389,780	(266)
Child Welfare	2,029,922	1,963,922	1,643,607	320,315
Administration	966,002	966,002	788,648	177,354
Core Services	401,352	401,352	373,403	27,949
Child Support	276,892	276,892	279,119	(2,227)
LEAP	749,347	664,347	347,236	317,111
Adult Protective Services	111,924	111,924	92,492	19,432
Aid to Needy Disabled	81,413	121,413	110,573	10,840
Home Care Allowance	41,264	76,264	82,032	(5,768)
Old Age Pension	410,856	510,856	509,941	915
Food Assistance Fraud	37,927	37,927	37,661	266
Food Assistance	5,615,528	5,805,528	5,799,470	6,058
Food Assistance Job Search	6,228	6,228	2,794	3,434
Child Welfare Discretionary Grants	10,064	10,064	32,348	(22,284)
Colorado Community Response Grant			149,856	(149,856)
Tanf Collections EBT	(3,455)	(3,455)	(4,023)	568
Tanf Collections IVD Retained	(41,725)	(41,725)	(31,570)	(10,155)
Medicaid Collections	(699)	(699)	(6,355)	5,656
Total Programs settled by CFMS	12,220,160	12,214,160	11,459,759	754,401
Other				
Medicaid Transport	86,638	92,638	92,638	-
Integrated Care Management	105,220	105,220	67,035	38,185
Substance Abuse and Mental Health			41,947	(41,947)
Other	215,073	215,073	86,846	128,227
Total Other	406,931	412,931	288,466	124,465
Total expenditures	12,627,091	12,627,091	11,748,225	878,866
Excess revenues over (under) expenditures	139,005	139,005	287,400	148,395
Fund balance, beginning	1,837,125	1,837,125	1,994,579	157,454
Fund balance, ending	\$ 1,976,130	\$ 1,976,130	\$ 2,281,979	\$ 305,849

MONTEZUMA COUNTY, COLORADO

Other Supplementary Information

December 31, 2016

Other supplementary information includes financial statements and schedules not required by the GASB, or a part of the basic financial statements, but are presented for purposes of additional analysis.

These statements and schedules include:

Combining Statements- Nonmajor governmental funds

Budgetary Comparison Schedules- Nonmajor governmental funds

Budgetary Comparison Schedule-Capital Fund

Budgetary Comparison Schedule-Enterprise Fund

Budgetary Comparison Schedule-Internal Service Fund

MONTEZUMA COUNTY, COLORADO

Nonmajor Governmental Funds

December 31, 2016

Special Revenue Funds

Special revenue funds are used to account for taxes and other designated revenues of the County which are used for a specified purpose as required by law or administrative action.

Public Health Fund

This fund is required by state statute to account for the County's public health operations.

Conservation Trust Fund

This fund accounts for the County's share of lottery proceeds from the state to pay for local conservation efforts.

Clara Ormiston Fund

This fund accounts for money received from the Clara Ormiston Trust to help residents of the county with health care costs for the treatment of cancer.

Emergency Telephone Service Fund

This fund accounts for an emergency telephone service system in Montezuma County.

Sheriff's Department Forfeiture Fund

This fund was established pursuant to Section 16-13-506 C.R.S. to account for proceeds from property ordered by the court to be forfeited and used for nonoperating purposes.

Revolving Loan Fund

The Housing and Community Development Act of 1974 has established a Community Development Block Grant program to support economic development projects that create or retain jobs and which contribute to sound overall community development at the local level. The Revolving Loan Fund accounts for the revenue and expenditures relative to these federal monies.

Lodgers' Tax Fund

This fund accounts for the lodgers' tax revenue collected by merchants to be used for the promotion of Montezuma County.

Emergency Reserve Fund

This fund accounts for a portion of the County fund balance that was set aside to meet the emergency reserve required by TABOR. This fund had no activity during the current year.

Contingent Fund

This fund is required by state law. This fund accounts for expenditures not reasonably foreseen at the time the budget is adopted. This fund had no activity during the year.

Law Enforcement Authority

This fund was created in 2008 to account for the voter approved levy of property taxes to provide increased funding for public safety operations of the County.

MONTEZUMA COUNTY
 Combining Balance Sheet
 Non Major Governmental Funds

December 31, 2016

Special Revenue Funds											
	Public Health Fund	Conservation Trust Fund	Clara Ormiston Fund	Emergency Telephone Fund	Sheriff's Forfeiture Fund	Revolving Loan Fund	Lodgers Tax Fund	Emergency Reserve Fund	Contingent Fund	Law Enforcement Authority Fund	Total
Assets											
Cash	\$ 563,289	\$ 214,592	\$ 38,853	\$ 285,113	\$ 10,738	\$ 146,182	\$ 144,911	\$ 722,119	\$ 607,789	\$ 544,106	\$ 3,277,692
Due from other governments	29,842										29,842
Total Assets	<u>\$ 593,131</u>	<u>\$ 214,592</u>	<u>\$ 38,853</u>	<u>\$ 285,113</u>	<u>\$ 10,738</u>	<u>\$ 146,182</u>	<u>\$ 144,911</u>	<u>\$ 722,119</u>	<u>\$ 607,789</u>	<u>\$ 544,106</u>	<u>\$ 3,307,534</u>
Liabilities											
Accounts payable	\$ 9,715			\$ 174							\$ 9,889
Unearned grant revenue	37,655										37,655
Total Liabilities	<u>47,370</u>	<u>-</u>	<u>-</u>	<u>174</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>47,544</u>
Fund Balance											
Restricted											
Cancer treatments			\$ 38,853								38,853
TABOR								\$ 722,119			722,119
Unrestricted											
Assigned for future year's expenditures	545,761	\$ 214,592		284,939	\$ 10,738	\$ 146,182	\$ 144,911		\$ 607,789	\$ 544,106	2,499,018
Total Fund Balance	<u>545,761</u>	<u>214,592</u>	<u>38,853</u>	<u>284,939</u>	<u>10,738</u>	<u>146,182</u>	<u>144,911</u>	<u>722,119</u>	<u>607,789</u>	<u>544,106</u>	<u>3,259,990</u>
Total Liabilities and Fund Balance	<u>\$ 593,131</u>	<u>\$ 214,592</u>	<u>\$ 38,853</u>	<u>\$ 285,113</u>	<u>\$ 10,738</u>	<u>\$ 146,182</u>	<u>\$ 144,911</u>	<u>\$ 722,119</u>	<u>\$ 607,789</u>	<u>\$ 544,106</u>	<u>\$ 3,307,534</u>

MONTEZUMA COUNTY
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Non Major Governmental Funds

For the Year Ended December 31, 2016

	Special Revenue Funds										
	Public Health Fund	Conservation Trust Fund	Clara Ormiston Fund	Emergency Telephone Fund	Sheriff's Forfeiture Fund	Revolving Loan Fund	Lodgers Tax Fund	Emergency Reserve Fund	Contingent Fund	Law Enforcement Authority Fund	Total
Revenues											
Taxes							\$ 139,905			\$ 956,130	\$ 1,096,035
Intergovernmental	\$ 1,904,101	\$ 165,927									2,070,028
Charges for services	349,531			\$ 208,414							557,945
Earnings on investments		1,409	\$ 341		\$ 5	\$ 381					2,136
Total Revenues	2,253,632	167,336	341	208,414	5	381	139,905	-	-	956,130	3,726,144
Expenditures											
General government							147,900				147,900
Public safety				149,603							149,603
Public Health	2,238,027										2,238,027
Total expenditures	2,238,027	-	-	149,603	-	-	147,900	-	-	-	2,535,530
Excess revenues over (under) expenditures	15,605	167,336	341	58,811	5	381	(7,995)	-	-	956,130	1,190,614
Other financing sources (uses)											
Operating transfers in (out)	39,578	(92,472)		(44,669)						(883,664)	(981,227)
Total other financing sources (uses)	39,578	(92,472)	-	(44,669)	-	-	-	-	-	(883,664)	(981,227)
Excess (deficit) of revenues and other financing sources over (under) expenditures and other financing uses	55,183	74,864	341	14,142	5	381	(7,995)	-	-	72,466	209,387
Fund Balances beginning of the year	490,578	139,728	38,512	270,797	10,733	145,801	152,906	\$ 722,119	\$ 607,789	471,640	3,050,603
Fund Balances end of the year	\$ 545,761	\$ 214,592	\$ 38,853	\$ 284,939	\$ 10,738	\$ 146,182	\$ 144,911	\$ 722,119	\$ 607,789	\$ 544,106	\$ 3,259,990

MONTEZUMA COUNTY
Schedule of Revenues, Expenditures, and Changes in
Fund Balance-Budget and Actual
Public Health Fund

For the Year Ended December 31, 2016

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
Revenues				
Intergovernmental revenues				
Operating grants	\$ 2,103,880	\$ 2,103,880	\$ 1,904,101	\$ (199,779)
Charges of services	264,800	264,800	349,531	84,731
Total Revenues	<u>2,368,680</u>	<u>2,368,680</u>	<u>2,253,632</u>	<u>(115,048)</u>
Expenditures				
Public health	2,437,501	2,437,501	2,238,027	199,474
Total Expenditures	<u>2,437,501</u>	<u>2,437,501</u>	<u>2,238,027</u>	<u>199,474</u>
Excess revenues over (under) expenditures	(68,821)	(68,821)	15,605	84,426
Other financing sources (uses)				
Operating transfers in	39,578	39,578	39,578	-
Total other financing sources (uses)	<u>39,578</u>	<u>39,578</u>	<u>39,578</u>	<u>-</u>
Excess (deficit) of revenues and other financing sources over (under) expenditures and other financing uses	<u>(29,243)</u>	<u>(29,243)</u>	<u>55,183</u>	<u>84,426</u>
Fund Balances beginning of the year	385,620	490,578	490,578	-
Fund Balances end of the year	<u>\$ 356,377</u>	<u>\$ 461,335</u>	<u>\$ 545,761</u>	<u>\$ 84,426</u>

MONTEZUMA COUNTY
Schedule of Revenues, Expenditures, and Changes in
Fund Balance-Budget and Actual
Conservation Trust Fund

For the Year Ended December 31, 2016

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
Revenues				
Intergovernmental				
Lottery funds	\$ 140,000	\$ 140,000	\$ 165,927	\$ 25,927
Total intergovernmental revenues	140,000	140,000	165,927	25,927
Miscellaneous				
Earnings on investments			1,409	1,409
Total miscellaneous revenues	-	-	1,409	1,409
Total Revenues	140,000	140,000	167,336	27,336
Other financing sources (uses)				
Operating transfers out	(92,216)	(92,216)	(92,472)	(256)
Total other financing sources (uses)	(92,216)	(92,216)	(92,472)	(256)
Excess (deficit) of revenues and other financing sources over (under) expenditures and other financing uses	47,784	47,784	74,864	27,080
Fund Balances beginning of the year	150,820	139,728	139,728	-
Fund Balances end of the year	\$ 198,604	\$ 187,512	\$ 214,592	\$ 27,080

MONTEZUMA COUNTY
 Schedule of Revenues, Expenditures, and Changes in
 Fund Balance-Budget and Actual
 Clara Ormiston Fund

For the Year Ended December 31, 2016

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
Revenues				
Earnings on investments	\$ 3,500	\$ 3,500	\$ 341	\$ (3,159)
Total Revenues	<u>3,500</u>	<u>3,500</u>	<u>341</u>	<u>(3,159)</u>
Other financing sources (uses)				
Operating transfers out	(2,500)	(2,500)		2,500
Total other financing sources (uses)	<u>(2,500)</u>	<u>(2,500)</u>	<u>-</u>	<u>2,500</u>
Excess (deficit) of revenues and other financing sources over (under) expenditures and other financing uses	<u>1,000</u>	<u>1,000</u>	<u>341</u>	<u>(659)</u>
Fund Balances beginning of the year	35,065	38,512	38,512	-
Fund Balances end of the year	<u>\$ 36,065</u>	<u>\$ 39,512</u>	<u>\$ 38,853</u>	<u>\$ (659)</u>

MONTEZUMA COUNTY
Schedule of Revenues, Expenditures, and Changes in
Fund Balance-Budget and Actual
Emergency Telephone Fund

For the Year Ended December 31, 2016

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
Revenues				
Charges for services	\$ 190,000	\$ 190,000	\$ 208,414	\$ 18,414
Total Revenues	<u>190,000</u>	<u>190,000</u>	<u>208,414</u>	<u>18,414</u>
Expenditures				
Public safety	140,000	140,000	149,603	(9,603)
Total Expenditures	<u>140,000</u>	<u>140,000</u>	<u>149,603</u>	<u>(9,603)</u>
Excess revenues over (under) expenditures	<u>50,000</u>	<u>50,000</u>	<u>58,811</u>	<u>8,811</u>
Other financing sources (uses)				
Operating transfers out	(57,523)	(57,523)	(44,669)	12,854
Total other financing sources (uses)	<u>(57,523)</u>	<u>(57,523)</u>	<u>(44,669)</u>	<u>12,854</u>
Excess (deficit) of revenues and other financing sources over (under) expenditures and other financing uses	<u>(7,523)</u>	<u>(7,523)</u>	<u>14,142</u>	<u>21,665</u>
Fund Balances beginning of the year	240,494	270,797	270,797	-
Fund Balances end of the year	<u>\$ 232,971</u>	<u>\$ 263,274</u>	<u>\$ 284,939</u>	<u>\$ 21,665</u>

MONTEZUMA COUNTY
Schedule of Revenues, Expenditures, and Changes in
Fund Balance-Budget and Actual
Sheriff's Forfeiture Fund

For the Year Ended December 31, 2016

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
Revenues				
Other			\$ 5	\$ 5
Total Revenues	-	-	5	5
Expenditures				
Public safety				-
Total expenditures	-	-	-	-
Excess revenues over (under) expenditures	-	-	5	5
Fund Balances beginning of the year	\$ 1,643	\$ 10,733	10,733	-
Fund Balances end of the year	<u>\$ 1,643</u>	<u>\$ 10,733</u>	<u>\$ 10,738</u>	<u>\$ 5</u>

MONTEZUMA COUNTY
 Schedule of Revenues, Expenditures, and Changes in
 Fund Balance-Budget and Actual
 Revolving Loan Fund

For the Year Ended December 31, 2016

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
Revenues				
Earnings on investments	\$ 807	\$ 807	\$ 381	\$ (426)
Total Revenues	<u>807</u>	<u>807</u>	<u>381</u>	<u>(426)</u>
Expenditures				-
Excess revenues over (under) expenditures	<u>807</u>	<u>807</u>	<u>381</u>	<u>(426)</u>
Fund Balances beginning of the year	145,847	145,801	145,801	-
Fund Balances end of the year	<u>\$ 146,654</u>	<u>\$ 146,608</u>	<u>\$ 146,182</u>	<u>\$ (426)</u>

MONTEZUMA COUNTY
 Schedule of Revenues, Expenditures, and Changes in
 Fund Balance-Budget and Actual
 Lodgers Tax Fund

For the Year Ended December 31, 2016

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
Revenues				
Lodgers tax	\$ 100,000	\$ 100,000	\$ 139,905	\$ 39,905
Total Revenues	<u>100,000</u>	<u>100,000</u>	<u>139,905</u>	<u>39,905</u>
Expenditures				
General government	100,000	148,000	147,900	100
Total Expenditures	<u>100,000</u>	<u>148,000</u>	<u>147,900</u>	<u>100</u>
Excess revenues over (under) expenditures	<u>-</u>	<u>(48,000)</u>	<u>(7,995)</u>	<u>40,005</u>
Fund Balances beginning of the year	78,612	152,906	152,906	-
Fund Balances end of the year	<u>\$ 78,612</u>	<u>\$ 104,906</u>	<u>\$ 144,911</u>	<u>\$ 40,005</u>

MONTEZUMA COUNTY
Schedule of Revenues, Expenditures, and Changes in
Fund Balance-Budget and Actual
Emergency Reserve Fund

For the Year Ended December 31, 2016

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
Revenues				
Earnings on investments				
Total Revenues	-	-	-	-
Expenditures				
General government				-
Total Expenditures			-	-
Excess revenues over (under) expenditures			-	-
Other financing sources (uses)				
Operating transfers out				-
Total other financing sources (uses)	-	-	-	-
Excess (deficit) of revenues and other financing sources over (under) expenditures and other financing uses	-	-	-	-
Fund Balances beginning of the year	\$ 722,119	\$ 722,119	\$ 722,119	-
Fund Balances end of the year	\$ 722,119	\$ 722,119	\$ 722,119	\$ -

MONTEZUMA COUNTY
 Schedule of Revenues, Expenditures, and Changes in
 Fund Balance-Budget and Actual
 Contingent Fund

For the Year Ended December 31, 2016

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
Revenues				
Reimbursements				
Total Revenues	-	-	-	-
Expenditures				
General government				-
Total Expenditures	-	-	-	-
Excess revenues over (under) expenditures	-	-	-	-
Fund Balances beginning of the year	\$ 607,789	\$ 607,789	\$ 607,789	-
Fund Balances end of the year	\$ 607,789	\$ 607,789	\$ 607,789	-

MONTEZUMA COUNTY
Schedule of Revenues, Expenditures, and Changes in
Fund Balance-Budget and Actual
Law Enforcement Authority Fund

For the Year Ended December 31, 2016

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
Revenues				
Taxes				
Property taxes	\$ 795,896	\$ 795,896	\$ 798,065	\$ 2,169
Specific ownership taxes	58,823	58,823	61,690	2,867
Delinquent tax and interest			96,375	96,375
Total Revenues	<u>854,719</u>	<u>854,719</u>	<u>956,130</u>	<u>101,411</u>
Other financing sources (uses)				
Operating transfers out	(1,038,639)	(1,038,639)	(883,664)	154,975
Total other financing sources (uses)	<u>(1,038,639)</u>	<u>(1,038,639)</u>	<u>(883,664)</u>	<u>154,975</u>
Excess (deficit) of revenues and other financing sources over (under) expenditures and other financing uses	<u>(183,920)</u>	<u>(183,920)</u>	<u>72,466</u>	<u>256,386</u>
Fund Balances beginning of the year	372,721	471,640	471,640	-
Fund Balances end of the year	<u>\$ 188,801</u>	<u>\$ 287,720</u>	<u>\$ 544,106</u>	<u>\$ 256,386</u>

MONTEZUMA COUNTY, COLORADO

Schedule of Revenues, Expenditures and Changes in
Fund Balance- Budget and Actual
Capital Fund

For the Year Ended December 31, 2016

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
Revenues				
Intergovernmental revenues				
Mineral leasing	\$ 750,000	\$ 750,000	\$ 804,827	\$ 54,827
Grants	167,740	754,040	1,431,945	677,905
Total intergovernmental revenues	917,740	1,504,040	2,236,772	732,732
Miscellaneous revenues				
Other	270,082	270,082	60,294	(209,788)
Total miscellaneous revenues	270,082	270,082	60,294	(209,788)
Total Revenues	1,187,822	1,774,122	2,297,066	522,944
Expenditures				
General government	742,500	792,615	58,618	733,997
Public safety	5,600,000	6,321,300	2,853,887	3,467,413
Culture and recreation	306,240	306,240	348,952	(42,712)
Total expenditures	6,648,740	7,420,155	3,261,457	4,158,698
Excess (deficit) of revenues over (under) expenditures	(5,460,918)	(5,646,033)	(964,391)	4,681,642
Other financing sources (uses)				
Transfers in	3,000,000	3,000,000	3,000,000	-
Excess (deficit) of revenues and other financing sources over (under) expenditures and other financing uses	(2,460,918)	(2,646,033)	2,035,609	4,681,642
Fund balance, beginning	3,984,996	4,559,597	4,559,597	-
Fund balance, ending	\$ 1,524,078	\$ 1,913,564	\$ 6,595,206	\$ 4,681,642

MONTEZUMA COUNTY, COLORADO

Statement of Revenues, Expenditures, and Changes in Net Position - Budget and Actual

Proprietary Fund

Enterprise Fund

Landfill Fund

For the Year Ended December 31, 2016

	Budgeted Amounts		(Non GAAP Basis)	Variance
	Original	Final	Actual Amounts	Favorable (Unfavorable)
Operating Revenues				
Landfill fees	\$ 1,130,226	\$ 1,130,226	\$ 1,107,085	\$ (23,141)
Total local sources	<u>1,130,226</u>	<u>1,130,226</u>	<u>1,107,085</u>	<u>(23,141)</u>
Operating Expenses				
Landfill operations				
Salaries	373,614	373,614	387,484	(13,870)
Employee benefits	118,378	118,378	119,480	(1,102)
Other operating expenses	147,202	147,202	150,812	(3,610)
Professional fees	106,317	106,317	117,429	(11,112)
Utilities	23,962	23,962	25,062	(1,100)
Insurance and bonds	51,269	51,269	28,588	22,681
Repairs and maintenance	75,946	75,946	68,619	7,327
Capital outlay	100,000	100,000	309,759	(209,759)
Total Operating Expenses	<u>996,688</u>	<u>996,688</u>	<u>1,207,233</u>	<u>(210,545)</u>
Operating income (loss)	<u>133,538</u>	<u>133,538</u>	<u>(100,148)</u>	<u>(233,686)</u>
Non-Operating Revenue (Expense)				
(Increase) Decrease in accrued closure costs	(105,000)	(105,000)	(39,238)	65,762
Gain on sale of assets			12,887	12,887
Interfund loan principal	(123,282)	(115,988)	(88,488)	27,500
Interfund loan interest		(7,294)	(7,294)	-
Total Non-Operating Revenue (Expense)	<u>(228,282)</u>	<u>(228,282)</u>	<u>(122,133)</u>	<u>106,149</u>
Change in net position non GAAP basis	(94,744)	(94,744)	(222,281)	(127,537)
Add capital outlay			309,759	309,759
Add interfund loan principal			88,488	88,488
Less depreciation expense			(207,121)	(207,121)
Change in net position	<u>(94,744)</u>	<u>(94,744)</u>	<u>(31,155)</u>	<u>63,589</u>
Net position beginning of the year	1,395,872	1,304,587	1,372,059	67,472
Net position end of the year	<u>\$ 1,301,128</u>	<u>\$ 1,209,843</u>	<u>\$ 1,340,904</u>	<u>\$ 131,061</u>

MONTEZUMA COUNTY
Statement of Revenues, Expenditures and Changes in Net Position-Budget and Actual
Proprietary Fund
Internal Service Fund
Fleet Fund

For the Year Ended December 31, 2016

	Budgeted Amounts		(Non GAAP Basis) Actual	Variance Favorable
	Original	Final	Amounts	(Unfavorable)
Operating Revenues				
Fleet fees	\$ 900,000	\$ 900,000	\$ 683,018	\$ (216,982)
Total local sources	<u>900,000</u>	<u>900,000</u>	<u>683,018</u>	<u>(216,982)</u>
Operating Expenses				
Fleet operations				
Salaries	224,365	224,365	227,450	(3,085)
Employee benefits	74,000	74,000	71,303	2,697
Other operating expenses	207,040	207,040	220,152	(13,112)
Professional fees	2,200	2,200	2,820	(620)
Utilities	12,193	12,193	6,950	5,243
Insurance and bonds	59,476	59,476	63,379	(3,903)
Capital outlay	250,000	250,000	327,539	(77,539)
Total Operating Expenses	<u>829,274</u>	<u>829,274</u>	<u>919,593</u>	<u>(90,319)</u>
Operating Income (loss)	<u>70,726</u>	<u>70,726</u>	<u>(236,575)</u>	<u>(307,301)</u>
Non-Operating Revenue (Expense)				
Gain on sale of assets	75,000	75,000	20,327	(54,673)
Total Non-Operating Revenue (Expense)	<u>75,000</u>	<u>75,000</u>	<u>20,327</u>	<u>(54,673)</u>
Income before capital contributions and transfers	145,726	145,726	(216,248)	(361,974)
Capital contributions			1,013,193	1,013,193
Transfers out	(100,000)	(100,000)	(1,300)	98,700
Change in net position non GAAP basis	<u>45,726</u>	<u>45,726</u>	<u>795,645</u>	<u>749,919</u>
Add capital outlay			327,539	327,539
Less depreciation expense			(260,314)	(260,314)
Change in net position	<u>45,726</u>	<u>45,726</u>	<u>862,870</u>	<u>817,144</u>
Net position beginning of the year	(369,700)	(127,490)	(127,490)	-
Net position end of the year	<u>\$ (323,974)</u>	<u>\$ (81,764)</u>	<u>\$ 735,380</u>	<u>\$ 817,144</u>

INFORMATION REQUIRED BY OVERSIGHT AUTHORITIES

Majors and Haley, P.C.
Certified Public Accountants

P.O. Box 1478
Cortez, CO 81321
(970) 565-9521
Fax: (970) 565-9441

Chris L. Majors, CPA, MT

Lori Hasty Haley, CPA

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

To the Board of County Commissioners
Montezuma County, Colorado
Cortez, Colorado 81321

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 *Governmental Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Montezuma County, Colorado as of and for the year ended December 31, 2016 and the related notes to the financial statements, which collectively comprise the Montezuma County, Colorado's basic financial statements and have issued our report thereon dated June 15, 2017.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Montezuma County, Colorado'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 Montezuma County, Colorado's internal control. Accordingly, we do not express an opinion on the effectiveness of the Montezuma County, Colorado'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 misstatements on a timely basis. *A material weakness* is a deficiency, or 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 charges with governance.

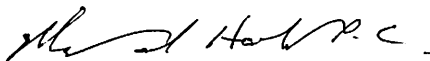
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Montezuma County, Colorado's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants 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 that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal controls 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.



Majors and Haley, P.C.
June 15, 2017

Majors and Haley, P.C.
Certified Public Accountants

P.O. Box 1478
Cortez, CO 81321
(970) 565-9521
Fax: (970) 565-9441

Chris L. Majors, CPA, MT

Lori Hasty Haley, CPA

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

To the Board of County Commissioners
Montezuma County, Colorado
Cortez, Colorado 81321

Report on Compliance for Each Major Federal Program

We have audited the Montezuma County, Colorado's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Montezuma County, Colorado's major federal programs for the year ended December 31, 2016. The Montezuma County, Colorado's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the Montezuma County, Colorado'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 Montezuma County, Colorado'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 on the Montezuma County, Colorado's compliance.

Opinion on Each Major Federal Program

In our opinion, the Montezuma County, Colorado complied, in all material respects, with the 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, 2016.

Report on Internal Control Over Compliance

Management of the Montezuma County, Colorado 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 Montezuma County, Colorado'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 our 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 Montezuma County, Colorado'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 control 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, detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or 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 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.



Majors and Haley, P.C.
June 15, 2017

MONTEZUMA COUNTY, COLORADO

SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
For The Year Ended December 31, 2016

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Disbursements/ Expenditures
U.S. Department of Agriculture		
Passed through the Colorado Department of Human Services		
SNAP Administration	10.561	\$ 208,000
Food Distribution	10.568	54,748
		<u>262,748</u>
Passed through the Colorado Department of Public Health and Environment		
Special Supplemental Food-WIC	10.557	429,836
Special Supplemental Food-WIC	10.558	429,836
		<u>429,836</u>
U.S. Department of Health and Human Services		
Passed through the Colorado Department of Public Health and Environment		
H1N1 Grant	93.069	77,209
CHAPS Grant	93.758	8,750
Ebola Grant	93.074	39,418
Maternal and Child Health Services	93.994	7,676
Childhood Immunization Grant	93.268	13,697
		<u>146,750</u>
Passed through the Colorado Department of Human Services		
Title XIX Medicaid	93.778	239,602
TANF-Colorado Works	93.558	732,895
Title IV-E Guard	93.090	17,125
IV-B Child Care	93.645	13,443
Title IV-E Foster Care	93.658	318,483
Title XX Block Grant	93.667	162,884
Title IV-D Administration	93.563	148,108
Low Income Home Energy Assistance (LEAP)	93.568	292,827
Child Care Development Fund	93.596	105,171
Child Care Development Fund-Discretion	93.575	138,827
Substance Abuse and Mental Health	93.243	39,100
Title IV-E Adoption	93.659	64,980
Other	93.XXX	67
		<u>2,273,512</u>
Passed through the Colorado Department of Health Care Policy and Finance		
Single Entry Point Grant	93.778	208,623
Passed through Housing Solutions of the Southwest		
Community Services Block Grant	93.569	74,825
U.S. Department of Justice		
Passed through the Colorado Department of Criminal Justice		
JAG Pretrial Grant	16.738	108,764
Bulletproof Vest Grant	16.607	1,968
		<u>110,732</u>
U.S. Federal Emergency Management Agency		
Passed through the Colorado Department of Public Services		
EMS Grant	97.039	35,100
Other Federal Assistance		
Forest Service	10.666	51,271
		<u>51,271</u>
Total		<u>\$ 3,593,397</u>

MONTEZUMA COUNTY, COLORADO

NOTES TO THE SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE For the Year Ended December 31, 2016

BASIS OF PRESENTATION

The accompanying Schedule of Federal Financial Assistance includes the federal grant activity of Montezuma County, Colorado and is presented on the accrual basis of accounting. 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*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

FOOD DISTRIBUTION

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

SUBRECIPIENTS

Montezuma County had no sub-recipients of federal funds for the year ended December 31, 2016.

MONTEZUMA COUNTY, COLORADO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS For the Year Ended December 31, 2016

SUMMARY OF AUDIT RESULTS

1. The auditors' report expresses an unqualified opinion on the (general purpose) financial statements of Montezuma County, Colorado.
2. No instances of noncompliance material to the (general purpose) financial statements of Montezuma County, Colorado were disclosed during the audit.
3. The auditors' report on compliance for the major federal award programs for Montezuma County, Colorado expressed an unqualified opinion on all major programs.
4. No instances of audit findings relating to major programs were disclosed during the audit.
5. The programs tested as major programs included:
 Temporary Assistance for Needy Families (TANF)
 CFDA Number 93.558
6. The threshold for distinguishing Type A and B programs was \$750,000.
7. Montezuma County, Colorado was determined to be a low-risk auditee.

FINDINGS RELATED TO THE FINANCIAL STATEMENTS

There were no reportable findings related to the financial statements.

FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

There were no reportable findings or questioned costs related to federal awards.

MONTEZUMA COUNTY, COLORADO

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the Year Ended December 31, 2016

There were no findings or questioned costs relative to federal awards in the prior year.

MONTEZUMA COUNTY, COLORADO

SCHEDULE OF CORRECTIVE ACTION PLAN
For the Year Ended December 31, 2016

There were no audit findings to be included in the current audit report; therefore, a corrective action plan is not necessary.

LOCAL HIGHWAY FINANCE REPORT	City or County: County _____
	YEAR ENDING : December 2016

This Information From The Records Of (example - City of _ or County of _)
County of Montezuma, Colorado Prepared By: Majors and Haley P.C.
Phone: 970-565-9521

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

ITEM	AMOUNT
A. Receipts from local sources:	
1. Local highway-user taxes	
a. Motor Fuel (from Item I.A.5.)	
b. Motor Vehicle (from Item I.B.5.)	
c. Total (a.+b.)	
2. General fund appropriations	
3. Other local imposts (from page 2)	2,339,043
4. Miscellaneous local receipts (from page 2)	478,342
5. Transfers from toll facilities	
6. Proceeds of sale of bonds and notes:	
a. Bonds - Original Issues	
b. Bonds - Refunding Issues	
c. Notes	
d. Total (a. + b. + c.)	0
7. Total (1 through 6)	2,817,385
B. Private Contributions	
C. Receipts from State government (from page 2)	4,102,163
D. Receipts from Federal Government (from page 2)	856,098
E. Total receipts (A.7 + B + C + D)	7,775,646

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Local highway disbursements:	
1. Capital outlay (from page 2)	1,819,267
2. Maintenance:	5,166,692
3. Road and street services:	
a. Traffic control operations	
b. Snow and ice removal	594,620
c. Other	9,657
d. Total (a. through c.)	604,277
4. General administration & miscellaneous	156,607
5. Highway law enforcement and safety	
6. Total (1 through 5)	7,746,843
B. Debt service on local obligations:	
1. Bonds:	
a. Interest	
b. Redemption	
c. Total (a. + b.)	0
2. Notes:	
a. Interest	8,307
b. Redemption	75,380
c. Total (a. + b.)	83,687
3. Total (1.c + 2.c)	83,687
C. Payments to State for highways	
D. Payments to toll facilities	
E. Total disbursements (A.6 + B.3 + C + D)	7,830,530

IV. LOCAL HIGHWAY DEBT STATUS
(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)				0
1. Bonds (Refunding Portion)				
B. Notes (Total)	274,791		75,380	199,411

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	7,703,987	7,775,646	7,830,530	7,649,103	0

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT

STATE:
Colorado
YEAR ENDING (mm/yy):
December 2016

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments	2,053,633	a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes		c. Parking Garage Fees	
2. Infrastructure & Impact Fees	119,501	d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	184,959
4. Licenses	14,582	f. Charges for Services	258,433
5. Specific Ownership &/or Other	151,327	g. Other Misc. Receipts	20,950
6. Total (1. through 5.)	285,410	h. Other	14,000
c. Total (a. + b.)	2,339,043	i. Total (a. through h.)	478,342
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	2,660,870	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	51,271
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	93,414	d. Federal Transit Admin	
d. Other (Specify) - DOLA Grant	1,347,879	e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal Mineral Leasing	804,827
f. Total (a. through e.)	1,441,293	g. Total (a. through f.)	856,098
4. Total (1. + 2. + 3.f)	4,102,163	3. Total (1. + 2.g)	
			(Carry forward to page 1)

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs			0
b. Engineering Costs			0
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements			0
(3). System Preservation		1,819,267	1,819,267
(4). System Enhancement & Operation			0
(5). Total Construction (1) + (2) + (3) + (4)	0	1,819,267	1,819,267
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	1,819,267	1,819,267
			(Carry forward to page 1)

Notes and Comments: