

2017 COMPREHENSIVE ANNUAL FINANCIAL REPORT

MESA COUNTY, COLORADO

For Fiscal Year Ended December 31, 2017



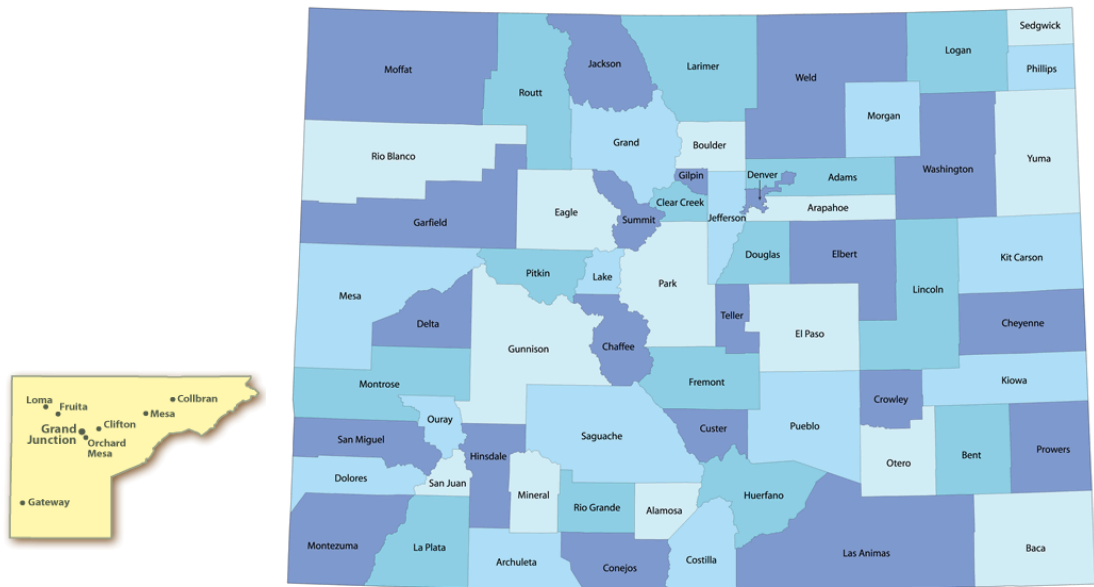
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July 17, 2018

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Mesa County, Colorado



For the fiscal year ended
December 31, 2017
Prepared by the Financial Services Division

Mesa County, Colorado

Comprehensive Annual Financial Report

For the year ended December 31, 2017

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Financial Services Division

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June 29, 2018

**TO: The Citizens of Mesa County
 The Board of County Commissioners**

SUBJECT: 2017 Comprehensive Annual Financial Report

The Comprehensive Annual Financial Report (CAFR) of Mesa County, Colorado for the fiscal year ended December 31, 2017, is hereby submitted. Responsibility for both the accuracy of the data, the completeness and fairness of the presentation, including all disclosures, rests with the County. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the County. All disclosures necessary to enable the reader to gain an understanding of the County's financial activities have been included.

The Governmental Accounting Standards Board (GASB) has encouraged governments to demonstrate fiscal and operational accountability by providing additional information to the reader, which enables them to ascertain the overall financial position of the government. The comprehensive annual financial report is presented in a format that complies with the financial reporting model developed by the Governmental Accounting Standards Board (GASB) Statement 34. The report contains government-wide financial statements including the Statement of Net Position which provides total net assets including retrospective infrastructure and the Statement of Activities which reports the cost of providing services.

The implementation of the Statement on Auditing Standards No. 112 states that preparation of financial statements by auditors is detrimental to the independence of the audit. Therefore, the Government Finance Officers Association (GFOA) recommends that a government be able to prepare accurate financial statements in conformity with Generally Accepted Accounting Principles (GAAP) without the services of the audit firm. Mesa County has established a system of financial accounting which provides reasonable assurance that such statements can be produced without assistance from the external auditors.

This report includes all funds of the County as well as blended component units. Component units (CU) are legally separate entities whereby either the primary government (PM) is financially accountable for the CU or factors in the relationship between the PM or CU requires inclusion. Mesa County is a primary government as defined by Statement No. 14 of the Governmental Accounting Standards Board, "*The Financial Reporting Entity*", as amended by GASB statements numbers 34 and 61.

The District Attorney has chosen to include the activities of the 21st Judicial District, which has the same geographic boundaries as the County, in the Mesa County reporting entity. The

District Attorney's Office is accounted for in the General Fund.

The City of Grand Junction/Mesa County, Colorado Sewer System, which serves both County and City residents, was established jointly by the City of Grand Junction and Mesa County. Both entities approve the system's budget and the City provides the system's operational management. Due to the joint control and services to City and County residents, the sewer system is considered to be a joint venture and is reported in Note 8.

The Governor of Colorado appointed a new Public Trustee in October 2012. Separate financial statements for the Public Trustee can be obtained by contacting the Public Trustee Office.

In 1992, the Mesa County Public Library District was formed as a separate political subdivision of the State of Colorado with its own taxing authority. The District is managed by a seven-member Board of Trustees as mandated by Colorado Library Law. Although the Library Board is appointed by the Board of County Commissioners, the Commissioners are not involved in operations or management of the Library District nor are the Commissioners fiscally responsible for the Library District. Therefore, the District is a related organization, and is not included in the Mesa County reporting entity.

GAAP requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of the Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The County's MD&A can be found beginning on page 22 of this report.

INDEPENDENT AUDIT

State statute (C.R.S. 29-1-603) requires an annual audit by independent certified public accountants. The accounting firm of RubinBrown LLP was selected by the County using a competitive bid process. The goal of an independent audit is to provide reasonable assurance that the financial statements are free of material misstatement. The independent audit involves examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based on the audit, that there was a reasonable basis for rendering an unmodified opinion that the County's financial statements for the year ended December 31, 2017 are fairly presented in conformity with GAAP. This audit report is presented in the financial section of this report.

In addition to meeting the requirements set forth in State statutes, the audit is also designed to meet the requirements of the Single Audit Act, amended 1996 and Title 2 U.S. Code of Regulations Part 200, Uniform Administrative Requirement, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance). Information related to this single audit, including the expenditures of federal awards, findings and recommendations, and auditors' reports on the internal control structure and compliance with applicable laws and regulation is included in a separate report issued by the County's independent auditors.

PROFILE OF MESA COUNTY

Geography

Mesa County is located in western Colorado in the drainage basins of the Colorado and Gunnison Rivers, approximately 250 miles west of Denver. The landscape of Mesa County has many unique features as it is located in a river valley surrounded by contrasting natural landmarks such as the Colorado National Monument to the west and the Grand Mesa National Forest on the east. These natural wonders provide diverse and abundant year-round recreational activities for all to enjoy. The County encompasses 3,309 square miles, of which approximately 72% is publicly owned and is controlled primarily by the U.S. Forest Service and the Bureau of Land Management. The County seat, the City of Grand Junction, is the largest city in western Colorado. The Grand Junction area serves as a health care services provider, banking, and retail trade center for a large geographical area in western Colorado and eastern Utah.



Throughout western Colorado and eastern Utah there are large deposits of coal, natural gas, uranium and oil shale. The rich energy reserve makes Mesa County's economy susceptible to the rise and fall of exploration and production activity. Between 2006 and 2008 there was a surge in energy activity which dropped significantly in 2009. In 2017 the County began seeing some recovery in the energy industry. This was reminiscent of the boom and bust that Mesa County experienced in the early 1980's.

Operating Structure

Mesa County, incorporated February 11, 1883, is a statutory County, defined as a service arm of the State, and derives its elected official structure and its powers from the State through enabling legislation. The County is governed by a three member Board of County Commissioners, which exercises the powers granted to the County. The Board serves as the legislative, policy-making and administrative body governing the unincorporated area of Mesa County. Commissioners are elected at large from one of three geographical districts and serve staggered four-year terms. In addition, the Board has the exclusive responsibility and power to adopt the annual budget for operation of County government, including all offices, boards, commissions and other spending agencies funded in whole or in part by County appropriations.

Services

Mesa County provides a full range of services. These include:

- General government functions
- Public protection and safety
- Road and bridge engineering, construction and maintenance
- Public health and welfare
- Human services
- Transportation
- Open space and recreation
- Building inspection, code compliance, planning and zoning
- Solid waste, hazardous waste, composting and recycling management
- Animal services
- Coroner
- Property tax management
- Elections, recording, licensing and motor vehicle registrations

ECONOMIC CONDITION

Economic Environment

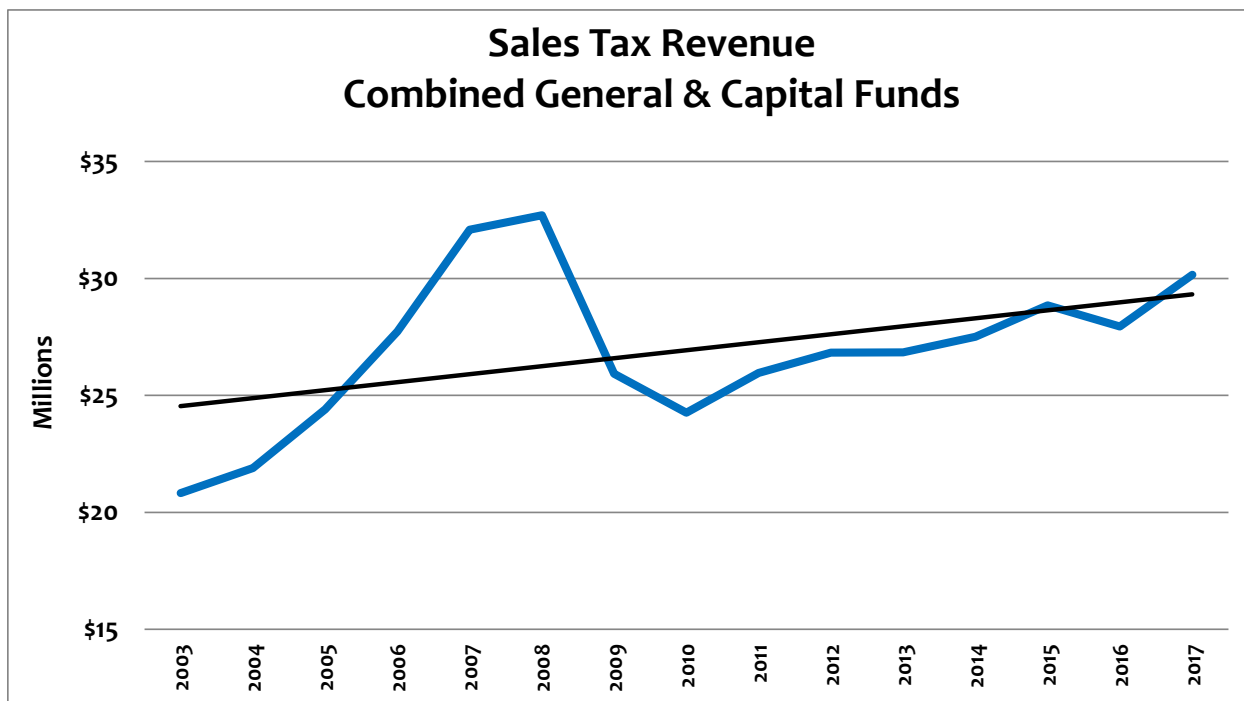
The County's economic environment is based on its being the largest service-based hub for the region of western Colorado and eastern Utah. The four top employers in Mesa County are in the education, medical, and government sectors.

Mesa County, Colorado PRINCIPAL EMPLOYERS December 31, 2017

Employer	Type of Business	Number of Employees	Rank	Percentage of Total
School District #51	Education	2,715	1	18.57%
St. Mary's Hospital	Healthcare	2,300	2	15.73%
Mesa County	Government	1,025	3	7.01%
State of Colorado	Government	1,012	4	6.92%
Colorado Mesa University	Schools	1,006	5	6.88%
City Markets, Inc.	Retail	800	6	5.47%
Community Hospital	Healthcare	800	7	5.47%
VA Medical Center	Healthcare	720	8	4.92%
Star Tek	Services	700	9	4.79%
City of Grand Junction	Government	629	10	4.30%
Hilltop Community Resources	Healthcare	600	11	4.10%
West Star Aviation	Services	413	12	2.82%
Family Health West	Healthcare	370	13	2.53%
STRIVE	Nonprofit	350	14	2.39%
Hope West	Healthcare	350	15	2.39%
Primary Care Partners	Healthcare	304	16	2.08%
Mind Springs Health	Healthcare	272	17	1.86%
Capco Inc	Manufacturing	254	18	1.74%
		14,620		100.00%

Source: Grand Junction Economic Partnership

After a disappointing 3.1% decrease in sales tax in 2016, 2017 sales tax increased 7.92% from 2016. The 2017 sales tax collections were \$2.2 million more than the 2016 collections. This increase was in multiple industries including retail, auto, home improvement, energy companies, and telecommunications.

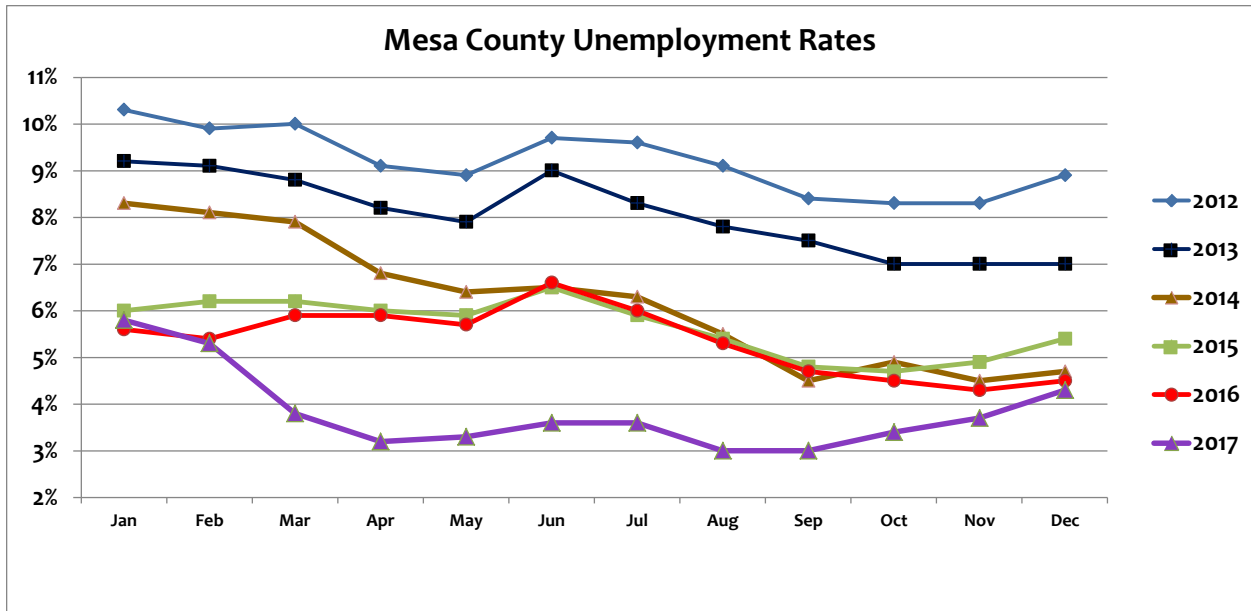


Unemployment

Beginning in 2009, Mesa County unemployment started rising significantly, up to a high of 12.1% in 2010. Unemployment subsequently decreased to 4.7% in 2014 and stayed between 4.3 and 6.6 percent until 2017. 2017 saw the lowest unemployment rate since 2008 with 3.0% in August and September. The trend in lower unemployment numbers can be attributed to economic recovery with the labor force increasing 1.4% during the same period.

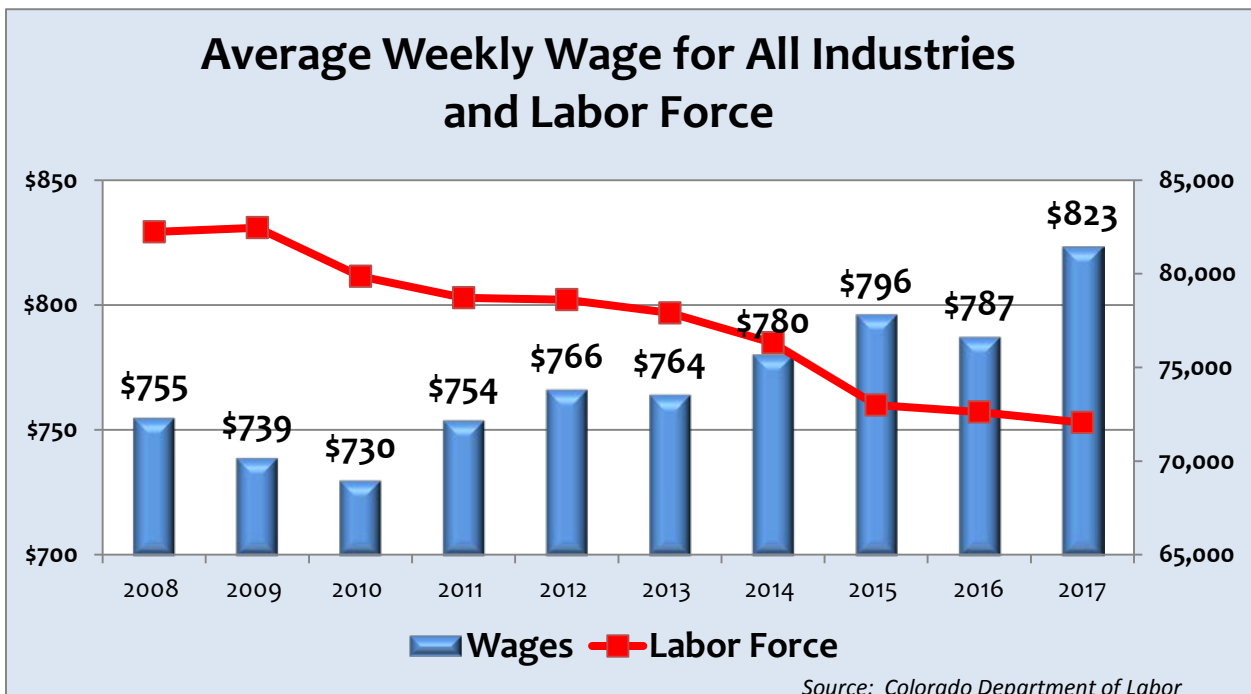
Labor & Employment										
	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Total Labor Force	83,587	78,988	77,570	79,208	78,459	76,525	75,871	71,620	71,994	73,036
Employed Persons	79,625	70,466	69,495	72,332	71,485	71,133	72,325	67,765	68,777	69,885
Unemployed Persons	3,962	8,522	8,075	6,876	6,974	5,392	3,546	3,855	3,217	3,151
Unemployment Rate	4.7%	10.8%	10.4%	8.7%	8.9%	7.0%	4.7%	5.4%	4.5%	4.3%

Source: Colorado Department of Labor, December 2017



Source: Colorado Department of Labor, December 2017

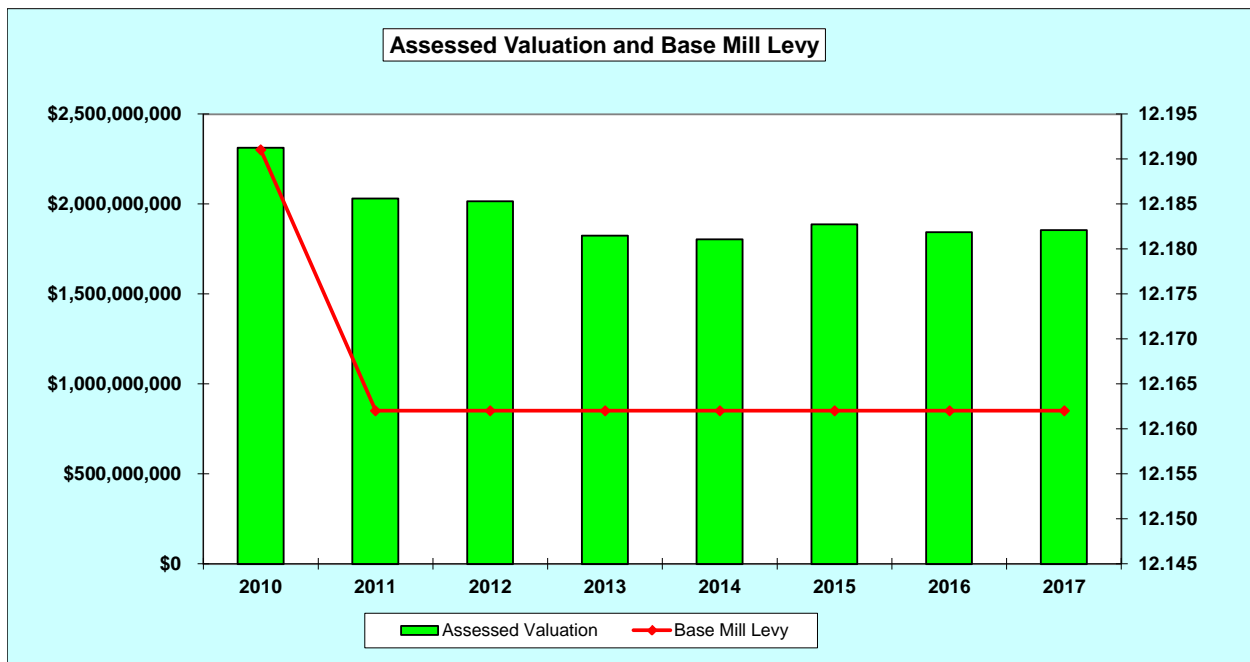
According to the Colorado Department of Labor and Employment, the unemployment rate for Mesa County as of March 2018 was 4.0%, 1.0% higher than the State unemployment rate of 3.0%.



Source: Colorado Department of Labor

Property Tax

Although home prices began increasing several years ago, the residential assessment rate was decreased by the legislature from 7.96% to 7.2%. This resulted in a reduction of property tax of approximately \$2.3 million. In spite of this decrease, overall assessed value increased by 0.6%. The certified 2017 assessed value was \$1,856,729,410. The budgeted property tax was \$22,490,594 on a mill levy of 12.246, after abatements. The base mill levy for 2017 remained the same at 12.162.



The following table sets forth the State Property Appraisal System for property tax levy years 2016 through 2019:

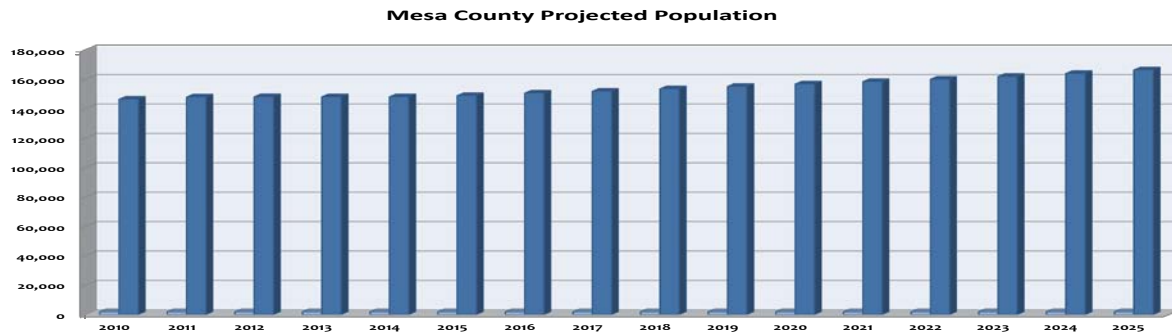
Collection Year	Levy Year	Value Calculated As Of	Based on the Market Period
2016	2015	July 1, 2014	Jan. 1, 2013 to June 30, 2014
2017	2016	July 1, 2014	Jan. 1, 2013 to June 30, 2014
2018	2017	July 1, 2016	Jan. 1, 2015 to June 30, 2016
2019	2018	July 1, 2016	Jan. 1, 2015 to June 30, 2016

Median Household Income

In 2016 Mesa County had a median household income of \$49,322 which reflects a 1.5% increase over 2015. 2016 Mesa County median household income is 76.2% of the 2016 state median income of \$65,685 (source: American Factfinder 1-year estimate) and 90.5% of the US median income of \$55,322.

Population Growth

The population of Mesa County has continued to grow slowly over the past several years. Estimates from the Colorado Department of Local Affairs projects the population of Mesa County to be approximately 153,649 in 2018, a 1.1% increase over 2017. The Department of Local Affairs anticipates Mesa County will experience an average population growth of 1.4%, and have an estimated population of 193,949 in 2034.



Source: Colorado State Demography Office

Cost of Living

Compared to the national average of 100, the average cost of living was 101 according to Sperling's Best Places and the Grand Junction Economic Partnership. The 2016 index has increased from the 2015 cost of living index of 97.1 and is now above the national average.

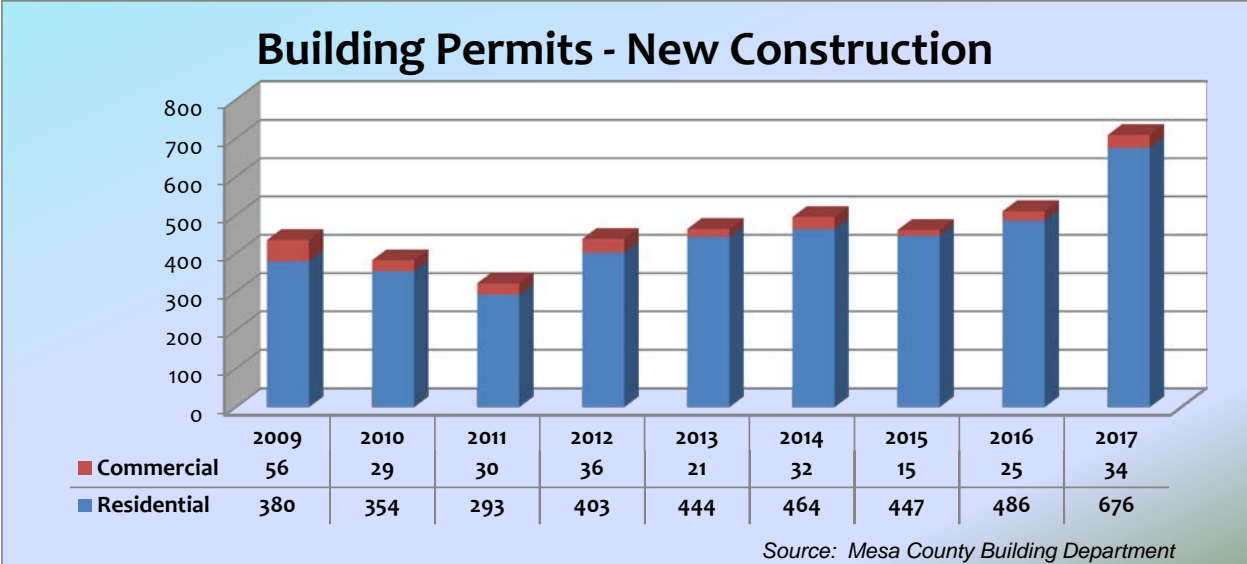
(Disclaimer – information hasn't been updated on GJEP website since 2016 and updated accurate information cannot be found at this time.)

2016 Cost of Living Index: 101	
Miscellaneous Goods & Services	102
Transportation	97
Housing	102
Health Care	106
Utilities	94
Grocery Items	104

Source: Grand Junction Economic Partnership

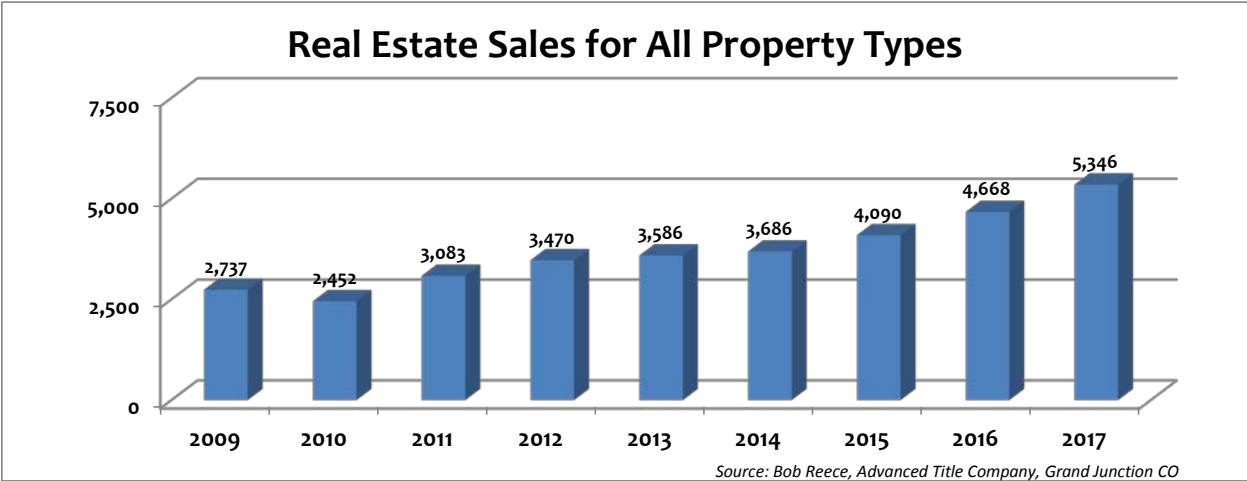
Building Activity

Building permits increased 39% in 2017 after increasing 10.6% in 2016. According to the National Association of Home Builders each new home is equivalent to 2.97 jobs created, so this increase (190 new home permits) translates to 564 possible new jobs, which follows the trend of our decrease in the unemployment rate during 2017.

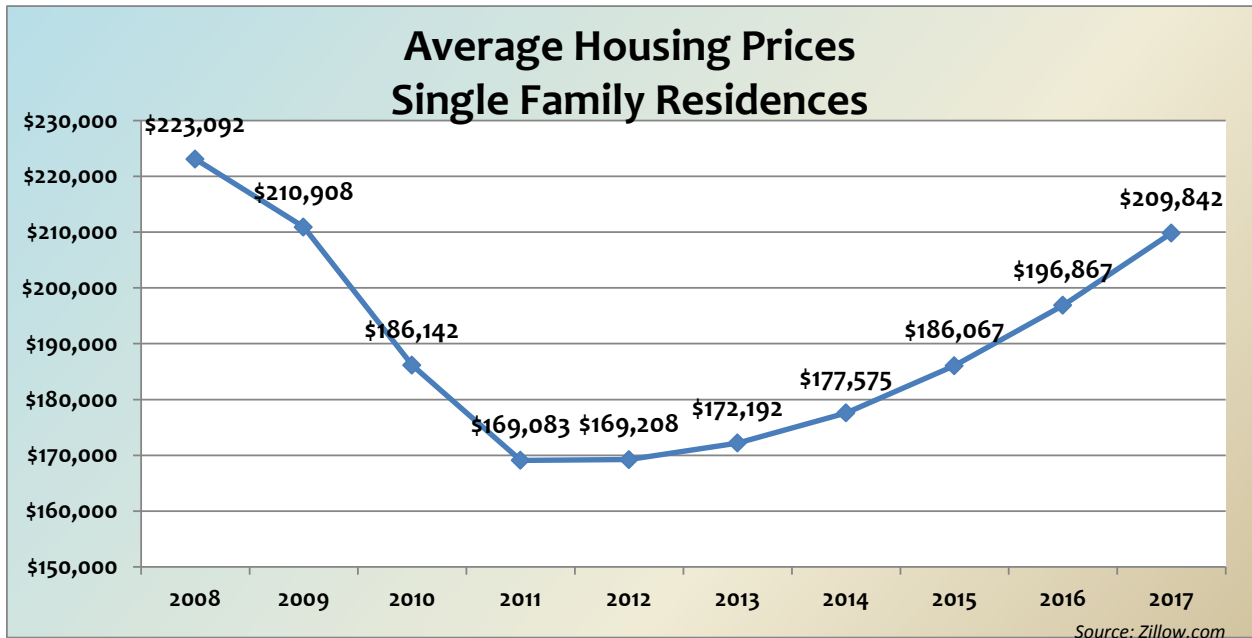


Real Estate Sales

Real property sales have continued to show a positive trend increasing steadily for several years. Real estate sales increased 14.5% in 2017 after increasing 14.1% in 2016. The price of homes sold has also increased, 6.6% in 2017 and 5.8% in 2016. Foreclosure filings and sales, a precursor of eventual sales by lenders and government entities, declined every year since 2012, with the exception of 2016, but decreased again in 2017.



Home Values

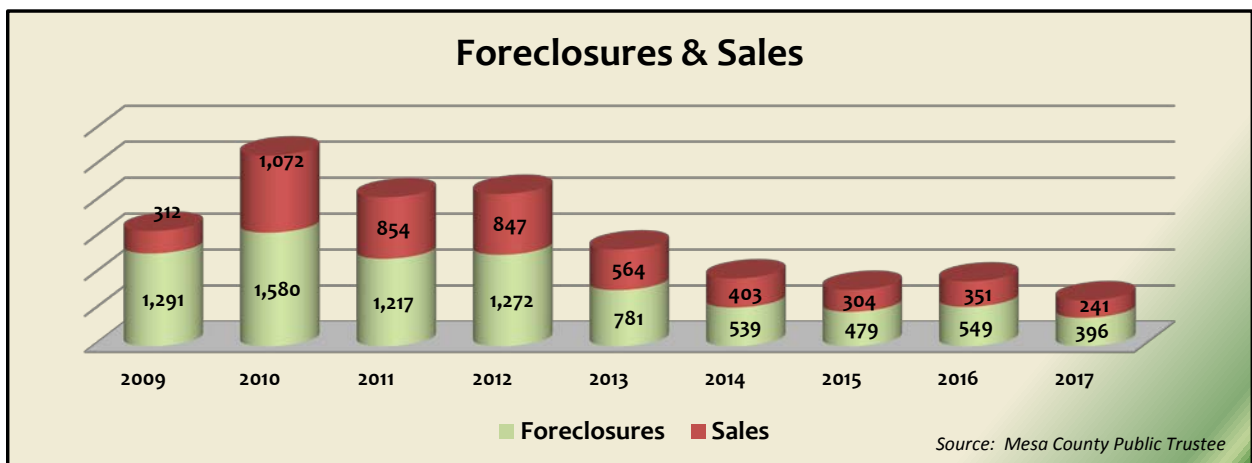


Source: Zillow.com

The median price of a single family residence has seen a lot of change in the last 10 years. Beginning in 2012, prices of homes began to recover after a devastating decline in values. The average median price increased 6.6% from 2016 (\$196,867) to 2017 (\$209,842).

Foreclosures

Information provided by the Mesa County Public Trustee, shows the number of foreclosures in 2017 decreased by 27.9% from 2016. Foreclosures were 396 in 2017, the lowest number since 2009. The following table presents historical information on foreclosure filings.



FINANCIAL INFORMATION

Mesa County managed both the significant economic expansion between 2004 and 2008 and

the downturn in 2009 to 2010 with conservative budget practices. Throughout its history, Mesa County has been subject to 'boom/bust' economic cycles and has developed the management practices and culture to negotiate them. During times of economic growth Mesa County implements budget practices to build fund balance and cash reserves which can be used to make deliberate and disciplined adjustments when the economy slows or contracts.

In 2017 Mesa County saw encouraging signs of recovery from the economic recession that the County has been experiencing since 2009. The unemployment rate went from 4.5% in December 2016 down to 4.3% in December 2017. This is in stark contrast to the 10.8 unemployment in 2009. Building permits and home sales saw large increases in 2017, and sales tax increased 7.92% in 2017.

In 2017 Mesa County had a 1% decrease in expenditures, excluding transfers, in the General Fund (\$56.0 million in 2017 compared to \$56.4 million in 2016). Annual capital expenditures vary widely as new projects are begun and current projects are completed. In 2017 total Capital expenditures were \$25.4 million and \$5.5 million was encumbered at the end of the year.

2017 revenues for all County funds were collected at 96% of budget and 2017 expenditures for all County funds were expended at 91% of total budget appropriations. The General Fund was 2% (\$942,340) below appropriations, excluding transfers, and ended 2017 with reserves of \$13,658,697 after a TABOR refund of \$85,506. The Capital Expenditure Fund is 39% (\$16.1 million) below appropriations and ended 2017 with reserves of \$8.8 million. Mesa County's adopted operating budgets for 2017 as well as a six year capital improvement plan are designed to keep the County financially healthy and the infrastructure sound.

Budget

The annual budget serves as the foundation for the County's financial planning and control. All activities, departments and funds of the County are prepared in compliance with state statute and generally accepted accounting principles.

The objective of budgetary control is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Board of County Commissioners. Expenditures may not legally exceed appropriations at the fund or elected official level. Detailed line item records provide management the capability to monitor budgets for all areas on a regular basis. Budgetary control is exercised through the use of system controls which restrict payments exceeding the budget. Payroll costs are controlled by use of a staff position control system.

With two new Commissioners and a new County Administrator, a new strategic plan was developed for 2014 and adopted by the Board of County Commissioners. Along with the new strategic plan, leadership in Mesa County began a simplified budget process for 2014 that has continued to the 2018 budget process. The strategic plan was updated each year and the 2017 budget supports the updated strategic plan for Mesa County.

In December of 2017 Mesa County adopted a budget for 2018, totaling \$165,623,590, a 3.8% increase from the 2017 adopted budget. The 2018 budget priorities include:

- Improving our public safety services with the help of the new Public Safety Tax that was voted in during 2017
- Investing in capital improvement projects to further develop our community's economic development structure
- Maintaining and improving our community's economic development structure

- Maintaining and improving community safety, health and welfare
- Preserving services for citizens
- Providing a fiscally responsible budget
- Efficient resource usage

This budget demonstrates our priority commitments to economic development, re-thinking government, supporting public well-being and supporting sustainable communities.

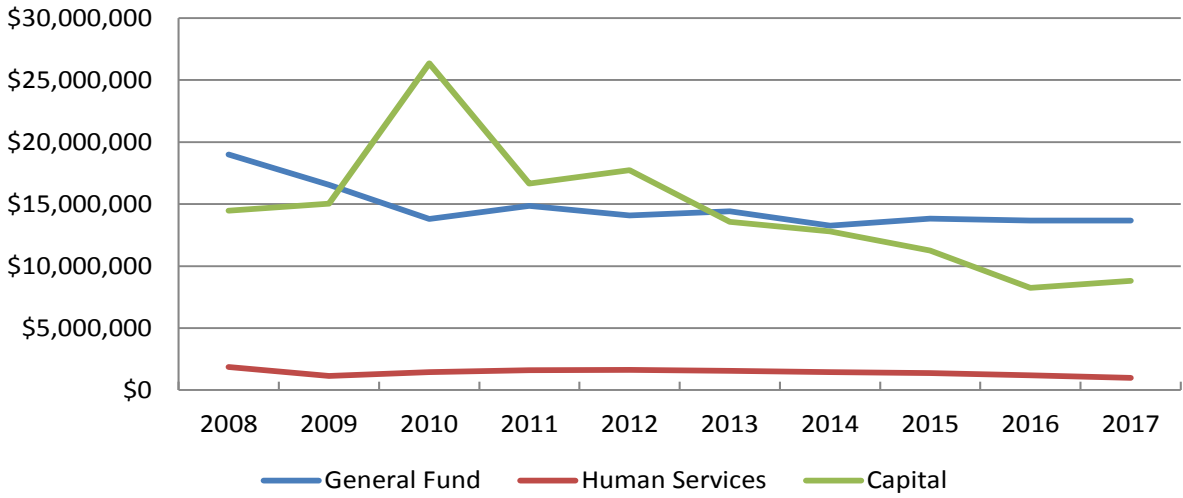
Overall, fund balances are projected to exceed reserve requirements and keep the County in healthy financial condition. The 2018 budget projects ending fund balance for all funds to be 20.6% of appropriations and 5% higher than the 2017 adopted budget fund balance.

Fund Balances

Mesa County has adopted conservative budgets and has maintained relatively flat fund balances while maintaining services. The chart below reflects the fund balance history for operating funds, from 2008 through 2017. The 2017 General Fund balance is 23.9% of the 2017 General Fund appropriations.

□

**Major Funds
Fund Balance History**



Debt

At December 31, 2017 the County has \$14,050,000 of 2010 Certificates of Participation outstanding. In May, 2010 Mesa County issued \$18,790,000 in certificates of participation utilizing the Build America Bonds. These certificates allowed the County to initiate over \$17.5 million in new projects including: a consolidated Administrative facility, Riverfront trail improvements, Fairgrounds equestrian upgrades, Public Works facility, and bike and pedestrian improvements.

The County has refunded or defeased several previous bond issues, which are funded by

irrevocable trust accounts, and, accordingly, are not included in the County's financial statements as outstanding debt.

Mesa County continues to have no bonded general obligation debt. Colorado Statutes allow counties to issue general obligation debt to a ceiling of 1.5% of the assessed valuation of the County, with voter approval. Thus, Mesa County maintains a debt capacity of \$33,637,391 in accordance with State Statutes.

Risk

Mesa County continues its practice of utilizing a self-insured retention (SIR) of \$250,000 per claim. This SIR limit holds the County responsible for the first \$250,000 in costs/losses associated with an individual claim. The County retains additional protection from catastrophic losses on any individual liability/property claim that exceeds \$250,000.

The County is certified by the State of Colorado to be self-insured for Workers Compensation coverage. The County maintains an Excess Insurance Policy that protects the County from a catastrophic Workers Compensation event that exceeds \$500,000.

The County Board of Commissioners maintain financial reserves for unexpected losses in these areas of potential liability and the respective operating budgets are maintained in dedicated internal service funds.

A favorable loss history for the County in the past several years supports the business decision to assume a greater amount of risk. A comprehensive safety program endorsed by the County has likely contributed to a reduction in the number of claims and the severity of the claims reported. The County will continue to maintain insurance protection in the form of excess coverage, in both Workers Compensation and property/liability insurance, to protect the County from any unforeseen catastrophic losses.

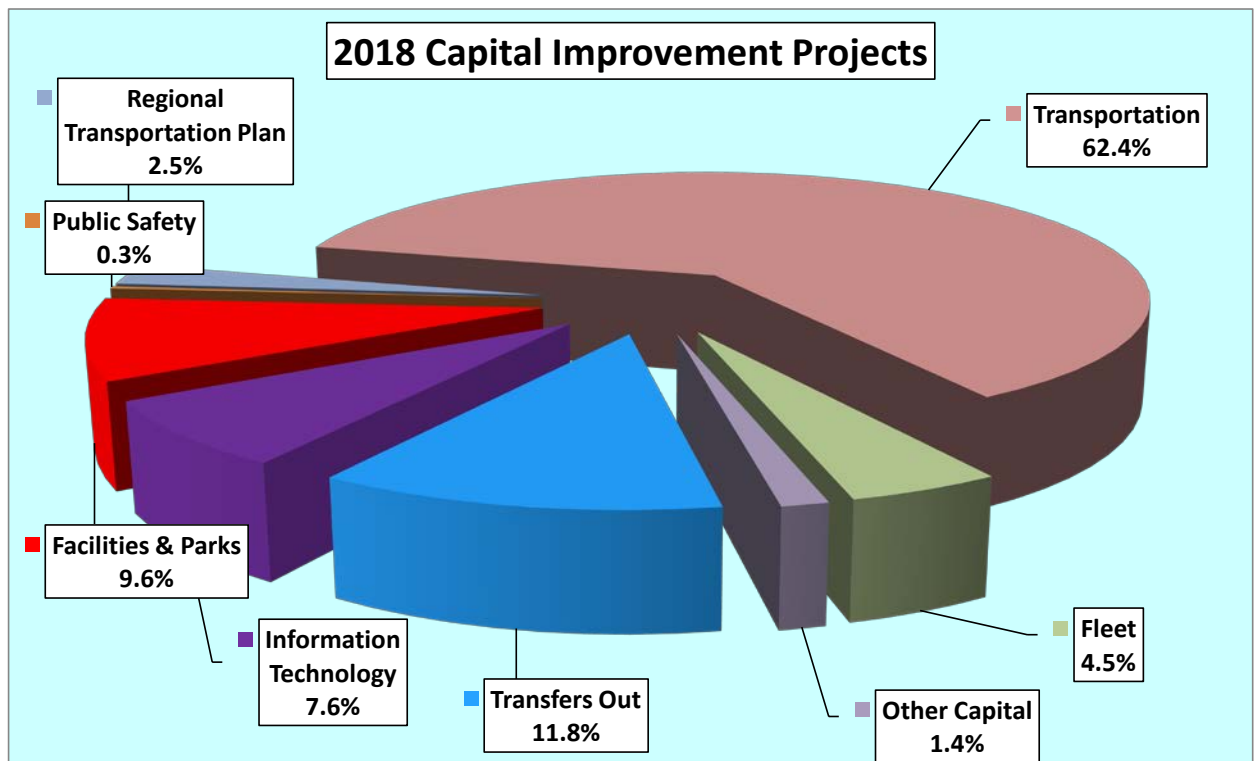
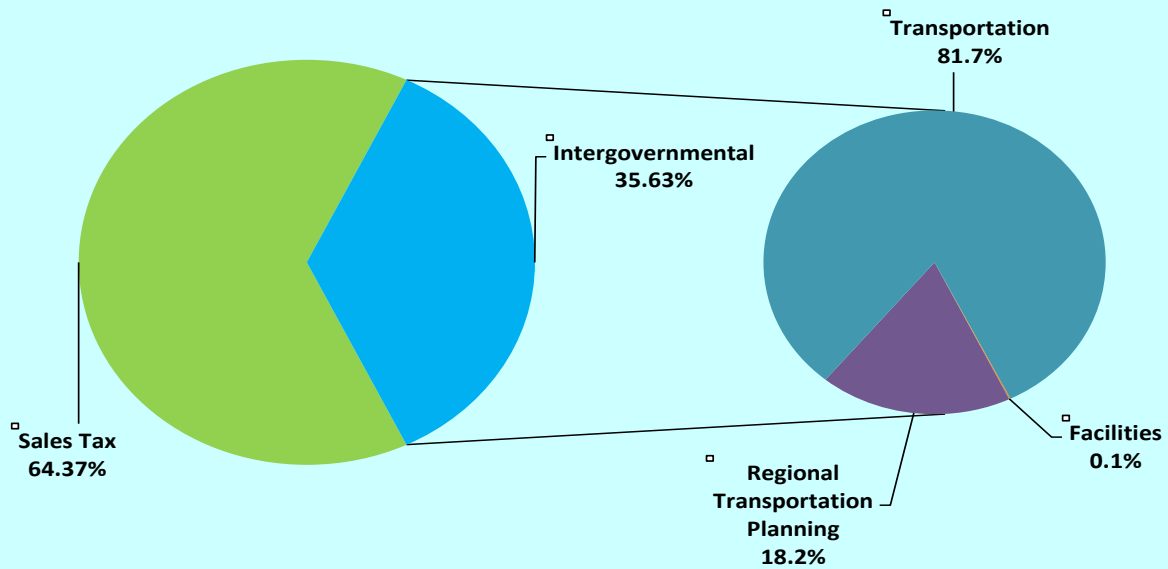
Mesa County maintains a self-insured medical plan responsible for first dollar medical care of all its covered employees and dependents. This allows the County the capability to design a medical plan that better addresses the needs of the employees and the organization.

Capital Investment Program

The County adopted a six-year Capital Investment Program (CIP) for the years 2018-2023 with capital improvements averaging \$26 million annually. The 2018 capital budget is financed primarily with sales tax; other types of revenue include: intergovernmental grants, sale of assets and transfers in. Voters approved a 2% sales tax which took effect in 1982, of which one-half, or 1%, is dedicated for capital improvements. The CIP is flexible in that new projects may push planned projects into a later year due to new priorities and funding changes.

All Capital projects are approved by the Board of County Commissioners. The adopted budget for 2018 was \$35,774,447.

2018 Capital Revenue by Source Intergovernmental by Department



Awards and Acknowledgments

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Mesa County, Colorado for its comprehensive annual financial report for the fiscal year ended December 31, 2016. Mesa County has received a Certificate of Achievement for the last twenty-seven

consecutive years (fiscal years ended 1990-2016). In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current report continues to meet the Certificate of Achievement Program requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

In addition, Mesa County also received the GFOA's Distinguished Budget Presentation Award for its budget document for the period beginning January 1, 2017. Mesa County has received a Distinguished Budget Presentation Award consecutively since 1993. In order to qualify for the Distinguished Budget Presentation Award, the government's budget document was judged to be proficient in several categories, including a policy document, a financial plan, an operations guide and a communications device.

The preparation of the Comprehensive Annual Financial Report was made possible by the dedicated and conscientious service of the entire staff of the Financial Services Division. I would like to express my appreciation to all elected officials, division directors, department heads, and their staff for their contributions to the excellence of this report.

In closing, we wish to acknowledge the leadership and support of the Board of County Commissioners and Administration who support the policies which provide solid financial planning and a commitment for maintaining the highest standards of professionalism in managing the financial operations of the County in a responsible and progressive manner.

Respectfully submitted,



Pam Noonan
Finance Director
Mesa County, Colorado



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Mesa County
Colorado**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2016

Christopher P. Morill

Executive Director/CEO

Mesa County, Colorado

List of Principal Officials (as of December 31, 2017)

ELECTED OFFICIALS

Commissioner, District 1John Justman
Commissioner, District 2.....Scott McInnis
Commissioner, District 3.....Rose Pugliese
Assessor Ken Brownlee
Clerk and Recorder Sheila Reiner
CoronerDr. Dean Havlik
District AttorneyDan Rubenstein
SheriffMatt Lewis
Surveyor Patrick Green
Treasurer Janice Rich

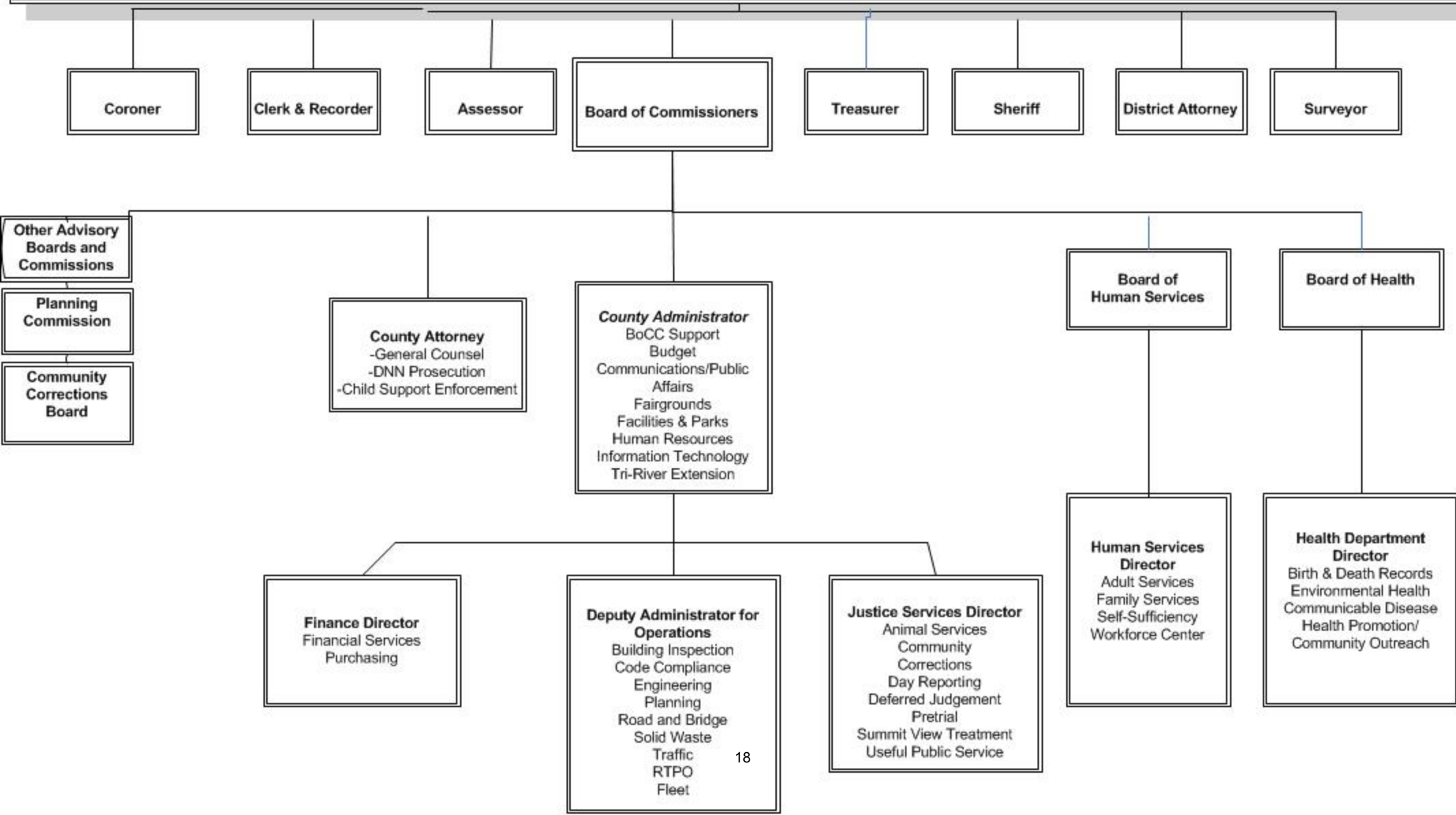
APPOINTED OFFICIALS

County Administrator Frank Whidden
County Attorney Patrick Coleman
Human Services Director.....Tracey Garchar

DEPARTMENT DIRECTORS

Criminal Justice Services Director.....Dennis Berry
Health Department Director Jeff Kuhr
Deputy Administrator for Operations.....Peter Baier
Finance Director (Acting)Pam Noonan

Mesa County Citizens



Independent Auditors' Report

Board of County Commissioners
Mesa County
Grand Junction, Colorado

Report On The Financial Statements

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

Management's Responsibility For The Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedules and pension schedules on pages 22 through 30 and 80 through 87, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining and individual fund financial statements and budgetary comparison schedules, the Local Highway Finance Report and introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and budgetary comparison schedules and the Local Highway Finance Report are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and budgetary comparison schedules and the Local Highway Finance Report are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required By *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 29, 2018 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

RubinBrown LLP

June 29, 2018

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of Mesa County, we offer to readers of the Mesa County's financial statements, this narrative overview and analysis of the financial activities of the County for the fiscal year ended December 31, 2017. We encourage readers to consider the information presented here in conjunction with the additional information that we have furnished in our letter of transmittal and basic financial statements to better understand the financial position of Mesa County.

Financial Highlights

During the first 15 years of the 21st century, Mesa County experienced a boom and bust cycle similar to the cycle in the 1980's. Oil and natural gas drilling in Mesa and surrounding counties provided an influx of energy related industries much like that in the early 1980s. However, in 2009 declining natural gas prices led to many of the energy related jobs moving elsewhere. This caused high unemployment, lowered sales tax revenues, declining home values and high foreclosure rates. Beginning in 2012, Mesa County began seeing the economy turnaround. Sales tax stabilized, unemployment began decreasing and home sales started to increase. The recovery has been slow with some ups and downs, but in 2017 the recovery has been seen in multiple areas. Building permits increased by 39% and unemployment saw sustained decreases. In addition, sales tax increased by 7.9%.

Overall, the County's government-wide revenue is \$133,029,089 compared to \$127,857,397 in 2016, an increase of 4%. With this increase the County remains hopeful the economy has rebounded.

During the 2017 budget development process and due to community public safety issues, including a Deputy being killed in the line of duty, it became apparent that the Sheriff's Office and the District Attorney had critical needs for significant increases in funding along with increased staff. These needs were weighed against the County's decreasing revenues, current fund balance, and projected fund balances for the next 5 years. The Board of County Commissioners compromised by partially funding the Sheriff's Office and the District Attorney's requests, reducing services in the Clerk and Recorder division and in Information Technology, as well as reducing the budgets in some Public Works departments and Criminal Justice Services.

Mesa County's 2017 adopted budget was 2.22% higher than the 2016 adopted budget. In 2017 the general fund was 1.7% or \$942,340 below the appropriations, excluding transfers out and the Capital Fund was 40% or \$16.2 million below appropriations. Much of this variance is due to construction delays, decisions to delay some projects or inclement weather. Mesa County ended 2017 with adequate reserves as well as a multi-year capital improvement plan designed to keep the County's infrastructure sound.

Throughout its history, Mesa County has been subject to boom and bust economic cycles and has developed the management practices and culture to successfully negotiate them. During times of economic growth Mesa County uses conservative budget practices to build fund balance and cash reserves which can be used to make deliberate and disciplined adjustments when the economy slows or contracts.

- Mesa County's net position (assets minus liabilities) was \$294,799,767 at the end of 2017. Of this amount \$258,935,765 represents net investment in capital assets, \$11,978,617 is restricted, and \$23,885,385 is unrestricted and may be used to meet the government's ongoing obligations to citizens and creditors.
- The County's General Fund balance was \$13.6 million as of December 31, 2017; of this amount \$10.5 million is unassigned.
- General Fund revenues, excluding transfers and sale of assets, increased 1.52% from 2016.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the County's basic financial statements consisting of three components:

- Government-wide financial statements

- Notes to the financial statements
- Fund financial statements

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

Government-wide financial statements: The government-wide financial statements are designed to provide readers with a broad overview of the County's finances, in a manner similar to private-sector businesses. The *statement of net position* presents information on all of the County's assets and liabilities, with the difference between the two reported as **net position**. Over time, increases or decreases in net position may serve as a useful indicator of where the financial position of the County is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of Mesa County include general government, public safety, public works, health and welfare, culture and recreation and human services. The business-type activities of the County include a solid waste landfill operation and three small public improvement districts providing sewer services.

The government-wide financial statements include the County itself (known as the primary government), and a legally separate pest control district, a community club district, four rural services districts and three sewer districts. These entities have a significant operational or financial relationship with the County and the Board of County Commissioners serve as the Board to each of these operations.

The Mesa County Public Library is a related organization. The Board of County Commissioners appoints the seven member Board of Trustees as mandated by Colorado Library law. The Board of County Commissioners is not involved in operations or management of the District and is not financially accountable for the District. Separate financial statements for the Mesa County Public Library are available at 530 Grand Avenue, Grand Junction, Colorado 81501.

Fund financial statements - A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Mesa County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of Mesa County can be divided into three categories: governmental, proprietary and fiduciary.

Governmental funds - Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Mesa County maintains nineteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General, Human Services, and the Capital Projects fund, all of which are considered to be major funds. Data from the other sixteen funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report. The basic governmental fund financial statements can be found on pages 31-36 of this report.

Proprietary funds - Mesa County maintains two different types of proprietary funds; Enterprise and Internal Service.

Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements, they provide services to the general public and are operated in a manner similar to a private enterprise, where the costs of providing services are recovered in whole, or in part, through user charges. Mesa County uses enterprise funds to account for its Solid Waste Management activities and three different sewer service districts.

Major Proprietary Funds

The Landfill Fund accounts for all solid waste management activities, including oversight of the Mesa County Landfill and transfer stations, household hazardous waste, implementation of the County's integrated Solid Waste Management Plan and providing for long range planning and regulatory compliance. This is a major proprietary fund for Mesa County.

On November 7, 2006, the citizens of the proposed area voted to establish the Whitewater Public Improvement District. On December 11, 2006 the Whitewater Sewer Services Fund was established by resolution and designated as an enterprise fund. The Whitewater Sewer fund accounts for the operations of the sewer treatment facility, which was constructed in the Whitewater area of Mesa County. User charges cover a portion of the operating costs of the facility. This is a major proprietary fund for Mesa County.

Non-Major Proprietary Funds

The SWMCRS Sewer fund accounts for all activities related to providing sewer to the citizens within the Southwest Mesa County Rural Services Public Improvement District. This district was formed by a majority vote of the citizens in the district in 2003. The treatment plant was constructed during 2004 by a private citizen and became a capital asset in 2005 once ownership had transferred to Mesa County. The treatment plant was fully operational during 2006. It is anticipated to recover operational costs through user fees.

In November 2004, citizens of the Mack area voted to establish a public improvement district for the operations of the sewer treatment facility. The former sanitation district was dissolved and the Mesa County Lower Valley Public Improvement District was formed February 1, 2005. The MCLVPID Sewer fund accounts for the operations of the sewer treatment facility located in the East area of Mesa County. User charges will cover the operating costs of the facility.

Internal Service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the County, or to other governments, on a cost-reimbursement basis. Each of these services predominantly benefits the internal government and is included within governmental activities in the government-wide financial statements.

The County uses the Internal Services fund to account for telephone and mail.

The Insurance fund accounts for the employee health, dental, long-term disability, accidental death and dismemberment, life and other employee benefits, general and property insurance and worker's compensation.

The Rural Community Services fund accounts for the shared costs for the sewer districts.

The Vehicle Maintenance Fund accounts for the operation and maintenance of all County-owned vehicles.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for Solid Waste Management and Whitewater which are considered to be major funds of Mesa County. Conversely, all internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report.

Fiduciary funds - Fiduciary funds are used to account for resources held for the benefit of parties outside Mesa County government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support Mesa County's programs or activities. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statements can be found on page 41 of this report.

Budgetary Comparisons – Mesa County adopts an annual appropriated budget for all of its funds. A budgetary comparison schedule has been provided for all major funds on pages 81-82 and page 88 of this report. Budget to actual comparisons for other funds are provided on pages 96-111 and 123 of this report.

Notes to the financial statements - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are located on pages 42-79 of this report.

Other information - In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. Required supplementary information can be found on pages 83-85 of this report.

The combining statements referred to earlier in connection with non-major governmental and debt service funds, non-major enterprise and internal service funds are presented in the supplemental information section, pages 92-95, 113-115, and 117-119 respectively. Individual fund statements and schedules can be found on pages 81-82 and page 88 for major governmental funds and pages 96-111 for non-major governmental funds.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Mesa County, total net position at December 31, 2017 was \$294,799,767. By far the largest portion of Mesa County's net position (93%) reflects its investment in capital assets (e.g., land, buildings, machinery and equipment, and infrastructure) less any related outstanding debt used to acquire those assets.

The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Mesa County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Mesa County, Colorado
Statement of Net position
December 31, 2016 and December 31, 2017

	Governmental Activities		Business Activities		Total	
	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>
Current Assets	\$64,891,185	\$67,160,758	\$11,724,718	\$13,903,937	\$76,615,903	\$81,064,695
Inter-fund balances/eliminations	3,227,559	3,085,552	(3,227,559)	(3,085,552)	-0-	-0-
Capital Assets	<u>249,913,986</u>	<u>258,349,436</u>	<u>14,853,198</u>	<u>14,583,538</u>	<u>264,767,184</u>	<u>272,932,974</u>
Total Assets	318,032,730	328,595,746	23,350,357	25,401,923	341,383,087	353,997,669

Deferred Outflows of Resources	63,273	186,605	-0-	-0-	63,273	186,605
Current Liabilities	11,897,221	11,738,973	228,070	338,843	12,125,291	12,077,816
Non-current Liabilities	<u>18,425,664</u>	<u>17,674,839</u>	<u>6,453,416</u>	<u>6,845,974</u>	<u>24,879,080</u>	<u>24,520,629</u>
Total Liabilities	30,386,158	29,413,812	6,681,486	71,84,817	37,004,371	36,598,445
Deferred Inflows of Resources	<u>22,403,303</u>	<u>22,785,878</u>	-	-	<u>22,403,303</u>	<u>22,785,878</u>
Net Capital Assets	235,081,027	244,352,227	14,853,198	14,583,538	249,934,225	258,935,765
Restricted	4,644,489	4,634,111	7,318,460	7,344,506	11,962,949	11,978,617
Unrestricted (Deficit)	<u>25,644,299</u>	<u>27,596,323</u>	<u>(5,502,787)</u>	<u>(3,710,937)</u>	<u>20,141,512</u>	<u>23,885,385</u>
Total Net position	<u>\$265,369,815</u>	<u>\$276,582,661</u>	<u>\$16,668,871</u>	<u>\$18,217,106</u>	<u>\$282,038,686</u>	<u>\$294,799,767</u>

Changes in Net Position – Governmental and Business-type activities increased the County’s total net position by \$12.7 million in 2017. The following table indicates the changes in net position for governmental activities and business-type activities in 2016 and 2017.

Mesa County, Colorado
Changes in Net Position

	Governmental activities		Business-type activities		Total	
	2016	2017	2016	2017	2016	2017
REVENUES						
<i>Program revenues</i>						
Charges for services	\$12,810,340	\$13,003,248	\$4,169,836	\$5,544,595	\$16,980,176	\$18,547,844
Operating grants & contributions	43,602,460	43,607,403	-	38,626	43,602,460	43,646,029
Capital grants & contributions	4,530,846	5,797,912	-	-	4,530,846	5,797,912
<i>General revenues</i>						
Property taxes	22,959,540	22,145,820	-	-	22,959,540	22,145,820
Other taxes	33,740,108	37,164,023	-	-	33,740,108	37,164,023
Grants & contributions not restricted to specific programs	4,519,886	4,436,966	-	-	4,519,886	4,436,966
Other	<u>1,429,936</u>	<u>1,170,517</u>	<u>94,445</u>	<u>119,980</u>	<u>6,186,711</u>	<u>1,290,495</u>
Total revenues	\$123,593,116	\$127,325,889	\$4,264,281	\$5,703,201	\$127,857,397	133,029,089
EXPENSES						
Government	\$24,569,456	\$21,994,304	\$-	\$-	\$24,569,456	\$21,994,304
Public Safety	33,733,852	35,227,228	-	-	33,733,852	35,227,228
Public Works	14,569,985	17,710,836	-	-	19,232,315	17,710,836
Public Health & Welfare	33,158,561	34,072,008	-	-	33,158,561	34,072,008
Human Services	3,518,116	3,284,763	-	-	3,518,116	3,284,763
Culture & Recreation	2,775,451	2,757,088	-	-	2,775,451	2,757,088
Interest on long term debt	904,806	870,456	-	-	904,806	870,456
Solid Waste	-	-	3,669,258	3,844,348	3,669,258	3,844,347
SWMCRS Sewer	-	-	172,445	173,109	172,445	173,109
MCLVPID Sewer	-	-	12,810	16,521	12,810	16,521
Whitewater Sewer	-	-	308,874	317,348	308,874	317,348
Total expenses	<u>\$113,230,227</u>	<u>\$115,915,683</u>	<u>\$4,163,387</u>	<u>4,351,326</u>	<u>122,055,944</u>	<u>\$120,268,008</u>
Excess (deficiency) before transfers	10,362,889	11,410,206	100,894	1,351,875	10,463,783	12,761,081
Transfers in (out)	<u>(4,562,320)</u>	<u>(196,360)</u>	<u>4,562,320</u>	<u>196,300</u>	-	-
Change in Net position	5,800,569	11,212,846	4,663,214	\$1,548,235	10,463,783	12,761,081
Beginning Net position	<u>259,569,246</u>	<u>265,369,815</u>	<u>12,005,657</u>	<u>16,668,871</u>	<u>271,574,903</u>	282,038,686
Ending Net position	<u>\$265,369,815</u>	<u>\$276,582,661</u>	<u>\$16,668,871</u>	<u>18,217,106</u>	<u>\$282,038,686</u>	<u>\$294,799,767</u>

Governmental Activities – Governmental activities increased Mesa County’s net position by approximately \$11.2 million. Sales tax increased by 7.92% and specific ownership increased 17.2% in 2017. The County’s assessed value of \$1,846,909,374 (net of TIF District) was an increase of .61% from 2016. The local growth factor, which is tied to new construction, was at 1.2% and the Denver/Boulder CPI at 2.8%. These growth factors are used in calculating the revenue allowed per the Tax Payer Bill of Rights (TABOR).

Business type activities – The County’s business type activities increased net position by roughly \$1.5 million in 2017. The revenue streams for the sewer divisions, while affordable to the customer, do not sustain

operations. In 2016, the Solid Waste division implemented a rate increase, after an eight year deferral, and moved from a third party contractor to in-house management of the entire operations. These changes resulted in an increase in operating income of over \$485,000 in the first year and over \$1.6 million in 2017.

Financial Analysis of the Government's Funds

As noted earlier, Mesa County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds - The focus of Mesa County's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$30.3 million, an increase of just over \$1.6 million. Of the combined ending fund balances for all governmental funds, approximately 35% of this total amount, or \$10.4 million, constitutes unassigned fund balance, which is available for discretionary spending. The remainder of fund balance is either; non-spendable, restricted, committed or assigned, indicating those balances are not available for new spending as they have already been committed.

The County has three major governmental funds. They are: General, Human Services, and Capital Projects.

- 1) **General Fund.** This is the primary operating fund for Mesa County. It accounts for many core services and ordinary operations such as public safety, personnel and administration. The fund balance ending December 31, 2017 was \$13,658,697. This 2017 fund balance is \$18,104 less than the previous year. As a measure of a fund's liquidity it may be useful to compare unreserved fund balance to total fund expenditures. Unassigned fund balance represents 18.8% of the total actual 2017 expenditures, excluding transfers. Adjustments between adopted and final budget are due to encumbrances from the previous year and miscellaneous grants not secured at the time of budget adoption.
- 2) **Human Services.** This fund accounts for the local share of Federal and State public welfare programs and is mandated by State Statute. The fund balance ending December 31, 2017 was \$983,391, a decrease of \$205,188 from the previous year. Changes to the adopted budget include encumbrances from the previous year and miscellaneous grants approved during the year.
- 3) **Capital Projects.** This fund accounts for one-half, or 1% of the 2% County Sales Tax committed to acquire or construct capital facilities or improvements. The fund balance ending December 31, 2017 was \$8.8 million, an increase of \$585,370 from the previous year. Completion of capital construction for Public Works projects significantly dictates timing of expenditures; therefore there is a noticeable variance with budget. Changes to the adopted budget include encumbrances from the previous year, transfers and grants not secured at the time of budget adoption.

Proprietary funds - Mesa County's proprietary fund statements provide the same type of information found in the government-wide financial statements, but in more detail.

Mesa County has four enterprise-type proprietary funds, the Solid Waste Management, SWMCRS Sewer, MCLVPID Sewer and Whitewater Sewer.

Unrestricted net position of the Solid Waste Management fund, at the end of the year was (\$1,002,992). Restricted net position is for closure/post closure and replacement needs for the landfill. Total increase in net position of this fund, at the end of the year, was \$1,757,505 before recognizing the consolidation of internal service fund activities related to enterprise funds. Other factors concerning the finances of this fund have already been addressed in the discussion of the County's business-type activities.

Unrestricted net position of the SWMCRS Sewer Fund, at the end of the year, amounted to (\$471,301). Operating expenses exceeded operating revenues by \$81,717. The District continues to carry a liability to the Capital Expenditures fund.

Unrestricted net position of the MCLVPID Sewer Fund, at the end of the year amounted to \$280,188. Operating revenues exceeded operating expenses by \$18,031.

Unrestricted net position of the Whitewater Sewer Fund, at the end of the year amounted to (\$2,785,281). The District continues to carry a liability to the Capital Expenditures fund. Net position decreased \$146,591 from 2016.

General Fund Budgetary Highlights

The budget for the General Fund of Mesa County is prepared using all aspects of State of Colorado statutes. On December 12, 2016 the Board of County Commissioners adopted and appropriated \$57,338,622 for General Fund expenditures for the 2017 year.

During the year the budget was amended for grants which were not available at time of the budget adoption, amendments due to encumbrances from 2016, reductions in non-public safety departments to help fund the Sheriff's Office and the District Attorney's Office, and the appropriation of additional revenue streams for special programs.

2017 General Fund Budget

	<u>Adopted Budget</u>	<u>Amendments</u>	<u>Final Budget</u>
Beginning Fund Balance	\$13,654,173	\$22,628	\$13,676,801
Sources	54,576,860	1,207,165	55,784,025
Uses	<u>(57,338,622)</u>	<u>177,689</u>	<u>(57,160,933)</u>
Ending Fund Balance	<u>\$10,892,411</u>	<u>\$1,407,482</u>	<u>\$12,299,893</u>

Actual revenue collections were \$1,166,554 more than the budgetary estimates (excluding other financing sources) and expenditures were \$942,340 less than the final budgetary estimates (excluding other financing uses).

Capital Asset and Debt Administration

Capital Assets - Mesa County's investment in capital assets for its governmental and business type activities as of December 31, 2017, amounts to \$272,932,974 (net of accumulated depreciation). This investment in capital assets includes land, buildings, building improvements, machinery, equipment, roads, right of way improvements and bridges.

Capital Assets (net of depreciation)

	Governmental Activities		Business-type Activities		Total	
	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>
Land	\$9,874,774	\$9,926,750	\$814,417	\$814,417	\$10,689,191	\$10,741,167
Buildings	55,169,619	55,588,578	1,080,023	1,041,094	56,249,642	56,629,672
Improvements	35,546,742	36,905,645	10,448,762	10,306,830	45,995,504	47,212,475
Equipment	9,782,911	10,303,923	2,509,996	2,421,197	12,292,907	12,725,120
Infrastructure	123,372,476	133,950,047	-0-	-0-	123,372,476	133,950,047
Construction in Progress	<u>16,167,464</u>	<u>11,674,493</u>	<u>-0-</u>	<u>-0-</u>	<u>16,167,464</u>	<u>11,674,493</u>
Total Assets	<u>\$249,913,986</u>	<u>\$258,349,436</u>	<u>\$14,853,198</u>	<u>\$14,583,538</u>	<u>\$264,767,184</u>	<u>\$272,932,974</u>

Several major capital expenditures during 2017 include:

- 32 and E Road Intersection Improvements
- Animal Services Building Renovations
- West Divide Creek roadside stability
- Completion of the CNG Fueling Facility
- Purchase of \$1.2 million in bus replacements
- Cameo Bridge replacement
- Highway 330 Phase II
- Buckskin Hill Phase I and II

The County uses the straight-line depreciation method for its capital assets. Additional information on the County's capital assets can be found in Note 5 of the Notes to the Financial Statements.

Long Term Debt – At the end of 2017, Mesa County had total debt outstanding of \$14,050,000.

- Certificates of Participation, in the total amount of \$18,045,000; funded by 1% Sales Tax. These certificates had two series; Taxable Certificates of Participation (Direct Pay Build America Bonds), Series 2010A and Tax-Exempt Certificates of Participation, Series 2010B.

The County's certificates have been assigned a rating of Aa3 by Moody's and A+ from Standards and Poor's.

State statutes limit the amount of general obligation debt a government entity may issue to 1.5% of its total assessed valuation. Mesa County had a general obligation debt capacity of \$33,637,391 in 2017. The County has had no general obligation bonded debt. Additional information on Mesa County's long-term debt can be found in Note 7 of the Notes to the Financial Statements.

Economic Factors and the 2018 Budget

The 2018 budget is focused on managing volatile revenues, preserving services for citizens, and providing a fiscally responsible County budget.

Mesa County continues to focus on our community and local economy by providing a strong foundation for the local economy and economic development initiatives. Through the Capital Improvement Plan, with critical projects such as roads and bridges, we improve and maintain the infrastructure of our economy. Funding of these projects puts money back into our community, and maintains our infrastructure for tomorrow.

Mesa County invests directly in private local economic development programs such as the Business Incubator, Grand Junction Economic Partnership, and the Grand Junction Chamber of Commerce. Funding to several other local agencies such as Colorado Mesa University, the Museum of Western Colorado, and the Orchard Mesa Pool provides further direct economic and social benefits to Mesa County citizens. Along with working with other business assistance programs, Mesa County offers its own business incentive program and provides Private Activity Bond and other local non-profit funding.

Revenues

Total budgeted revenues for 2018 are \$161,764,476, a 6.82% increase from the 2017 Adopted Budget. General fund revenues are budgeted to increase 5.2%, to \$57,425,939. General fund revenues are used for most of our general ongoing operating costs for the services we provide, such as public safety, general government including most elected officials, and administration.

Following are some key revenue assumptions:

- The new Public Safety Tax was approved by voters in November 2017 to begin in 2018.
- 2018 sales tax collections are projected to be 2% above the 2017 projections.
- Property tax is projected to increase 2.3% for the General Fund, and 7.9% for all funds. Assessed values increased by 0.6% for the 2017 Assessment year for taxes in 2018. The base mill levy

remained at last year's level, 12.162 mills.

- Payment in Lieu of Taxes (PILT) is projected to remain the same as in 2017.
- Use tax in 2017 is projected to remain flat. Use tax also includes tax on construction materials.
- Specific Ownership Tax is expected to increase 15% for all funds from the 2017 Adopted Budget.
- Severance tax is projected to decrease 8% from the 2017 Adopted Budget due to record low energy prices and decreased energy production in the area.

Appropriations

2018 appropriations reflect our investments in the community. The overall budget is \$165,623,590, a 3.8% increase from the 2017 Adopted Budget. The net budget, with internal services and transfers removed, is \$145,587,410. The General Fund, which is where most of our day-to-day operating costs reside, has 2018 appropriations budgeted at \$56,578,694, a \$759,928 decrease from the 2017 Adopted Budget.

County infrastructure is paid for primarily from the Capital Fund. Capital Fund expenditures are projected to remain flat at \$35,774,447. This includes \$1.4 million for the debt payments on the Certificates of Participation that were issued in 2010 and \$116,000 as an elimination of inter-fund receivables and payables that were deemed uncollectible from the Whitewater sewer fund during the 2017 year. Funding for capital costs is derived 69% from sales tax.

Fund Balance

Overall fund balances are budgeted to be 20.6% of appropriations, \$1.6 million or 5% higher than the 2017 Adopted Budget Fund Balance. In the General Fund, the fund balance is 25% of appropriations, \$3.27 million or 30% higher than the 2017 Adopted Budget. The 2018 Budget estimates an overall \$3.9 million use of reserves, leaving \$34.1 million in reserves. This use of reserves is primarily due to the use of \$3.4 million in the Capital Fund.

Requests for information

This financial report is designed to provide a general overview of Mesa County's finances for all those with an interest in the government's finances. Questions concerning any of the information contained in this report or requests for additional information should be addressed to the Finance Department, Department 5014, Post Office Box 20000, Grand Junction, Colorado 81502-5001.

MESA COUNTY
Statement of Net Position
December 31, 2017

	Primary Government		Total
	Governmental Activities	Business-type Activities	
ASSETS			
Current assets:			
Cash, Investments and cash equivalents	\$ 29,981,274	\$ 13,360,520	\$ 43,341,794
Receivables (net of uncollectible)	14,087,407	543,417	14,630,824
Deposits	145,695	-	145,695
Inventories	294,758	-	294,758
Prepays	40,745	-	40,745
Property tax receivable	22,610,879	-	22,610,879
Inter-fund elimination	(268,448)	268,448	-
Inter-fund balances	3,354,000	(3,354,000)	-
Total current assets	70,246,310	10,818,385	81,064,695
Noncurrent assets:			
Land	9,926,750	814,417	10,741,167
Buildings (net of accumulated depreciation)	55,588,578	1,041,094	56,629,672
Improvements (net of accumulated depreciation)	36,905,645	10,306,830	47,212,475
Equipment (net of accumulated depreciation)	10,303,922	2,421,197	12,725,119
Infrastructure (net of accumulated depreciation)	133,950,048	-	133,950,048
Construction in progress	11,674,493	-	11,674,493
Total noncurrent assets	258,349,436	14,583,538	272,932,974
Total assets	328,595,746	25,401,923	353,997,669
DEFERRED OUTFLOWS OF RESOURCES			
Pension deferral	186,605	-	186,605
Total deferred outflows of resources	186,605	-	186,605
Total assets and deferred outflows of resources	328,782,351	25,401,923	354,184,274
LIABILITIES			
Current liabilities:			
Accounts payable and other current liabilities	5,718,283	272,017	5,990,300
Accrued wages	2,743,882	54,294	2,798,176
Unearned revenue	1,992,956	2,281	1,995,237
Accrued interest payable	69,237	-	69,237
Due within one year	1,214,615	10,251	1,224,866
Total current liabilities	11,738,973	338,843	12,077,816
Noncurrent liabilities:			
Due in more than one year	17,152,779	6,845,974	23,998,753
Net Pension Liability	522,060	-	522,060
Total noncurrent liabilities	17,674,839	6,845,974	24,520,813
Total liabilities	29,413,812	7,184,817	36,598,629
DEFERRED INFLOWS OF RESOURCES			
Property tax receivable	22,610,879	-	22,610,879
Pension deferral	174,999	-	174,999
Total deferred inflows of resources	22,785,878	-	22,785,878
Total liabilities and deferred inflows of resources	52,199,690	7,184,817	59,384,507
NET POSITION			
Net investment in capital assets	244,352,227	14,583,538	258,935,765
Restricted for:			
CASP	30,143	-	30,143
Conservation Trust	182,246	-	182,246
Debt Service	1,519	-	1,519
Emergency Reserve	2,946,912	-	2,946,912
Grant Programs	43,993	-	43,993
Health and Welfare	1,073,702	-	1,073,702
IGA Revenue sharing agreement	355,596	-	355,596
Landfill closure/post closure	-	7,344,506	7,344,506
Unrestricted	27,596,323	(3,710,938)	23,885,385
Total net position	\$ 276,582,661	\$ 18,217,106	\$ 294,799,767

The notes to financial statements are an integral part of this statement.

MESA COUNTY
Statement of Activities
For the Year Ended December 31, 2017

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions		Governmental Activities	Primary Government	
			Operating Grants and Contributions	Capital Grants and Contributions		Business-type Activities	Total
Primary government:							
Governmental activities:							
General government	\$ 21,994,304	\$ 5,969,998	\$ 258,350	\$ 3,474	\$ (15,762,482)	\$ -	\$ (15,762,482)
Public Safety	35,227,228	4,629,929	5,173,366	-	(25,423,933)	-	(25,423,933)
Public works	17,710,836	783,273	8,630,358	3,294,618	(5,002,587)	-	(5,002,587)
Public health and welfare	34,072,008	1,327,317	27,581,808	-	(5,162,883)	-	(5,162,883)
Human services	3,284,763	2,429	1,679,764	1,821,432	218,862	-	218,862
Culture and recreation	2,757,088	290,302	-	678,388	(1,788,398)	-	(1,788,398)
Interest on long term Debt	870,456	-	283,757	-	(586,699)	-	(586,699)
Total governmental activities	<u>115,916,683</u>	<u>13,003,248</u>	<u>43,607,403</u>	<u>5,797,912</u>	<u>(53,508,120)</u>	<u>-</u>	<u>(53,508,120)</u>
Business-type activities:							
Mack Sewer	16,521	31,608	-	-	-	15,087	15,087
Mesa County Landfill Fund	3,844,347	5,447,367	38,626	-	-	1,641,646	1,641,646
Southwest Mesa County Rural Services Sewer	173,109	41,888	-	-	-	(131,221)	(131,221)
Whitewater Sewer	317,348	23,733	-	-	-	(293,615)	(293,615)
Total business-type activities	<u>4,351,325</u>	<u>5,544,596</u>	<u>38,626</u>	<u>-</u>	<u>-</u>	<u>1,231,897</u>	<u>1,231,897</u>
Total primary government	<u>\$ 120,268,008</u>	<u>\$ 18,547,844</u>	<u>\$ 43,646,029</u>	<u>\$ 5,797,912</u>	<u>(53,508,120)</u>	<u>1,231,897</u>	<u>(52,276,223)</u>
General revenues:							
Property taxes levied for general purposes					22,145,820	-	22,145,820
Sales tax					30,536,154	-	30,536,154
Use Taxes					3,143,529	-	3,143,529
Specific ownership taxes					3,484,340	-	3,484,340
Unrestricted Investment earnings					340,851	66,679	407,530
Grants and contributions not restricted to specific programs					4,436,966	-	4,436,966
Gain on sale of assets					60,320	25,845	86,165
Miscellaneous					769,346	27,454	796,800
Transfers					(196,360)	196,360	-
Total general revenues, special items, and transfers					<u>64,720,966</u>	<u>316,338</u>	<u>65,037,304</u>
Change in net position					11,212,846	1,548,235	12,761,081
Net position - beginning					265,369,815	16,668,871	282,038,686
Net position - ending					<u>\$ 276,582,661</u>	<u>18,217,106</u>	<u>\$ 294,799,767</u>

The notes to financial statements are an integral part of this statement.

MESA COUNTY
Balance Sheet
Governmental Funds
December 31, 2017

	GENERAL FUND	DEPARTMENT OF HUMAN SERVICES	CAPITAL EXPENDITURES FUND	Total Nonmajor Funds	Total Governmental Funds
ASSETS					
Cash, Cash equivalents, Investments	\$ 13,944,930	\$ 929,479	\$ 3,876,734	\$ 6,079,518	\$ 24,830,661
Other Cash Items	-	2,856	-	25	2,881
Accounts receivables	564,583	83,103	640	127,428	775,754
Inter-governmental	3,432,075	2,728,609	5,301,267	1,735,506	13,197,457
Accrued Interest	30,090	-	-	-	30,090
Property taxes receivables	17,019,463	4,119,419	-	1,471,997	22,610,879
Pre-paid accounts	7,989	31,490	-	1,267	40,746
Advances due from other funds	-	-	3,354,000	-	3,354,000
Inventories	-	-	-	115,464	115,464
Deposit	6,460	4,235	-	-	10,695
Total assets	<u>\$ 35,005,590</u>	<u>\$ 7,899,191</u>	<u>\$ 12,532,641</u>	<u>\$ 9,531,205</u>	<u>\$ 64,968,627</u>
LIABILITIES					
Accounts payable	\$ 1,494,947	\$ 765,601	\$ 1,342,467	\$ 298,284	\$ 3,901,299
Property tax refund payable	85,506	-	-	599	86,105
Retainage payable	-	-	274,683	-	274,683
Accrued wages	1,635,808	595,938	70,134	396,525	2,698,405
Due to other governments	944	108,682	-	48,474	158,100
Unearned revenue	156,580	1,321,925	-	466,874	1,945,379
Deposits	36,711	4,235	-	14,878	55,824
Total liabilities	<u>3,410,496</u>	<u>2,796,381</u>	<u>1,687,284</u>	<u>1,225,634</u>	<u>9,119,795</u>
DEFERRED INFLOWS OF RESOURCES					
Property Taxes Receivable	17,019,463	4,119,419	-	1,471,997	22,610,879
Sales and cigarette taxes receivable	916,934	-	2,031,675	734	2,949,343
Total deferred inflow of resources	<u>17,936,397</u>	<u>4,119,419</u>	<u>2,031,675</u>	<u>1,472,731</u>	<u>25,560,222</u>
Total liabilities and deferred inflows of resources	<u>21,346,893</u>	<u>6,915,800</u>	<u>3,718,959</u>	<u>2,698,365</u>	<u>34,680,017</u>
FUND BALANCES (DEFICITS)					
Nonspendable	14,449	35,725	-	116,730	166,904
Restricted	2,976,476	1,073,702	10,902	573,031	4,634,111
Committed	69,127	-	5,490,080	5,182,506	10,941,713
Assigned	77,402	-	3,312,700	960,573	4,150,675
Unassigned	10,521,243	(126,036)	-	-	10,395,207
Total fund balances (deficits)	<u>\$ 13,658,697</u>	<u>\$ 983,391</u>	<u>\$ 8,813,682</u>	<u>\$ 6,832,840</u>	<u>\$ 30,288,610</u>
Total liabilities and fund balances (deficits)	<u>\$ 35,005,590</u>	<u>\$ 7,899,191</u>	<u>\$ 12,532,641</u>	<u>\$ 9,531,205</u>	<u>\$ 64,968,627</u>

The notes to financial statements are an integral part of this statement.

MESA COUNTY
Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities
December 31, 2017

Fund balances of governmental funds		\$30,288,610
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		258,349,436
Other long-term assets are not available to pay for current period expenditures and, therefore, are not reported in the funds.		2,952,795
Internal service funds are used by management to charge the costs of certain activities, such as fleet management, supplies, insurance and communications, to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.		4,135,730
Some liabilities, including net pension obligations, are not due and payable in the current period and, therefore, are not reported in the governmental funds.		(522,060)
Deferred outflows and inflows of resources related to pensions are applicable to future periods and therefore, are not reported in the governmental funds.		
Deferred outflows of resources related to pensions	186,605	
Deferred inflows of resources related to pensions	(174,999)	
		11,606
Inter-fund elimination between the internal service funds and business type activities		(268,448)
Long term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.		(18,365,008)
Net position of governmental activities		\$ 276,582,661

The notes to financial statements are an integral part of this statement.

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2017

	GENERAL FUND	DEPARTMENT OF HUMAN SERVICES	CAPITAL EXPENDITURES FUND	Total Nonmajor Funds	Total Governmental Funds
REVENUES					
Taxes	\$ 32,605,468	\$ 4,264,638	\$ 20,795,341	\$ 1,338,963	\$ 59,004,410
Licenses and Permits	1,380,203	-	-	268,254	1,648,457
Charges for services	1,812,426	-	22,169	1,658,216	3,492,811
Intergovernmental	13,235,415	21,574,857	5,121,009	13,816,092	53,747,373
Fines and forfeitures	326,420	803	-	1,750	328,973
Fee accounts	4,110,673	-	-	159,720	4,270,393
Miscellaneous	1,090,949	-	-	95,325	1,186,274
Investment earnings	340,331	-	-	520	340,851
Charges for service - internal	935,735	-	-	-	935,735
Other Grants	92,156	113,297	-	1,716,695	1,922,148
Total revenues	<u>55,929,776</u>	<u>25,953,595</u>	<u>25,938,519</u>	<u>19,055,535</u>	<u>126,877,425</u>
EXPENDITURES					
Current:					
General government	19,370,286	-	1,372,616	100,199	20,843,101
Public Safety	32,262,796	-	389,930	374,021	33,026,747
Public works	661,691	-	2,252,574	8,790,872	11,705,137
Public health and welfare	24,425	26,473,329	-	7,094,226	33,591,980
Human services	2,150,493	-	-	536,744	2,687,237
Culture and recreation	1,327,574	-	15,352	123,188	1,466,114
Debt service:					
Interest	-	-	-	869,420	869,420
Principal retirement	-	-	-	840,000	840,000
Capital outlay:					
General government	-	-	620,353	-	620,353
Public Safety	78,928	-	4,295,259	45,388	4,419,575
Public works	-	-	12,073,647	25,501	12,099,148
Public health and welfare	-	-	98,389	5,000	103,389
Human services	69,846	-	2,035,079	-	2,104,925
Culture and recreation	35,054	-	699,811	-	734,865
Total expenditures	<u>55,981,093</u>	<u>26,473,329</u>	<u>23,853,010</u>	<u>18,804,559</u>	<u>125,111,991</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(51,317)</u>	<u>(519,734)</u>	<u>2,085,509</u>	<u>250,976</u>	<u>1,765,434</u>
OTHER FINANCING SOURCES (USES)					
Insurance Recovery	-	-	9,048	-	9,048
Transfers Out	(737,500)	(154,454)	(1,530,837)	(709,869)	(3,132,660)
Transfers In	769,963	469,000	-	1,697,337	2,936,300
Proceeds from sale of assets	750	-	21,650	66,463	88,863
Total other financing sources (uses)	<u>33,213</u>	<u>314,546</u>	<u>(1,500,139)</u>	<u>1,053,931</u>	<u>(98,449)</u>
Net change in fund balances	(18,104)	(205,188)	585,370	1,304,907	1,666,985
Fund balances - beginning	13,676,801	1,188,579	8,228,312	5,527,933	28,621,625
Fund balances - ending	<u>\$ 13,658,697</u>	<u>\$ 983,391</u>	<u>\$ 8,813,682</u>	<u>\$ 6,832,840</u>	<u>\$ 30,288,610</u>

The notes to financial statements are an integral part of this statement.

MESA COUNTY
Reconciliation of the Statement of Revenues, Expenditures and Changes in
Fund Balances to the Statement of Activities
For the Year Ended December 31, 2017

Net change in fund balances - total governmental funds	\$1,666,985
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Amounts reported for governmental activities in the statement of net position are different because:

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

Capital Outlays	20,082,255	
Depreciation expense	<u>(11,618,262)</u>	8,463,993

The net effect of various miscellaneous transactions involving capital assets (IE: sales, trade-in or donations) is to increase (decrease) net position.	(28,543)
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	308,113
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The issuance of long-term debt (IE: bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these difference in the treatment long-term debt and related items.	838,964
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Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore are not reported as expenditures in governmental funds.	(128,362)
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Internal service funds are used by management to charge the costs of fleet management, insurance, supplies and communications to individual funds.	91,696
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Change in net position of governmental activities	<u><u>\$11,212,846</u></u>
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The notes to financial statements are an integral part of this statement.

BUSINESS-TYPE ACTIVITIES

Enterprise (business-type) funds are used to account for operations that are financed and operated in a manner similar to private business enterprises-where the intent of the governing body is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the governing body has decided that periodic determination of net income is appropriate for accountability purposes.

Major Enterprise Fund

Solid Waste Fund – accounts for operations of the solid waste facility. The intent of the County Commissioners is that the costs of the landfill operations and future closure costs be recovered primarily through fees for trash disposal.

Whitewater Sewer – accounts for the operations of the sewer treatment facility located in the east area of Mesa County. The intent of the fund is to recover operating costs through user charges.

Non-Major Enterprise Funds

SWMCRS Sewer – accounts for the operations of the sewer treatment facility located in the southwest area of Mesa County. The intent of the fund is to recover operating costs through user charges.

MCLVPID Sewer – accounts for the operations of the sewer treatment facility located in the west area of Mesa County. The intent of the fund is to recover operating costs through user charges.

MESA COUNTY
Statement of Net Position
Proprietary Funds
December 31, 2017

	Business-type Activities				Governmental Activities
	MESA COUNTY LANDFILL FUND	WHITEWATER SEWER	Total Nonmajor Funds	Total Enterprise Funds	Internal Service Funds
ASSETS					
Current assets:					
Pooled Cash and Investments	\$ 12,980,932	\$ 1,315	\$ 378,273	\$ 13,360,520	\$ 5,147,728
Accounts receivables	538,465	1,038	3,914	543,417	79,903
Due from other governments	-	-	-	-	4,205
Inventories	-	-	-	-	179,297
Deposit	-	-	-	-	135,000
Total current assets	<u>13,519,397</u>	<u>2,353</u>	<u>382,187</u>	<u>13,903,937</u>	<u>5,546,133</u>
Noncurrent assets:					
Capital Assets	4,265,848	8,724,309	1,593,381	14,583,538	-
Total noncurrent assets	<u>4,265,848</u>	<u>8,724,309</u>	<u>1,593,381</u>	<u>14,583,538</u>	<u>-</u>
Total assets	<u>17,785,245</u>	<u>8,726,662</u>	<u>1,975,568</u>	<u>28,487,475</u>	<u>5,546,133</u>
LIABILITIES					
Current liabilities:					
Accounts payable	267,364	2,962	1,691	272,017	1,293,302
Accrued wages	54,294	-	-	54,294	45,478
Advance from other funds	-	120,835	25,000	145,835	-
Unearned Revenue	-	672	1,609	2,281	-
Current compensated absences	10,251	-	-	10,251	5,730
Total current liabilities	<u>331,909</u>	<u>124,469</u>	<u>28,300</u>	<u>484,678</u>	<u>1,344,510</u>
Noncurrent liabilities:					
Advance from other funds	-	2,663,165	545,000	3,208,165	-
Future compensated absences	30,755	-	-	30,755	65,893
Landfill closure liability	6,815,219	-	-	6,815,219	-
Total noncurrent liabilities	<u>6,845,974</u>	<u>2,663,165</u>	<u>545,000</u>	<u>10,054,139</u>	<u>65,893</u>
Total liabilities	<u>7,177,883</u>	<u>2,787,634</u>	<u>573,300</u>	<u>10,538,817</u>	<u>1,410,403</u>
NET POSITION					
Net investment in capital assets	4,265,848	8,724,309	1,593,381	14,583,538	-
Restricted for:					
Landfill closure/post closure	7,344,506	-	-	7,344,506	-
Unrestricted	(1,002,992)	(2,785,281)	(191,113)	(3,979,386)	4,135,730
Total net position	<u>\$ 10,607,362</u>	<u>\$ 5,939,028</u>	<u>\$ 1,402,268</u>	<u>17,948,658</u>	<u>\$ 4,135,730</u>
				268,448	
				<u>\$ 18,217,106</u>	

Difference between business-type adjustments to assets and liabilities. 268,448
Net position of business-type activities \$ 18,217,106

The notes to financial statements are an integral part of this statement.

MESA COUNTY
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended December 31, 2017

	Business-type Activities				Governmental
	MESA COUNTY		Total Nonmajor		Activities
	LANDFILL FUND	WHITEWATER SEWER	Enterprise Funds	Total Enterprise Funds	Internal Service Funds
OPERATING REVENUES					
Charges for services	\$ 5,444,265	\$ 23,733	\$ 73,496	\$ 5,541,494	\$ 40,433
Intergovernmental	38,626	-	-	38,626	10,414
Insurance Recovery	-	-	-	-	8,309
Miscellaneous	27,289	-	165	27,454	11,829
Charges for service - internal	3,102	-	-	3,102	13,273,517
Total operating revenues	<u>5,513,282</u>	<u>23,733</u>	<u>73,661</u>	<u>5,610,676</u>	<u>13,344,502</u>
OPERATING EXPENSES					
Supplies	503,787	105	6,983	510,875	1,058,709
Purchased Services	729,633	48,632	88,422	866,687	2,506,519
Personnel Services	1,364,849	-	-	1,364,849	1,422,358
Travel and Subsistence	11,588	-	-	11,588	1,055
Fixed Charges	51,430	-	1,593	53,023	4,613
Other Operating	206,763	4,104	-	210,867	-
Increase in landfill closure	382,924	-	-	382,924	-
Insurance Claims/Deductions	965	-	-	965	7,751,274
Depreciation	547,498	262,007	87,184	896,689	-
Insurance and Support	23,818	2,500	5,448	31,766	507,271
Total operating expenses	<u>3,823,255</u>	<u>317,348</u>	<u>189,630</u>	<u>4,330,233</u>	<u>13,251,799</u>
Operating income (loss)	<u>1,690,027</u>	<u>(293,615)</u>	<u>(115,969)</u>	<u>1,280,443</u>	<u>92,703</u>
NONOPERATING REVENUES (EXPENSES)					
Gain or (Loss) on disposition of assets	3,746	-	-	3,746	(3,927,505)
Investment earnings	63,732	24	2,923	66,679	-
Total nonoperating revenues (expenses)	<u>67,478</u>	<u>24</u>	<u>2,923</u>	<u>70,425</u>	<u>(3,927,505)</u>
Income (loss) before contributions and transfers	1,757,505	(293,591)	(113,046)	1,350,868	(3,834,802)
CONTRIBUTIONS AND TRANSFERS					
Transfers In	-	147,000	49,360	196,360	-
Total contributions and transfers	<u>-</u>	<u>147,000</u>	<u>49,360</u>	<u>196,360</u>	<u>-</u>
Change in net position	1,757,505	(146,591)	(63,686)	1,547,228	(3,834,802)
Total net position - beginning	8,849,857	6,085,619	1,465,954	16,401,430	7,970,532
Total net position - ending	<u>\$ 10,607,362</u>	<u>\$ 5,939,028</u>	<u>\$ 1,402,268</u>	<u>\$ 17,948,658</u>	<u>\$ 4,135,730</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds			-	1,007	
Changes in net position of business-type activities				<u>\$ 1,548,235</u>	

The notes to financial statements are an integral part of this statement.

MESA COUNTY
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2017

	Business-type Activities - Enterprise Funds				Governmental Activities
	MESA COUNTY LANDFILL FUND	WHITEWATER SEWER	Total Nonmajor Enterprises Funds	Total Enterprise Funds	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash from interfund	\$ 3,102	\$ -	\$ -	\$ 3,102	\$ 13,278,042
Cash from insurance recovery	-	-	-	-	9,785
Cash receipts from customer	5,351,424	23,292	76,029	5,450,745	59,032
Payments to employees	(1,359,707)	-	-	(1,359,707)	(972,204)
Payments to interfund	(153,328)	(15,542)	(62,070)	(230,940)	(18,370)
Payments to suppliers	(1,257,001)	(38,423)	(44,144)	(1,339,568)	(11,828,248)
Net cash provided (used) by operating activities	<u>2,584,490</u>	<u>(30,673)</u>	<u>(30,185)</u>	<u>2,523,632</u>	<u>528,037</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfers from other funds	-	147,000	49,360	196,360	-
Net cash provided (used) by noncapital financing activities	<u>-</u>	<u>147,000</u>	<u>49,360</u>	<u>196,360</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Advance (to) from other funds	-	(116,000)	(25,000)	(141,000)	-
Proceeds (loss) from disposition of capital assets	32,850	-	-	32,850	-
Purchases of capital assets	(656,133)	-	-	(656,133)	-
Net cash provided (used) by capital and related financing activities	<u>(623,283)</u>	<u>(116,000)</u>	<u>(25,000)</u>	<u>(764,283)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest and dividends received	63,732	24	2,923	66,679	-
Net cash provided (used) by investing activities	<u>63,732</u>	<u>24</u>	<u>2,923</u>	<u>66,679</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	2,024,939	351	(2,902)	2,022,388	528,037
Balances - beginning of year	10,955,993	964	381,175	11,338,132	4,619,691
Balances - end of the year	<u>\$ 12,980,932</u>	<u>\$ 1,315</u>	<u>\$ 378,273</u>	<u>\$ 13,360,520</u>	<u>\$ 5,147,728</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Operating Income	\$ 1,690,027	(293,615)	\$ (115,969)	\$ 1,280,443	\$ 92,703
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation	547,498	262,007	87,184	896,689	-
Changes in assets and liabilities:					
Accounts Payable - Other	382,924	-	(78)	382,846	-
Accounts Payable - Supplier	117,055	1,078	(3,688)	114,445	453,232
Compensated absences	12,845	-	-	12,845	(15,342)
Customer Receivables	(158,756)	(441)	2,366	(156,831)	2,356
Interfund receipts	-	298	-	298	-
Inventory	-	-	-	-	764
Salaries & Benefits Payable	(7,103)	-	-	(7,103)	(5,676)
Net cash provided (used) by operating activities	<u>\$ 2,584,490</u>	<u>\$ (30,673)</u>	<u>\$ (30,185)</u>	<u>\$ 2,523,632</u>	<u>\$ 528,037</u>

The notes to financial statements are an integral part of this statement.

Mesa County, Colorado
Statement of Net Position
Fiduciary Funds
December 31, 2017

	Agency Funds
Assets	
Equity in pooled cash and investments	\$ 7,535,647
Other cash items	<u>1,444,136</u>
Total assets	<u><u>\$ 8,979,783</u></u>
Liabilities	
Due to other governments	\$ 7,535,647
Deposits held for others	<u>1,444,136</u>
Total liabilities	<u><u>\$ 8,979,783</u></u>

The notes to the financial statements are an integral part of this statement

Mesa County, Colorado
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Mesa County (County) was formed in 1883 and is a statutory county under Colorado revised statutes. The County's governing body is the three-member Board of County Commissioners. The Commissioners are elected for four-year terms. The County's financial statements include the accounts and operations of all County functions. The County's major operations include public safety, road and bridge construction and maintenance (public works), public health and welfare, human services, culture and recreation and general administrative services.

The financial statements of Mesa County have been prepared in conformity with generally accepted accounting principles (GAAP) applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The preparation of financial statements in conformity with generally accepted accounting principles requires the County's management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows, liabilities, deferred inflows, revenues and expenditures (expenses). Actual results could differ from the estimates and assumptions used.

The County implemented all required pronouncements applicable to the year ended December 31, 2017 and is evaluating the impact of future pronouncements. During 2017, the County implemented GASB Statements:

- *Statement 80 – Blending Requirements for Certain Component Units – an amendment of GASB Statement No. 14.* The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. The provisions of this statement are effective for financial statements for reporting periods beginning after June 15, 2016. The implementation of this Statement has no impact on the County's financial statements.
- *Statement 81 – Irrevocable Split-Interest Agreements. Statement 80*–The primary objective of this statement is to improve accounting and financial reporting by establishing recognition and measurement requirements for irrevocable split-interest agreements. The provisions of this statement are effective for financial statements for reporting periods beginning after December 15, 2016. The implementation of this Statement has no impact on the County's financial statements.
- *Statement 82 – Pension Issues – an amendment of GASB Statements No. 67, No. 68, and No. 73*–GASB 82 improves the consistency in the application of pension accounting and financial reporting requirements. The provisions of this statement are effective for financial statements for reporting periods beginning after June 15, 2016. The implementation of this Statement was implemented and has no impact on the County's financial statements.

The more significant of the County's accounting policies are described below.

1. Financial Reporting Entity

In evaluating how to define the County, for financial reporting purposes, management has considered all aspects of where financial responsibility rests. The financial reporting entity consists of Mesa County, as the primary government; organizations for which Mesa County is financially accountable; and other organizations for which the nature and significance of their relationships with Mesa County are such that exclusion would cause the County's financial statements to be misleading or incomplete. The decision to include or exclude a potential component unit in the reporting entity was made by applying the criteria set forth by GASB in its Statement 61, "*The Financial Reporting Entity: Omnibus and amendment of GASB Statements 14 and 34*". The component units discussed below are included in the

County's reporting entity because of significant operational or financial relationships. The Mesa County Board of Commissioners is the governing body for each of the districts; therefore they exercise complete control over the component unit activities. The management of the activities of the component unit is essentially the same as the primary government. Component unit funds are treated just as though they are the funds of the primary government. As a result, the following districts are considered blended component units because Mesa County is fiscally accountable for each.

Blended Component Units

Mesa County is fiscally accountable and exercises operational responsibility for:

- The Upper Grand Valley Pest Control District that benefits a segment of the County's population. The pest control district is a Special Revenue Fund in this report.
- In November, 2001, citizens of Mesa, Colorado voted to establish an 1159 District (District) for the operations of the Mesa Community Center. This district, Mesa Community Center Public Improvement District, is a Special Revenue Fund in this report.
- In November, 2003 the Southwest Mesa County Rural Community Services Public Improvement District (SWMCRS) was established in the Gateway area. This district's general fund is included as Special Revenue Fund when blended with the primary government. The District was established in 2004 and began collecting property taxes in 2005. An enterprise fund was established in November 2004 for operations of the sewer treatment facility within this District.
- In November 2004, citizens of the Mack area voted to establish an 1159 District for the operations of the Mesa County Lower Valley Public Improvement District (District). The final dissolution of the former sanitation district and establishment of this public improvement district occurred February 1, 2005. An enterprise fund was established for operations of the sewer treatment facility for 2005.
- In November 2006, citizens of the Whitewater area voted to establish an 1159 District (District) for the operations of the Mesa County Whitewater Public Improvement District. An enterprise fund has been established for construction and subsequent operations of the sewer treatment facility for 2007.
- In July 2008, the District Board formed both an Urban Services Public Improvement District (PID) and a Local Improvement District (LID) within the boundaries of the District.
- On June 28, 2010 the Mesa County Gateway Public Improvement District (District) was created. A Special Revenue Fund has been established for the District. In June 2010, the District Board formed a Local Improvement District (LID) within the boundaries of the District. In November 2010, voters of the District and LID approved initial mill levy and sales tax rates, respectively.

Each Public Improvement District has an advisory board which prepares recommendations to the Board of County Commissioners (BOCC) for daily activities and annual budget. The BOCC governs the districts; there are no separate financial statements.

The 21st Judicial District of the State of Colorado (the District Attorney function) has the same geographic boundaries as Mesa County. The District Attorney has chosen to be included in the Mesa County reporting entity, and the department is accounted for in the County's General Fund. The District Attorney's budget is approved annually by the Board of County Commissioners.

Related Organizations

The Mesa County Public Library District is a related organization, as the Board of County Commissioners appoints the seven members of the Board of Trustees, as mandated by Colorado Library law. The Library District was established January 1, 1992, as a separate political subdivision of the State of Colorado with its own taxing authority. The

Commissioners are not involved in operations or management of the District and are not financially accountable for the District. Separate financial statements for the Mesa County Public Library District are available at 530 Grand Avenue, Grand Junction, Colorado 81501.

2. Basis of Presentation and Measurement Focus

Prior to GASB Statement No. 34, Mesa County employed the historical system of accounting and financial reporting using the governmental financial reporting model. Essentially this method demonstrated fiscal accountability and compliance using segregated funds for the numerous activities the County performs. This method required the accounting system to be organized and operated on a fund and account group basis. GASB 34 modifies this method to meet the objective of demonstrating operational accountability.

Funds are classified into three categories: governmental, proprietary and fiduciary. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities, deferred inflows, residual equities or balances, and changes therein, which are segregated for the purpose of carrying on a specific activity or attaining certain objectives. The funds in each category use a different basis of accounting and have a different measurement focus. Measurement focus determines what is being measured, while basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

Governmental funds typically are used to account for tax-supported activity using the current financial resources measurement focus and modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Mesa County considers revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Sales taxes are considered to be available if the revenues are collected by the County within 30 days of year end. Recognition of revenues represented by non-current receivables is deferred until they become current receivables. Those revenues susceptible to accrual are interest revenue and charges for services. Fines, permits, fees, entitlements, and shared revenues are not susceptible to accrual because, generally, they are not measurable until received. Grant revenues are recognized as they are earned. Expenditures are recorded when the related fund liability is incurred.

Proprietary funds are used to account for a government's business-type activities (activities supported, at least in part, by fees or charges) using the economic resources measurement focus and the accrual method basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing or delivering goods in connection with principal operations (i.e., user charges). All revenues and expenses not meeting this definition are reported as non-operating (i.e., interest earnings on deposits). Mesa County's enterprise funds include Solid Waste Management and the sewer operations for the Public Improvement Districts of: Southwest Mesa County Rural Community Services, Mesa County Lower Valley, and Whitewater.

Internal Service funds are considered non-major proprietary funds, using the economic resources measurement focus and the accrual method basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. Internal Service funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing or delivering goods in connection with principal operations (i.e., user charges). All revenues and expenses not meeting this definition are reported as non-operating (i.e., interest earnings on deposits). Mesa County's Internal Service funds include and account for: insurance, fleet management services, telephone, mail and shared utility costs provided to departments of the County, or to other governments, on a cost-reimbursement basis.

Fiduciary funds are used to account for resources that are held by the government as a trustee or agent for parties outside the government and cannot be used to support the government's own programs. Fiduciary

funds report only assets and liabilities and use the accrual method basis of accounting. The only fiduciary funds Mesa County reports are agency funds.

GASB 34 financial reporting method “converts” these differences to one consistent basis of accounting and measurement focus to provide consolidated information for all aspects of activity for Mesa County. The readers of this CAFR will see Government-wide financial reporting complementing fund reporting. Mesa County’s basic financial statements now consist of government-wide statements, including a statement of net position and a statement of activities, fund-based statements and accompanying notes.

3. Government-wide Financial Statements

The statement of net position and statement of activities illustrate the County’s financial position as a whole to demonstrate; operational accountability, sustainability of the County as an entity and the change in aggregate financial position resulting from activities of the period. The only exclusion in government-wide financial statements is the fiduciary funds, since by definition; their resources are not available to support the government’s own programs.

All activities included within the government-wide financial statements are measured and reported using the economic resources measurement focus and the accrual basis of accounting.

The statement of net position reports all capital assets and long term debt. Both the governmental and business-type activities are presented on a consolidated basis by column.

The statement of activities reflects the balance of how much direct expense of a given function is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include charges paid by the recipient for the goods or services offered by the program, and grants or contributions that are restricted to meeting the operational or capital requirements of the particular program. Taxes and other items not classified as program revenues are reported as general revenues. This balance identifies the extent to which a government function or business segment is self-funded and which draw from general County revenues.

As a general rule, the effect of inter-fund activity has been eliminated from the government-wide financial statements. Exceptions to this rule are charges between Solid Waste Management and/or Sewer functions and other various functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

4. Fund Financial Statements

Separate financial statements are provided for each major and non-major governmental fund, proprietary funds, and fiduciary funds of Mesa County.

Mesa County reports the three major governmental funds:

- 1) **General Fund:** The primary operating fund for Mesa County which accounts for the financial resources which are not accounted for in any other fund. Principal sources of revenue are property and sales taxes, licenses, permits, intergovernmental revenues, charges for services, interest on investments and fees. Primary expenditures are for general government, public safety, public works, human services, and culture and recreation.
- 2) **Human Services.** This fund accounts for the local share of Federal and State public welfare programs and is mandated by State Statute. Programs include, but are not limited to: Medicaid, Food Stamps, foster care, senior service, child support, job training programs and Temporary Assistance to Needy Families (TANF).

- 3) **Capital Projects.** This fund accounts for one-half of the 2% sales tax collected by Mesa County and is committed to acquire or construct major capital facilities or improvements.

The remaining governmental funds are aggregated and presented as non-major funds. These funds are: Health, Commissary, Road & Bridge, Upper Grand Valley Pest District, TV Translator, Developmental Disabilities, Conservation Trust, Fair Board, SWMCRS Public Improvement District, Gateway Public Improvement District, Gateway LID Sales Tax Street Improvement, Clerk & Recorder Technology, Transportation Impact, Mesa Community Center, Whitewater Urban Services and Certificates of Participation.

Mesa County reports the following major proprietary funds:

The Solid Waste Fund accounts for the County's landfill, recycling and educational operations. These activities are funded by site collection fees, sale of recycled materials and interest earnings for deposited funds. The County moved the management and operations of the landfill internally beginning January 1, 2016. This change has saved the County over \$500k in annual operating charges.

The Whitewater Public Improvement District (WWPID), accounts for the collection of fees and the expenditures related to providing sewer service to citizens within the district's boundaries.

Non-major proprietary funds include the Southwest Mesa County Rural Community Services Public Improvement District (SWMCRSPID) and the Mesa County Lower Valley Public Improvement District (MCLVPID) both which account for the collection of fees and the expenditures related to providing sewer service to citizens within the districts' boundaries.

Additionally, Mesa County reports the following fund types:

The Internal Service funds are considered non-major proprietary funds, and account for: insurance, fleet management services, telephone, mail and shared utility costs provided to departments of the County, or to other governments, on a cost-reimbursement basis.

Agency Funds are used to account for assets held by the County in a fiduciary capacity for individuals, private corporations, other governments and other funds. The Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Mesa County reports the following Agency Funds: Law Enforcement Forfeiture, Treasurer's Clearing Account, CJSD Client, Sheriff/Detention Inmate, Sheriff Trust, SO Seized Currency and School Districts #51, #49JT and #50 Land Dedication, Fairboard and School Districts #51, #50 and #49JT bond funds.

5. Assets, Liabilities, Deferred outflows/inflows of resources, and Net Position/Fund Balance

1. Cash, Cash equivalents and Investments

Cash and investments of all funds are pooled in order to maximize investment opportunities. Individual fund's pooled cash are available upon demand and are considered to be "cash equivalents" when preparing these financial statements. The County considers all highly liquid investments purchased with a maturity of three months or less to be cash equivalents. Investments are reported at fair value which is determined by quoted market prices. Net increases or decreases in fair value are reported in the investment revenue accounts of the General Fund.

2. Property Taxes

Property taxes are levied in December and attach as an enforceable lien on January 1, 2017, and are due in full April 30, 2017, or in equal installments February 28, 2017, and June 15, 2017, at the taxpayer's option. Taxes becoming delinquent after those dates are subject to interest charges. Unpaid tax liens are sold at the

annual tax sale for delinquent taxes, interest and other costs. The County bills and collects its own property taxes as well as those for all taxing districts in the County. Collections for other districts are accounted for in the agency funds. Property taxes levied on December 18th, are reported as a receivable and are deferred inflows of resources at December 31. The unearned revenue is reported as revenues in the year collected and available.

3. Receivables (other than Inter-fund)

Receivables as of year-end for Mesa County's individual major funds and non-major and internal service funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>Human Services</u>	<u>Capital Expenditures</u>	<u>Non-Major Funds</u>	<u>Internal Service</u>	<u>Total Receivables</u>
Accounts	\$564,583	\$83,103	\$640	\$127,429	\$79,903	\$855,658
Interest	30,090	0	0	0	0	30,090
Property Taxes-gross	17,115,309	4,142,618	0	1,480,286	0	22,738,213
Inter-gov't	<u>3,432,075</u>	<u>2,728,609</u>	<u>5,301,267</u>	<u>1,735,506</u>	<u>4,205</u>	<u>13,201,662</u>
Gross receivables	\$21,142,057	\$6,954,330	\$5,301,907	\$3,343,221	\$84,108	36,825,623
Less: Allowance for uncollectible	<u>(95,846)</u>	<u>(23,199)</u>	<u>0</u>	<u>(8,290)</u>	<u>0</u>	<u>(127,335)</u>
Net receivables	<u>\$21,046,211</u>	<u>\$6,931,131</u>	<u>\$5,301,907</u>	<u>\$3,334,931</u>	<u>\$84,108</u>	<u>\$36,698,288</u>

Governmental funds report unearned and unavailable revenues in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of unearned and unavailable revenues reported in the governmental funds were as follows:

	<u>Unearned</u>	<u>Unavailable</u>
Property taxes - General fund		\$17,019,463
Property taxes - Human Services fund		4,119,419
Property taxes - Non-major governmental funds		1,471,997
Sales and Cigarette taxes - General fund		916,934
Sales taxes - Capital fund		2,031,675
Sales taxes - Non-major governmental funds		734
Other governmental - General fund	\$156,580	0
Other governmental - Human Services fund	1,321,925	0
Other governmental - Non major governmental funds	<u>466,874</u>	<u>0</u>
Total deferred inflow/unearned revenue for governmental funds	<u>\$1,945,379</u>	<u>\$25,560,222</u>

4. Inter-fund Receivables and Payables

Inter-fund receivables and payables arise from inter-fund transactions and are recorded by all funds affected in the period in which transactions are executed. At year end, outstanding balances between funds are reported as "due to/from other funds" or "advances to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "inter-fund balances".

5. *Inventories and Prepaid Items*

Inventory in the Vehicle Maintenance Fund are valued at average cost on a first-in, first-out basis. The inventory consists of expendable supplies held for consumption. Expenditures are recorded as the items are used in providing fleet maintenance services. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

6. *Capital Assets*

Capital assets, which include property, equipment and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capitalized assets are defined by the County as assets that have a useful life of one or more years, and for which the initial, individual value equals or exceeds the following dollar amounts:

<u>Asset Class</u>	<u>Minimum Dollar Value</u>
Land	No Minimum
Buildings	No Minimum
Building Improvements	\$25,000
Improvements Other Than Buildings	\$25,000
Leasehold Improvements	\$25,000
Furniture and Equipment	\$5,000
Roads and subsystems	\$50,000

All purchased assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated capital assets, donated works of art and similar other items, and capital assets received in a service concession arrangement are reported at acquisition value on the date received. The cost of normal maintenance and repairs that does not add to the value of an asset or materially extend asset life is not capitalized.

All capitalized assets, excluding land and work-in-process, are depreciated. Improvements are depreciated over the remaining useful lives of the related capital asset. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

<u>Asset Class</u>	<u>Useful Life</u>
Buildings	40 years
Sewer Assets	30 - 45 years
Building Improvements	15 years
Land Improvements	25 years
Leasehold Improvements	Term of lease or asset life, whichever is shorter
Vehicles	7 years
High Utilization Vehicles	3 years
Heavy Trucks	10 years
Heavy Equipment	10 years
Communication Equipment	10 years
Computer Equipment	3 years
Office Furniture	10 years
All other furniture and equipment	6 years
Roads	60 years
Bridges	30 years
Culverts, curbs, gutters, sidewalks	20 years
Traffic signals	15 years

Public domain assets consisting of roads, bridges, curbs and gutters, streets and sidewalks, and lighting systems are examples of infrastructure assets. Infrastructure assets are distinguished from other capitalized assets as their useful life often extends beyond most other capital assets and are stationary in nature. Mesa County reports infrastructure assets on a network and subsystem basis. Retirements are recorded upon complete replacement, annexation by another government entity, or when significant reconstruction is completed. General infrastructure assets are those associated with or arising from governmental activities.

Prior to GASB 34, governments were not required to report general infrastructure assets. Information relating to these early assets is limited. The required retroactive capitalization period at the time of implementing infrastructure reporting will not extend back earlier than years ending after June 30, 1980. GASB 34 also allows for reporting these assets using an estimated historical cost due to limited, adequate records maintained since 1980. GASB 34 requires the reporting and depreciation of new infrastructure assets to begin when adopting the general provisions of GASB 34. For Mesa County, this began with the implementation year, January 1, 2002.

Assets greater than \$5,000 held and utilized in proprietary fund operations are recorded at cost, or in the case of donations, at their estimated fair market value on the date donated. Depreciation in proprietary fund types is computed using the straight-line method over the assets' estimated useful lives as shown above. Retroactive reporting provisions do not apply to proprietary funds as reporting has always been a requirement for these funds.

7. Deferred outflow of resources or deferred inflow of resources

Deferred outflows of resources represent a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources or expense/expenditure until then. The deferred outflows related to PERA pension is reported in the government wide statement of Net Position. A deferred outflow related to such pension results from contributions made subsequent to the measurement date and which will be recognized as a reduction of the net pension liability in the following year. Deferred inflows of resources represent an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources, such as revenue, until that time. Property, sales and cigarette taxes are reported as a receivable and are deferred inflows of resources at December 31.

8. Compensated Absences

A portion of the liability for accrued vacation and unused sick leave benefits at December 31, 2017 is recorded as long-term liabilities in the government-wide financial statements to recognize the cost of these benefits expected to be liquidated beyond the next year. The remaining current portion of this liability is estimated based on historical trends.

The County's policy permits employees to accumulate a limited amount of earned, but unused vacation, which will be taken after December 31, 2017, or paid upon separation from County service. County policy also permits, at termination, employees to be paid for unused sick leave in excess of nine-hundred sixty hours, one hour paid for every one and one-half hours in excess. This liability is recognized in the future compensated absence liability.

Mesa County has four appointed positions who receive severance benefits. These positions include: County Attorney, County Administrator, Health Department Director and Department of Human Services Director. Contractual benefits for these positions may include up to a six month severance package whereby the County will pay six months of salary, benefits and retirement upon separation from service. This liability is recognized in the future compensated absence liability.

Mesa County does not offer voluntary termination benefits (early retirement incentives). Terminated employees may participate in Consolidated Omnibus Budget Reconciliation Act (COBRA) for dental, vision and health insurance for a period of eighteen to thirty six months if qualifying events occur and federal rules are met. The County does not recognize any liability related to COBRA plans.

Accumulated vacation and sick leave is recorded as an expense and liability in proprietary funds as the benefits accrue to employees of those funds. In the governmental funds, an expense is only recorded if they have matured. As an example, when an employee terminates employment the liability is reported in the government wide statements.

9. Long Term Obligations

Accounting for long-term debt depends on whether the assets are used in governmental or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term debt, to be repaid from governmental and business-type resources, is reported as a liability in the government-wide statements. Bond premiums and discounts, issuance costs, and losses on bond refinancing are deferred and amortized over the remaining life of the bonds using the straight-line method. Bonds payable are reported net of applicable bond premium or discount. Bond issuance costs are reported as expenditures at the time of debt issuance.

Unlike government-wide financial statements, fund financial statements do not report liabilities for long-term debt. Governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of the debt issued is reported as other financing sources. Premiums on debt issuances are reported as other financing sources while discounts are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures. The accounting for proprietary funds is the same in the fund statements as it is in the government-wide statements due to the nature of proprietary funds.

10. Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of funds are recorded, is to reserve that portion of the applicable appropriation as an extension of formal budgetary integration in the Governmental Funds. Encumbrances outstanding at year-end are reported as reservations of fund balances because they do not constitute expenditures or liabilities. Encumbrances are re-appropriated to provide spending authority in the succeeding year's budget. Encumbrances for each major fund, non-major funds and internal service funds, except for contractual obligations, are as follows:

<u>General Fund</u>	<u>Transportation Impact</u>	<u>Capital</u>	<u>Solid Waste Management</u>	<u>Total Encumbrances</u>
\$69,127	\$200,000	\$5,490,080	\$106,573	\$5,865,780

11. Net position

Net position represents the difference between assets and deferred outflows and liabilities and deferred inflows. Net investment in capital assets consists of: capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition or construction of improvements on those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors, laws or regulations of other governments. Procedurally the County considers restricted net position to have been depleted before unrestricted net position.

12. Fund Equity

Fund balance reported in governmental funds is classified in accordance with GASB Statement 54, as defined below in order of the relative strength of the spending constraints placed on the funds. The following classifications describe these categories:

- Non-Spendable - resources which cannot be spent because of their form or legally or contractually must be maintained intact such as inventory or pre-paid items
- Restricted - resources subject to externally enforceable limitations
- Committed - resources constrained by limitations the government imposes upon itself approved by the Board of County Commissioners (BOCC)
- Assigned - resources that reflect a government's intended uses approved by the BOCC
- Un-Assigned - resources which reflect residual net resources

Restricted fund balance consists of required TABOR reserves and limitations of use imposed by parties external to Mesa County. These restrictions may include donations which have specific purpose, law or regulations of other governments, debt covenants or local match requirements for grants.

Committed and Assigned fund balances are determined by the BOCC and modifications to these balances must be approved by a majority vote of the Board by passage of a resolution.

Committed fund balances consist of amounts reserved for encumbrances.

Assigned fund balances consist of amounts set aside by Mesa County BOCC to be used for a specific purpose or function and appropriations in excess of revenues for subsequent year budget. Commitments are created through adoption and subsequent amendment of the budget.

When determining categories of fund balance, it is assumed that the type of expenditure determines the primary use of fund balance. Once the commitment or assignment is satisfied, unassigned resources are used. The current order of resource use for spending unrestricted funds is: committed, assigned and unassigned when the object of the expenditures could be funded by either restricted or unrestricted funds.

Fund Balances	General Fund	Human Services Fund	Capital Expenditures Fund	Nonmajor Governmental Funds	Total
Nonspendable:					
Prepaid items	\$7,989	\$31,490	\$0	\$1,266	\$40,745
Deposits	6,460	4,235	0	0	10,695
Inventory	<u>0</u>	<u>0</u>	<u>0</u>	<u>115,464</u>	<u>115,464</u>
Total Nonspendable	<u>14,449</u>	<u>35,725</u>	<u>0</u>	<u>116,730</u>	<u>166,904</u>
Restricted for:					
TABOR	2,946,333	0	0	579	2,946,912
CASP	30,143	0	0	0	30,143
Health and Welfare	0	1,073,702	0	0	1,073,702
Capital Equipment	0	0	10,902	0	10,902
Title III	0	0	0	33,091	33,091
Conservation Trust	0	0	0	182,246	182,246
IGA Sharing agreement	0	0	0	355,596	355,596
Debt Service	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,519</u>	<u>1,519</u>
Total Restricted	<u>2,976,476</u>	<u>1,073,702</u>	<u>10,902</u>	<u>573,031</u>	<u>4,634,111</u>

Committed:					
Encumbrances	69,127	0	5,490,080	0	5,559,207
Health and Welfare	0	0	0	604,100	604,100
Law Enforcement	0	0	0	220,608	220,608
Public Works	0	0	0	3,770,915	3,770,915
Culture and Recreation	0	0	0	37,461	37,461
General Government	<u>0</u>	<u>0</u>	<u>0</u>	<u>549,422</u>	<u>549,422</u>
Total Committed	<u>69,127</u>	<u>0</u>	<u>5,490,080</u>	<u>5,182,506</u>	<u>10,741,713</u>
Assigned:					
Animal Services	66,615	0	0	0	66,615
Law Enforcement	10,787	0	0	0	10,787
Subsequent year budget	0	0	3,292,384	960,573	4,252,957
Septic Elimination	<u>0</u>	<u>0</u>	<u>20,316</u>	<u>0</u>	<u>20,316</u>
Total Assigned	<u>77,402</u>	<u>0</u>	<u>3,312,700</u>	<u>960,573</u>	<u>4,350,675</u>
Unassigned	10,521,243	(126,036)	0	0	10,395,207
Total Fund Balances	<u>\$13,658,697</u>	<u>\$983,391</u>	<u>\$8,813,682</u>	<u>\$6,832,840</u>	<u>\$30,288,610</u>

13. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

NOTE 2 – ASSET IMPAIRMENT

Mesa County completed the construction of the Animal Services shelter and administrative offices in 2011. Shortly after full use of the building was implemented the foundation began to fail. In 2016, Mesa County calculated the impairment and damage to the building to be approximately \$1.7m leaving a book value of the building of approximately \$1.4m. This decision was made because the building sustained damages in the foundation, significant enough that the value of the building declined both significantly and unexpectedly. During 2017, Mesa County proceeded with repairs to the foundation in the amount of \$2.6m bringing the new book value of the building up to \$4m. The renovations have proven successful and the building was fully functioning and occupied before the end of 2017.

NOTE 3 - CASH AND INVESTMENTS

GASB Statement 40 addresses cash notes and incorporates information pertaining to risks related to deposits held by others for Mesa County. The intent is to assist the reader in determining how custodial risk could affect Mesa County's ability to recover any or all of its deposits held by financial institutions. Other risk factors, such as foreign market rate risk and concentration of credit risk are included.

Deposit and investment resources often represent significant assets of governmental, proprietary, and fiduciary funds. These resources are necessary for the delivery of governmental services and programs, or to carry out fiduciary responsibilities. Mesa County complies with GASB Statement 40 which is designed to inform financial statement users about deposit and investment risks that could affect a government's ability to provide services and meet its obligations as they become due.

Mesa County maintains a cash and investment pool for all funds except the Law Enforcement Forfeiture Fund, Criminal Justice Client Account, Sheriff's Office Inmate Accounts and the County's employee retirement trust funds. The County Treasurer holds all cash and investments which are displayed on the combined Governmental Fund Balance Sheet as "Equity in pooled cash and investments." On a monthly basis investment earnings, unless otherwise allocated for specific purposes, are credited to the General Fund.

Deposits:

The Colorado Public Deposit Protection Act (PDPA) governs the County's deposits of cash. The statutes specify eligible depositories for public cash deposits, which must be Colorado institutions and must maintain federal insurance 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 equal to at least 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.

Mesa County's selection of banks as depositories and as providers of general banking services are determined by Board of County Commissioner approved policies. Banks shall be approved by written resolution to provide depository and other banking services for the County. To be eligible for authorization, a bank must be a member of the Federal Deposit Insurance Corporation (FDIC), shall qualify as a depository of public funds in Colorado, as defined in CRS 24-75-603 and must meet the minimum credit criteria of credit analysis provided by a commercially available bank rating service. The analysis shall include a composite rating, and individual ratings of liquidity, asset quality, profitability and capital adequacy. Credit analysis shall be performed at least semi-annually on all approved banks.

At December 31, 2017, Mesa County's cash deposits had a bank balance of \$19,994,218. Of the bank balance, \$505,142 was covered by federal depository insurance. The remainder of the bank balance, \$19,489,076 was collateralized with securities held by the pledging financial institution and covered by eligible collateral as determined by PDPA.

Investments:

An investment is a security or other asset that is purchased or held for the purpose of generating income or profit. Mesa County continually purchases eligible investments to generate future income. Often these investments are held for more than one year and produce returns far greater than local banking institutions can offer. Fair value can be defined as the price two parties are willing conduct business in the sale or transfer of property in a fair market environment. The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. That hierarchy has three levels. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 inputs are inputs, other than quoted prices, included within Level 1 that are observable for the item, either directly or indirectly. Finally, Level 3 inputs are unobservable inputs. The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs.

The County has the following recurring fair value measurements as of December 31, 2017:

- US Treasury securities of \$5.9 million are valued using quoted market prices (Level 1 inputs).
- Other investment securities of \$5.9 million are valued using quoted market prices (Level 1 inputs).

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. Mesa County's investment policy, approved by the Board of County Commissioners, addresses the methods, procedures and practices which must be exercised to ensure effective and judicious fiscal and investment management of the County's funds. The County is authorized to invest in the following types of securities and transactions:

- *US Treasury obligations*, Treasury Bills, Treasury Notes, Treasury Bonds and Treasury Strips with maturities not exceeding five years from date of trade settlement.
- *Federal Agency Securities*, debentures and mortgage-backed securities with a final maturity not exceeding five years from the date of trade settlement issued by the Government National Mortgage Association (GNMA) and the Export-Import Bank.
- *Federal Instrumentality Securities*, debentures, discount notes, callable securities, step-up securities and stripped principal or coupons with maturities not exceeding five years from the date of trade settlement issued by the following only: Federal National Mortgage Association (FNMA), Federal Farm Credit Banks (FFCB), Federal Home Loan Banks (FHLB) and Federal Home Loan Mortgage Corporation (FHLMC). No subordinated security may be purchased pursuant to this paragraph.

For securities authorized in this section, the County shall limit the combined total of investments to no more than 90 percent of the total portfolio and 30 percent per issuer.

- *Repurchase Agreements*, with a defined termination date of 180 days or less collateralized by US Treasury and Federal Instrumentality securities with a maturity not exceeding ten years. For the purpose of this section, the term collateral shall mean purchased securities under the terms of the County's approved Master Repurchase Agreement. The purchased securities shall have a fixed coupon rate and a minimum market value including accrued interest of 102 percent of the dollar value of the transaction. Collateral shall be held in the County's custodial bank as safekeeping agents, and the market value of the collateral securities shall be marked-to-the-market daily.

Repurchase Agreements shall be entered into only with dealers who have executed a Master Repurchase Agreement with the County and who are recognized as Primary Dealers by the Federal Reserve Bank of New York, or with firms that have a primary dealer within their holding company structure. Approved Repurchase Agreement counterparties, if rated shall have a short-term credit rating of at least A-1 or the equivalent and a long-term credit rating of at least A or the equivalent by each Nationally Recognized Statistical Rating Organization (NRSRO) that rates the firm.

- *Commercial Paper*, with an original maturity of 270 days or less, which is rated at the time of purchase at least A-1 or the equivalent by at least two NRSROs, and shall be rated not less by any NRSRO that rates the commercial paper. If the commercial paper issuer has senior debt outstanding, it must be rated at the time of purchase at least A+ or the equivalent by each NRSRO that rates the issuer.
- *Eligible Banker's Acceptances*, with a maturity not exceeding 180 days from the date of trade settlement, issued by a FDIC insured state or national bank with combined capital and surplus of at least \$250 million and rated at the time of purchase at least A-1 or the equivalent by at least two NRSROs, and shall be rated not less by any NRSRO that rates the instrument. If the issuing bank has senior long-term debt outstanding, it must be rated at the time of purchase at least A or the equivalent by each NRSRO that publishes a rating on the bank.

- *Local Government Investment Pools*, authorized under CRS 24-75-702 that are “no-load” (no commission or fee charged on purchases or sales of shares); have a constant net asset value of \$1.00; limit assets on the fund to those authorized by State Statute; have a maximum stated maturity and weighted average maturity in accordance with Rule 2a-7 of the Investment Company Act of 1940; and have a rating of AAAM or the equivalent by a NRSRO.
- *Money Market Mutual Funds*, registered under the Investment Company Act of 1940 that are “no-load” (no commission or fee charged on purchases or sales of shares); have a constant net asset value of \$1.00; have a maximum stated maturity and weighted average maturity in accordance with Rule 2a-7 of the Investment Company Act of 1940; and have a rating of AAAM or the equivalent by a NRSRO.
- *Time Certificates of Deposit*, with a maturity not exceeding five years in any FDIC Insured state bank, national bank or state or federal savings bank located in Colorado that is an eligible public depository as defined in CRS 11-10.5-103. Certificates of deposit that exceed FDIC insurance limits shall be collateralized as required by the Public Deposit Protection Act or the Savings and Loan Association Public Deposit Protection Act.

The County shall purchase Certificates of Deposit only from financial institutions that meet the bank rating requirements set forth in the Section, “Selection of Banks” of the Investment Policy.

At December 31, 2017, the County had investments in three local government investment pools: the Colorado Government Liquid Asset Trust (COLOTRUST), the Colorado Surplus Asset Fund Trust (CSAFE) and the State of Colorado Self Insurance Pool. The investment pools are monitored by the Colorado Division of Securities, and offer governmental entities a convenient and efficient means to pool funds to take advantage of short-term investments and maximize net interest earnings. The weighted average maturity of those pool’s investments is less than sixty days which indicates Mesa County’s ability to withdraw money based on cash flow needs rather than when investments mature.

Participation in the State of Colorado Self Insurance Pool is required under the Colorado Worker’s Compensation Act, CRS Title 8, Articles 40 to 47, which govern the issuance of self-insurance permits. These funds are pledged and held for the intended purpose of paying Colorado worker’s compensation claims and associated administrative costs in the event of the County’s insolvency, bankruptcy or any inability of the County to pay, for any reason, Colorado worker’s compensation benefits or other payments under the Act as required by law. The amount of the funds required to meet the obligations of the County are evaluated on an annual basis. An initial sum of \$700,000 was transferred to the State of Colorado Self Insurance Pool, December 2003. Funding requirements are evaluated each year by the State. If balances are inadequate, additional funding is processed to the State and if excess funding is present this balance is returned to Mesa County. Interest earned is applied monthly, any fees required to handle the funds reduces the balance.

Local Government Investment Pools:	Fair Value
Invested with COLOTRUST	\$12,548,774
Invested with State of Colorado	611,275
Invested with CSAFE	<u>5,972,146</u>
Total	<u>\$19,132,195</u>

ColoTrust is valued using the net asset value (NAV) per share (or its equivalents) of the investments. ColoTrust does not have any unfunded commitments, redemption restrictions or redemption notice periods. At December 31, 2017, the County’s investments measured at NAV include \$12,548,774 with ColoTrust with a rating AAAM.

The County had invested \$5,972,146 in the Colorado Surplus Asset Fund Trust (CSAFE). CSAFE is valued at amortized costs. The investments will conform to its Permitted Investments and will meet Standard & Poor's investment guidelines to achieve a AAAM rating, the highest attainable rating for a Local Government Investment Pool.

The County invested \$611,275 in the Colorado Statewide Investment Program (CSIP), a local investment pool authorized under Colorado Revised Statute. CSIP is valued at amortized costs. The investments meet Standard & Poor's investment guidelines to achieve a AAAM rating.

The County's investments, carried at fair value as of December 31, 2017 are:

<u>Investment Type:</u>	<u>Weighted Average Market Duration (Years)</u>	<u>Fair Value</u>	<u>Percentage Of Portfolio</u>	<u>S&P Rating</u>
Federal Agency notes-FHLMC		997,373	8.34	AA
Federal Agency notes-FNMA		1,991,111	16.65	AA
Federal Agency notes-FHLB		2,993,891	25.03	AA
Federal Farm Credit Banks-FFCB		2,985,702	24.96	AA
T-Note		<u>2,993,138</u>	22.02	AA
Total Investments	.53	<u>\$11,961,215</u>		

<u>Maturity Distribution</u>	<u>December 31, 2017 Ending Balance</u>
0-3 months	\$1,003,382
3-6 months	1,995,736
9-12 months	2,987,505
1-2 years	4,977,219
2-3 years	<u>997,373</u>
	<u>\$11,961,215</u>

Cash Balances:	
Cash, cash equivalents and investments-Governmental Activities	\$ 29,981,274
Cash, cash equivalents and investments- Business type Activities	<u>13,360,520</u>
Sub-Total	\$43,341,794
Cash, cash equivalents and investments-Agency type Activities	<u>8,979,783</u>
Total	<u>\$52,321,577</u>

Interest Rate Risk – In accordance with its investment policy, the County, to the extent possible, matches the portfolio maturity and liquidity with anticipated cash flow requirements and known future liabilities. The County will not invest in securities maturing more than five years from the date of trade settlement.

Credit Risk – All of the County's purchased investments were rated AAA and Aaa by Standards & Poor's and Moody's respectively.

Concentration of Credit Risk – Per adopted County policy, the intent of investment diversification within the portfolio is to avoid incurring unreasonable risks inherent in over investing in specific instruments, individual financial institutions or maturities. The asset allocation in the portfolio should, however, be flexible depending upon the outlook for the economy, the securities market, and the County's anticipated cash flow needs.

Custodial Credit Risk - Custodial credit risk is the risk that, in the event of the failure of the counter party to a transaction, the County will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The County's investment policy requires all securities to be in the name of the County Treasurer and securities must be deposited in a safekeeping account at an authorized county depository institution or at an eligible security dealer.

Foreign Currency Risk – Mesa County does not invest in foreign markets.

NOTE 4 - INTER-FUND RECEIVABLES, PAYABLES AND TRANSFERS, ADVANCE BALANCES

Inter-fund Advances

As of December 31, 2017, inter-fund receivables and payables that resulted from various inter-fund transactions are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Beginning Balance</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due within one year</u>
Capital Expenditure	Whitewater Sewer	\$2,900,000	(\$116,000)	\$2,784,000	\$120,835
	SWMCRS Sewer	595,000	(25,000)	570,000	25,000
		<u>\$3,495,000</u>	<u>(\$141,000)</u>	<u>\$3,354,000</u>	<u>\$145,835</u>

Inter-fund loans are amounts provided between funds with a requirement for repayment. Inter-fund loans may result from:

- Inter-fund reimbursements
- Inter-fund transfers
- Inter-fund services provided and used
- Overdraft of a fund's share of internal investment pool
- Loans and advances between funds

Long term inter-fund loans are classified as inter-fund advances to distinguish these balances from short term balances, which are classified as "due to" or "due from" balances. Short term balances are currently payable or receivable within the year or a reasonable time after that.

The balance of \$2,784,000 due to the Capital fund from the sewer funds resulted from loans made in prior years to provide infrastructure for providing sewer service. \$2,784,000 of this balance is not scheduled to be collected in the subsequent year. The loans have an estimated payback of 24 years.

The SWMCRS sewer fund has been making annual payments since 2014 and it is expected to have the ability to continue to repay the Capital fund in future periods.

The Whitewater sewer fund has not been in a position to make annual payments which led to the reduction in the advance balance of \$116,000 in 2017. The collectability of this balance remains uncertain. The annual financial condition of the district is evaluated on the amount of tap fees estimated to be collected in the subsequent year, state of the system assets, operational costs and potential growth.

Inter-fund Transfers

As of December 31, 2017, inter-fund transfers that resulted from various inter-fund transactions are as follows:

<u>TRANSFER OUT</u>	<u>Major</u>	<u>Non-Major</u>	<u>Business Type</u>	<u>TOTAL</u>
General	\$469,000	\$237,500	\$31,000	\$737,500
DHS	154,454	0	0	154,454
Non-Major	615,509	45,000	49,360	709,869
Capital	0	1,414,837	116,000	1,530,837
TOTAL	<u>\$1,238,963</u>	<u>\$1,697,337</u>	<u>\$196,360</u>	<u>\$3,132,660</u>

Transfers are used for:

- debt service payments due
- capital projects
- fund subsidies

During the 2017 year, the General Fund transferred: \$237,500 to the Health Fund, \$469,000 to the Department of Human Services and \$31,000 to the Whitewater Sewer fund. Each transfer was for general operations.

The General fund received \$615,509 from the Conservation Trust Fund. The Capital fund transferred \$1,414,837 to the Certificates of Participation Fund in order to make the debt payment. The Conservation Trust Fund transferred \$45,000 to the TV Translator fund.

The Southwest Mesa County Rural Community Services Sewer Fund received \$45,360 from the Gateway mill levy fund and \$4,000 from the Southwest Mesa County Rural Community Services mill levy fund for general operations.

The Whitewater Sewer Fund received \$116,000 transfer from the Capital Expenditures fund. This was due to elimination of inter-fund receivables and payables that were judged to be uncollectible at December 31, 2017.

NOTE 5 – CAPITAL ASSETS

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

During 2017, Mesa County disposed of GFA depreciable assets with a total remaining book value of \$28,543 resulting in a gain on disposal of assets in the amount of \$60,320.

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

Governmental Activities:	
General Government	\$ 1,058,923
Public Safety	2,070,029
Public Works	6,019,873
Public Health and Welfare	579,773
Human Services	597,526
Culture and Recreation	<u>1,292,139</u>
Total depreciation expense – Governmental activities	<u>\$11,618,263</u>

	Beginning Balance	Additions	Deductions	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$9,874,774	\$51,976	\$-0-	\$9,926,750
Construction in Progress	<u>16,167,464</u>	<u>10,491,010</u>	<u>(14,983,981)</u>	<u>11,674,493</u>
Total capital assets not being depreciated	\$26,042,238	\$10,542,986	\$(14,983,981)	\$21,601,243
Capital assets, being depreciated:				
Buildings	85,913,891	2,590,303	-0-	88,504,194
Improvements other than buildings	54,257,084	3,237,292	-	57,494,376
Infrastructure	351,316,052	15,516,567	-	366,832,619
Machinery & equipment	<u>32,603,522</u>	<u>7,106,593</u>	<u>(10,896,157)</u>	<u>28,813,958</u>
Total capital assets being depreciated	524,090,549	28,450,755	(10,896,157)	541,645,147
Less accumulated depreciation for:				
Buildings	(30,744,272)	(2,171,344)	-0-	(32,915,616)
Improvements other than buildings	(18,710,342)	(1,878,389)	-	(20,588,731)
Infrastructure	(227,943,576)	(4,938,996)	-	(232,882,572)
Machinery & equipment	<u>(22,820,611)</u>	<u>(2,629,534)</u>	<u>6,940,110</u>	<u>(18,510,035)</u>
Total accumulated depreciation	<u>(300,218,801)</u>	<u>(11,618,263)</u>	<u>6,940,110</u>	<u>(304,896,954)</u>
Total capital assets, being depreciated, net	<u>223,871,748</u>	<u>16,832,492</u>	<u>(3,956,047)</u>	<u>236,748,193</u>
Governmental activities capital assets, net	<u>\$249,913,986</u>	<u>\$27,375,478</u>	<u>\$(18,940,028)</u>	<u>\$258,349,436</u>
	Beginning Balance	Additions	Deductions	Ending Balance
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 814,417	\$-0-	\$-0-	\$814,417
Total capital assets not being depreciated	814,417	-	-	814,417
Capital assets, being depreciated:				
Buildings	1,557,111	-	-	1,557,111
Improvements	12,925,415	234,074	(76,500)	13,082,989
Equipment	<u>6,455,355</u>	<u>422,058</u>	<u>(187,880)</u>	<u>6,689,533</u>
Total capital assets, being depreciated	20,937,881	656,132	(264,380)	21,329,633
Less accumulated depreciation for:				
Buildings	(477,089)	(38,928)	-	(516,017)
Improvements	(2,476,651)	(376,008)	76,500	(2,776,159)
Equipment	<u>(3,945,360)</u>	<u>(481,752)</u>	<u>158,776</u>	<u>(4,268,336)</u>
Total accumulated depreciation	<u>(6,899,100)</u>	<u>(896,688)</u>	<u>235,276</u>	<u>(7,560,512)</u>
Total capital assets, being depreciated, net	<u>14,038,781</u>	<u>(240,556)</u>	<u>(29,104)</u>	<u>13,769,121</u>
Business-type activities capital assets, net	<u>\$14,853,198</u>	<u>\$(240,556)</u>	<u>\$(29,104)</u>	<u>\$14,583,538</u>

NOTE 6 - RETIREMENT PLAN

Colorado County Officials and Employees Retirement Association Plan

Mesa County, Colorado provides a defined contribution retirement plan for eligible County employees and officials in the Colorado County Officials and Employees Retirement Association (CCOERA), a seven-member governing board that makes all necessary rules and is responsible for the administration of the funds in the

Retirement Plan. Two CCOERA Board members are elected by County employees, one from the western half of the State and the other from the eastern half of the State, two members shall be representatives of a municipal or political subdivisions participating employer, a Chair and Vice-Chairman are elected by a majority vote of the Board Members, and the seventh member is the County Treasurer of the most populous member County (Colorado Revised Statute 24-54-108).

Employees participate in the plan without a waiting period. Employees and the County each contribute three-percent of gross wages. Employees may elect to contribute an additional amount of after-tax compensation. The employee becomes 100% vested after completion of the third year of service. Should an employee leave prior to completion of the third year of service, the match made by the County is forfeited. Effective July 1, 2015 CCOERA transferred record keeping services to Empower Retirement Services.

Mesa County's 2017 employer contribution of \$1,447,575 is matched by the employees' contributions. The County's total payroll in fiscal year 2017 was \$48,414,469; wages subject to the retirement plan were \$48,252,253. CCOERA is a statewide plan and is not included in the County's financial statements since the County has no fiduciary responsibility for the plan. The County has no liability for pension benefits beyond its contributions.

Separate annual audited financial reports for the Colorado County Officials and Employees Retirement Association can be obtained at <http://www.ccoera.org/content/organization>.

Deferred Compensation Plans

The deferred compensation plans administered by CCOERA and ICMA Retirement Corporation were created in accordance with Internal Revenue Code Section 457. The plans permit the County's employees to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. Participation in the plans is optional.

All amounts of compensation deferred under the plans, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are (until paid or made available to the employee or other beneficiary) held in the Retirement Associations' Deferred Compensation Plan Trusts for the exclusive benefit of participants and their beneficiaries. CCOERA and ICMA are the trustees. Mesa County has no ownership interest in the plans nor is the County liable for losses under the deferred compensation plans; therefore, neither the assets nor the liabilities of the deferred compensation plans are included on the County's balance sheet.

Public Employees Retirement Association - PERA

All employees of PERA employers who work in a position eligible for PERA membership must be covered by PERA, except for employees who are hired into a position that makes them eligible for a choice between enrolling in the PERA Defined Benefit Plan or the PERA Defined Contribution Retirement Plan (PERAChoice). PERAChoice eligibility applies to certain new employees of State agencies and departments, most community colleges and the District Attorney within each Judicial District.

Defined Benefit Pension Plan

Summary of Significant Accounting Policies

Pensions: Mesa County participates in the State Division Trust Fund (SDTF) a cost sharing multiple employer defined benefit pension plan administered by the Public Employees' Retirement Association. The current and past employees in the position of the District Attorney, 21st Judicial District, are eligible for PERA. The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the SDTF have been determined using the economic resources measurement focus and the

accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

General Information about the Pension Plan

Plan description: Eligible employees of Mesa County are provided with pensions through the State Division Trust Fund (SDTF)—a cost-sharing multiple-employer defined benefit pension plan administered by PERA. Plan benefits are specified in Title 24, Article 51 of the Colorado Revised Statutes (C.R.S.), administrative rules set forth at 8 C.C.R. 1502-1, and applicable provisions of the federal Internal Revenue Code. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. PERA issues a publicly available comprehensive annual financial report that can be obtained at www.copera.org/investments/pera-financial-reports.

Benefits provided: PERA provides retirement, disability, and survivor benefits. Retirement benefits are determined by the amount of service credit earned and/or purchased, highest average salary, the benefit structure(s) under which the member retires, the benefit option selected at retirement, and age at retirement. Retirement eligibility is specified in tables set forth at C.R.S. § 24-51-602, 604, 1713, and 1714.

The lifetime retirement benefit for all eligible retiring employees under the PERA benefit structure is the greater of the:

- Highest average salary multiplied by 2.5 percent and then multiplied by years of service credit
- The value of the retiring employee's member contribution account plus a 100 percent match on eligible amounts as of the retirement date. This amount is then annuitized into a monthly benefit based on life expectancy and other actuarial factors.

The service retirement benefit is limited to 100 percent of the highest average salary and also cannot exceed the maximum benefit allowed by federal Internal Revenue Code.

Members may elect to withdraw their member contribution accounts upon termination of employment with all PERA employers; waiving rights to any lifetime retirement benefits earned. If eligible, the member may receive a match of either 50 percent or 100 percent on eligible amounts depending on when contributions were remitted to PERA, the date employment was terminated, whether 5 years of service credit has been obtained and the benefit structure under which contributions were made.

Benefit recipients who elect to receive a lifetime retirement benefit are generally eligible to receive post-retirement cost-of-living adjustments, referred to as annual increases in the C.R.S. Benefit recipients under the PERA benefit structure who began eligible employment before January 1, 2007 and all benefit recipients of the DPS benefit structure receive an annual increase of 2 percent, unless PERA has a negative investment year, in which case the annual increase for the next three years is the lesser of 2 percent or the average of the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) for the prior calendar year. Benefit recipients under the PERA benefit structure who began eligible employment after January 1, 2007 receive an annual increase of the lesser of 2 percent or the average CPI-W for the prior calendar year, not to exceed 10 percent of PERA's Annual Increase Reserve (AIR) for the SDTF.

Disability benefits are available for eligible employees once they reach five years of earned service credit and are determined to meet the definition of disability. State Troopers whose disability is caused by an on-the-job injury are immediately eligible to apply for disability benefits and do not have to meet the five years of service credit requirement. The disability benefit amount is based on the retirement benefit formula shown above considering a minimum 20 years of service credit, if deemed disabled.

Survivor benefits are determined by several factors, which include the amount of earned service credit, highest average salary of the deceased, the benefit structure(s) under which service credit was obtained, and the qualified survivor(s) who will receive the benefits.

Contributions: Mesa County is required to contribute 20.15%, as a percentage of salary, per Colorado Statute C.R.S § 24-51-401. The County's contributions to the Plan for the year ended December 31, 2017 were \$32,687. This amount, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year with an additional amount to finance any unfunded accrued liability.

Pension Liabilities, Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:

At December 31, 2017 the County reported a liability of \$522,060 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2016 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2016. Standard update procedures were used to roll forward the total pension liability to December 31, 2015. The County's portion of the net pension liability was based on County contributions to the SDTF for the calendar year 2016 relative to the total contributions of participating employers to the SDTF.

At December 31, 2016 the County's proportion was .0028422043% which was a decrease of 0.0024559397% from its proportion measured as of December 31, 2015.

For the year ended December 31, 2017 the County recognized pension expense of \$79,308. At December 31, 2017 the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$6,898	\$0
Changes of assumptions or other inputs	132,815	2,995
Net differences between projected and actual earnings on pension plan investments	32,325	0
Changes in proportion and differences between contributions recognized and proportionate share of contributions	0	172,004
Contributions subsequent to the measurement date	14,567	0
Total	\$186,605	\$174,999

The amount of \$14,567 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended December 31, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended December 31,</u>	
2017	\$16,501
2018	(4,569)
2019	(8,788)
2020	(183)
Total	<u>\$2,961</u>

Actuarial assumptions: The total pension liability in the December 31, 2015 actuarial valuation was determined using the following actuarial assumptions and other inputs.

Actuarial cost method	Entry Age
Price inflation	2.80 percent
Real wage growth	1.10 percent
Wage inflation	3.90 percent
Salary increases, including wage inflation	3.90-9.57 percent
Long-term investment Rate of Return, net of pension plan investment expenses, including price inflation	7.50 percent
Discount Rate	7.50 percent
Future post-retirement benefit increases: PERA Benefit Structure hired prior to 1/1/07; and DPS Benefit Structure (automatic)	2.00 percent
PERA Benefit Structure hired after 12/31/06 (ad hoc, substantively automatic)	Financed by the Annual Increase Reserve

Based on the 2016 experience analysis and the October 28, 2016 actuarial assumptions workshop, revised economic and demographic assumptions were adopted by PERA's Board on November 18, 2016 and effective as of December 31, 2016. These revised assumptions shown below were reflected in the roll-forward calculation of the total pension liability from December 31, 2015 to December 31, 2016:

Actuarial cost method	Entry Age
Price inflation	2.4 percent
Real wage growth	1.10 percent
Wage inflation	3.50 percent
Salary increases, including wage inflation	3.50-9.17 percent
Long-term investment Rate of Return, net of pension plan investment expenses, including price inflation	7.25 percent
Discount Rate	5.26 percent
Post-retirement benefit increases: PERA benefit structure hired prior to 1/1/07 and DPS benefit structure (automatic)	2.00 percent
PERA Benefit Structure hired after 12/31/06 (ad hoc, substantively automatic)	Financed by the Annual Increase Reserve

Mortality rates used in the December 31, 2015 valuation were based on the RP-2000 Combined Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on a projection of Scale AA to 2020 with Males set back 1 year, and Females set back 2 years. Active member mortality was based upon the same mortality rates but adjusted to 55 percent of the base rate for males and 40 percent of the base rate for females. For disabled retirees, the RP-2000 Disabled Mortality Table (set back 2 years for males and set back 2 years for females) was assumed.

The actuarial assumptions used in the December 31, 2015 valuation were based on the results of an actuarial experience study for the period January 1, 2008 through December 31, 2011, adopted by PERA's Board on November 13, 2012, and an economic assumption study, adopted by PERA's Board on November 15, 2013 and January 17, 2014.

As a result of the 2016 experience analysis and the October 28, 2016 actuarial assumptions workshop, revised economic and demographic actuarial assumptions including withdrawal rates, retirement rates for early reduced and unreduced retirement, disability rates, administrative expense load, and pre- and post-retirement and disability mortality rates were adopted by PERA's Board on November 18, 2016 to more closely reflect PERA's actual experience. As the revised economic and demographic assumptions are effective as of the measurement date, December 31, 2016, these revised assumptions were reflected in the total pension liability roll-forward procedures.

Healthy mortality assumptions for active members reflect the RP-2014 White Collar Employee Mortality Table, a table specifically developed for actively working people. To allow for an appropriate margin of improved mortality prospectively, the mortality rates incorporate a 70 percent factor applied to male rates and a 55 percent factor applied to female rates.

Healthy, post-retirement mortality assumptions reflect the RP-2014 Healthy Annuitant Mortality Table, adjusted as follows:

- **Males:** Mortality improvement projected to 2018 using the MP-2015 projection scale, a 73 percent factor applied to rates for ages less than 80, a 108 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.
- **Females:** Mortality improvement projected to 2020 using the MP-2015 projection scale, a 78 percent factor applied to rates for ages less than 80, a 109 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.

For disabled retirees, the mortality assumption was changed to reflect 90 percent of the RP-2014 Disabled Retiree Mortality Table.

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four or five years for PERA. Recently, this assumption has been reviewed more frequently. The most recent analyses were outlined in presentations to PERA’s Board on October 28, 2016. As a result of the October 28, 2016 actuarial assumptions workshop and the November 18, 2016 PERA Board meeting, the economic assumptions changed, effective December 31, 2016, as follows:

- Investment rate of return assumption decreased from 7.50 percent per year, compounded annually, net of investment expenses to 7.25 percent per year, compounded annually, net of investment expenses.
- Price inflation assumption decreased from 2.80 percent per year to 2.40 percent per year.
- Real rate of investment return assumption increased from 4.70 percent per year, net of investment expenses, to 4.85 percent per year, net of investment expenses.
- Wage inflation assumption decreased from 3.90 percent per year to 3.50 percent per year.

Several factors were considered in evaluating the long-term rate of return assumption for the SDTF, including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation.

As of the November 18, 2016 adoption of the current long-term expected rate of return by the PERA Board, the target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	30 Year Expected Geometric Real Rate of Return
U.S. Equity – Large Cap	21.20%	4.30%
U.S. Equity – Small Cap	7.42%	4.80%
Non U.S. Equity – Developed	18.55%	5.20%
Non U.S. Equity – Emerging	5.83%	5.40%
Core Fixed Income	19.23%	1.20%
High Yield	1.38%	4.30%
Non U.S. Fixed Income – Developed	1.84%	0.60%
Emerging Market Debt	0.46%	3.90%
Core Real Estate	8.50%	3.90%
Opportunity Fund	6.00%	3.80%
Private Equity	8.50%	6.60%
Cash	1.00%	0.20%
Total	100.00%	

In setting the long-term expected rate of return, projections employed to model future returns provide a range of expected long-term returns that, including expected inflation, ultimately support a long-term expected rate of return assumption of 7.25%.

Discount rate. The discount rate used to measure the total pension liability was 5.26 percent. The projection of cash flows used to determine the discount rate applied the actuarial cost method and assumptions shown above. In addition, the following methods and assumptions were used in the projection of cash flows:

- Updated economic and demographic actuarial assumptions adopted by PERA's Board on November 18, 2016.
- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.50%.
- Employee contributions were assumed to be made at the current member contribution rate. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law, including current and estimated future AED and SAED, until the Actuarial Value Funding Ratio reaches 103%, at which point, the AED and SAED will each drop 0.50% every year until they are zero. Additionally, estimated employer contributions included reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.
- Employer contributions and the amount of total service costs for future plan members were based upon a process used by the plan to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The AIR balance was excluded from the initial fiduciary net position, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. As the ad hoc post-retirement benefit increases financed by the AIR are defined to have a present value at the long-term expected rate of return on plan investments equal to the amount transferred for their future payment, AIR transfers to the fiduciary net position and the subsequent AIR benefit payments have no impact on the Single Equivalent Interest Rate (SEIR) determination process when the timing of AIR cash flows is not a factor (i.e., the plan's fiduciary net position is not projected to be depleted). When AIR cash flow timing is a factor in the SEIR determination process (i.e., the plan's fiduciary net position is projected to be depleted), AIR transfers to the fiduciary net position and the subsequent AIR benefit payments were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the end of the month.

Based on the above assumptions and methods, the projection test indicates the SDTF's fiduciary net position was projected to be depleted in 2039 and, as a result, the municipal bond index rate was used in the determination of the discount rate. The long-term expected rate of return of 7.25 percent on pension plan investments was applied to periods through 2039 and the municipal bond index rate, the December average of the Bond Buyer General Obligation 20-year Municipal Bond Index published weekly by the Board of Governors of the Federal Reserve System, was applied to periods on and after 2039 to develop the discount rate. For the measurement date, the municipal bond index rate was 3.86 percent, resulting in a discount rate of 5.26 percent.

As of the prior measurement date, the projection test indicated the SDTF's fiduciary net position was projected to

be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments of 7.50 percent was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate determination did not use a municipal bond index rate and the discount rate was 7.50 percent, 2.24 percent higher compared to the current measurement date.

Sensitivity of the County's proportionate share of the net pension liability to changes in the discount rate. The following presents the proportionate share of the net pension liability calculated using the discount rate of 5.26 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.26 percent) or 1-percentage-point higher (6.26 percent) than the current rate:

	Sensitivity of the NPL		
	1% Decrease	Current Discount Rate	1% Increase
	(4.26%)	(5.26%)	(6.26%)
Proportionate share of the net pension liability	\$646,603	\$522,060	\$419,738

Pension plan fiduciary net position. Detailed information about the SDTF's fiduciary net position is available in PERA's comprehensive annual financial report which can be obtained at www.copera.org/investments/pera-financial-reports.

Defined Contribution Pension Plans

Voluntary Investment Program

Plan Description - Employees of Mesa County that are also members of the SDTF may voluntarily contribute to the Voluntary Investment Program, an Internal Revenue Code Section 401(k) defined contribution plan administered by PERA. Title 24, Article 51, Part 14 of the C.R.S., as amended, assigns the authority to establish the Plan provisions to the PERA Board of Trustees. PERA issues a publicly available comprehensive annual financial report for the Program. That report can be obtained at www.copera.org/investments/pera-financial-reports.

Funding Policy - The Voluntary Investment Program is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, section 1402 of the C.R.S., as amended. Mesa County does not provide any match to employee contributions for this program. Employees are immediately vested in their own contributions and investment earnings. For the year ended December 31, 2017 program members contributed \$28,500 for the Voluntary Investment Program.

Other Post-Employment Benefits

Health Care Trust Fund

Plan Description – Mesa County contributes to the Health Care Trust Fund ("HCTF"), a cost-sharing multiple-employer healthcare trust administered by PERA. The HCTF benefit provides a health care premium subsidy and health care programs (known as PERACare) to PERA participating benefit recipients and their eligible beneficiaries. Title 24, Article 51, Part 12 of the C.R.S., as amended, establishes the HCTF and sets forth a framework that grants authority to the PERA Board to contract, self-insure and authorize disbursements necessary in order to carry out the purposes of the PERACare program, including the administration of health care subsidies. PERA issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information for the HCTF. That report can be obtained at www.copera.org/investments/pera-financial-reports.

Funding Policy – Mesa County is required to contribute at a rate of 1.02 percent of PERA-includable salary for all PERA members as set by statute. No member contributions are required. The contribution requirements for

Mesa County are established under Title 24, Article 51, Part 4 of the C.R.S., as amended. The apportionment of the contributions to the HCTF is established under Title 24, Article 51, Section 208(1)(f) of the C.R.S., as amended. For the years ending December 31, 2017 and December 31, 2016, Mesa County contributions to the HCTF were \$1,655, equal to their required contributions for each year.

NOTE 7 - LONG-TERM LIABILITIES

Certificates of Participation

Mesa County issued \$18,790,000 Certificates of Participation on May 25, 2010; \$16,510,000 are Taxable Certificates of Participation (Direct Pay Build American Bonds), Series 2010A and \$2,280,000 are Tax Exempt Certificates of Participation, Series 2010B. Base rental payments are expected to be satisfied from revenues received from Sales Tax collections. It is anticipated these certificates will be subject to federal arbitrage regulations.

A lease purchase agreement was created May 1, 2010 between the Mesa County 2010 Judicial Facilities Leasing Trust and Mesa County, Colorado. The agreement is being created primarily for the purpose of acquiring, constructing and installing various capital improvements throughout the County.

The 2010A Certificates are subject to redemption prior to maturity at the option of the County and are also subject to extraordinary optional redemption upon the occurrence of an extraordinary event. The 2010B Certificates were not subject to optional redemption prior to their respective maturity dates. The 2010 Certificates are subject to extraordinary mandatory redemption if the lease is terminated due to an event of non-appropriation, an event of lease default or upon the occurrence of certain other events as provided in the indenture. 2010B certificates were satisfied in 2014.

Neither the lease nor the 2010 Certificates constitute a general obligation or other indebtedness or multiple fiscal year financial obligation of the County within the meaning of any constitutional or statutory debt limitation. Neither the 2010 Certificates nor the lease will directly or indirectly obligate the County to make any payments other than those which may be appropriated by the County for each fiscal year.

Both certificates are fully registered with interest rates for the 2010A certificates varying from 4-6%. The 2010B certificates had an interest rate of 2-3%. Principal payments are due December 1 and interest payments are due June 1 and December 1 each year. A schedule of future debt service requirements is as follows:

<u>Certificates of Participation Series 2010A</u>			
<u>Maturity</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2018	\$865,000	\$830,847	\$1,695,847
2019	895,000	787,917	1,682,917
2020	925,000	742,156	1,667,156
2021	955,000	693,936	1,648,936
2022	985,000	642,719	1,627,719
2023-2030	<u>9,425,000</u>	<u>2,799,779</u>	<u>12,224,779</u>
Total	<u>\$14,050,000</u>	<u>\$6,497,354</u>	<u>\$20,547,354</u>

Changes in Long-Term Liabilities:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities					
2010 Certificates of Participation	\$14,890,000	\$-0-	\$(840,000)	\$14,050,000	\$865,000
Discount on 2010-series A	(57,041)	-0-	4,251	(52,790)	-0-
Compensated Absences	<u>4,211,690</u>	<u>279,612</u>	<u>(121,118)</u>	<u>4,370,184</u>	<u>349,615</u>
Governmental Activities Long Term Liabilities	<u>\$19,044,649</u>	<u>\$279,612</u>	<u>\$(956,867)</u>	<u>\$18,367,394</u>	<u>\$1,214,615</u>
Business-type Activities					
Compensated Absences	\$28,161	\$14,059	\$(1,214)	\$41,006	\$10,251
Landfill Post Closure	<u>6,432,295</u>	<u>382,924</u>	<u>-0-</u>	<u>6,815,219</u>	<u>-0-</u>
Business-type Activities Long Term Liabilities	<u>\$6,460,456</u>	<u>\$396,983</u>	<u>\$(1,214)</u>	<u>\$6,856,225</u>	<u>\$10,251</u>

Internal service funds predominately serve the governmental funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities. At year end \$71,623 of internal service funds compensated absences are included in the above amounts, with \$5,730 due within one year.

For the governmental activities, compensated absences are generally liquidated by the General, Road and Bridge or Human Services fund.

For Business Type Activities, compensated absences are liquidated by the Solid Waste Management fund. The County brought operations of the Landfill in-house during 2016. The liability for termination pay is steadily increasing as the employees' length of service allows them to carry balances of sick and vacation pay from the prior year.

NOTE 8 - RELATED ENTITY, JOINT SEWER SYSTEM

The City of Grand Junction and Mesa County have agreed to participate in a joint venture arrangement called the City of Grand Junction/Mesa County, Colorado, Joint Sewer System to provide sewer collection and treatment facilities for the Grand Valley metropolitan area. The City contributed its Sewer Fund's assets to the Joint Sewer System. The County issued sewer revenue bonds for construction of a new treatment plant and defeasance of the City of Grand Junction Sewer Refunding Revenue Bonds, Series 1978 A.

Both the County and the City of Grand Junction approve the sewer system's annual appropriation budget. The budget is prepared on the accrual basis modified to include tap fees as budgeted revenues and capital expenditures and debt service principal payments as budgeted expenditures and to exclude depreciation and amortization and adjustments for accrued compensated absences from budget expenditures. The City's utility department manages the sewer system. Upon the dissolution of the joint venture, ownership of the assets of the Joint Sewer System will be determined by mutual agreement.

The Joint Sewer System has no component units using the criteria as set forth in generally accepted accounting principles. The Joint Sewer System is accounted for as an enterprise fund.

Condensed financial statements of the sewer system at December 31, 2017, and for the year then ended, are as follows:

Statement of Net Position		
	2016-Audited	2017-Unaudited
Current and other Assets	\$18,297,394	\$21,367,234
Capital assets	<u>88,376,275</u>	<u>91,527,655</u>
Total Assets	106,673,669	112,894,889
Long-term debt outstanding	5,163,267	4,201,148
Other Liabilities	<u>1,346,544</u>	<u>1,509,180</u>
Total Liabilities	<u>6,509,811</u>	<u>5,710,328</u>
Net Position	<u>\$100,163,858</u>	<u>\$107,184,561</u>

Statement of Revenue, Expenses and Change in Net Position		
	2016-Audited	2017-Unaudited
Operating Revenues	\$12,633,463	\$13,536,415
Operating Expenses	<u>9,969,286</u>	<u>9,714,042</u>
Operating Income (loss)	2,664,177	3,822,373
Non Operating revenues (expenses)	<u>50,431</u>	<u>(158,456)</u>
Income (loss) before contributions and Transfers	2,714,608	3,663,917
Capital contributions	<u>3,125,734</u>	<u>3,356,786</u>
Change in Net Position	5,840,342	7,020,703
Net Position-beginning	<u>\$94,323,516</u>	<u>100,163,858</u>
Net Position-ending	<u>\$100,163,858</u>	<u>\$107,184,561</u>

Because the City operates the Joint Sewer System, all cash balances are included in the City sponsored Cash Pool. The Joint Sewer System is an external participant in that pool. The Joint Sewer System's share of the pool is reported as an Investment Trust Fund in the City's reporting entity. See note 3 of City Of Grand Junction CAFR.

Statement of Cash Flow		
	2016-Audited	2017-Unaudited
Cash flows from operating activities	\$5,751,245	\$7,336,837
Cash flows from capital and related financing activities	(174,515)	(4,386,086)
Cash flows from investing activities	<u>119,628</u>	<u>152,625</u>
Net increase (decrease) in cash and cash equivalents	5,696,358	3,103,376
Cash and cash equivalents, January 1	<u>11,034,258</u>	<u>16,730,616</u>
Cash and cash equivalents, December 31	<u>\$16,730,616</u>	<u>19,833,992</u>
Reconciliation of Operating Income to Net Cash provided (used) by Operating Activities		
Operating Income	\$2,664,177	\$3,822,373
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization expense	3,445,642	3,574,416
(Increase) decrease in accounts receivable	(267,031)	6,946
Miscellaneous receipts	25,278	21,584
Increase (decrease) in accounts payable	(106,921)	147,658
Increase (decrease) in retainage payable	(108,777)	-

Increase (decrease) in accrued wages and compensated absences payable	(65,478)	(7,955)
(Increase) decrease in accounts payable/retainages due to the purchase of capital assets on account	<u>164,355</u>	<u>(228,185)</u>
Total adjustments	<u>3,087,068</u>	<u>3,514,464</u>
Net cash provided by operating activities	<u>\$5,751,245</u>	<u>\$7,336,837</u>

Non cash Investing, Capital and Financing Activities

Purchase of capital assets on account	\$(90,867)	\$137,318
Noncash capital asset contributions	948,686	758,900

The audit for the Joint Sewer System is completed in July. Changes, if any, to the 2017 financial information presented above will be updated and incorporated into the 2018 Mesa County CAFR.

The following is a summary of long-term liability of the Joint Sewer System for the year ended December 31, 2017:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-Type Activities					
Loan payable					
<i>CWRPDA</i>	\$3,940,000	\$ -	\$ 420,000	\$3,520,000	\$ 435,000
Plus deferred amounts:					
For loan premium	122,240	-	23,973	98,267	22,119
Bonds Payable					
Build America Bonds	2,035,000	-	490,000	1,545,000	505,000
Compensated absences	<u>256,710</u>	<u>7,111</u>	<u>15,066</u>	<u>248,755</u>	<u>14,955</u>
Business-type activity long-term liabilities	<u>\$6,353,950</u>	<u>\$7,111</u>	<u>\$949,039</u>	<u>\$5,412,022</u>	<u>\$977,074</u>

In prior years, the Joint Sewer System defeased certain bonds by placing the proceeds of new bonds in irrevocable trusts to provide for all future debt service payments on the old bonds. Accordingly, the trust accounts assets and the liability for the defeased bonds is not included in the financial statements of the Joint Sewer System.

Bonds and loans payable as of December 31, 2017, are comprised of the following:

Loan Payable

The Joint Sewer System entered into a loan agreement dated April 1, 2002 with the Colorado Water Resources and Power Development Authority to finance the elimination of combined storm and sanitary sewer lines and septic system elimination. The principal amount is \$13,490,000 at a net effective interest rate of 3.62%, payable February 1 and August 1 annually through 2024. The sewer system net revenues are pledged as security for the loan. The loan proceeds are held by a trustee on behalf of the Joint Sewer System with disbursements occurring upon receipt of a requisition executed by the City/County. The unpaid principal payable from business activities at December 31, 2017 was \$3,940,000 over the following term from Business Activities:

Year	Principal	Interest	Total
2018	\$435,000	\$159,048	\$594,048
2019	450,000	145,591	595,591
2020	465,000	131,884	596,884
2021	480,000	117,802	597,802
2022	520,000	82,071	602,071
2023-2024	1,170,000	70,195	1,240,195
	<u>\$3,520,000</u>	<u>\$706,591</u>	<u>\$4,226,591</u>

Bonds Payable

\$5,200,000 of approved Joint Sewer System Revenue Bonds (Direct Pay Build America Bonds Series 2009) bearing interest at 3.99% payable June 1 and December 1 annually through December 2019 were issued to extend, better, otherwise improve and equip its joint wastewater system, fund a reserve account and to pay the cost of issuing the 2009 Bonds. The unpaid principal at December 31, 2017 was \$1,545,000 payable over the following term from Business Activities:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$505,000	\$71,750	\$576,750
2019	1,040,000	48,807	1,088,807
	<u>\$1,545,000</u>	<u>\$120,557</u>	<u>\$1,665,557</u>

Separate financial statements for the City of Grand Junction/Mesa County, Colorado Joint Sewer System are available at the City of Grand Junction, 250 North Fifth Street, Grand Junction, Colorado 81501-2668.

NOTE 9 - OPERATING LEASES

The County is committed under various operating lease agreements for client housing, storage, land and office space. Lease expenditures for the year ended December 31, 2017 were \$189,826. Payments on operating leases are subject to annual appropriation by the Board of County Commissioners.

The County is the recipient of lease agreements for office and warehouse space. Lease revenues for the year ended December 31, 2017 were \$32,434.

Operating lease arrangements are subject to annual approval by the Board of County Commissioners.

NOTE 10 - LANDFILL CLOSURE COSTS

State and federal laws and regulations require the County to place a final cover on its Mesa County Landfill site within six months of the date it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and post-closure care costs will be paid only near or after the date that the landfill stops accepting waste, the County reports a portion of these closure and post-closure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. Based on the operator's estimate of landfill air space used in 2017 and on revised cost estimates due to vertical and lateral expansion of the landfill, an expense of \$382,924 is recognized in the financial statements to reflect the increase of closure and post-closure care liability.

The total estimated cost in current dollars to close the landfill at December 31, 2017 and to provide post-closure care is \$18,894,424. A liability for landfill closure and post-closure care costs of \$6,815,219 is recorded on the Mesa County Landfill Fund balance sheet and represents the cumulative amount reported to date based on the use of approximately 36% of the estimated capacity of the landfill. The County will recognize the remaining estimated cost of closure and post-closure care of \$12,079,205 as the remaining capacity is used.

The landfill's remaining site life and soil balances are recalculated every year as a function of the Site Sequencing Plan. Approximately 234,118 cubic yards of landfill space was consumed in 2017. Assuming a five percent annual increase in waste volumes each year, the remaining estimated life of the landfill is roughly seventeen years. The County expects to close the landfill in the year 2034. Actual costs may be higher or lower due to inflation, changes in technology, or changes in regulation.

The County is required by state and federal laws and regulations to provide financial assurance to demonstrate that adequate funds will be readily available for the costs of closure and post-closure care. In accordance with the Local Government Financial Test mechanism, the County's financial strength is used to provide this financial assurance. In addition, the County is voluntarily designating certain invested funds for closure and post-closure care costs. At December 31, 2017 the Landfill Fund had, included in its equity in pooled cash and investments, designated investments of \$7,344,506 for future closure and post-closure care costs.

NOTE 11 - NO-COMMITMENT DEBT

The County has sponsored several Industrial Development Revenue, Hospital Revenue and Single Family Revenue Bond issues. The bond issues were undertaken to provide financial assistance to private sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest and for other public purposes.

These issues do not constitute debt of Mesa County and the County assumes no financial obligation for these bond issues; accordingly, the bonds are not reported as liabilities in the accompanying financial statements. Information concerning the County's outstanding conduit debt as of December 31, 2017 is as follows:

	<u>Year of Issue</u>	<u>Amount of Original Issue</u>	<u>Outstanding 12/31/2017</u>
<i>Residential Care Facilities Mortgage Revenue Bonds</i>			
Hilltop Community Resources	2012	\$17,400,000	\$12,964,133
Hilltop Community Resources	2015	\$3,093,354	\$2,745,127
<i>Industrial Development Revenue Bonds</i>			
3D Systems Corp.	1996	4,900,000	\$-0-
Enstrom Candies	2002	2,780,000	*
<i>*Bonds were issued as variable rate demand obligations</i>			
<i>Hospital Revenue Bonds</i>			
Sisters of Charity	1994	\$34,220,000	\$8,540,000
<i>Industrial Development Revenue Bonds</i>			
Goodwill Industries	2006	\$8,005,000	\$2,450,000
<i>Revenue Bonds</i>			
HopeWest**	2015	\$3,455,448	\$2,588,015
<i>**Bonds were refinanced and previously known as Hospice and Palliative Care</i>			

NOTE 12 - RISK MANAGEMENT AND INSURANCE

In 2017, Mesa County paid \$114,486 in insurance premiums for workers' compensation coverage based on the actual 2017 payroll. Funding for payments was provided by charges to the County departments by the Insurance Fund. Mesa County is self-insured for workers compensation. Additionally, the county carries excess insurance for claims that exceed \$500,000 per occurrence.

The County does not insure for unemployment claims but reimburses the Colorado Department of Labor and Employment directly for all claims paid on the County's account. The total paid in 2017 for unemployment claims was \$193,942. Unemployment claim expenditures are budgeted for and paid from the General Fund.

The County carries an all lines aggregate policy which includes general liability, business auto liability, property, errors and omissions and law enforcement liability insurance. Property and Steam Boiler policies continue are combined into one policy. The Cyber Liability policy from 2016, with a \$2,000,000 liability limit remains unchanged for 2017. Employee fidelity bonds are purchased for certain key positions.

The County continues its practice of utilizing Self-Insured Retention (SIR) in the amount of \$250,000 per occurrence with an annual excess coverage of \$10,000,000 each occurrence and \$20,000,000 annual aggregate. These SIR amounts remain unchanged for the 2017 year. Exceptions to the \$250,000 SIR are an additional policy for the SARC (Search and Rescue) Volunteers who operate a helicopter for the County, the amount of this coverage is \$2,869 annually, and a Pollution Liability policy required by the County operation of the Land Fill. The Pollution Liability policy's coverage is \$5,000,000 aggregate. The County's total cost in 2017 for insurance policies was \$370,950 excluding worker's compensation premiums. The SIR and recoveries are budgeted and accounted for in the General, Road and Bridge, Human Services, Enterprise and Health Funds. The County has had one settlement in excess of insurance coverage during the past five fiscal years.

Mesa County maintains a self-insured medical plan and is responsible for first dollar medical care of all its covered employees and dependents. This allows the County the capability to design a medical plan that better addresses the needs of the employees and the organization. Mesa County is responsible for the first \$175,000 in costs with an individual claim. Additional stop loss coverage is maintained and protects the County from a catastrophic event. The medical plan expenditures include an estimated \$879,540 for claims made and incurred in the 2017 year, but not reported or paid until the 2018 year. This estimate may differ from actual expenditures based on eligibility of plan participants, scope of services provided and individual participants meeting annual deductible limits.

Changes in the claims liability amounts in 2017 and 2016 were as follows in the self-insurance fund:

	<u>12/31/2017</u>	<u>12/31/2016</u>
Estimated liability, beginning of year	\$319,994	\$469,609
Estimated claims incurred, including changes in estimates	8,388,086	6,121,392
Claim payments	<u>(7,750,801)</u>	<u>(6,271,007)</u>
Estimated liability, end of year	\$957,279	\$319,994

Other Items

- There are several administrative and court proceedings pending in which the County is involved. The County's Risk Administrator estimates that the potential claims against the County resulting from such litigation, not covered by insurance, would not materially affect the financial position of the County.
- Under the terms of federal and state grants, certain costs may be questioned as not being appropriate expenditures under the terms of the grants which could lead to reimbursement to the grantor agencies. The County believes disallowances, if any, will be immaterial.

NOTE 13 - CONTINGENCIES, COMMITMENTS AND LITIGATION

A taxpayer filed a petition seeking an abatement of ad valorem taxes it paid for the assessment years of 2011 and 2012. The Colorado Board of Assessment Appeals (“BBA”) ruled in favor of the taxpayer/petitioner, finding that Mesa County should abate the 2011 taxes paid due to clerical error. The Colorado Court of Appeals reversed the BAA’s ruling, thereby relieving the County of the obligation to abate the taxes. On January 21, 2016 the taxpayer/petitioner filed a Petition for Writ of Certiorari seeking to have the Colorado Supreme Court review the Court of Appeals decision. Outside counsel representing Mesa County filed an Opposition Brief to the Petition for Writ of Certiorari on February 4, 2016. The case was accepted by the Supreme Court and oral arguments were heard on June 6, 2016. The Supreme Court issued a ruling on November 13, 2017, reversing the Court of Appeals and upholding the BAA ruling allowing the abatement of taxes. After a fail settlement negotiation in the spring of 2018, Mesa County paid the taxpayer \$1,183,138, which includes a tax refund of \$700,082 plus interest of \$483,056. This amount is paid by multiple taxing districts. Colorado law requires interest at 1% per month. Mesa County’s portion of the amount is approximately \$344,829. The 2012 tax abatement petition is currently pending before the BAA. It is estimated the County could suffer a loss of \$681,230 in taxes plus interest for the 2012 year. Of this amount, Mesa County’s estimated share as of May of 2018 is \$273,295. This amount may increase due to interest owed. Mesa County has completed an audit of the taxpayer’s tax information and will rely upon this information when presenting evidence to the BAA who will determine the abatement valuation.

Capital Construction Commitments

Mesa County has many active construction projects as of December 31, 2017. In 2017 Mesa County considers a construction commitment over \$50,000 as major. At year end, the major construction commitments with contractors are as follows:

Project	2017 Expenditures	Amount Under Contract	Estimated Completion
Veterans Memorial Park Detention Pond	\$0	\$852,414	2018
Intersection Safety	110,393	66,364	On-going
K Road	6,784	636,020	2018
45.5 Road	4,880	117,238	2018
Highway 340 Sidewalks	74,561	115,076	2018
North River Road	251,462	328,188	2019
O Road	668	81,787	2018
64.3 Road	1,640,536	643,025	2018
Buzzard Creek	6,477	192,892	2018
58.6 Road	3,464	165,601	2018
Storm Water	952,322	196,805	On-Going
Minor Structures – Bridges	321,437	78,727	On-Going

Tax, Spending, and Debt Limitations

In November 1992, 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. This amendment is commonly referred to as the Taxpayer’s Bill of Rights, or TABOR. Mesa County’s financial activity provides the basis for calculation of limitations adjusted for allowable increases tied to inflation and local growth.

TABOR requires, with certain exceptions, voter approval prior to imposing new taxes, increasing tax rates, increasing a mill levy above that for the prior year, extending an expiring tax, or implementing a tax policy change directly causing a net tax revenue gain to any local government.

Fiscal year spending and revenue limits are determined based on prior year spending, adjusted for inflation and local growth. Revenue in excess of the 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. In effect, it has been generally interpreted that fiscal year spending approximates non-exempt revenue or receipts. "Spending", as defined by TABOR, excludes spending from certain revenue and financial sources such as federal funds, gifts, property sales, fund transfers, damage awards and fund reserves. Mesa County uses the same basis of accounting for the calculation of fiscal year spending as is used in the preparation of these financial statements.

TABOR excludes Enterprise Funds from its provisions. Enterprise Funds, 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 TABOR. The County is of the opinion that the Mesa County Landfill Fund operations qualify for this exclusion. Additionally, the County has also excluded The City of Grand Junction/Mesa County, Colorado Joint Sewer System, a jointly governed organization, from its compliance calculation.

When the enterprise funds for Gateway, Mack, and Whitewater Public Improvement Districts were established by a majority vote of district residents, each district voted to be exempt from TABOR restrictions.

The County's property tax revenue is limited by a local growth calculation and the Denver-Boulder CPI. Therefore, if assessed valuation in the County increases by more than the allowable growth, the County is required to reduce its mill levy accordingly. Colorado State Statute 39-1-111.5 gives counties the authority to certify a temporary mill levy rate reduction in order to reduce the mill levy. The County is allowed by statute to recover the previous years' tax abatements.

The County's mill levy history for the last ten years is as follows:

Levy Year	Base Levy	Abatement Levy	Temporary Credit	Temporary Mill Levy Rate Reduction	Net Levy
2008	15.093	.020	(0.223)	-	14.890
2009	12.191	.064	(0.920)	-	11.335
2010	12.162	.070	(0.030)	-	12.202
2011	12.162	.111	-	-	12.273
2012	12.162	.119	-	-	12.281
2013	12.162	.110	-	-	12.272
2014	12.162	.052	-	-	12.214
2015	12.162	.364	-	(.229)	12.297
2016	12.162	.052	-	-	12.214
2017	12.162	.084	-	-	12.246

Except for bond refinancing at lower interest rates or adding employees to existing pension plans, TABOR specifically prohibits the creation of multiple-fiscal year debt or other financial obligations without voter approval or irrevocably pledging present cash reserves for all future payments.

TABOR requires that Emergency Reserves be established. These reserves must be maintained at three percent of Fiscal Year Spending (excluding bonded debt service). Emergency reserves as of December 31, 2017, totaling \$2,946,912 are presented as restricted fund balance for the General Fund and Upper Grand Valley Pest District. The County is not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

The Upper Grand Valley Pest Control District has recorded a refund payable in the amount of \$599 to be refunded in 2018. Mesa County has recorded a refund payable in the amount of \$85,506 to be refunded in 2019.

TABOR is complex and subject to judicial interpretation. The County believes it is in compliance with the requirements of TABOR. However, the County has made certain interpretations in the TABOR's language in order to determine its compliance.

NOTE 14 – RECONCILIATION OF GOVERNMENT WIDE AND FUND FINANCIAL STATEMENTS

Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position:

The governmental fund balance sheet includes reconciliation between fund balance-total governmental funds and net position-governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains that “long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.” The details of this \$18,365,008 difference are as follows:

Long Term Liabilities (COPs)	14,050,000
Less: Discounts (to be amortized over life of debt)	(52,790)
Accrued Interest	69,237
Compensated absences	<u>4,298,561</u>
Net Adjustment to reduce fund balance – total governmental funds to arrive at net position – governmental activities	<u>\$18,365,008</u>

Explanation of certain differences between the proprietary fund statement of net position and the government-wide statement of net position:

The proprietary fund statement of net position includes reconciliation between *net position – total enterprise funds* and *net position of business type activities* as reported in the government wide statement of net position.

The description of the sole element of that reconciliation is “Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.” The details of this (\$268,448) difference are as follows:

The inter-fund elimination amount of (\$268,448) represents the charges in excess or in deficiency of cost for current and prior years between internal service funds and business-type activities. Mesa County implemented GASB Statement No. #34 with the 2002 financial statements therefore the details of this is as follows:

Internal receivable representing charges in excess of cost to do business type activities – prior years	\$267,441
Internal receivable representing charges in excess of cost to do business type activities – current year	<u>1,007</u>
Total	<u>\$268,448</u>

Explanation of certain differences between the governmental fund statement of revenues, expenditures and changes in fund balances and the government-wide statement of activities:

The governmental fund statement of revenues, expenditures and changes in fund balances includes reconciliation between net changes in fund balances – total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that “The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins and donations) is to increase/decrease net position.” This (\$28,543) represents sales of equipment during the 2017 year.

Revenues in the statement of activities that do not provide current financial resources consist of the following:

Sales and Cigarette taxes net recognition of revenues	<u>(\$308,112)</u>
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Another element of that reconciliation states that “the issuance of long-term debt (i.e., bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect of net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, losses and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.” The details of this \$838,964 difference are as follows:

Principal repayments:

Certificates of Participation	\$840,000
Less: Amortization of discounts	(4,251)
Interest recognition	<u>3,215</u>

Net adjustment to increase net changes in fund balances-total governmental funds to arrive at changes in net position of governmental activities	<u>\$838,964</u>
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Another element of that reconciliation states that “Internal service funds are used by management to charge the costs of fleet management, insurance, supplies and communications to individual funds. The net revenue or loss of certain activities of internal service funds is reported with governmental activities.” The details of this \$91,696 are as follows:

Change in net position of the internal service funds	\$92,703
Less: Internal receivable from business type activities	<u>(1,007)</u>
Total	<u>\$91,696</u>

Another element of that reconciliation states that “Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.” The net adjustment to increase net changes in fund balances – total governmental funds to arrive at changes in net position of governmental activities of (\$128,362) is due to the adjustments in the liabilities for compensated absences and net pension expense.

NOTE 15 – BUDGET COMPLIANCE

State law requires budgets for the County's governmental and proprietary fund types. The budget must be balanced; expenditures cannot exceed total available revenues and fund balance. No spending agency may expend, or contract to expend, any monies in excess of the amount approved in the appropriation resolution. Mesa County's legal level of appropriation is at the level of the fund with the exception of the General Fund which is further defined at the level for all elected officials. For the year ending December 31, 2017 no governmental funds or elected officials exceeded their appropriation.

NOTE 16 – TAX ABATEMENT DISCLOSURE

Tax abatements possess three essential characteristics:

- An identifiable agreement whereby the government promises to reduce a specific individual or entity's tax liability in return for a promise of the individual or entity to take certain actions.
- The agreement is intended to promote a public purpose which benefits the government or its citizens.
- The agreement abates taxes, not fees or other revenue sources.

Business Personal Property Tax Incentive Program

Colorado Revised Statute, section 30-11-123 (2), authorizes Counties to negotiate business personal property tax (BPPT) incentives. Mesa County adopted resolutions in 2012 establishing the incentive payment program. Mesa County has entered into agreements with local businesses negotiating the reduction of BPPT to stimulate investment and economic development in Mesa County and create new jobs. These agreements are open to businesses that either; establish new facilities, expand existing facilities or who have substantial risk of relocating out of the area. Each business wishing to receive this incentive must enter into an agreement with the County, provide an asset listing for verification, pay the BPPT and annually execute a waiver of rights to seeking a reduction or refund of BPPT for the tax year. Each agreement is limited to a ten year time period.

For the 2017 year, the County abated or refunded a total of \$18,863 of business personal property tax to three participating businesses under the Business Personal Property Tax Incentive Program.

Rural Jump Start Program

Colorado Revised Statute, section 39-30.5-101, established specific tax relief to new businesses and new hires of these businesses that are located or locate in certain economic distressed area of rural Colorado and align with local or regional state higher education institutions in order to promote economic development in these areas. These designated areas are titled Jump-Start Zones. This program is administered by the Colorado Economic Development Commission, the Colorado Department of Revenue and the Colorado Office of Economic Development, in conjunction with other governmental entities. The program offers the following benefits:

- Relief from state income taxes for the new business
- Relief from state sales and use tax for the business
- Relief from county and municipal personal property taxes for the business
- Relief from state incomes taxes for the employee

Mesa County is designated as economically distressed by the Colorado Economic Development Commission. Mesa County adopted resolutions in 2016 offering the following benefits for each program participant:

- Relief from the county sales and use tax
- Relief from the county personal property tax
- Relief from the county real property tax

For the 2017 year, the County did not abate or refund any sales & use, personal property or real property tax under the Rural Jump Start Zone Program.

NOTE 17 - DEPARTMENT OF HUMAN SERVICES ELECTRONIC BENEFITS

On February 1, 1997, the Colorado Department of Human Services (CDHS) started the implementation of electronic payment methods from CDHS directly to welfare clients and service providers. These electronic payments replaced the payment method of county warrants and significantly changed the cash flow between counties and CDHS. Typically, a welfare payment is composed of a combination of federal, state, and local money. Previously, the county warrants were reimbursed by CDHS with federal and state funds. Currently, with the Electronic Benefits Transfer (EBT) system, the counties pay their local share of the EBT payment authorizations to CDHS. A schedule of EBT authorizations, warrant expenditures and total expenditures follows:

MESA COUNTY DEPARTMENT OF HUMAN SERVICES
Schedule of EBT Authorizations, Warrant Expenditures and Total Expenditures
Based on Preliminary Unaudited Income Statement
For the Year Ended December 31, 2017

	A	B	C	D	E
	County EBT/Non- County Paid Authorizations	County Share	County Expenditures by Warrant	Total Authorizations & Expenditures (A + C)	Total Expenditures (B + C)
Other Budgeted Miscellaneous	\$-	\$-	\$94,489	\$94,489	\$94,489
Transfers	-	-	154,455	154,455	154,455
Administration Expenditures	1,671	-	3,665,132	3,666,803	3,665,132
Community Programs	-	-	18,000	18,000	18,000
AND Assistance	644,178	82,616	-	644,178	82,616
OAP Assistance	2,519,883	10,979	-	2,519,883	10,979
OLTC Expenditures	-	-	2,155,615	2,155,615	2,155,615
Home Connections Expenditures	-	-	252,319	252,319	252,319
ARCH Grant Expenditures	-	-	115,858	115,858	115,858
AAA Expenditures	-	-	1,918,200	1,918,200	1,918,200
VA Expenditures	-	-	92,696	92,696	92,696
Adult Protection	-	-	674,877	674,877	674,877
211 Expenditures	-	-	57,858	57,858	57,858
Colorado Works Expenditures	3,175,319	678,470	2,146,698	5,322,017	2,825,168
Child Care Expenditures	2,874,902	316,494	362,235	3,237,137	678,729
Employment First Expenditures	-	-	545,310	545,310	545,310
Child Support Expenditures	-	-	1,593,938	1,593,938	1,593,938
Job Service Expenditures	-	-	692,897	692,897	692,897
Workforce Investment Act	-	-	1,623,428	1,623,428	1,623,428
Child Welfare Expenditures	8,429,037	1,681,540	6,221,671	14,650,708	7,903,211
FPP Expenditures	1,299,996	55,948	1,291,043	2,591,039	1,346,991
Title XIX Assistance	-	-	110,342	110,342	110,342
LEAP Expenditures	1,707,746	-	14,773	1,722,519	14,773
CSBG Expenditures	-	-	(81)	(81)	(81)
Food Assistance	27,539,404	-	-	27,539,404	-
	<u>\$48,192,136</u>	<u>\$2,826,047</u>	<u>\$23,801,753</u>	<u>\$71,993,889</u>	<u>\$26,627,800</u>
Other Funding:					
Colorado Works Collections	\$ (28,902)	\$ (5,780)	\$-	\$ (28,902)	\$ (5,780)
Colorado Works/CS Retained	(483,445)	(96,689)	-	(483,445)	(96,689)
	<u>\$(512,347)</u>	<u>\$(102,469)</u>	<u>\$-</u>	<u>\$(512,347)</u>	<u>\$(102,469)</u>

GOVERNMENTAL ACTIVITIES

Governmental funds are used to account for most if not all of a government's tax-supported activities. The accounting and financial reporting are virtually identical for all five types of governmental funds: general fund, special revenue funds, debt service funds, capital projects funds and permanent funds.

MAJOR GOVERNMENTAL FUNDS

General Fund – The General Fund is the general operating fund of the County and accounts for all financial transactions that are not properly accounted for in other funds. Ordinary operations of the County such as public safety, county administration and other activities supported by taxes and general revenues are reflected in this fund.

Human Services – Accounts for the various public welfare programs administered by the County.

Capital Expenditures – The Capital projects fund is used to account for the acquisition and construction of major capital facilities other than those financed by proprietary or trust funds.

MESA COUNTY
GENERAL FUND
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
For the Year Ended December 31, 2017

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 31,464,589	\$ 31,618,133	\$ 32,605,468	\$ 987,335
Licenses and Permits	985,560	1,110,560	1,380,203	269,643
Charges for services	1,981,106	1,947,054	1,812,426	(134,628)
Intergovernmental	13,281,703	13,944,653	13,235,415	(709,238)
Fines and forfeitures	424,073	424,073	326,420	(97,653)
Fee accounts	4,093,700	4,085,829	4,110,673	24,844
Miscellaneous	400,355	417,105	1,090,949	673,844
Investment earnings	216,176	216,176	340,331	124,155
Charges for service - internal	999,598	999,598	935,735	(63,863)
Other Grants	30,000	166,390	92,156	(74,234)
Total revenues	<u>53,876,860</u>	<u>54,929,571</u>	<u>55,929,776</u>	<u>1,000,205</u>
EXPENDITURES				
Current:				
General government	11,104,264	10,788,674	11,071,826	(283,152)
Elected Officials:				
Assessor	1,783,065	1,693,912	1,683,689	10,223
Commissioners	364,147	345,940	324,423	21,517
County Clerk	1,878,440	1,922,112	1,915,753	6,359
District Attorney	3,932,894	3,949,259	3,897,559	51,700
Public Trustee	5,000	1,000	-	1,000
Surveyor	47,624	45,243	45,203	40
Treasurer	561,419	573,571	431,833	141,738
Public Safety	8,266,031	8,159,333	7,807,806	351,527
Elected Officials:				
Coroner	465,775	442,486	442,429	57
Sheriff	24,145,272	24,587,220	24,012,561	574,659
Public works	698,795	734,594	661,691	72,903
Public health and welfare	67,181	36,972	24,425	12,547
Human services	2,311,889	2,263,600	2,150,493	113,107
Culture and recreation	1,456,826	1,346,317	1,327,574	18,743
Total current	<u>57,088,622</u>	<u>56,890,233</u>	<u>55,797,265</u>	<u>1,092,968</u>
Capital outlay:				
Public Safety-Elected Officials	-	33,200	78,928	(45,728)
Human services	-	-	69,846	(69,846)
Culture and recreation	-	-	35,054	(35,054)
Total capital outlay	<u>-</u>	<u>33,200</u>	<u>183,828</u>	<u>(150,628)</u>
Total expenditures	<u>57,088,622</u>	<u>56,923,433</u>	<u>55,981,093</u>	<u>942,340</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,211,762)</u>	<u>(1,993,862)</u>	<u>(51,317)</u>	<u>1,942,545</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	(250,000)	(237,500)	(737,500)	(500,000)
Transfers In	700,000	854,454	769,963	(84,491)
Sale of assets	-	-	750	750
Total other financing sources (uses)	<u>450,000</u>	<u>616,954</u>	<u>33,213</u>	<u>(583,741)</u>
Net change in fund balances	(2,761,762)	(1,376,908)	(18,104)	1,358,804
Fund balances - beginning	13,654,173	13,676,801	13,676,801	-
Fund balances - ending	<u>\$ 10,892,411</u>	<u>\$ 12,299,893</u>	<u>\$ 13,658,697</u>	<u>\$ 1,358,804</u>

MESA COUNTY
DEPARTMENT OF HUMAN SERVICES
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
For the Year Ended December 31, 2017

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 4,253,957	\$ 4,240,195	\$ 4,264,638	\$ 24,443
Intergovernmental	23,929,616	22,529,160	21,574,857	(954,303)
Fines and forfeitures	-	-	803	803
Other Grants	-	-	113,297	113,297
Total revenues	<u>28,183,573</u>	<u>26,769,355</u>	<u>25,953,595</u>	<u>(815,760)</u>
EXPENDITURES				
Current:				
Public health and welfare	<u>28,637,076</u>	<u>26,958,850</u>	<u>26,473,329</u>	<u>485,521</u>
Total current	<u>28,637,076</u>	<u>26,958,850</u>	<u>26,473,329</u>	<u>485,521</u>
Total expenditures	<u>28,637,076</u>	<u>26,958,850</u>	<u>26,473,329</u>	<u>485,521</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(453,503)</u>	<u>(189,495)</u>	<u>(519,734)</u>	<u>(330,239)</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	-	(154,454)	(154,454)	-
Transfers In	-	-	469,000	469,000
Total other financing sources (uses)	<u>-</u>	<u>(154,454)</u>	<u>314,546</u>	<u>469,000</u>
Net change in fund balances	(453,503)	(343,949)	(205,188)	138,761
Fund balances - beginning	955,057	1,188,579	1,188,579	-
Fund balances - ending	<u>\$ 501,554</u>	<u>\$ 844,630</u>	<u>\$ 983,391</u>	<u>\$ 138,761</u>

Mesa County, Colorado
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2017

BUDGET INFORMATION

Annual budgets for all governmental and proprietary fund types are adopted on a basis consistent with procedures outlined in the Colorado Revised Statutes (CRS); Title 29; Article 1, Budget and Services; Part 1, Local Government Budget Law of Colorado. The budget must be balanced; expenditures cannot exceed total available revenues and fund balance. No spending agency may expend, or contract to expend, any moneys in excess of the amount appropriated in the appropriation resolution.

Mesa County adopts a legal budget for all funds except agency funds.

Budgets for the governmental funds types are adopted on a basis consistent with GAAP, with the following exceptions:

Budgets for Proprietary Funds are adopted using the same modified accrual basis of governmental funds. Modifications to budgetary basis may consist of adding capital expenditures and excluding; depreciation, compensated absences, inventory and amortization of expenses from GAAP basis expenses.

The 2017 budget process began with an update to the strategic plan in April of 2016. The 2017 base budget is the 2016 adopted budget minus one time revenues and expenditures. Departments were asked to explain any increase from their base budget and to explain any decrease in their base revenues.

Once all budget requests were submitted in August, the Finance Department compiled all of the requests and organized them by department and fund. Non-departmental revenues were projected and property tax was calculated using the mill levy and the Tax Payer's Bill of Rights (TABOR) mill levy limitations.

From the time the the budget requests were submitted, each department had the opportunity to meet with the County Administrator and the Board of County Commissioners about their budget. After all input had been received, the County Administrator developed his preliminary budget. This budget was communicated to the departments and outside agencies that had submitted requests. A notice of the Proposed Budget was placed in the local newspaper prior to the public hearing. Then the Proposed Budget was presented to the Board of County Commissioners on October 10 in public hearing and was available to the public.

Once the Proposed Budget was presented, departments again had the opportunity to meet with the Board of County Commissioners to appeal the Proposed Budget. During the next month and a half revenue projections were updated for 2016 and 2017. With input from the Board, the County Administrator revised the Proposed Budget and developed the final recommended budget. On December 12, 2016, the Board of County Commissioners' 2017 Budget was adopted in public hearing.

Prior to December 31st, the mill levy is certified, the budget is adopted and appropriations are made by formal resolutions.

Any increase to a fund's adopted budget, such as to expend unanticipated revenues or to transfer appropriations to another fund, requires that a supplemental budget be approved by the Commissioners at a public meeting, with prior published notice of the changes. Department heads and elected officials may make minor modifications or transfers of budget within a department. These changes are limited to transferring budgeted and appropriated dollars from one expenditure class to another or from one department to another within one fund. These changes are only permitted as long as the overall fund appropriations is not increased

or decreased. These changes do not require a public hearing and are not presented to the Board of County Commissioners for approval.

Appropriations lapse at year-end for unencumbered funds.

As stated above, the Mesa County 2017 budget and appropriation documents were adopted by resolution of the BOCC on December 12, 2016. The original expenditures and transfers appropriation was \$159,567,741; the original appropriation was augmented during the year by supplemental appropriations in the amount of \$5,072,860, bringing the final budget to \$164,640,601. Supplemental appropriations were adopted to account for unanticipated revenues, inter-fund transfers or for additional appropriation of beginning fund balances. Budgeted amounts included in this report include original and final legally amended budgets for all governmental funds. Supplemental appropriation resolutions during 2017 resulted in revised budgets as follows:

<u>Fund Appropriations</u>	<u>Original</u>	<u>Final</u>
General Fund	\$57,338,622	\$57,160,933
Human Services	28,637,076	27,113,304
Health	7,474,888	7,474,888
Commissary	363,610	448,610
Road & Bridge	8,847,929	8,896,901
Capital	35,871,585	41,554,487
TV Translator	53,000	53,000
Dev Disabilities	537,213	537,213
Conservation Trust	795,294	795,294
Fair Board	149,740	149,740
Clerk Tech Fund	45,000	45,000
Transportation Impact	300,000	550,000
Certificates of Participation	1,709,521	1,709,521
Internal Services	482,183	482,183
Insurance	10,193,715	10,894,260
Vehicle Maintenance	2,445,517	2,445,517
Rural Community Services	69,988	76,890
Waste Management - Landfill	<u>4,252,860</u>	<u>4,252,860</u>
	<u>\$159,567,741</u>	<u>\$164,640,601</u>

The Upper Grand Valley Pest District, Mesa Community Club, Southwest Mesa County Rural Services PID, Mack and Gateway Sewer (the enterprise funds of the Mesa County Lower Valley PID, Southwest Mesa County Rural Services PID, respectively), and Mesa County WWPID are special districts, therefore are not included in the County's adopted budget. Supplemental appropriation resolutions during 2017 resulted in revised budgets as follows:

<u>Fund Appropriations</u>	<u>Original</u>	<u>Final</u>
Upper Grand Valley Pest	\$38,675	\$38,675
Mesa Community Center	70,000	70,000
Southwest Mesa County Rural Services PID	4,000	4,000
Mesa County Gateway PID	45,610	110,610
Whitewater Urban Services PID	250	250
Mesa County Gateway LID	250	250
Southwest MCRS PID (Gateway Sewer)	172,900	172,900

Mesa County Lower Valley PID (Mack Sewer)	22,964	22,964
Whitewater PID (Whitewater Sewer)	<u>352,188</u>	<u>352,188</u>
	<u>\$706,837</u>	<u>\$771,837</u>

21st Judicial District – District Attorney – Participation in Public Employees’ Retirement Association (PERA)

As a result of the 2016 experience analysis and actuarial assumptions workshop, revised economic and demographic actuarial assumptions including withdrawal rates, retirement rates for early reduced or unreduced retirement, disability rates, administrative expense load, and pre- and post-retirement and disability mortality rates were adopted. As the revised economic and demographic assumptions are effective as of the measurement date, December 31, 2016, these revised assumptions were reflected in the total pension liability roll-forward procedures.

Changes of benefit terms - None

Changes of assumptions or other inputs since December 31, 2013 actuarial valuations are as follows:

The following programming changes were made:

- Valuation of the full survivor benefit without any reduction for possible remarriage
- Reflection of the employer match on separation benefits for all eligible years
- Reflection of one year of service eligibility for survivor annuity benefits
- Refinement of the 18 month annual increase timing
- Refinements to directly value certain and life, modified cash refund and pop-up benefit forms

The following methodology changes were made:

- Recognition of merit salary increases in the first projection year
- Elimination of the assumption that 35% of future disabled members elected to receive a refund
- Removal of the negative value adjustment for liabilities associated with refunds of future terminating members
- Adjustments to the timing of the normal cost and unfunded actuarial accrued liability payment calculations to reflect contributions throughout the year.

SCHEDULE OF ACTIVITY- EMPLOYER PENSION CONTRIBUTIONS

Schedule of County Contributions					
Last 10 Fiscal Years*					
	<u>12/31/2013</u>	<u>12/31/2014</u>	<u>12/31/2015</u>	<u>12/31/2016</u>	<u>12/31/2017</u>
Required Employer Contributions	\$26,847	\$28,307	\$29,881	\$31,227	\$32,687
Actual Employer Contributions	\$26,847	\$28,307	\$29,881	\$31,227	\$32,687
Contribution Deficiency (Excess)	-0-	-0-	-0-	-0-	-0-
County's Covered Payroll	\$162,216	\$162,216	\$162,840	\$162,216	\$162,216
Contributions as a percentage of Covered Payroll	16.5%	17.5%	18.3%	19.3%	20.15%

* This schedule is presented to illustrate the requirement to show information for 10 years. Until a full 10-year trend is complete, information will be presented as the data becomes available.

21st Judicial District-District Attorney-Public Employees Retirement Association

SCHEDULE OF ACTIVITY - NET PENSION LIABILITY

Schedule of Mesa County's Proportionate Share of the Net Pension Liability
Last 10 Fiscal Years*

	<u>12/31/2013</u>	<u>12/31/2014</u>	<u>12/31/2015</u>	<u>12/31/2016</u>
County's proportion of Collective Net Pension Liability	.0063007013	.0060246559	.0052981440	.0028422043
County's proportionate share of the Collective Pension Liability	\$561,265	\$566,710	\$557,949	\$522,060
County's covered Payroll	\$162,216	\$162,216	\$162,216	\$162,216
County's proportionate share of Net Pension Liability as a percentage of its covered Payroll	346%	349%	343%	322%
Plan Fiduciary Net Pension as a Percentage of the Total Pension Liability	59.84%	61.08%	56.11%	42.66%

* This schedule is presented to illustrate the requirement to show information for 10 years. Until a full 10-year trend is complete, information will be presented as the data becomes available. Amounts presented were determined as of December 31 based on the measurement date of the plan.

MESA COUNTY
CAPITAL EXPENDITURES FUND
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
For the Year Ended December 31, 2017

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 19,392,056	\$ 19,392,056	\$ 20,795,341	\$ 1,403,285
Charges for services	-	-	22,169	22,169
Intergovernmental	10,784,977	14,040,392	5,121,009	(8,919,383)
Total revenues	<u>30,177,033</u>	<u>33,432,448</u>	<u>25,938,519</u>	<u>(7,493,929)</u>
EXPENDITURES				
Current:				
General government	4,062,093	5,041,611	1,372,616	3,668,995
Public Safety	97,600	268,798	389,930	(121,132)
Public works	1,227,424	1,300,281	2,252,574	(952,293)
Public health and welfare	-	-	-	-
Human services	-	-	-	-
Culture and recreation	-	-	15,352	(15,352)
Total current	<u>5,387,117</u>	<u>6,610,690</u>	<u>4,030,472</u>	<u>2,580,218</u>
Capital outlay:				
General government	-	-	620,353	(620,353)
Public Safety	5,396,814	5,225,737	4,295,259	930,478
Public works	22,499,663	24,360,284	12,073,647	12,286,637
Public health and welfare	-	-	98,389	(98,389)
Human services	1,173,154	3,930,644	2,035,079	1,895,565
Culture and recreation	-	12,295	699,811	(687,516)
Total capital outlay	<u>29,069,631</u>	<u>33,528,960</u>	<u>19,822,538</u>	<u>13,706,422</u>
Total expenditures	<u>34,456,748</u>	<u>40,139,650</u>	<u>23,853,010</u>	<u>16,286,640</u>
Excess (deficiency) of revenues over expenditures	<u>(4,279,715)</u>	<u>(6,707,202)</u>	<u>2,085,509</u>	<u>8,792,711</u>
OTHER FINANCING SOURCES (USES)				
Insurance Recovery	-	-	9,048	9,048
Transfers Out	(1,414,837)	(1,414,837)	(1,530,837)	(116,000)
Transfers In	35,000	35,000	-	(35,000)
Sale of assets	-	-	21,650	21,650
Total other financing sources (uses)	<u>(1,379,837)</u>	<u>(1,379,837)</u>	<u>(1,500,139)</u>	<u>(120,302)</u>
Net change in fund balances	(5,659,552)	(8,087,039)	585,370	8,672,409
Fund balances - beginning	5,719,887	8,228,312	8,228,312	-
Fund balances - ending	<u>\$ 60,335</u>	<u>\$ 141,273</u>	<u>8,813,682</u>	<u>8,672,409</u>

NON-MAJOR GOVERNMENTAL FUNDS

Special Revenue Funds - accounts for the accumulation and disbursement of restricted resources.

Health Fund – accounts for activities and programs related to public health in Mesa County. Primary sources of funds are state grants, charges, fees and transfer from the General Fund.

Commissary Fund – accounts for revenues and expenditures for sales of personal items to inmates in the Mesa County Detention facility.

Road and Bridge Fund – Accounts for all expenditures related to Mesa County road and bridge construction and maintenance. This fund is also utilized for allocation of monies to municipalities for use in their road and street activities.

Upper GV Pest Control – accounts for the revenues and expenditures related to pest control activities in the local taxing district.

TV Translator – was created by referendum of Mesa County taxpayers in 1979 to provide enhanced television signals to residents of Mesa County. An annual property tax is levied to provide this service.

Developmental Disabilities – accounts for the revenues and expenditures related to programs for the developmentally disabled residents of Mesa County.

Conservation Trust – accounts for revenue received from the State of Colorado to be used for the acquisition, development and maintenance of new and existing parks and recreation sites within Mesa County. The funds are derived primarily from the Colorado State Lottery.

Mesa County Fair Board – accounts for the revenues and expenditures related to the annual County fair held at Mesa County Fairgrounds.

Southwest Mesa County Rural Community Services – accounts for the revenues and expenditures related to miscellaneous activities in that local taxing district.

NON-MAJOR GOVERNMENTAL FUNDS

Mesa County Gateway Public Improvement District– accounts for the revenues and expenditures related to miscellaneous activities in that local taxing district.

Gateway Local Improvement District Sales Tax Street Improvement – accounts for the revenues and expenditures related to miscellaneous activities in that local taxing district.

Clerk & Recorder Technology – accounts for the revenues and expenditures related to the collection of a surcharge which is to be used solely to defray the costs of implementing and providing electronic filing and recording capabilities.

TIF Fund – accounts for the revenues and expenditures collected from Transportation Impact Fees for infrastructure maintenance.

Mesa Community Center – accounts for the revenues and expenditures related to the community club activities in that local taxing district.

Whitewater Urban Services Public Improvement District – accounts for the revenues and expenditures related to miscellaneous activities in that local taxing district.

NON-MAJOR GOVERNMENTAL FUNDS

Debt Service Fund

Debt service funds are used to account for the accumulation of resources and payment of principal and interest related to the County's general long term debt and special assessment bond principal and interest from special assessment levies when the County is obligated in some manner for payment.

Certificates of Participation – accounts for the debt service payments for financing the construction of infrastructure and facility projects.



MESA COUNTY
Combining Balance Sheet
Nonmajor Governmental funds
December 31, 2017

	<i>Special Revenue</i>								SWMCRCS PUBLIC IMPROVEMENT DISTRICT
	HEALTH FUND	COMMISSARY FUND	ROAD & BRIDGE FUND	UPPER GRAND VALLEY PEST DISTRICT	TV TRANSLATOR FUND	DEVELOPMENTAL DISABILITIES FUND	CONSERVATION TRUST FUND	FAIR BOARD FUND	
ASSETS									
Cash, Cash equivalents, Investments	\$ 473,390	\$ 231,413	\$ 3,648,045	\$ 80,616	\$ 21,178	\$ 11,411	\$ 182,246	\$ 21,557	\$ 16,864
Other Cash Items	-	-	-	-	-	-	-	25	-
Accounts receivables	72,412	30,042	1,665	-	-	-	-	-	-
Inter-governmental	1,112,086	-	616,102	-	1,200	-	-	-	-
Property taxes receivables	-	-	813,598	14,929	3,673	534,441	-	-	2,078
Pre-paid accounts	435	-	751	-	-	-	-	80	-
Inventories	115,464	-	-	-	-	-	-	-	-
Total assets	<u>\$ 1,773,787</u>	<u>\$ 261,455</u>	<u>\$ 5,080,161</u>	<u>\$ 95,545</u>	<u>\$ 26,051</u>	<u>\$ 545,852</u>	<u>\$ 182,246</u>	<u>\$ 21,662</u>	<u>\$ 18,942</u>
LIABILITIES									
Accounts payable	\$ 136,783	\$ 18,542	\$ 140,841	\$ -	\$ 1,432	\$ -	\$ -	\$ -	\$ -
Property tax refund payable	-	-	-	599	-	-	-	-	-
Accrued wages	216,968	-	179,557	-	-	-	-	-	-
Due to other governments	48,474	-	-	-	-	-	-	-	-
Unearned Revenue	12,143	28,225	-	-	-	-	-	-	-
Deposits	14,878	-	-	-	-	-	-	-	-
Total liabilities	<u>429,246</u>	<u>46,767</u>	<u>320,398</u>	<u>599</u>	<u>1,432</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES									
Property Taxes Receivable	-	-	813,598	14,929	3,673	534,441	-	-	2,078
Sales and cigarette taxes receivable	-	-	-	-	-	-	-	-	-
Total deferred inflow of resources	<u>-</u>	<u>-</u>	<u>813,598</u>	<u>14,929</u>	<u>3,673</u>	<u>534,441</u>	<u>-</u>	<u>-</u>	<u>2,078</u>
Total liabilities and deferred inflows of resources	<u>429,246</u>	<u>46,767</u>	<u>1,133,996</u>	<u>15,528</u>	<u>5,105</u>	<u>534,441</u>	<u>-</u>	<u>-</u>	<u>2,078</u>
FUND BALANCES (DEFICITS)									
Nonspendable	115,899	-	751	-	-	-	-	80	-
Restricted	-	-	33,091	579	-	-	182,246	-	-
Committed	604,100	142,750	3,770,915	77,858	16,619	8,639	-	20,842	15,266
Assigned	624,542	71,938	141,408	1,580	4,327	2,772	-	740	1,598
Total fund balances (deficits)	<u>\$ 1,344,541</u>	<u>\$ 214,688</u>	<u>\$ 3,946,165</u>	<u>\$ 80,017</u>	<u>\$ 20,946</u>	<u>\$ 11,411</u>	<u>\$ 182,246</u>	<u>\$ 21,662</u>	<u>\$ 16,864</u>
Total liabilities and fund balances (deficits)	<u>\$ 1,773,787</u>	<u>\$ 261,455</u>	<u>\$ 5,080,161</u>	<u>\$ 95,545</u>	<u>\$ 26,051</u>	<u>\$ 545,852</u>	<u>\$ 182,246</u>	<u>\$ 21,662</u>	<u>\$ 18,942</u>

(Continued)

The notes to financial statements are an integral part of this statement.

MESA COUNTY
Combining Balance Sheet
Nonmajor Governmental funds
December 31, 2017

	← Special Revenue →					Debt Service		
	MESA COUNTY GATEWAY PID	MC GATEWAY LID SALES TAX SI FUND	CLERK & RECORDER TECHNOLOGY FUND	TRANSPORTATION IMPACT FUND	MESA COMMUNITY CENTER PID	WHITEWATER URBAN SERVICES PID	COP DEBT SERVICE FUND	Total Nonmajor Governmental Funds
ASSETS								
Cash, Cash equivalents, Investments	\$ 442,737	\$ 256,960	\$ 131,028	\$ 426,506	\$ 122,810	\$ 11,238	\$ 1,519	\$ 6,079,518
Other Cash Items	-	-	-	-	-	-	-	25
Accounts receivables	23,310	-	-	-	-	-	-	127,429
Inter-governmental	-	6,069	-	-	-	49	-	1,735,506
Property taxes receivables	67,917	-	-	-	34,225	1,136	-	1,471,997
Pre-paid accounts	-	-	-	-	-	-	-	1,266
Inventories	-	-	-	-	-	-	-	115,464
Total assets	<u>\$ 533,964</u>	<u>\$ 263,029</u>	<u>\$ 131,028</u>	<u>\$ 426,506</u>	<u>\$ 157,035</u>	<u>\$ 12,423</u>	<u>\$ 1,519</u>	<u>\$ 9,531,205</u>
LIABILITIES								
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 685	\$ -	\$ -	298,283
Property tax refund payable	-	-	-	-	-	-	-	599
Accrued wages	-	-	-	-	-	-	-	396,525
Due to other governments	-	-	-	-	-	-	-	48,474
Unearned Revenue	-	-	-	426,506	-	-	-	466,874
Deposits	-	-	-	-	-	-	-	14,878
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>426,506</u>	<u>685</u>	<u>-</u>	<u>-</u>	<u>1,225,633</u>
DEFERRED INFLOWS OF RESOURCES								
Property Taxes Receivable	67,917	-	-	-	34,225	1,136	-	1,471,997
Sales and cigarette taxes receivable	-	709	-	-	-	25	-	734
Total deferred inflow of resources	<u>67,917</u>	<u>709</u>	<u>-</u>	<u>-</u>	<u>34,225</u>	<u>1,161</u>	<u>-</u>	<u>1,472,731</u>
Total liabilities and deferred inflows of resources	<u>67,917</u>	<u>709</u>	<u>-</u>	<u>426,506</u>	<u>34,910</u>	<u>1,161</u>	<u>-</u>	<u>2,698,364</u>
FUND BALANCES (DEFICITS)								
Nonspendable	-	-	-	-	-	-	-	116,730
Restricted	355,596	-	-	-	-	-	1,519	573,031
Committed	110,451	181,760	131,028	-	91,017	11,261	-	5,182,506
Assigned	-	80,560	-	-	31,108	-	-	960,573
Total fund balances (deficits)	<u>\$ 466,047</u>	<u>\$ 262,320</u>	<u>\$ 131,028</u>	<u>\$ -</u>	<u>\$ 122,125</u>	<u>\$ 11,261</u>	<u>\$ 1,519</u>	<u>\$ 6,832,840</u>
Total liabilities and fund balances (deficits)	<u>\$ 533,964</u>	<u>\$ 263,029</u>	<u>\$ 131,028</u>	<u>\$ 426,506</u>	<u>\$ 157,035</u>	<u>\$ 12,422</u>	<u>\$ 1,519</u>	<u>\$ 9,531,204</u>

The notes to financial statements are an integral part of this statement.

MESA COUNTY
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2017

	Special Revenue								
	HEALTH FUND	COMMISSARY FUND	ROAD & BRIDGE FUND	UPPER GRAND VALLEY PEST DISTRICT	TV TRANSLATOR FUND	DEVELOPMENTAL DISABILITIES FUND	CONSERVATION TRUST FUND	FAIR BOARD FUND	SWMCRCS PUBLIC IMPROVEMENT DISTRICT
REVENUES									
Taxes	\$ -	\$ -	\$ 570,338	\$ 17,176	\$ 9,160	\$ 537,893	\$ -	\$ -	\$ 2,648
Licenses and Permits	225,919	-	42,335	-	-	-	-	-	-
Charges for services	838,690	354,036	-	-	-	-	-	115,508	-
Intergovernmental	4,247,739	1,296	8,603,680	2	1,200	30	678,388	-	-
Fines and forfeitures	1,750	-	-	-	-	-	-	-	-
Fee accounts	-	-	-	-	-	-	-	-	-
Miscellaneous	88,627	1,388	3,599	-	220	-	-	1,491	-
Investment earnings	-	-	-	4	-	-	14	-	1
Other Grants	1,716,695	-	-	-	-	-	-	-	-
Total revenues	<u>7,119,420</u>	<u>356,720</u>	<u>9,219,952</u>	<u>17,182</u>	<u>10,580</u>	<u>537,923</u>	<u>678,402</u>	<u>116,999</u>	<u>2,649</u>
EXPENDITURES									
Current:									
General government	-	-	-	-	-	-	-	-	-
Public Safety	-	348,491	3,584	21,946	-	-	-	-	-
Public works	-	-	8,394,824	-	46,048	-	-	-	-
Public health and welfare	7,094,226	-	-	-	-	-	-	-	-
Human services	-	-	-	-	-	536,744	-	-	-
Culture and recreation	-	-	-	-	-	-	-	123,188	-
Capital outlay:									
Public Safety	-	-	45,388	-	-	-	-	-	-
Public works	-	-	25,501	-	-	-	-	-	-
Public health and welfare	5,000	-	-	-	-	-	-	-	-
Total expenditures	<u>7,099,226</u>	<u>348,491</u>	<u>8,469,297</u>	<u>21,946</u>	<u>46,048</u>	<u>536,744</u>	<u>-</u>	<u>123,188</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>20,194</u>	<u>8,229</u>	<u>750,655</u>	<u>(4,764)</u>	<u>(35,468)</u>	<u>1,179</u>	<u>678,402</u>	<u>(6,189)</u>	<u>2,649</u>
OTHER FINANCING SOURCES (USES)									
Transfers Out	-	-	-	-	-	-	(660,509)	-	(4,000)
Transfers In	237,500	-	-	-	45,000	-	-	-	-
Sale of assets	-	-	66,463	-	-	-	-	-	-
Total other financing sources (uses)	<u>237,500</u>	<u>-</u>	<u>66,463</u>	<u>-</u>	<u>45,000</u>	<u>-</u>	<u>(660,509)</u>	<u>-</u>	<u>(4,000)</u>
Net change in fund balances	257,694	8,229	817,118	(4,764)	9,532	1,179	17,893	(6,189)	(1,351)
Fund balances - beginning	1,086,847	206,459	3,129,047	84,781	11,414	10,232	164,353	27,851	18,215
Fund balances - ending	<u>\$ 1,344,541</u>	<u>\$ 214,688</u>	<u>\$ 3,946,165</u>	<u>\$ 80,017</u>	<u>\$ 20,946</u>	<u>\$ 11,411</u>	<u>\$ 182,246</u>	<u>\$ 21,662</u>	<u>\$ 16,864</u>

(Continued)

MESA COUNTY
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2017

	Special Revenue					Debt Service		Total Nonmajor Governmental Funds
	MESA COUNTY GATEWAY PID	MC GATEWAY LID SALES TAX SI FUND	CLERK & RECORDER TECHNOLOGY FUND	TRANSPORTATION IMPACT FUND	MESA COMMUNITY CENTER PID	WHITEWATER URBAN SERVICES PID	COP DEBT SERVICE FUND	
REVENUES								
Taxes	\$ 82,468	\$ 76,865	\$ -	\$ -	\$ 40,381	\$ 2,034	\$ -	\$ 1,338,963
Licenses and Permits	-	-	-	-	-	-	-	268,254
Charges for services	-	-	-	349,982	-	-	-	1,658,216
Intergovernmental	-	-	-	-	-	-	283,757	13,816,092
Fines and forfeitures	-	-	-	-	-	-	-	1,750
Fee accounts	122,782	-	36,938	-	-	-	-	159,720
Miscellaneous	-	-	-	-	-	-	-	95,325
Investment earnings	18	10	-	18	6	2	447	520
Other Grants	-	-	-	-	-	-	-	1,716,695
Total revenues	205,268	76,875	36,938	350,000	40,387	2,036	284,204	19,055,535
EXPENDITURES								
Current:								
General government	65,205	-	1,167	-	33,792	35	-	100,199
Public Safety	-	-	-	-	-	-	-	374,021
Public works	-	-	-	350,000	-	-	-	8,790,872
Public health and welfare	-	-	-	-	-	-	-	7,094,226
Human services	-	-	-	-	-	-	-	536,744
Culture and recreation	-	-	-	-	-	-	-	123,188
Debt service:								
Interest	-	-	-	-	-	-	869,420	869,420
Principal retirement	-	-	-	-	-	-	840,000	840,000
Capital outlay:								
Public Safety	-	-	-	-	-	-	-	45,388
Public works	-	-	-	-	-	-	-	25,501
Public health and welfare	-	-	-	-	-	-	-	5,000
Total expenditures	65,205	-	1,167	350,000	33,792	35	1,709,420	18,804,559
Excess (deficiency) of revenues over (under) expenditures	140,063	76,875	35,771	-	6,595	2,001	(1,425,216)	250,976
OTHER FINANCING SOURCES (USES)								
Transfers Out	(45,360)	-	-	-	-	-	-	(709,869)
Transfers In	-	-	-	-	-	-	1,414,837	1,697,337
Sale of assets	-	-	-	-	-	-	-	66,463
Total other financing sources (uses)	(45,360)	-	-	-	-	-	1,414,837	1,053,931
Net change in fund balances	94,703	76,875	35,771	-	6,595	2,001	(10,379)	1,304,907
Fund balances - beginning	371,344	185,445	95,257	-	115,530	9,260	11,898	5,527,933
Fund balances - ending	\$ 466,047	\$ 262,320	\$ 131,028	\$ -	\$ 122,125	\$ 11,261	\$ 1,519	\$ 6,832,840
								\$ -

MESA COUNTY
HEALTH FUND
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
For the Year Ended December 31, 2017

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Licenses and Permits	\$ 206,400	\$ 206,400	\$ 225,919	\$ 19,519
Charges for services	904,850	904,850	838,690	(66,160)
Intergovernmental	3,767,174	3,767,174	4,247,739	480,565
Fines and forfeitures	3,900	3,900	1,750	(2,150)
Miscellaneous	482,856	482,856	88,627	(394,229)
Other Grants	1,512,306	1,512,306	1,716,695	204,389
Total revenues	<u>6,877,486</u>	<u>6,877,486</u>	<u>7,119,420</u>	<u>241,934</u>
EXPENDITURES				
Current:				
Public health and welfare	7,474,888	7,474,888	7,094,226	380,662
Total current	<u>7,474,888</u>	<u>7,474,888</u>	<u>7,094,226</u>	<u>380,662</u>
Capital outlay:				
Total capital outlay	-	-	5,000	(5,000)
Total expenditures	<u>7,474,888</u>	<u>7,474,888</u>	<u>7,099,226</u>	<u>375,662</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(597,402)</u>	<u>(597,402)</u>	<u>20,194</u>	<u>617,596</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	250,000	237,500	237,500	-
Total other financing sources (uses)	<u>250,000</u>	<u>237,500</u>	<u>237,500</u>	<u>-</u>
Net change in fund balances	(347,402)	(359,902)	257,694	617,596
Fund balances - beginning	672,312	1,086,847	1,086,847	-
Fund balances - ending	<u>\$ 324,910</u>	<u>\$ 726,945</u>	<u>\$ 1,344,541</u>	<u>\$ 617,596</u>

MESA COUNTY
 COMMISSARY FUND
 Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
 For the Year Ended December 31, 2017

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Charges for services	\$ 262,800	\$ 347,800	\$ 354,036	\$ 6,236
Intergovernmental	20,000	20,000	1,296	(18,704)
Miscellaneous	-	-	1,388	1,388
Total revenues	<u>282,800</u>	<u>367,800</u>	<u>356,720</u>	<u>(11,080)</u>
EXPENDITURES				
Current:				
Public Safety	<u>363,610</u>	<u>448,610</u>	<u>348,491</u>	<u>100,119</u>
Total current	<u>363,610</u>	<u>448,610</u>	<u>348,491</u>	<u>100,119</u>
Total expenditures	<u>363,610</u>	<u>448,610</u>	<u>348,491</u>	<u>100,119</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(80,810)</u>	<u>(80,810)</u>	<u>8,229</u>	<u>89,039</u>
Net change in fund balances	(80,810)	(80,810)	8,229	89,039
Fund balances - beginning	<u>281,169</u>	<u>206,459</u>	<u>206,459</u>	<u>-</u>
Fund balances - ending	<u>\$ 200,359</u>	<u>\$ 125,649</u>	<u>\$ 214,688</u>	<u>\$ 89,039</u>

MESA COUNTY
ROAD & BRIDGE FUND
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
For the Year Ended December 31, 2017

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 567,453	\$ 567,453	\$ 570,338	\$ 2,885
Licenses and Permits	49,625	49,625	42,335	(7,290)
Intergovernmental	8,858,237	8,858,237	8,603,680	(254,557)
Fines and forfeitures	500	500	-	(500)
Miscellaneous	6,075	6,075	3,599	(2,476)
Total revenues	<u>9,481,890</u>	<u>9,481,890</u>	<u>9,219,952</u>	<u>(261,938)</u>
EXPENDITURES				
Current:				
Public Safety	-	48,972	3,584	45,388
Public works	8,847,929	8,847,929	8,394,824	453,105
Total current	<u>8,847,929</u>	<u>8,896,901</u>	<u>8,398,408</u>	<u>498,493</u>
Capital outlay:				
Public Safety	-	-	45,388	(45,388)
Public works	-	-	25,501	(25,501)
Total capital outlay	<u>-</u>	<u>-</u>	<u>70,889</u>	<u>(70,889)</u>
Total expenditures	<u>8,847,929</u>	<u>8,896,901</u>	<u>8,469,297</u>	<u>427,604</u>
Excess (deficiency) of revenues over (under) expenditures	<u>633,961</u>	<u>584,989</u>	<u>750,655</u>	<u>165,666</u>
OTHER FINANCING SOURCES (USES)				
Sale of assets	5,000	5,000	66,463	61,463
Total other financing sources (uses)	<u>5,000</u>	<u>5,000</u>	<u>66,463</u>	<u>61,463</u>
Net change in fund balances	638,961	589,989	817,118	227,129
Fund balances - beginning	3,219,482	3,129,047	3,129,047	-
Fund balances - ending	<u>\$ 3,858,443</u>	<u>\$ 3,719,036</u>	<u>\$ 3,946,165</u>	<u>\$ 227,129</u>

MESA COUNTY
UPPER GRAND VALLEY PEST DISTRICT
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
For the Year Ended December 31, 2017

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 17,480	\$ 17,480	\$ 17,176	\$ (304)
Intergovernmental	-	-	2	2
Investment earnings	-	-	4	4
Total revenues	<u>17,480</u>	<u>17,480</u>	<u>17,182</u>	<u>(298)</u>
EXPENDITURES				
Current:				
Public Safety	<u>38,675</u>	<u>38,675</u>	<u>21,946</u>	<u>16,729</u>
Total current	<u>38,675</u>	<u>38,675</u>	<u>21,946</u>	<u>16,729</u>
Total expenditures	<u>38,675</u>	<u>38,675</u>	<u>21,946</u>	<u>16,729</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(21,195)</u>	<u>(21,195)</u>	<u>(4,764)</u>	<u>16,431</u>
Net change in fund balances	(21,195)	(21,195)	(4,764)	16,431
Fund balances - beginning	92,286	84,781	84,781	-
Fund balances - ending	<u>\$ 71,091</u>	<u>\$ 63,586</u>	<u>\$ 80,017</u>	<u>\$ 16,431</u>

MESA COUNTY
TV TRANSLATOR FUND
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
For the Year Ended December 31, 2017

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 9,095	\$ 9,095	\$ 9,160	\$ 65
Intergovernmental	-	-	1,200	1,200
Miscellaneous	-	-	220	220
Total revenues	<u>9,095</u>	<u>9,095</u>	<u>10,580</u>	<u>1,485</u>
EXPENDITURES				
Current:				
Public works	<u>53,000</u>	<u>53,000</u>	<u>46,048</u>	<u>6,952</u>
Total current	<u>53,000</u>	<u>53,000</u>	<u>46,048</u>	<u>6,952</u>
Total expenditures	<u>53,000</u>	<u>53,000</u>	<u>46,048</u>	<u>6,952</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(43,905)</u>	<u>(43,905)</u>	<u>(35,468)</u>	<u>8,437</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	<u>45,000</u>	<u>45,000</u>	<u>45,000</u>	<u>-</u>
Total other financing sources (uses)	<u>45,000</u>	<u>45,000</u>	<u>45,000</u>	<u>-</u>
Net change in fund balances	1,095	1,095	9,532	8,437
Fund balances - beginning	<u>5,890</u>	<u>11,414</u>	<u>11,414</u>	<u>-</u>
Fund balances - ending	<u>\$ 6,985</u>	<u>\$ 12,509</u>	<u>\$ 20,946</u>	<u>\$ 8,437</u>

MESA COUNTY
DEVELOPMENTAL DISABILITIES FUND
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
For the Year Ended December 31, 2017

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 534,799	\$ 534,799	\$ 537,893	\$ 3,094
Intergovernmental	-	-	30	30
Total revenues	<u>534,799</u>	<u>534,799</u>	<u>537,923</u>	<u>3,124</u>
EXPENDITURES				
Current:				
Human services	537,213	537,213	536,744	469
Total current	<u>537,213</u>	<u>537,213</u>	<u>536,744</u>	<u>469</u>
Total expenditures	<u>537,213</u>	<u>537,213</u>	<u>536,744</u>	<u>469</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,414)</u>	<u>(2,414)</u>	<u>1,179</u>	<u>3,593</u>
Net change in fund balances	(2,414)	(2,414)	1,179	3,593
Fund balances - beginning	7,829	10,232	10,232	-
Fund balances - ending	<u>\$ 5,415</u>	<u>\$ 7,818</u>	<u>\$ 11,411</u>	<u>\$ 3,593</u>

MESA COUNTY
 CONSERVATION TRUST FUND
 Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
 For the Year Ended December 31, 2017

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ 725,500	\$ 725,500	\$ 678,388	\$ (47,112)
Investment earnings	-	-	14	14
Total revenues	<u>725,500</u>	<u>725,500</u>	<u>678,402</u>	<u>(47,098)</u>
EXPENDITURES				
Current:				
Culture and recreation	15,294	15,294	-	15,294
Total current	<u>15,294</u>	<u>15,294</u>	<u>-</u>	<u>15,294</u>
Total expenditures	15,294	15,294	-	15,294
Excess (deficiency) of revenues over expenditures	<u>710,206</u>	<u>710,206</u>	<u>678,402</u>	<u>(31,804)</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	(780,000)	(780,000)	(660,509)	119,491
Total other financing sources (uses)	<u>(780,000)</u>	<u>(780,000)</u>	<u>(660,509)</u>	<u>119,491</u>
Net change in fund balances	(69,794)	(69,794)	17,893	87,687
Fund balances - beginning	78,728	164,353	164,353	-
Fund balances - ending	<u>\$ 8,934</u>	<u>\$ 94,559</u>	<u>\$ 182,246</u>	<u>\$ 87,687</u>

MESA COUNTY
 FAIR BOARD FUND
 Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
 For the Year Ended December 31, 2017

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Charges for services	\$ 149,000	\$ 149,000	\$ 115,508	\$ (33,492)
Miscellaneous	1,000	1,000	1,491	491
Total revenues	<u>150,000</u>	<u>150,000</u>	<u>116,999</u>	<u>(33,001)</u>
EXPENDITURES				
Current:				
Culture and recreation	149,740	149,740	123,188	26,552
Total current	<u>149,740</u>	<u>149,740</u>	<u>123,188</u>	<u>26,552</u>
Total expenditures	<u>149,740</u>	<u>149,740</u>	<u>123,188</u>	<u>26,552</u>
Excess (deficiency) of revenues over (under) expenditures	<u>260</u>	<u>260</u>	<u>(6,189)</u>	<u>(6,449)</u>
Net change in fund balances	260	260	(6,189)	(6,449)
Fund balances - beginning	27,778	27,851	27,851	-
Fund balances - ending	<u>\$ 28,038</u>	<u>\$ 28,111</u>	<u>\$ 21,662</u>	<u>\$ (6,449)</u>

MESA COUNTY
 SWMCRCs PUBLIC IMPROVEMENT DISTRICT
 Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
 For the Year Ended December 31, 2017

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 2,604	\$ 2,604	\$ 2,648	\$ 44
Investment earnings	-	-	1	1
Total revenues	<u>2,604</u>	<u>2,604</u>	<u>2,649</u>	<u>45</u>
EXPENDITURES				
Current:				
Total current	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	<u>2,604</u>	<u>2,604</u>	<u>2,649</u>	<u>45</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	(4,000)	(4,000)	(4,000)	-
Total other financing sources (uses)	<u>(4,000)</u>	<u>(4,000)</u>	<u>(4,000)</u>	<u>-</u>
Net change in fund balances	(1,396)	(1,396)	(1,351)	45
Fund balances - beginning	18,221	18,215	18,215	-
Fund balances - ending	<u>\$ 16,825</u>	<u>\$ 16,819</u>	<u>\$ 16,864</u>	<u>\$ 45</u>

MESA COUNTY
MESA COUNTY GATEWAY PID
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
For the Year Ended December 31, 2017

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 80,319	\$ 80,319	\$ 82,468	\$ 2,149
Fee accounts	81,000	81,000	122,782	41,782
Investment earnings	-	-	18	18
Total revenues	<u>161,319</u>	<u>161,319</u>	<u>205,268</u>	<u>43,949</u>
EXPENDITURES				
Current:				
General government	250	65,250	65,205	45
Total current	<u>250</u>	<u>65,250</u>	<u>65,205</u>	<u>45</u>
Total expenditures	<u>250</u>	<u>65,250</u>	<u>65,205</u>	<u>45</u>
Excess (deficiency) of revenues over (under) expenditures	<u>161,069</u>	<u>96,069</u>	<u>140,063</u>	<u>43,994</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	<u>(45,360)</u>	<u>(45,360)</u>	<u>(45,360)</u>	<u>-</u>
Total other financing sources (uses)	<u>(45,360)</u>	<u>(45,360)</u>	<u>(45,360)</u>	<u>-</u>
Net change in fund balances	115,709	50,709	94,703	43,994
Fund balances - beginning	352,751	371,344	371,344	-
Fund balances - ending	<u>\$ 468,460</u>	<u>\$ 422,053</u>	<u>\$ 466,047</u>	<u>\$ 43,994</u>

MESA COUNTY
MC GATEWAY LID SALES TAX SI FUND
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
For the Year Ended December 31, 2017

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 49,431	\$ 49,431	\$ 76,865	\$ 27,434
Investment earnings	-	-	10	10
Total revenues	<u>49,431</u>	<u>49,431</u>	<u>76,875</u>	<u>27,444</u>
EXPENDITURES				
Current:				
General government	250	250	-	250
Total current	<u>250</u>	<u>250</u>	<u>-</u>	<u>250</u>
Total expenditures	<u>250</u>	<u>250</u>	<u>-</u>	<u>250</u>
Excess (deficiency) of revenues over (under) expenditures	<u>49,181</u>	<u>49,181</u>	<u>76,875</u>	<u>27,694</u>
Net change in fund balances	49,181	49,181	76,875	27,694
Fund balances - beginning	178,366	185,445	185,445	-
Fund balances - ending	<u>\$ 227,547</u>	<u>\$ 234,626</u>	<u>\$ 262,320</u>	<u>\$ 27,694</u>

MESA COUNTY
 CLERK & RECORDER TECHNOLOGY FUND
 Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
 For the Year Ended December 31, 2017

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Fee accounts	\$ 30,696	\$ 30,696	\$ 36,938	\$ 6,242
Total revenues	<u>30,696</u>	<u>30,696</u>	<u>36,938</u>	<u>6,242</u>
EXPENDITURES				
Current:				
General government	45,000	45,000	1,167	43,833
Total current	<u>45,000</u>	<u>45,000</u>	<u>1,167</u>	<u>43,833</u>
Total expenditures	<u>45,000</u>	<u>45,000</u>	<u>1,167</u>	<u>43,833</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(14,304)</u>	<u>(14,304)</u>	<u>35,771</u>	<u>50,075</u>
Net change in fund balances	(14,304)	(14,304)	35,771	50,075
Fund balances - beginning	92,788	95,257	95,257	-
Fund balances - ending	<u>\$ 78,484</u>	<u>\$ 80,953</u>	<u>\$ 131,028</u>	<u>\$ 50,075</u>

MESA COUNTY
TRANSPORTATION IMPACT FUND
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
For the Year Ended December 31, 2017

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Charges for services	\$ 300,000	\$ 550,000	\$ 349,982	\$ (200,018)
Investment earnings	-	-	18	18
Total revenues	<u>300,000</u>	<u>550,000</u>	<u>350,000</u>	<u>(200,018)</u>
EXPENDITURES				
Current:				
Public works	<u>300,000</u>	<u>550,000</u>	<u>350,000</u>	<u>200,000</u>
Total current	<u>300,000</u>	<u>550,000</u>	<u>350,000</u>	<u>200,000</u>
Total expenditures	<u>300,000</u>	<u>550,000</u>	<u>350,000</u>	<u>200,000</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	-	-	-
Fund balances - beginning	-	-	-	-
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

MESA COUNTY
MESA COMMUNITY CENTER PID
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
For the Year Ended December 31, 2017

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 39,006	\$ 39,006	\$ 40,381	\$ 1,375
Investment earnings	-	-	6	6
Total revenues	<u>39,006</u>	<u>39,006</u>	<u>40,387</u>	<u>1,381</u>
EXPENDITURES				
Current:				
General government	70,000	70,000	33,792	36,208
Total current	<u>70,000</u>	<u>70,000</u>	<u>33,792</u>	<u>36,208</u>
Total expenditures	<u>70,000</u>	<u>70,000</u>	<u>33,792</u>	<u>36,208</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(30,994)</u>	<u>(30,994)</u>	<u>6,595</u>	<u>37,589</u>
Net change in fund balances	(30,994)	(30,994)	6,595	37,589
Fund balances - beginning	106,670	115,530	115,530	-
Fund balances - ending	<u>\$ 75,676</u>	<u>\$ 84,536</u>	<u>\$ 122,125</u>	<u>\$ 37,589</u>

MESA COUNTY
 WHITEWATER URBAN SERVICES PID
 Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
 For the Year Ended December 31, 2017

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 1,368	\$ 1,368	\$ 2,034	\$ 666
Investment earnings	-	-	2	2
Total revenues	<u>1,368</u>	<u>1,368</u>	<u>2,036</u>	<u>668</u>
EXPENDITURES				
Current:				
General government	250	250	35	215
Total current	<u>250</u>	<u>250</u>	<u>35</u>	<u>215</u>
Total expenditures	250	250	35	215
Excess (deficiency) of revenues over (under) expenditures	<u>1,118</u>	<u>1,118</u>	<u>2,001</u>	<u>883</u>
Net change in fund balances	1,118	1,118	2,001	883
Fund balances - beginning	8,866	9,260	9,260	-
Fund balances - ending	<u>\$ 9,984</u>	<u>\$ 10,378</u>	<u>\$ 11,261</u>	<u>\$ 883</u>

MESA COUNTY
COP DEBT SERVICE FUND
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
For the Year Ended December 31, 2017

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ 294,525	\$ 294,525	\$ 283,757	\$ (10,768)
Investment earnings	-	-	447	447
Total revenues	<u>294,525</u>	<u>294,525</u>	<u>284,204</u>	<u>(10,321)</u>
EXPENDITURES				
Administrative charges	100	100	-	100
Interest	869,421	869,421	869,420	1
Principal retirement	840,000	840,000	840,000	-
Total debt service	<u>1,709,521</u>	<u>1,709,521</u>	<u>1,709,420</u>	<u>101</u>
Total expenditures	<u>1,709,521</u>	<u>1,709,521</u>	<u>1,709,420</u>	<u>101</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,414,996)</u>	<u>(1,414,996)</u>	<u>(1,425,216)</u>	<u>(10,220)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	1,414,837	1,414,837	1,414,837	-
Total other financing sources (uses)	<u>1,414,837</u>	<u>1,414,837</u>	<u>1,414,837</u>	<u>-</u>
Net change in fund balances	(159)	(159)	(10,379)	(10,220)
Fund balances - beginning	11,798	11,898	11,898	-
Fund balances - ending	<u>\$ 11,639</u>	<u>\$ 11,739</u>	<u>\$ 1,519</u>	<u>\$ (10,220)</u>

NON-MAJOR BUSINESS-TYPE ACTIVITIES

Enterprise (business-type) funds are used to account for operations that are financed and operated in a manner similar to private business enterprises-where the intent of the governing body is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the governing body has decided that periodic determination of net income is appropriate for accountability purposes.

SWMCRS Sewer – accounts for the operations of the sewer treatment facility located in the southwest area of Mesa County. The intent of the fund is to recover operating costs through user charges.

MCLVPID Sewer – accounts for the operations of the sewer treatment facility located in the west area of Mesa County. The intent of the fund is to recover operating costs through user charges.

MESA COUNTY
Combining Statement of Net Position
Nonmajor Enterprise Funds
For the Year Ended December 31, 2017

	<u>SWMCRC</u> <u>S SEWER</u>	<u>MACK SEWER</u>	<u>Total Nonmajor Enterprise Funds</u>
ASSETS			
Current assets:			
Pooled Cash and Investments	\$ 100,397	\$ 277,876	\$ 378,273
Accounts receivables	393	3,521	3,914
Total current assets	<u>100,790</u>	<u>281,397</u>	<u>382,187</u>
Noncurrent assets:			
Capital Assets	1,142,240	451,141	1,593,381
Total noncurrent assets	<u>1,142,240</u>	<u>451,141</u>	<u>1,593,381</u>
Total assets	<u>1,243,030</u>	<u>732,538</u>	<u>1,975,568</u>
LIABILITIES			
Current liabilities:			
Accounts payable	1,649	42	1,691
Advance Due to other funds	25,000	-	25,000
Deferred revenue	442	1,167	1,609
Total current liabilities	<u>27,091</u>	<u>1,209</u>	<u>28,300</u>
Noncurrent liabilities:			
Advance Due to other funds	545,000	-	545,000
Total noncurrent liabilities	<u>545,000</u>	<u>-</u>	<u>545,000</u>
Total liabilities	<u>572,091</u>	<u>1,209</u>	<u>573,300</u>
NET POSITION			
Net investment in capital assets	1,142,240	451,141	1,593,381
Unrestricted	(471,301)	280,188	(191,113)
Total net position	<u>\$ 670,939</u>	<u>\$ 731,329</u>	<u>\$ 1,402,268</u>

MESA COUNTY
Combining Statement of Revenues, Expenditures, and Changes in Fund Net Position
Non Major Enterprise Funds
For the Year Ended December 31, 2017

	SWMCRCs SEWER	MACK SEWER	Total Non Major Enterprise Funds
OPERATING REVENUES			
Charges for services	\$ 41,887	\$ 31,609	\$ 73,496
Miscellaneous	138	27	165
Total operating revenues	<u>42,025</u>	<u>31,636</u>	<u>73,661</u>
OPERATING EXPENSES			
Supplies	4,826	2,157	6,983
Purchased Services	74,808	13,614	88,422
Fixed Charges	1,593	-	1,593
Depreciation	87,184	-	87,184
Insurance and Support	4,698	750	5,448
Total operating expenses	<u>173,109</u>	<u>16,521</u>	<u>189,630</u>
Operating income (loss)	<u>(131,084)</u>	<u>15,115</u>	<u>(115,969)</u>
NONOPERATING REVENUES (EXPENSES)			
Investment earnings	7	2,916	2,923
Total nonoperating revenues (expenses)	<u>7</u>	<u>2,916</u>	<u>2,923</u>
Income (loss) before contributions and transfers	<u>(131,077)</u>	<u>18,031</u>	<u>(113,046)</u>
CONTRIBUTIONS AND TRANSFERS			
Transfers In	49,360	-	49,360
Total contributions and transfers	<u>49,360</u>	<u>-</u>	<u>49,360</u>
Change in net position	(81,717)	18,031	(63,686)
Total net position - beginning	752,656	713,298	1,465,954
Total net position - ending	<u>\$ 670,939</u>	<u>\$ 731,329</u>	<u>\$ 1,402,268</u>

MESA COUNTY
Statement of Cash Flows
Non Major Enterprise Funds
For the Year Ended December 31, 2017

	SWMCRCs SEWER	MACK SEWER	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from customer	\$ 42,231	\$ 33,798	\$ 76,029
Payments to interfund	(53,680)	(8,390)	(62,070)
Payments to suppliers	(35,908)	(8,236)	(44,144)
Net cash provided (used) by operating activities	<u>(47,357)</u>	<u>17,172</u>	<u>(30,185)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers from other funds	49,360	-	49,360
Net cash provided (used) by noncapital financing activities	<u>49,360</u>	<u>-</u>	<u>49,360</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Advance to other funds	(25,000)	-	(25,000)
Net cash provided (used) by capital and related financing activities	<u>(25,000)</u>	<u>-</u>	<u>(25,000)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest and dividends received	7	2,916	2,923
Net cash provided (used) by investing activities	<u>7</u>	<u>2,916</u>	<u>2,923</u>
Net increase (decrease) in cash and cash equivalents	(22,990)	20,088	(2,902)
Balances - beginning of year	123,387	257,788	381,175
Balances - end of the year	<u>\$ 100,397</u>	<u>\$ 277,876</u>	<u>\$ 378,273</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating Income	\$ (131,084)	\$ 15,115	\$ (115,969)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	87,184	-	87,184
Changes in assets and liabilities:			
Accounts Payable - Other	68	(146)	(78)
Accounts Payable - Supplier	(3,730)	42	(3,688)
Customer Receivables	205	2,161	2,366
Net cash provided (used) by operating activities	<u>\$ (47,357)</u>	<u>\$ 17,172</u>	<u>\$ (30,185)</u>

NON-MAJOR GOVERNMENTAL ACTIVITIES

Internal Service Funds

Internal service funds are used to account for the financing of goods and services provided by one department or agency to other departments or agencies of the government and to other government units, on a cost reimbursement basis.

Internal Services fund – accounts for telephone charges, mail usage, and supply purchases from inventory.

Vehicle Maintenance fund – accounts for repair and maintenance of fleet vehicles and heavy equipment, included purchases of fuel. Costs are allocated based on actual usage of vehicles and equipment.

Insurance fund – accounts for insurance costs provided to the County. This fund also accounts for the employee benefit premiums provided and the costs of administration of the self-insured employee dental plan.

Rural Community Service fund – accounts for shared costs associated with monitoring, treating, and maintaining sewer treatment facilities. This fund was established in order to provide greater purchasing power for like-kind items. These costs are charged back to the individual special districts based upon percentage of time and/or of actual supplies used.

MESA COUNTY
Combining Statement of Net Position
Nonmajor Internal service funds
December 31, 2017

	INTERNAL SERVICES	INSURANCE FUND	VEHICLE MAINTENANCE FUND	RURAL COMMUNITY SERVICES	Total Nonmajor Internal service funds
ASSETS					
Current assets:					
Pooled Cash and Investments	\$ 50,700	\$ 4,684,911	\$ 345,828	\$ 66,289	\$ 5,147,728
Accounts receivables	2,152	77,751	-	-	79,903
Due from other governments	2,917	-	1,288	-	4,205
Inventories	-	-	179,297	-	179,297
Deposit	20,000	115,000	-	-	135,000
Total current assets	<u>75,769</u>	<u>4,877,662</u>	<u>526,413</u>	<u>66,289</u>	<u>5,546,133</u>
Total assets	<u>75,769</u>	<u>4,877,662</u>	<u>526,413</u>	<u>66,289</u>	<u>5,546,133</u>
LIABILITIES					
Current liabilities:					
Accounts payable	19,709	1,169,251	104,342	-	1,293,301
Accrued wages	-	6,858	34,851	3,769	45,479
Current compensated absences	-	480	4,687	563	5,730
Total current liabilities	<u>19,709</u>	<u>1,176,589</u>	<u>143,880</u>	<u>4,332</u>	<u>1,344,510</u>
Noncurrent liabilities:					
Future compensated absences	-	5,518	53,898	6,477	65,893
Total noncurrent liabilities	<u>-</u>	<u>5,518</u>	<u>53,898</u>	<u>6,477</u>	<u>65,893</u>
Total liabilities	<u>19,709</u>	<u>1,182,107</u>	<u>197,778</u>	<u>10,809</u>	<u>1,410,403</u>
NET POSITION					
Unrestricted	56,061	3,695,555	328,635	55,479	4,135,730
Total net position	<u>\$ 56,061</u>	<u>\$ 3,695,555</u>	<u>\$ 328,635</u>	<u>\$ 55,479</u>	<u>\$ 4,135,730</u>

MESA COUNTY
Combining Statement of Revenues, Expenditures, and Changes in Net Position
Internal Service Funds
For the Year Ended December 31, 2017

	INTERNAL SERVICES	INSURANCE FUND	VEHICLE MAINTENANCE FUND	RURAL COMMUNITY SERVICES	Total Internal Service Funds
OPERATING REVENUES					
Charges for services	\$ 35,599	\$ -	\$ 4,834	\$ -	\$ 40,433
Intergovernmental	-	-	10,414	-	10,414
Insurance Recovery	-	8,309	-	-	8,309
Miscellaneous	-	1,476	10,353	-	11,829
Charges for service - internal	329,271	10,986,775	1,881,073	76,398	13,273,517
Total operating revenues	<u>364,870</u>	<u>10,996,560</u>	<u>1,906,674</u>	<u>76,398</u>	<u>13,344,502</u>
OPERATING EXPENSES					
Supplies	3,601	202	1,054,781	125	1,058,709
Purchased Services	364,660	1,917,910	223,890	59	2,506,519
Personnel Services	-	647,533	699,082	75,743	1,422,358
Travel and Subsistence	-	735	-	320	1,055
Fixed Charges	-	3,932	681	-	4,613
Insurance Claims/Deductions	-	7,750,801	473	-	7,751,274
Insurance and Support	-	492,305	14,815	151	507,271
Total operating expenses	<u>368,261</u>	<u>10,813,418</u>	<u>1,993,722</u>	<u>76,398</u>	<u>13,251,799</u>
Operating income (loss)	<u>(3,391)</u>	<u>183,142</u>	<u>(87,048)</u>	<u>-</u>	<u>92,703</u>
NONOPERATING REVENUES (EXPENSES)					
Gain or (Loss) on disposition of assets	-	-	(3,927,505)	-	(3,927,505)
Total nonoperating revenues (expenses)	<u>-</u>	<u>-</u>	<u>(3,927,505)</u>	<u>-</u>	<u>(3,927,505)</u>
Income (loss) before contributions and transfers	(3,391)	183,142	(4,014,553)	-	(3,834,802)
Change in net position	(3,391)	183,142	(4,014,553)	-	(3,834,802)
Total net position - beginning	59,452	3,512,413	4,343,188	55,479	7,970,532
Total net position - ending	<u>\$ 56,061</u>	<u>\$ 3,695,555</u>	<u>\$ 328,635</u>	<u>\$ 55,479</u>	<u>\$ 4,135,730</u>

MESA COUNTY
Statement of Cash Flows
Internal service funds
For the Year Ended December 31, 2017

	INTERNAL SERVICES	INSURANCE FUND	VEHICLE MAINTENANCE FUND	RURAL COMMUNITY SERVICES	Total
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash from interfund	\$ 329,271	\$ 10,991,300	\$ 1,881,073	\$ 76,398	\$ 13,278,042
Cash from Insurance recovery	-	9,785	-	-	9,785
Cash receipts from customer	34,719	-	24,313	-	59,032
Payments to employees	-	(176,982)	(721,639)	(73,583)	(972,204)
Payments to interfund	-	-	(18,219)	(151)	(18,370)
Payments to suppliers	(372,814)	(10,188,542)	(1,266,388)	(504)	(11,828,248)
Net cash provided (used) by operating activities	<u>(8,824)</u>	<u>635,561</u>	<u>(100,860)</u>	<u>2,160</u>	<u>528,037</u>
Net increase (decrease) in cash and cash equivalents	(8,824)	635,561	(100,860)	2,160	528,037
Balances - beginning of year	59,524	4,049,350	446,688	64,129	4,619,691
Balances - end of the year	<u>\$ 50,700</u>	<u>\$ 4,684,911</u>	<u>\$ 345,828</u>	<u>\$ 66,289</u>	<u>\$ 5,147,728</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Operating Income	\$ (3,391)	\$ 183,142	\$ (87,048)	\$ -	\$ 92,703
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Changes in assets and liabilities:					
Accounts Payable - Supplier	(4,553)	448,516	9,269	-	453,232
Compensated absences	-	203	(17,653)	2,108	(15,342)
Customer Receivables	(880)	4,524	(1,288)	-	2,356
Inventory	-	-	764	-	764
Salaries & Benefits Payable	-	(824)	(4,904)	52	(5,676)
Net cash provided (used) by operating activities	<u>\$ (8,824)</u>	<u>\$ 635,561</u>	<u>\$ (100,860)</u>	<u>\$ 2,160</u>	<u>\$ 528,037</u>

Fiduciary Funds

Fiduciary funds are used for assets held by the County in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Law Enforcement Forfeiture fund – accounts for monies held by seizing law enforcement agencies in Mesa County. The fund is administered by the District Attorney and Sheriff's Offices. Forfeitures are allocated to local agencies for drug enforcement programs, equipment and training.

Treasurer's Office Clearing Account fund – account for all monies collected (principally tax collections) by the Mesa County Treasurer for various local government entities within the County.

Criminal Justice Services (CJSD) Client accounts – accounts for the monies held on behalf of clients (inmates) while they are serving their sentences.

Sheriff (SO)/ASU (Alternative Sentencing Unit) Client accounts and Trust accounts– accounts for the monies held on behalf of clients (inmates) while serving their sentence.

School District 51, School District 50 and School District 49JT Land Dedication funds – account for development fees collected and disbursed to the respective School Districts for the acquisition of real property needed for the expansion of school sites and facilities due to development.

Mesa County, Colorado
 AGENCY FUNDS
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 Year ended December 31, 2017

	Balance January 1, 2017	Additions	Deductions	Balance December 31, 2017
<u>Law Enforcement Forfeiture Fund</u>				
Assets				
Other cash items	\$ 600,306	\$ 422,458	\$ (268,947)	\$ 753,817
Liabilities				
Deposits held for others	\$ 600,306	\$ 422,458	\$ (268,947)	\$ 753,817
<u>Treasurer's Office Clearing Account</u>				
Assets				
Equity in pooled cash and investments	\$ 5,582,631	\$ 397,822,095	\$ (395,920,950)	\$ 7,483,776
Liabilities				
Due to other governments				
Due to other taxing districts	\$ 260,880	\$ 24,762,353	\$ (25,011,283)	\$ 11,950
Due to school districts	760,826	72,940,987	(73,701,813)	0
Due to municipalities	981,787	22,473,562	(23,455,349)	0
Suspense and clearing accounts	3,579,138	277,645,193	-273,752,505	7,471,826
Total liabilities	\$ 5,582,631	\$ 397,822,095	\$ (395,920,950)	\$ 7,483,776
<u>CJSD Client Accounts</u>				
Assets				
Other cash items	\$ 402,806	\$ 2,472,350	\$ (2,372,715)	\$ 502,441
Liabilities				
Deposits held for others	\$ 402,806	\$ 2,472,350	\$ (2,372,715)	\$ 502,441
<u>SO Client/Inmate Accounts</u>				
Assets				
Other cash items-Regular account	\$ 72,000	\$ 1,795,729	\$ (1,765,886)	\$ 101,843
Liabilities				
Deposits held for others	\$ 72,000	\$ 1,795,729	\$ (1,765,886)	\$ 101,843
<u>SO Trust Accounts</u>				
Assets				
Other cash items-Regular account	\$ 4,003	\$ 1,635	\$ (4,299)	\$ 1,339
Liabilities				
Deposits held for others	\$ 4,003	\$ 1,635	\$ (4,299)	\$ 1,339

Mesa County, Colorado
 AGENCY FUNDS
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 Year ended December 31, 2017

	Balance January 1, 2017	Additions	Deductions	Balance December 31, 2017
<u>Dist. 51 School Land Dedication Fund</u>				
Assets				
Equity in pooled cash and investments	\$ 17,694	\$ 69,005	\$ (42,032)	\$ 44,667
Equity and Liabilities				
Due to other governments	\$ 17,694	\$ 69,005	\$ (42,032)	\$ 44,667
<u>Dist. 50 School Land Dedication Fund</u>				
Assets				
Equity in pooled cash and investments	\$ 5,417	\$ 921	\$ (28)	\$ 6,310
Liabilities				
Due to other governments	\$ 5,417	\$ 921	\$ (28)	\$ 6,310
<u>Dist. 49JT School Land Dedication Fund</u>				
Assets				
Equity in pooled cash and investments	\$ 892	\$ 1	\$ -	\$ 893
Liabilities				
Due to other governments	\$ 892	\$ 1	\$ -	\$ 893
<u>Seized Currency</u>				
Assets				
Other cash items	\$ 84,196	\$ -	\$ -	\$ 84,196
Liabilities				
Deposits held for others	\$ 84,196	\$ -	\$ -	\$ 84,196
<u>Fairboard</u>				
Assets				
Other cash items	\$ 500	\$ 786	\$ (786)	\$ 500
Liabilities				
Deposits held for others	\$ 500	\$ 786	\$ (786)	\$ 500
<u>Total - All Agency Funds</u>				
Assets				
Equity in pooled cash and investments	\$ 5,606,634	\$ 397,892,022	\$ (395,963,010)	\$ 7,535,647
Other cash items	1,163,811	4,692,958	(4,412,633)	1,444,136
Total assets	<u>\$ 6,770,445</u>	<u>\$ 402,584,980</u>	<u>\$ (400,375,643)</u>	<u>\$ 8,979,783</u>
Liabilities				
Due to other governments	\$ 2,027,496	\$ 120,246,829	\$ (122,210,505)	\$ 63,820
Deposits held for others	1,163,811	4,692,958	(4,412,633)	1,444,136
Suspense and clearing accounts	3,579,138	277,645,193	(273,752,505)	7,471,826
Total liabilities	<u>\$ 6,770,445</u>	<u>\$ 402,584,980</u>	<u>\$ (400,375,643)</u>	<u>\$ 8,979,783</u>

Mesa County, Colorado

Schedule of Budgetary Compliance
Enterprise and Internal Service Funds
For the Year Ended December 31, 2017

	<u>Budgeted Amounts</u>		Expenditures Reported on the Basis of GAAP	Adjustments to Budgetary Basis	Expenditures on Budgetary Basis	Variance with Final Budget Over (Under)
	Original	Final				
Enterprise Funds:						
Waste Management	\$4,252,860	\$4,252,860	\$3,823,255	(\$33,265)	\$3,789,991	\$(462,869)
SWMCRCS Sewer	172,900	172,900	173,109	-	173,109	209
MCLVPID Sewer	22,694	22,694	16,521	-	16,521	(6,173)
Whitewater Sewer	352,188	352,188	317,348	-	317,348	(34,840)
Internal Service Funds:						
Internal Services	482,183	482,183	368,261	-	368,261	(113,922)
Insurance	10,193,715	10,894,260	10,813,419	(822,199)	9,991,220	(903,040)
Vehicle Maintenance	2,445,517	2,445,517	5,921,226	(3,927,505)	1,993,721	(451,796)
Rural Comm. Services	69,988	76,890	76,398	-	76,398	(492)

The schedule of budgetary compliance is included to show compliance at the legal level of control as established by Mesa County's Adopted Budget Resolution and includes all appropriations not shown elsewhere in this report. Appropriations are reported at the fund level or at the spending agency level if so designated by the resolution.

Adjustments to budgetary basis may consist of adding capital expenditures and excluding; depreciation, compensated absences, inventory and amortization of expenses from GAAP basis expenses.

2017 HIGHWAY USERS TAX FUND REPORT



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

LOCAL HIGHWAY FINANCE REPORT		City or County: MESA
		YEAR ENDING : December 2017
This Information From The Records Of: County of Mesa	Prepared By: Phone:	Mesa County Finance (970) 244-1800

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

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway disbursements:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	13,953,205
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	5,448,214
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	882,625
2. General fund appropriations		b. Snow and ice removal	-
3. Other local imposts (from page 2)	10,259,299	c. Other	58,048
4. Miscellaneous local receipts (from page 2)	145,918	d. Total (a. through c.)	940,673
5. Transfers from toll facilities		4. General administration & miscellaneous	1,134,438
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	
a. Bonds - Original Issues		6. Total (1 through 5)	21,476,530
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	
7. Total (1 through 6)	10,405,217	b. Redemption	
B. Private Contributions		c. Total (a. + b.)	0
C. Receipts from State government (from page 2)	11,057,272	2. Notes:	
D. Receipts from Federal Government (from page 2)	831,159	a. Interest	
E. Total receipts (A.7 + B + C + D)	22,293,648	b. Redemption	
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	0
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total disbursements (A.6 + B.3 + C + D)	21,476,530

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)				0

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	3,129,047	22,293,648	21,476,530	3,946,165	0

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT

STATE:
Colorado
YEAR ENDING (mm/yy):
December 2017

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	570,338	a. Interest on investments	0
b. Other local imposts:		b. Traffic Fines & Penalties	2,030
1. Sales Taxes	9,688,961	c. Parking Garage Fees	0
2. Infrastructure & Impact Fees		d. Permits	42,335
3. Liens		e. Sale of Surplus Property	66,463
4. Licenses		f. Charges for Services	9,828
5. Specific Ownership &/or Other		g. Other Misc. Receipts	25,262
6. Total (1. through 5.)	9,688,961	h. Other - Muni Contracts and Paymen	0
c. Total (a. + b.)	10,259,299	i. Total (a. through h.)	145,918
	(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	8,220,263	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	1,121
a. State bond proceeds		b. FEMA	0
b. Project Match		c. HUD	0
c. Motor Vehicle Registrations	357,604	d. Federal Transit Admin	0
d. Other (Specify) - Grants-16 Rd	2,479,405	e. U.S. Corps of Engineers	0
e. Other (Specify) - Contracts & R	0	f. Other Federal	830,038
f. Total (a. through e.)	2,837,009	g. Total (a. through f.)	831,159
4. Total (1. + 2. + 3.f)	11,057,272	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		155,451	155,451
b. Engineering Costs		1,499,513	1,499,513
c. Construction:			
(1). New Facilities		1,435,158	1,435,158
(2). Capacity Improvements		770,567	770,567
(3). System Preservation		6,987,446	6,987,446
(4). System Enhancement & Operation		3,105,070	3,105,070
(5). Total Construction (1) + (2) + (3) + (4)	0	12,298,241	12,298,241
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	13,953,205	13,953,205
			(Carry forward to page 1)

Notes and Comments:

**Mesa County, Colorado
Net Position by Component
Last Ten Fiscal Years**

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Government Activities										
Invested in Capital Activities	\$ 244,352,227	\$ 235,081,027	\$ 228,322,703	\$ 221,317,793	\$ 204,884,422	\$ 194,761,088	\$ 191,560,122	\$ 189,281,966	\$ 189,368,049	\$ 187,316,563
Restricted	4,634,111	4,634,489	4,587,298	4,205,056	4,973,216	4,949,290	10,925,066	12,130,069	7,908,232	5,923,849
Unrestricted	27,596,323	25,644,299	26,659,245	26,756,472	32,459,700	36,407,952	29,278,179	38,289,513	31,384,294	34,524,901
Total Governmental Net Position	<u>276,582,661</u>	<u>265,359,815</u>	<u>259,569,246</u>	<u>252,279,321</u>	<u>242,317,338</u>	<u>236,118,330</u>	<u>231,763,367</u>	<u>239,701,548</u>	<u>228,660,575</u>	<u>227,765,313</u>
Business-Type Activities										
Invested in Capital Activities	14,583,538	14,853,198	15,211,217	15,847,903	14,160,475	14,733,586	14,515,396	11,888,285	8,236,639	5,004,530
Restricted	7,344,506	7,318,460	7,309,671	7,295,986	7,281,675	7,250,191	6,743,475	6,237,580	5,709,490	5,161,817
Unrestricted	(3,710,938)	(5,502,787)	(10,515,231)	(10,100,033)	(9,024,402)	(8,895,068)	(8,662,962)	(5,610,513)	(1,886,262)	2,292,356
Total Business-Type Net Position	<u>18,217,106</u>	<u>16,668,871</u>	<u>12,005,657</u>	<u>13,043,856</u>	<u>12,417,748</u>	<u>13,088,709</u>	<u>12,595,909</u>	<u>12,515,352</u>	<u>12,059,867</u>	<u>12,458,703</u>
Primary Government										
Invested in Capital Activities	258,935,765	249,934,225	243,533,920	237,165,696	219,044,897	209,494,674	206,075,518	201,170,251	197,604,688	192,321,093
Restricted	11,978,617	11,952,949	11,896,969	11,501,042	12,254,891	12,199,481	17,668,541	18,367,649	13,617,722	11,085,666
Unrestricted	23,885,385	20,141,512	16,144,014	16,656,439	23,435,298	27,512,884	20,615,217	32,679,000	29,498,032	36,817,257
Total Primary Government Net Position	<u>\$ 294,799,767</u>	<u>\$ 282,028,686</u>	<u>\$ 271,574,903</u>	<u>\$ 265,323,177</u>	<u>\$ 254,735,086</u>	<u>\$ 249,207,039</u>	<u>\$ 244,359,276</u>	<u>\$ 252,216,900</u>	<u>\$ 240,720,442</u>	<u>\$ 240,224,016</u>

Source: Mesa County Financial Services (CAFR)
Statement of Net Position includes GASB 34 Adjustments

Mesa County, Colorado
FUND BALANCES, GOVERNMENTAL FUNDS
Last Ten Fiscal Years

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
General Fund Balances										
Non-spendable	\$ 14,449	\$ 10,997	\$ 13,386	\$ 4,940	\$ 2,713	\$ 561	\$ 6,797	\$ 2,465	\$ 10,680	\$ 2,636,195
Restricted	2,976,476	2,912,849	2,844,212	2,746,573	2,723,297	2,650,933	1,863,043	1,823,501	1,878,897	1,527
Committed	69,127	11,250	108,570	185,364	2,986,151	1,934,076	1,843,561	1,085,979	3,013,760	2,679,087
Assigned	77,402	2,982,822	1,710,112	2,741,685	33,925	30,281	9,001	13,092	9,489	32,013
Unassigned	10,521,243	7,758,883	9,134,034	7,566,473	8,663,167	9,468,912	11,138,578	10,879,236	11,642,863	13,645,223
Total General Fund Balances	<u>\$ 13,658,697</u>	<u>\$13,676,801</u>	<u>\$13,810,314</u>	<u>\$13,245,035</u>	<u>\$14,409,253</u>	<u>\$14,084,763</u>	<u>\$14,860,980</u>	<u>\$13,804,273</u>	<u>\$16,555,689</u>	<u>\$18,994,045</u>
Other Governmental Fund Balances										
Non-spendable	\$ 152,455	\$ 171,812	\$ 194,687	\$ 260,836	\$ 496,723	\$ 666,248	\$ 356,512	\$ 1,249,873	\$ 5,161,302	\$ 11,400,140
Restricted	1,657,635	1,731,640	1,743,086	1,461,954	1,548,668	1,578,356	1,448,714	1,804,230	857,353	358,508
Committed	10,872,586	9,800,776	5,178,162	7,476,766	14,224,348	19,362,304	12,213,424	21,489,240	11,818,875	4,554,855
Assigned	4,073,273	4,845,049	9,727,289	7,952,254	3,522,881	3,305,413	8,834,190	8,778,612	2,718,151	-
Unassigned	(126,036)	(1,604,453)	-	-	(268,331)	(155,729)	-	-	-	3,294,278
Total Other Govt Fund Balances	<u>\$ 16,629,913</u>	<u>\$ 14,944,824</u>	<u>\$ 16,843,224</u>	<u>\$ 17,151,810</u>	<u>\$ 19,524,289</u>	<u>\$ 24,756,592</u>	<u>\$ 22,852,840</u>	<u>\$ 33,321,955</u>	<u>\$ 20,555,681</u>	<u>\$ 19,607,781</u>
	\$ 30,288,610	\$ 28,621,625	\$ 30,653,538	\$ 30,396,845	\$ 33,933,542	\$ 38,841,355	\$ 37,713,820	\$ 47,126,228	\$ 37,111,370	\$ 38,601,826

Source: Mesa County Financial Services (CAFR)
Mesa County Balance Sheet Governmental Funds includes GASB 34 Adjustments

**MESA COUNTY, COLORADO
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS**

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Expenses										
Governmental Activities										
General Government	\$ 21,994,304	\$ 24,569,456	\$ 23,191,408	\$ 24,043,713	\$ 23,767,027	\$ 21,383,037	\$ 42,673,595	\$ 25,008,809	\$ 44,440,125	\$ 32,013,598
Public Safety	35,227,228	33,733,852	32,219,413	31,910,631	38,917,886	31,485,328	31,828,170	31,455,136	32,134,368	31,039,819
Public Works	17,710,836	19,232,315	19,608,638	20,575,894	20,922,240	18,980,650	15,850,686	14,747,899	7,480,427	15,417,521
Health and Welfare	34,072,008	33,158,561	31,816,310	28,396,507	23,395,591	27,959,720	28,888,962	30,395,112	34,275,935	30,017,874
Human Services	3,284,763	3,518,116	3,823,389	3,018,204	3,692,007	2,940,772	2,876,744	3,186,444	3,623,245	2,612,679
Culture and Recreation	2,757,088	2,775,451	2,116,767	2,195,435	815,817	2,608,876	2,371,246	2,237,862	1,074,455	3,321,203
Interest on Long Term Debt	870,456	904,806	935,290	1,398,873	984,890	999,549	1,074,990	385,907	391,789	578,581
Total Governmental Activities Expenses	115,916,683	117,892,557	113,711,215	111,539,257	112,495,458	106,357,932	125,564,393	107,417,169	123,420,344	115,001,275
Business Type Activities										
Solid Waste	3,844,347	3,669,258	4,586,047	4,463,185	4,324,649	4,124,700	4,121,343	3,980,192	4,465,654	3,669,299
Sewer Districts	506,978	494,129	498,237	479,910	456,570	624,088	236,552	164,110	162,189	269,131
Building Inspections	-	-	-	-	-	-	(71,940)	863,870	1,083,471	1,373,170
Total Business-Type Activities Expenses	4,351,325	4,163,387	5,084,284	4,943,095	4,781,219	4,748,788	4,285,955	5,008,172	5,711,314	5,311,600
Total Primary Government Expenses	\$ 120,268,008	\$ 122,055,944	\$ 118,795,499	\$ 116,482,352	\$ 117,276,677	\$ 111,106,720	\$ 129,850,348	\$ 112,425,341	\$ 129,131,658	\$ 120,312,875
Program Revenues										
Governmental Activities										
Charges for Services	\$ 13,003,248	\$ 12,810,340	\$ 13,351,948	\$ 12,740,940	\$ 12,396,782	\$ 12,959,753	\$ 11,411,720	\$ 11,107,655	\$ 12,019,344	\$ 13,178,686
Operating Grants	43,607,403	43,602,460	41,191,758	37,848,503	36,836,028	35,714,546	35,304,725	39,590,736	40,054,320	34,810,485
Capital Grants	5,797,912	4,530,846	3,740,173	7,507,044	4,603,342	794,690	5,510,111	5,210,936	1,317,281	4,664,398
Total Governmental Revenues	62,408,563	60,943,646	58,283,879	58,096,487	53,836,152	49,468,989	52,226,556	55,909,327	53,390,945	52,653,569
Business Type Activities										
Charges for Services	5,544,596	4,169,836	3,931,826	3,857,303	3,941,812	4,017,918	3,831,016	4,737,163	4,824,736	5,742,990
Operating Grants	38,626	-	-	-	15,547	-	-	-	-	-
Capital Grants	-	-	18,176	1,617,671	45,706	235,476	446,671	661,810	253,731	264,034
Total Business-Type Revenues	5,583,222	4,169,836	3,950,002	5,474,974	4,003,065	4,253,394	4,277,687	5,398,973	5,078,467	6,007,024
Total Primary Government Revenues	\$ 67,991,785	\$ 65,113,482	\$ 62,233,881	\$ 63,571,461	\$ 57,839,217	\$ 53,722,383	\$ 56,504,243	\$ 61,308,300	\$ 58,469,412	\$ 58,660,593
Net Revenue/(Expense)										
Governmental Activities										
Governmental Activities	(53,508,120)	(56,948,911)	(55,427,336)	(53,442,770)	(58,659,306)	(56,888,943)	(73,337,837)	(51,507,842)	(70,029,399)	(62,347,706)
Business-Type Activities	1,231,897	6,449	(1,134,282)	531,879	(778,154)	(495,394)	(8,268)	390,801	(632,847)	695,424
Total Primary Government Net Revenue/(Expense)	(52,276,223)	(56,942,462)	(56,561,618)	(52,910,891)	(59,437,460)	(57,384,337)	(73,346,105)	(51,117,041)	(70,662,246)	(61,652,282)
General Revenues and Other Changes in Net Position										
Governmental Activities										
Taxes										
Property Tax	22,145,820	22,959,540	21,820,053	21,581,309	24,526,809	24,286,023	28,072,355	28,072,355	27,827,020	23,897,611
Sales Tax	30,536,154	27,967,660	28,748,986	27,797,137	26,912,567	26,710,564	24,274,674	24,274,674	25,856,671	32,571,183
Other Tax	6,627,869	5,772,448	6,418,226	6,100,890	6,014,726	5,912,102	5,984,500	5,984,500	6,715,875	7,986,693
Unrestricted Investment Earnings	340,851	228,427	97,911	142,265	109,823	147,370	3,082,246	3,082,246	9,960,948	9,006,022
Grants and Contributions not restricted to specific programs	4,436,966	4,519,886	5,753,737	5,783,430	5,161,120	3,328,404	280,782	280,782	510,115	1,790,091
Miscellaneous Revenues (incl transfers)	633,306	1,301,519	412,961	1,999,722	2,316,867	859,443	732,740	732,740	517,308	9,134,843
Total Governmental Activities	64,720,966	62,749,480	63,251,874	63,404,753	65,041,912	61,243,906	62,427,297	62,427,297	71,387,937	84,386,443
Business Type Activities										
Investment Earnings	66,679	24,075	19,007	18,320	37,540	31,659	35,005	35,005	89,241	235,025
Miscellaneous Revenues (incl transfers)	249,659	4,632,690	77,076	75,909	69,653	51,870	29,679	29,679	24,259	-
Total Business Type Activities	316,338	4,656,765	96,083	94,229	107,193	83,529	64,684	64,684	113,500	235,025
Total Primary Government	\$ 65,037,304	\$ 67,406,245	\$ 63,347,957	\$ 63,498,982	\$ 65,149,105	\$ 61,327,435	\$ 62,491,981	\$ 62,491,981	\$ 71,501,437	\$ 84,621,468
Change in Net Position										
Governmental Activities										
Governmental Activities	\$ 11,212,846	\$ 5,800,569	\$ 7,824,538	\$ 9,961,983	\$ 6,382,606	\$ 4,354,963	\$ (10,910,540)	\$ 10,919,455	\$ 1,358,538	\$ 22,038,737
Adjustment to beginning net position	-	-	(534,613)	-	(183,598)	-	121,518	121,518	(463,276)	-
Business-Type Activities	1,548,235	4,663,214	(1,038,199)	626,108	(670,961)	(411,865)	56,416	455,485	(519,347)	930,449
Adjustment to beginning net position	-	-	-	-	-	904,665	-	-	120,511	-
Total Primary Government	\$ 12,761,081	\$ 10,463,783	\$ 6,251,726	\$ 10,588,091	\$ 5,528,047	\$ 4,847,763	\$ (10,732,606)	\$ 11,496,458	\$ 496,426	\$ 22,969,186

Source: Mesa County CAFR
Statement of Activities includes GASB 34 Adjustments

From Exhibit B-2 page 11308/11309 Volume II

Mesa County, Colorado
Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
Last Ten Fiscal Years

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Revenues										
Taxes	\$ 59,004,410	\$56,736,712	\$57,130,462	\$55,233,625	\$57,401,530	\$ 57,163,448	\$ 59,647,184	\$58,521,192	\$60,467,868	\$67,030,240
Licenses and Permits	1,648,457	1,291,844	1,237,174	1,325,392	1,279,404	1,308,098	1,042,648	481,103	489,515	574,761
Charges for Services - External	3,492,811	3,318,624	3,764,087	3,257,448	3,958,676	3,532,229	4,167,396	4,226,943	4,834,261	5,355,659
Intergovernmental	53,747,373	53,295,271	51,405,013	52,009,636	48,372,171	43,958,860	47,051,057	49,634,165	54,514,535	51,877,369
Fines and Forfeitures	328,973	418,771	411,299	504,840	393,854	392,825	412,749	453,338	497,287	411,755
Fee Accounts	4,270,393	4,393,703	4,193,793	3,909,895	4,031,446	4,131,476	172,388	280,782	510,115	1,790,091
Miscellaneous	1,186,274	636,951	855,969	486,759	672,138	903,083	4,010,479	4,000,776	3,952,721	4,305,621
Investment Earnings	340,851	228,426	97,911	142,268	109,823	147,370	(155)	-	638	(2,445,423)
Charges for Services - Internal	935,735	898,827	957,040	1,025,848	617,071	459,328	1,077,162	1,214,203	929,823	582,753
Other Grants	1,922,148	1,387,657	1,608,651	1,376,358	-	-	-	-	-	-
Total Revenues	126,877,425	122,606,786	121,661,399	119,272,069	116,836,113	111,996,717	117,580,908	118,812,502	126,196,763	129,482,826
Expenditures										
General Government	20,843,101	21,139,144	19,383,248	19,263,349	20,003,750	19,965,267	20,513,199	23,046,107	23,866,995	24,959,828
Public Safety	33,026,747	32,496,951	31,528,430	30,688,689	30,919,200	30,436,407	30,066,715	31,296,973	31,538,141	30,686,108
Public Works	11,705,137	14,627,594	9,445,267	12,126,598	10,501,712	8,635,396	8,609,227	9,875,742	9,247,444	10,843,916
Public Health and Welfare	33,591,980	33,117,063	31,713,172	28,102,465	28,662,426	27,643,028	28,740,282	30,253,527	34,093,038	29,793,575
Human Services	2,687,237	2,948,469	2,734,308	2,947,412	2,604,783	2,685,688	2,525,082	2,843,888	3,529,617	2,390,951
Culture and Recreation	1,466,114	1,748,307	1,697,178	1,885,459	1,832,873	1,779,995	1,819,096	2,027,414	2,421,656	2,479,345
Capital Projects	20,082,255	13,501,138	23,204,095	26,385,718	27,150,614	17,947,987	31,258,179	24,625,874	19,335,678	22,288,685
Debt Service	-	-	-	-	-	-	-	-	-	-
Principal	840,000	820,000	800,000	775,000	760,000	745,000	3,090,000	2,940,000	2,795,000	4,235,000
Redemption Premium	-	-	-	-	-	-	-	-	-	-
Interest	869,420	903,385	933,553	956,803	972,003	986,774	1,064,153	737,900	371,375	572,750
Intergovernmental	-	-	-	-	-	-	-	-	-	-
Total Expenditures	125,111,991	121,302,051	121,439,251	123,131,493	123,407,361	110,825,542	127,685,933	127,647,425	127,198,944	128,250,158
Excess of revenues over/(under) expenditures	\$ 1,765,434	\$ 1,304,735	\$ 222,148	\$ (3,859,424)	\$ (6,571,248)	\$ 1,171,175	\$ (10,105,025)	\$ (8,834,923)	\$ (1,002,181)	\$ 1,232,668
Other Financing Sources (Uses)										
Transfers In	2,936,300	2,623,662	3,186,917	1,115,255	3,416,545	2,920,419	5,181,479	22,419,675	9,150,899	6,493,057
Transfers Out	(3,132,660)	(7,185,982)	(3,240,277)	(2,467,615)	(2,658,894)	(2,971,219)	(5,126,762)	(22,434,675)	(9,257,010)	(6,018,057)
Insurance Recovery	9,048	-	-	-	-	-	-	-	-	-
Other	88,863	1,225,672	87,905	1,675,087	1,089,926	7,160	637,900	18,743,263	46,960	-
Total Other Financing Sources (Uses)	(98,449)	(3,336,648)	34,545	322,727	1,847,577	(43,640)	692,617	18,728,263	(59,151)	475,000
Net Change in Fund Balance	\$ 1,666,985	\$ (2,031,913)	\$ 256,693	\$ (3,536,697)	\$ (4,723,671)	\$ 1,127,535	\$ (9,412,408)	\$ 9,893,340	\$ (1,061,332)	\$ 1,707,668
Capital Outlays	(8,463,993)	(8,375,259)	(6,898,100)	(13,536,817)	(12,814,150)	(11,679,271)	(28,220,624)	(22,056,914)	(24,449,826)	(16,616,815)
Debt Service as a percentage of Non-Capital Expenditures	A 1.63%	1.64%	1.65%	1.72%	1.70%	1.75%	4.18%	3.48%	3.08%	4.31%

A Formula = (Debt Service Principal+Debt Service Interest)/((Total Expenditures - (Net Capital Outlays+Depreciation Expense))

Source: Mesa County Financial Services
Revenue, Expenditure, and Change in Fund Balance-does not include 34 adjustments

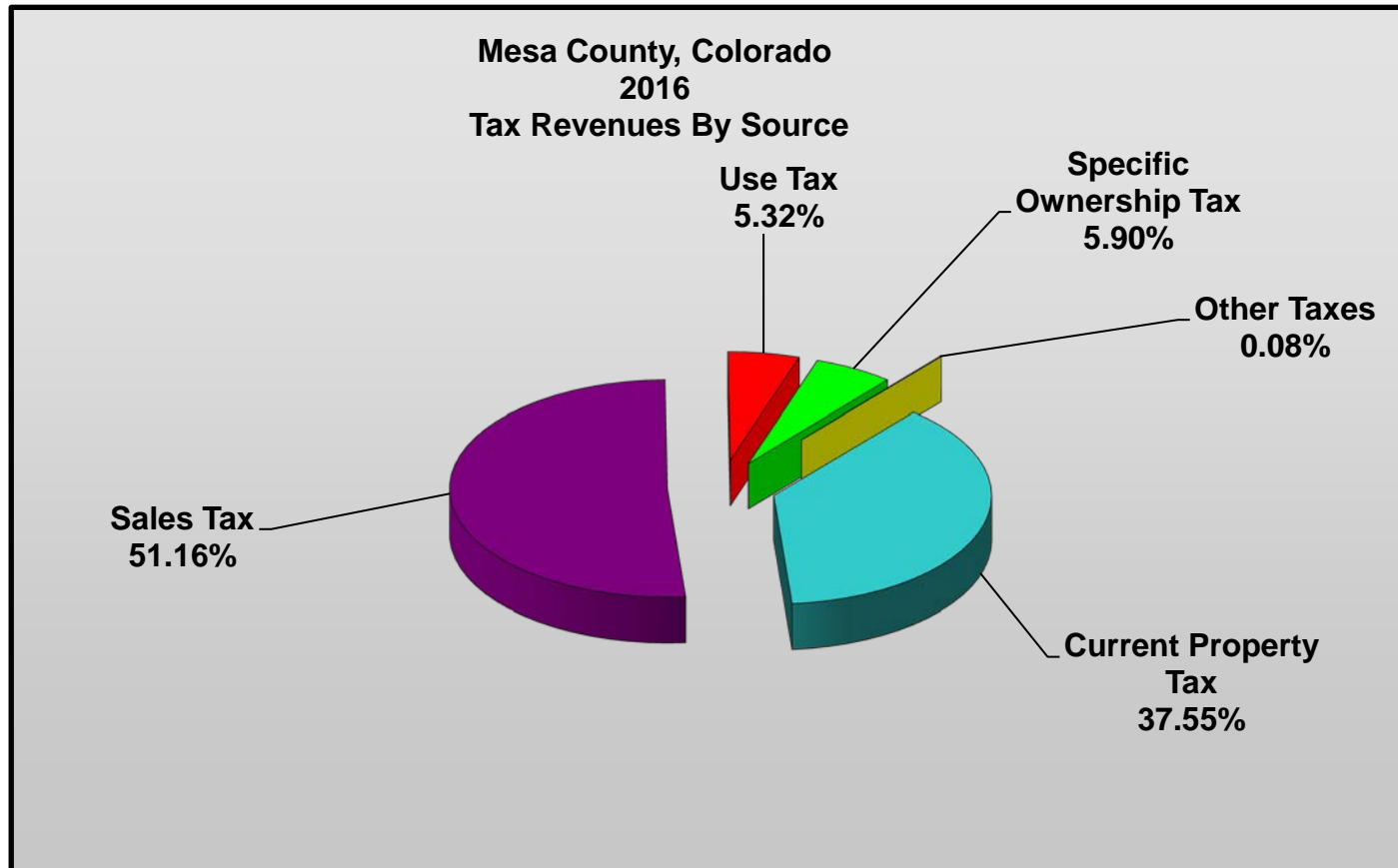
Mesa County, Colorado
TAX REVENUES BY SOURCE (1)
Last Ten Fiscal Years

Fiscal Year	Current Property Tax	Sales Tax	Use Tax	Specific Ownership Tax	Other Taxes	Total
2008	\$ 26,267,130	\$ 32,700,513	\$ 3,849,455	\$ 4,137,238	\$ 75,904	\$ 67,030,240
2009	27,734,182	25,925,611	2,510,561	4,205,314	92,199	60,467,867
2010	28,141,202	24,262,062	2,790,753	3,193,747	133,428	58,521,192
2011	27,649,564	25,954,371	2,797,035	3,039,705	206,355	59,647,030
2012	24,286,023	26,826,490	2,878,672	3,033,430	138,833	57,163,448
2013	24,404,265	26,859,451	3,007,610	3,007,116	123,084	57,401,526
2014	21,473,211	27,551,430	3,116,906	2,983,984	108,094	55,233,625
2015	21,711,568	28,892,182	3,338,213	3,080,013	170,906	57,192,882
2016	22,912,685	28,004,724	2,798,766	2,973,682	46,855	56,736,711
2017	22,100,943 (3)	30,230,723 (2)	3,143,529	3,484,340	44,875	59,004,410

Source: Mesa County Financial Services Division (CAFR)

Does not include GASB #34 adjustments

- (1) The TABOR (Article X Section 20) amendment to the Colorado State Constitution limits revenue increases and has other specific requirements.
- (2) Sales tax is collected by the vendor on most classes of goods and is remitted to the State of Colorado. The state distributes Mesa County's percentage, which is set by statute, of that remittance to the County on a monthly basis.
- (3) Full reappraisals of all Mesa County properties are completed on a bi-yearly basis.
- (4) Data includes tax revenue from the blended component units.

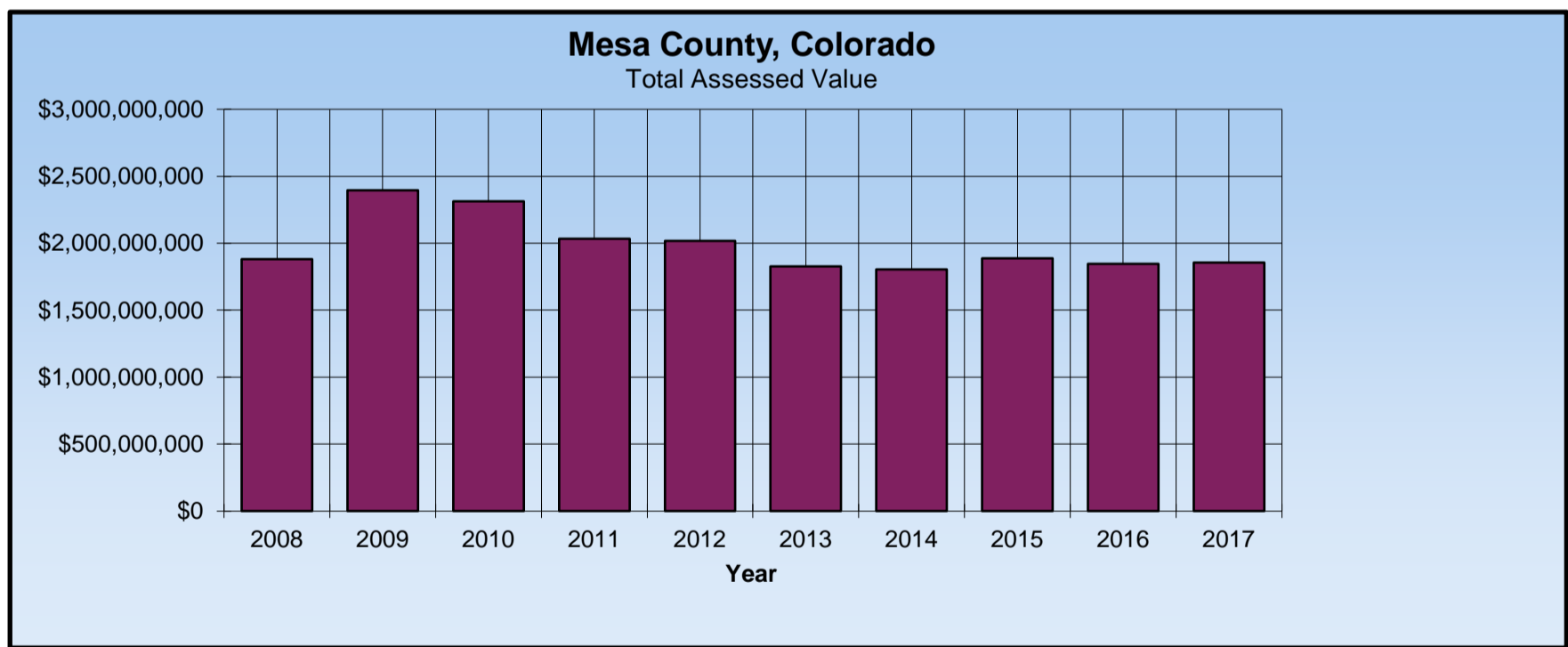


Mesa County, Colorado
ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
Last Ten Fiscal Years

Levy Year	Assessed Value			Total Assessed Value	Actual Value			Base Year for Valuation
	Real Property	Personal Property	State Assessed and Other Property		Estimated Actual Value	Direct Tax Rate	Ratio of Assesed Value to Estimated Actual Value	
2008	1,625,201,080	157,994,440	97,791,700	1,880,987,220	14,157,766,049	14.890	13.29%	2007
2009	2,105,446,130	183,543,380	106,686,500	2,395,676,010	18,745,566,050	11.335	12.78%	2008
2010	1,957,325,450	243,419,490	113,688,600	2,314,433,540	18,306,547,652	12.202	12.64%	2009
2011	1,705,262,200	211,454,870	115,344,000	2,032,061,070	16,360,598,370	12.273	12.42%	2010
2012	1,706,661,240	190,486,880	120,084,700	2,017,232,820	16,344,598,384	12.281	12.34%	2011
2013	1,495,080,780	201,907,370	129,189,900	1,826,178,050	15,175,843,298	12.272	12.03%	2012
2014	1,484,677,660	187,469,330	132,869,300	1,805,016,290	15,095,853,466	12.214	11.96%	2013
2015	1,561,698,240	188,935,410	138,124,400	1,888,758,050	15,779,370,238	12.297	11.97%	2014
2016	1,514,958,450	192,840,880	137,677,000	1,845,476,330	15,468,112,350	12.214	11.93%	2015
2017	1,520,360,800	196,156,310	140,212,300	1,856,729,410	15,593,837,666	12.246	11.91%	2016

Source: Mesa County Assessor's Office, Abstract of Assessment and Summary of Taxes (Valued as of final certification).

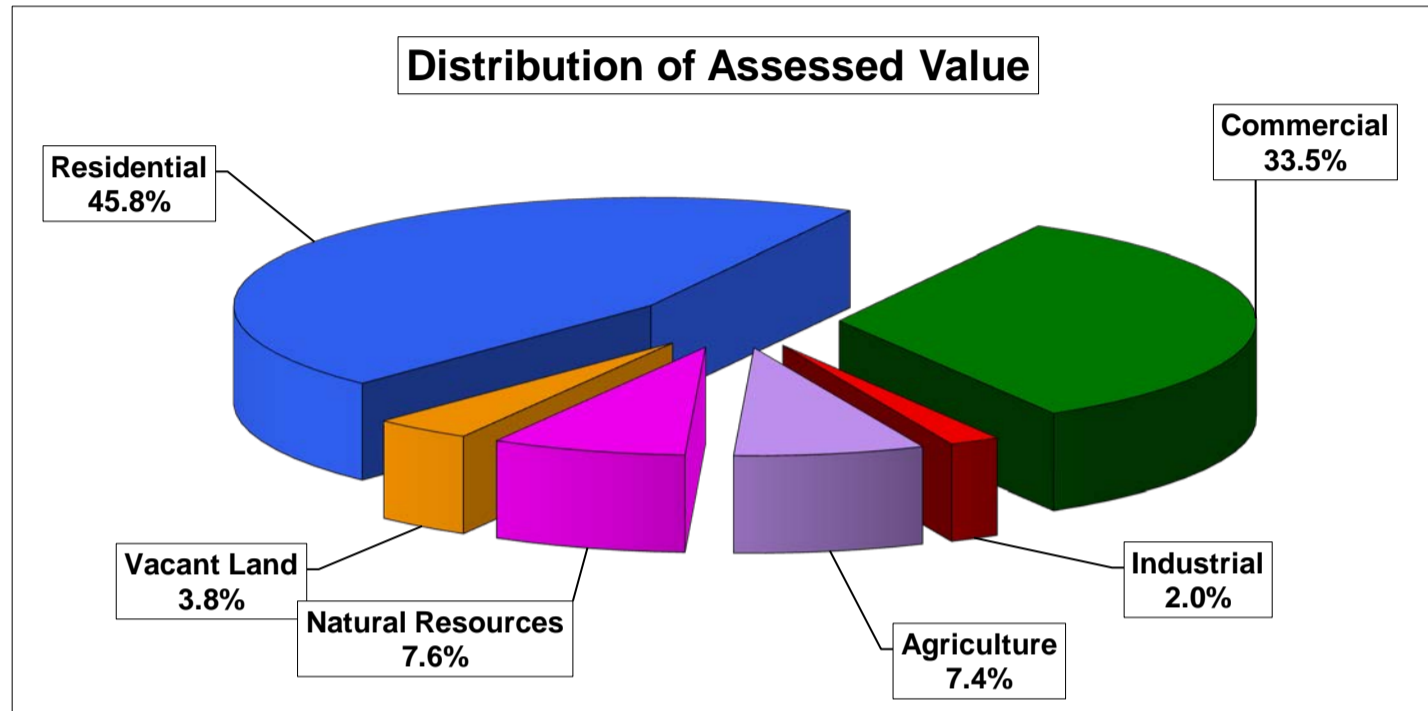
Note: The County Assessor determines market value by collecting physical information regarding a given property, analyzing that information using statistical methods and comparing the resulting information to actual sales. The assessed value is a percentage set by the Colorado Division of Property Taxation and the State Legislature via Constitutional Amendment.



Mesa County, Colorado
ASSESSED VALUE OF TAXABLE PROPERTY
Last Ten Fiscal Years

Year	Vacant Land	Residential	Commercial	Industrial	Agriculture/ Agribusiness	Natural Resources	Public Utilities	Total Taxable Assessed Value
2008	\$ 125,883,030	\$ 864,463,010	\$ 539,702,120	\$ 89,579,160	\$ 21,496,170	\$ 142,072,030	\$ 97,791,700	\$ 1,880,987,220
2009	175,799,760	1,046,962,400	638,028,990	118,684,850	23,332,170	286,181,340	106,686,500	2,395,676,010
2010	167,287,910	1,057,712,590	634,662,150	121,306,340	23,758,270	196,017,680	113,688,600	2,314,433,540
2011	128,723,780	846,491,630	558,982,580	110,280,930	25,467,880	246,770,270	115,344,000	2,032,061,070
2012	123,965,730	853,052,530	558,382,360	110,991,940	25,680,910	225,074,650	120,084,700	2,017,232,820
2013	91,795,990	734,716,840	572,390,990	102,461,740	27,249,000	168,373,590	129,189,900	1,826,178,050
2014	88,008,020	744,510,470	535,279,830	103,422,430	27,839,710	173,086,530	132,869,300	1,805,016,290
2015	87,817,340	838,018,250	506,047,990	99,267,270	32,936,330	186,546,470	138,124,400	1,888,758,050
2016	81,529,680	849,295,690	509,001,720	97,889,130	33,401,450	136,681,660	137,677,000	1,845,476,330
2017	70,566,500	850,360,870	518,002,140	103,987,840	36,397,010	137,202,750	140,212,300	1,856,729,410

Source: Mesa County Assessor Summary of Levies



Mesa County, Colorado
PRINCIPAL TAXPAYERS
December 31, 2007 and December 31, 2017

Taxpayer	Type of Business	2007 Assessed Valuation	Percentage of Total Assessed Valuation	2017 Assessed Valuation	Percentage of Total Assessed Valuation
Public Service Company of Colorado (Xcel)	Utility	\$ 35,790,400	28.55%	\$ 56,138,800	26.92%
Laramie Energy, LLC	Oil & Gas	**	**	42,970,700	20.60%
Union Pacific (prev Southern Pacific)	Railroad	9,349,000	7.46%	26,632,500	12.77%
QWest Corporation (prev US West)	Utility	19,017,200	15.17%	18,742,200	8.99%
Grand Valley Rural Power Lines, Inc.	Utility	5,401,200	4.31%	13,471,900	6.46%
Helmerich and Payne Internation Drilling	Oil & Gas	**	**	11,307,660	5.42%
Collbran Valley Gas Gathering, LLC	Oil & Gas	**	**	10,048,510	4.82%
Caerus Piceance, LLC	Oil & Gas	**	**	10,007,420	4.80%
SM Mesa Mall, LLC	Shopping Mall	13,871,810	11.07%	9,838,330	4.72%
SG Interests, LTD	Oil & Gas	**	**	9,398,930	4.51%
Walmart/Sam's	Retail	11,123,930	8.87%	*	*
Bresnan Communications	Utility	10,136,450	8.09%	*	*
Grand Mesa Center	Shopping Mall	8,109,370	6.47%	*	*
Transcolorado Gas Trans	Utility	7,877,700	6.28%	*	*
Dillon Real Estate/ City Market	Grocery	4,668,520	3.72%	*	*
Totals		<u>\$ 125,345,580</u>	<u>100.00%</u>	<u>\$ 208,556,950</u>	<u>100.00%</u>

Source: Mesa County Assessor's Office

Based on a 2007 certified assessed valuation of \$1,778,435,310

Based on a 2017 certified assessed valuation of \$1,856,729,410

* Not in the top 10 in 2017

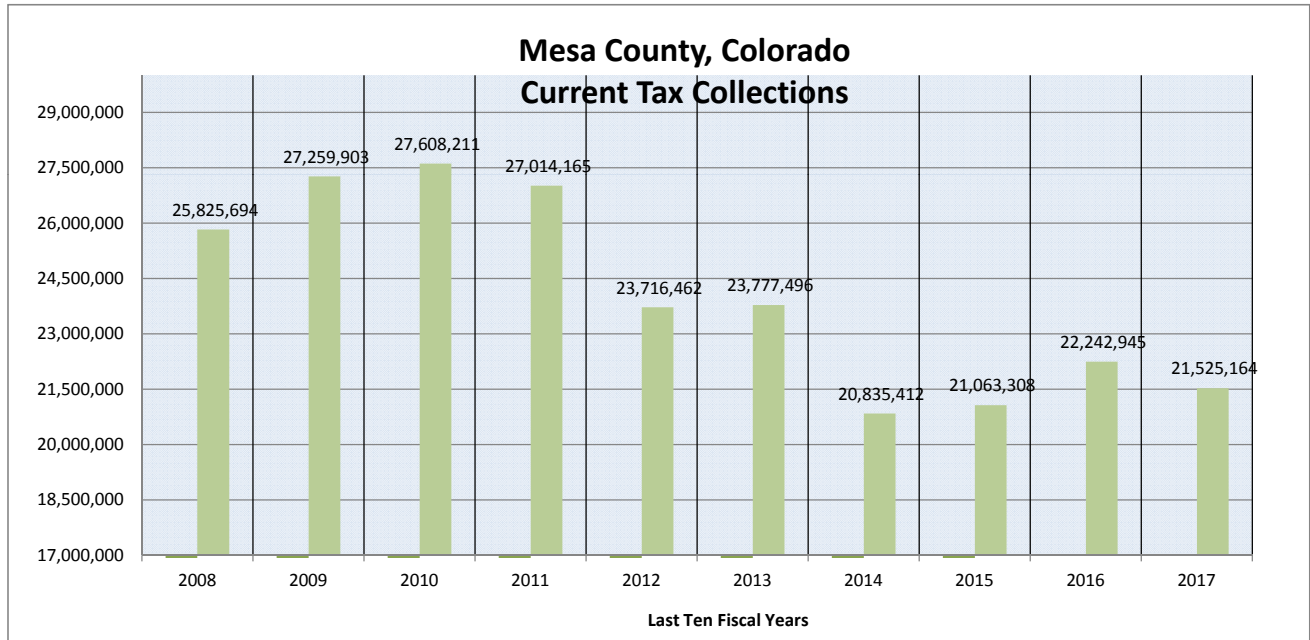
** Not in the top 10 in 2007

Mesa County, Colorado
COUNTY PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten Fiscal Years

Year of Collection	Total Tax Levy (1)	Current Tax Collection	Percent of Levy Collected	Delinquent Tax Collections	Total Tax Collections	Ratio of Total Collections to Tax Levy	Outstanding Delinquent Taxes	Ratio of Delinquent Taxes to Tax Levy
2008	26,497,373	25,825,694	97.47%	24,144	25,849,838	97.56%	250,399	0.94%
2009	28,016,763	27,259,903	97.30%	14,778	27,274,681	97.35%	222,988	0.80%
2010	28,109,608	27,608,211	98.22%	52,965	27,661,176	98.40%	116,306	0.41%
2011	27,900,366	27,014,165	96.82%	104,210	27,118,375	97.20%	164,553	0.59%
2012	24,939,486	23,716,462	95.10%	75,310	23,791,772	95.40%	142,803	0.57%
2013	24,646,254	23,777,496	96.48%	59,873	23,837,369	96.72%	28,732	0.12%
2014	22,278,626	20,835,412	93.52%	52,011	20,887,423	93.76%	114,799	0.52%
2015	21,922,757	21,063,308	91.18%	60,905	21,124,213	91.44%	85,484	0.37%
2016	23,531,954	22,242,945	94.52%	6,060	22,249,005	94.55%	106,903	0.45%
2017	22,420,609	21,525,164	96.01%	7,521	21,532,685	96.04%	165,250	0.74%

(1) As certified by the Board of County Commissioners, does not include Temporary Tax Credit if applicable.

Sources: Mesa County Financial Services Division
Mesa County Treasurer's Office
Mesa County Assessor's Office



Mesa County, Colorado
GENERAL GOVERNMENT REVENUES BY SOURCE (1)
Last Ten Fiscal Years

Fiscal Year	Taxes	Licenses and Permits	Inter-governmental	Charges for Services	Fines and Forfeitures	Miscellaneous	TABOR Refund	Other Grants	Interest Earnings	Fee Accounts	Total
2008	67,030,240	574,761	51,877,369	5,355,659	411,755	582,753	(2,445,423)	-	1,790,091	4,305,621	\$129,482,826
2009	60,467,868	489,515	54,514,535	4,834,261	497,287	929,823	638	-	510,115	3,952,721	126,196,763
2010	58,521,192	481,103	49,634,165	4,226,943	453,338	1,214,203	-	-	280,782	4,000,776	118,812,502
2011	59,647,184	1,042,648	47,051,057	4,167,396	412,749	1,077,162	(155)	-	172,388	4,010,479	117,580,908
2012	57,163,448	1,308,098	43,958,860	3,991,557	392,825	903,083	-	-	147,370	4,131,476	111,996,717
2013	57,400,986	1,279,404	48,372,171	4,575,747	393,854	672,138	-	-	109,823	4,031,446	116,835,569
2014	55,233,626	1,325,392	52,098,520	4,283,296	504,840	486,759	-	1,376,358	142,268	3,909,895	119,360,954
2015	57,130,462	1,237,174	51,405,013	4,721,127	411,299	855,969	-	1,608,651	97,911	4,193,793	121,661,399
2016	56,736,712	1,291,844	53,295,271	4,217,451	418,771	636,951	-	1,387,657	228,426	4,393,703	122,606,786
2017	59,004,410	1,648,457	53,747,373	4,428,546	328,973	1,186,274	-	1,922,148	340,851	4,270,393	126,877,425

(1) Includes the General, Special Revenue, Debt Service, and Capital Projects Funds.

Source: Mesa County Financial Services Division (CAFR)
Revenue, Expenditure, and Change in Fund Balance-does not include 34 adjustments



Mesa County, Colorado
REVENUE BOND COVERAGE
MESA COUNTY SALES TAX REVENUE BONDS
Last Ten Fiscal Years

Fiscal Year	(1) Sales Tax Revenues	Interest Earnings from Investments	Net Revenue Available for Debt Service	Debt Service Requirements (2)				
				Principal	Interest	Principal/Interest Ratio	Total Principal and Interest	Coverage
2008	22,552,078	-	22,552,078	2,675,000	494,750	540.68%	3,169,750	7.11
2009	17,879,732	-	17,879,732	2,795,000	371,375	752.61%	3,166,375	5.65
2010	16,732,457	-	16,732,457	2,940,000	228,000	1289.47%	3,168,000	5.28
2011	17,899,566	-	17,899,566	3,090,000	77,250	4000.00%	3,167,250	5.65
2012	18,501,026	-	18,501,026	-	-	-	-	-
2013	18,507,230	-	18,507,230	-	-	-	-	-
2014	18,966,496	-	18,966,496	-	-	-	-	-
2015	19,892,348	-	19,892,348	-	-	-	-	-
2016	19,269,268	-	19,269,268	-	-	-	-	-
2017	20,795,338	-	20,795,338	-	-	-	-	-

(1) Sales tax pledged for debt service is one-half of the 2% Mesa County sales tax - See Capital Fund Sales Tax

(2) Debt service includes regularly scheduled principal and interest payments. Transactions related to bond refundings, early call of subordinate bonds, or interest accretion of capital appreciation bonds are not included in this table.

Note: In 2012 all Sales Tax Bonds were paid in full and no Sales Tax Bond obligations remained for Mesa County Sales Tax.

Source: Mesa County Financial Statements (CAFR)

MESA COUNTY COLORADO
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN YEARS
December 31, 2017



	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
County Direct Rates:										
General Fund	9.267	9.141	9.271	9.379	9.455	9.577	9.963	10.064	10.151	12.956
Human Services	2.243	2.331	2.268	2.084	2.060	1.962	1.605	1.497	1.425	1.476
Road & Bridge	0.443	0.443	0.443	0.443	0.443	0.443	0.443	0.443	0.443	0.443
Translator TV	0.002	0.005	0.027	0.017	0.210	0.025	0.016	0.018	0.017	0.016
Developmental Disabilities	0.291	0.294	0.288	0.291	0.303	0.274	0.246	0.210	0.190	0.222
Temporary Tax Credit	-	-	(0.229)	-	-	-	-	(0.030)	(0.920)	(0.223)
Total County	12.246	12.214	12.068	12.214	12.471	12.281	12.273	12.202	11.306	14.890
Cities and Towns										
Collbran	7.384	7.384	7.384	7.384	7.384	7.384	7.385	7.385	7.385	8.525
DeBeque	9.018	9.018	9.018	9.018	9.018	9.018	9.018	9.018	9.018	9.018
Fruita	10.146	10.146	10.146	10.146	10.146	10.146	10.146	10.146	10.146	10.146
Grand Junction	8.000	8.000	8.000	8.000	8.000	8.000	8.000	8.000	8.000	8.000
Palisade	17.500	17.500	17.500	17.500	17.500	17.500	17.500	17.500	17.500	17.500
Total Cities and Towns	52.048	52.048	52.048	52.048	52.048	52.048	52.049	52.049	52.049	53.189
School Districts										
No. JT49 DeBeque	9.111	8.767	7.551	4.108	4.026	3.9840	4.4910	5.762	5.638	7.648
No. J50 Delta	28.263	27.765	27.386	27.542	27.383	27.550	27.550	27.157	27.192	27.817
No. 50 Plateau Valley	17.492	17.728	15.910	16.287	16.326	14.694	13.204	13.593	12.664	13.836
No. 51 Mesa County	43.784	36.079	36.845	36.572	36.693	36.094	34.823	33.549	34.266	36.171
Total School Districts	98.650	90.339	87.692	84.509	84.428	82.322	80.068	80.061	79.760	85.472
Other Districts										
Colorado River Water	0.254	0.253	0.243	0.253	0.254	0.2420	0.2280	0.188	0.166	0.199
Mesa County Library	3.021	3.013	3.081	3.017	3.027	3.000	3.000	3.000	3.000	3.000
Cemetery Districts	.469-.530	.473-.530	.276-.556	.288-.582	.280-.582	.1390-.5820	.0760-.5820	.190-.582	.088-.614	.264-.746
Fire Protection Districts	3.267-10.000	3.267-10.000	3.846-9.377	3.267-9.704	0.376-9.549	3.2670-7.7200	3.2670-7.4990	.006-.421	.006-.228	.075-.404
Hospital Districts	8.000-9.776	5.597-8.000	5.597-8.000	5.597-8.000	5.597-8.000	5.5970-8.000	5.5970-8.000	2.568-6.242	2.462-5.706	2.696-5.938
Sanitation Districts	-	-	0.998	1.036	.110-50.367	.1110-50.3670	.1110-50.3670	5.597-8.000	5.597-8.000	5.597-8.000
Water Conservancy Districts	.006-.592	.006-.592	.005-.592	.005-.592	.006-.592	.0050-.3790	.0050-.3230	.111-50.367	.078-50.367	1.000-50.367
Water Districts	8.0000	-	-	.0050-2.354	.500-2.446	.500-2.4680	.500-2.3210	.500-1.704	.500-1.651	.500-2.342



Source: Mesa County Assessor
From 2008 - 2017 Summary of Levies

Mesa County, Colorado
COMPUTATION OF DIRECT AND OVERLAPPING BONDED DEBT ¹
December 31, 2017

Jurisdiction	Net Debt Outstanding	Percentage Applicable to Mesa County	Amount Applicable to Mesa County
Direct:			
Mesa County Certificates of Participation*	\$ 13,997,210	100.00%	\$ 13,997,210
Overlapping:			
A Mesa County Valley School District No. 51			
2015 Certificates of Participation	6,865,000	100.00%	6,865,000
2012 GO Refunding Bonds	2,855,000	100.00%	2,855,000
2011 GO Refunding Bonds	62,375,000	100.00%	62,375,000
Total Overlapping Debt	<u>\$ 72,095,000</u>		<u>\$ 72,095,000</u>
Total Direct and Overlapping Debt	<u>\$ 86,092,210</u>		<u>\$ 86,092,210</u>

Notes:

¹ Computation of overlapping debt includes major government units and excludes several special districts that partially overlap with Mesa County.

Source:

A Financial Division, Mesa County School District No. 51 The School District has a 6/30 year end, but is very helpful in calculating and reporting their overlapping debt amount at 12/31 year end, for Mesa County reporting. Amount is prepared and gathered from the Finance Division of Mesa County School District 51.

*Reported net of related discounts and issuance premiums

**Mesa County, Colorado
COMPUTATION OF LEGAL DEBT MARGIN
GENERAL OBLIGATION DEBT
LAST TEN FISCAL YEARS**

	<u>December 31, 2017</u>	<u>December 31, 2016</u>	<u>December 31, 2015</u>	<u>December 31, 2014</u>	<u>December 31, 2013</u>	<u>December 31, 2012</u>	<u>December 31, 2011</u>
Computation of legal debt limit:							
Taxable assessed valuation	\$ 1,846,909,374	\$ 1,845,476,330	\$ 1,888,758,050	\$ 1,805,016,290	\$ 1,826,178,050	\$ 2,017,232,820	\$ 2,032,061,070
Plus exempt property	<u>395,583,340</u>	<u>451,552,500</u>	<u>452,929,650</u>	<u>449,483,850</u>	<u>381,085,680</u>	<u>473,074,220</u>	<u>462,550,440</u>
Total assessed value	\$ 2,242,492,714	\$ 2,297,028,830	\$ 2,341,687,700	\$ 2,254,500,140	\$ 2,207,263,730	\$ 2,490,307,040	\$ 2,494,611,510
Legal debt limit percentage	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%
	<u>\$ 33,637,391</u>	<u>\$ 34,455,432</u>	<u>\$ 35,125,316</u>	<u>\$ 33,817,502</u>	<u>\$ 33,108,956</u>	<u>\$ 37,354,606</u>	<u>\$ 37,419,173</u>
Amount of debt applicable to debt limit:							
Total long-term borrowings	\$ 14,050,000	\$ 14,890,000	\$ 15,710,000	\$ 16,510,000	\$ 17,285,000	\$ 18,045,000	\$ 18,790,000
Less: Sales tax revenue bonds	-	-	-	-	-	-	-
Lease purchase certificates	<u>14,050,000</u>	<u>14,890,000</u>	<u>15,710,000</u>	<u>16,510,000</u>	<u>17,285,000</u>	<u>18,045,000</u>	<u>18,790,000</u>
Net borrowings applicable to the debt limit	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Legal debt margin	<u>\$ 33,637,391</u>	<u>\$ 34,455,432</u>	<u>\$ 35,125,316</u>	<u>\$ 33,817,502</u>	<u>\$ 33,108,956</u>	<u>\$ 37,354,606</u>	<u>\$ 37,419,173</u>

Source: Colorado Revised Statute 30-26-301.
Mesa County Financial Services (CAFR)

Note: Mesa County has had no general obligation bonded debt in the last ten years. Therefore, the historical table "Ratios of Outstanding Debt by Type" and "Ratios of General Bonded Debt" are not included.

Mesa County, Colorado
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

<u>Year</u>	<u>Sales Tax Revenue Bond</u>	<u>Jail Lease Certificates of Participation</u>	<u>Certificates of Participation *</u>	<u>Total Primary Government</u>	<u>Total Estimated Population of Mesa County</u>	<u>Debt Per Capita</u>	<u>Per Capita Income</u>	<u>Percentage of Personal Income</u>
2008	2,795,500	1,560,000	-	4,355,500	140,680	3.23%	38,324	0.88%
2009	2,940,000	-	-	2,940,000	144,795	4.93%	34,513	1.17%
2010	3,167,250	-	18,728,282	21,895,532	146,587	0.67%	33,585	0.15%
2011	-	-	18,726,437	18,726,437	148,108	0.79%	34,879	0.19%
2012	-	-	17,979,592	17,979,592	148,291	0.82%	36,235	0.20%
2013	-	-	17,217,747	17,217,747	148,232	0.86%	36,545	0.21%
2014	-	-	17,217,747	17,217,747	148,250	0.86%	38,627	0.22%
2015	-	-	15,648,708	15,648,708	149,023	0.95%	39,272	0.25%
2016	-	-	14,832,959	14,832,959	150,731	1.02%	39,118	0.26%
2017	-	-	14,050,000	14,050,000	152,003	1.08% ^A	Data not available	

Source: Mesa County Comprehensive Annual Financial Report

Source: https://bea.gov/iTable/index_regional.cfm

Source: <https://demography.dola.colorado.gov/population/population-totals-counties/#population-totals-for-colorado-counties>

^A The Bureau of Economic Analysis does not have the 2017 Per Capita Income data available as of 06/30/2018

* Reported net of related discounts and issuance premiums

Mesa County, Colorado
DEMOGRAPHIC AND ECONOMIC STATISTICS
Last Ten Fiscal Years

Fiscal Year	(1) Population	(2) School Enrollment (K-12)	(3) Total Labor Force	(3) Unemployment Rate	(4) Foreclosures	(5) Total Personal Income (millions)	(5) Per Capita Personal Income
2008	140,680	21,396	83,391	4.6%	469	5,486,220	38,324
2009	144,795	22,272	81,125	8.0%	1,291	5,102,848	34,513
2010	147,112	22,147	77,882	10.2%	1,580	4,919,674	33,584
2011	148,061	22,203	77,246	9.0%	1,217	5,133,281	34,832
2012	148,286	22,012	81,089	8.6%	1,272	5,343,611	36,174
2013	148,293	21,986	77,347	6.9%	781	5,385,777	36,470
2014	148,348	21,902	75,871	4.7%	539	5,682,452	38,424
2015	150,232	21,746	72,716	5.4%	479	5,771,664	38,863
2016	152,357	21,827	72,623	4.5%	549	5,870,880	39,118
2017	152,003	22,084	73,887	4.0%	396	not available	not available

Data Sources:

- (1) Colorado DOLA State Demography Office
- (2) School District #51
- (3) Colorado Department of Labor & Employment
- (4) Mesa County Public Trustee
- (5) Bureau of Economic Analysis



**Mesa County, Colorado
PRINCIPAL EMPLOYERS
December 31, 2008 and December 31, 2017**

Employer	Type of Business	Number of Employees		Percentage of Total		Number of Employees		Percentage of Total	
		2008	Rank	2008	Rank	2017	Rank	2015	
		(1)				(1)			
School District #51	Education	3,200	1	20.95%		2,715	1	18.57%	
St. Mary's Hospital	Healthcare	2,235	2	14.63%		2,300	2	15.73%	
Mesa County	Government	1,026	6	6.72%		1,025	3	7.01%	
State of Colorado	Government	1,197	5	7.84%		1,012	4	6.92%	
Colorado Mesa University	Education	1,259	3	8.24%		1,006	5	6.88%	
City Markets, Inc.	Retail	650	9	4.25%		800	6	5.47%	
Community Hospital	Healthcare	574	10	3.76%		800	7	5.47%	
VA Medical Center	Healthcare	475	13	3.11%		720	8	4.92%	
Star Tek	Services	481	12	3.15%		700	9	4.79%	
City of Grand Junction	Government	1,202	4	7.87%		629	10	4.30%	
Hilltop Community Resources	Healthcare	512	11	3.35%		600	11	4.10%	
West Star Aviation	Services	*	*	*		413	12	2.82%	
Family Health West	Healthcare	*	*	*		370	13	2.53%	
STRIVE	Nonprofit	*	*	*		350	14	2.39%	
Hope West	Healthcare	*	*	*		350	15	2.39%	
Primary Care Partners	Healthcare	*	*	*		304	16	2.08%	
Mind Springs Health	Healthcare	*	*	*		272	17	1.86%	
Capco Inc	Manufacturing	*	*	*		254	18	1.74%	
Halliburton	Services	977	7	6.40%		**	**	**	
Walmart/Sams	Retail	860	8	5.63%		**	**	**	
Rocky Mountain Health Plans	Insurance	349	14	2.28%		**	**	**	
Choice Hotels	Services	280	15	1.83%		**	**	**	
		15,277		100.00%		14,620		100.00%	

Source:

(1) Grand Junction Economic Partnership

* This employer was not in the top 15 employers of 2008

** This employer was not in the top 18 employers of 2017



MESA COUNTY, COLORADO
FULL TIME EQUIVALENT POSITIONS BY DEPARTMENT

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
General Government										
Administration	8.00	9.00	8.50	6.50	7.00	6.00	5.00	6.00	6.00	6.00
Assessor	29.00	30.00	29.50	24.50	24.50	24.50	25.50	25.50	25.50	25.50
Board of Commissioners	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
County Attorney	15.00	15.00	14.00	14.00	14.00	14.00	14.00	14.00	15.00	16.00
Code Enforcement**	0.00	0.00	0.00	0.00	3.00	3.00	4.00	4.00	3.00	3.00
Clerk and Recorder	39.00	39.00	36.50	31.00	34.00	34.00	34.00	34.00	34.00	30.00
District Attorney	46.50	46.50	46.50	45.50	45.50	45.50	46.50	46.50	47.00	53.00
Facilities	20.00	20.00	18.00	18.00	18.00	18.00	17.00	17.00	16.00	16.00
Finance and Budget	8.00	7.00	7.00	7.00	7.00	7.00	5.00	6.00	6.00	6.00
Fleet	13.00	13.00	13.00	13.00	13.00	13.00	13.00	12.00	12.00	12.00
Information Management	25.00	26.00	23.00	28.00	29.00	29.00	29.00	27.00	26.00	23.50
Human Resources	7.00	7.00	6.00	6.00	6.00	6.00	4.00	4.00	4.00	4.00
Planning	27.00	27.50	23.50	21.50	11.00	11.00	9.00	9.00	9.00	9.00
Purchasing	4.00	4.00	4.00	4.00	1.00	1.00	1.00	1.00	1.00	1.00
Risk	2.00	2.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Surveyor	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Treasurer	8.00	8.00	7.50	7.00	7.00	7.00	7.00	7.00	7.00	7.00
Tri-River Agricultural	4.00	4.00	3.00	3.00	3.00	4.00	2.00	2.00	2.00	2.00
Weed and Pest Control	2.00	2.00	2.00	1.00	1.00	0.00	0.00	0.00	1.00	1.00
Total General Government	261.50	264.00	247.00	235.00	229.00	228.00	221.00	220.00	219.50	220.00
Culture and Recreation										
Fairgrounds	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Total Culture and Recreation	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Human Services										
Public Transportation	5.00	5.00	5.00	5.00	4.00	5.00	3.00	4.00	4.00	4.00
Total Human Services	5.00	5.00	5.00	5.00	4.00	5.00	3.00	4.00	4.00	4.00
Health and Welfare										
Health Department	103.30	95.05	89.35	85.75	84.75	81.55	77.30	77.30	84.10	84.05
Dept of Human Services	217.33	216.83	220.83	220.83	238.83	244.03	249.25	253.25	257.25	256.75
Total Health and Welfare	320.63	311.88	310.18	306.58	323.58	325.58	326.55	330.55	341.35	340.80
Public Safety										
Animal Control	15.00	15.00	15.00	15.00	15.00	15.00	15.00	13.75	13.75	13.75
Building Inspection*	0.00	0.00	0.00	9.00	8.00	8.00	8.00	8.00	9.00	9.00
Coroner	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Criminal Justice Services	71.00	72.25	84.00	84.00	84.00	84.00	84.00	84.00	87.00	87.00
Emergency Management	2.00	2.00	2.00	0.00	2.00	2.00	2.00	2.00	2.00	2.00
Detention	97.00	83.00	79.00	81.00	95.00	95.00	95.00	95.00	95.00	91.00
Sheriff	145.50	163.00	164.00	137.00	129.00	129.00	128.00	128.00	128.00	132.00
Total Public Safety	333.50	338.25	347.00	329.00	336.00	336.00	335.00	333.75	337.75	337.75
Public Works										
Engineering	12.00	12.00	14.00	14.00	16.00	16.00	19.00	19.00	20.00	20.00
PW Administration	7.00	7.00	4.00	4.00	4.00	4.00	4.00	4.00	3.00	3.00
Road and Bridge	54.00	54.00	52.00	52.00	52.00	52.00	51.00	51.00	51.00	51.00
Traffic	7.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00
Total Public Works	80.00	81.00	78.00	78.00	80.00	80.00	82.00	82.00	82.00	82.00
Business-Type Activities										
Building Inspection*	17.00	17.00	10.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Rural Community	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Solid Waste Management	6.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	22.60	22.60
Total Business-Type Activities	24.00	25.00	18.00	8.00	8.00	8.00	8.00	8.00	23.60	23.60
Total Budgeted Employees	1028.63	1029.13	1009.18	965.58	984.58	986.58	979.55	982.30	1012.20	1012.15

* Building Inspection was an Enterprise Fund from 2007 to 2010

** in 2012 Code Enforcement was split out from Planning

Source: Mesa County published Budget for the various years



**MESA COUNTY COLORADO
CAPITAL ASSETS BY FUNCTION/PROGRAM
LAST TEN YEARS**

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
General Government										
Buildings	5	5	6	6	6	6	5	8	8	8
Public Safety										
Buildings	13	13	13	12	12	12	12	8	8	8
Patrol Cars	48	44	43	40	40	57	56	57	56	53
Public Works										
Buildings	28	28	27	26	26	26	25	20	20	20
Infrastructure - Road Miles	1,438.71	1,363.48	1,361.53	1,330.29	1,360.88	1,360.90	1,329.31	1,332.98	1,332.05	1,323.18
Road Maintenance Equipment	287	291	288	287	284	285	282	287	287	153
Public Health and Welfare										
Buildings	2	2	2	2	1	1	1	1	1	1
Human Services										
Buildings	3	3	3	2	2	2	1	1	1	1
Buses	38	34	35	29	29	28	28	31	35	26
Culture and Recreation										
Buildings	10	10	10	10	10	10	10	3	3	3
Business-Type Activities										
Buildings	2	2	2	2	2	2	2	2	2	2
Waste Compaction/Movement/Compost	41	39	39	35	33	33	30	27	27	18

Source: Mesa County Fixed Asset System



Mesa County, Colorado
Operating Indicators by Function/Program
LAST TEN FISCAL YEARS

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
General Government										
Number of Employees	220.00	219.50	220.00	221.00	228.00	229.00	235.00	247.00	264.00	261.50
Building(s) Sq. Footage	162,184	162,184	162,184	155,729	149,389	149,389	134,757	134,757	136,002	135,038
Tax Notices/Certificates	81,594	81,479	81,290	81,183	81,296	81,409	80,945	84,148	88,009	90,990
Documents Recorded	a.) 247,017	237,763	223,905	217,840	223,471	225,504	222,032	224,563	234,761	238,632
Number of Voters Served	116,514	92,984	82,863	81,295	41,966	73,982	100,303	98,510	95,817	94,638
Parcels Assessed	81,821	81,480	81,292	83,486	83,383	83,962	84,592	83,870	83,910	72,868
Development applications	461	278	228	233	212	207	301	296	301	398
Public Safety										
Number of Employees	337.75	337.75	333.75	335.00	336.00	336.00	329.00	347.00	338.25	333.50
Building(s) Sq. Footage	368,979	368,979	368,979	357,427	356,195	356,195	357,274	357,274	348,074	345,955
Calls for Law Enforcement Service	39,927	42,294	43,634	37,907	38,865	35,664	39,738	30,870	33,260	34,039
Jail Bookings	6,465	5,992	5,850	5,814	5,648	5,465	5,302	6,011	6,798	7,810
Average Criminal Justice Clients	2,286	1,900	2,144	2,092	2,143	2,309	2,128	2,330	2,538	2,662
Public Works and Internal Services										
Number of Employees	82.00	82.00	82.00	83.00	81.00	80.00	78.00	78.00	81.00	80.00
Building(s) Sq. Footage	77,931	77,931	77,931	86,185	79,468	79,468	69,892	68,982	68,982	79,733
Miles of Road Maintained	1,439	1,363	1,362	1,330	1,330	1,330	1,329	1,333	1,332	1,323
Public Health and Welfare										
Number of Employees	340.80	341.35	330.55	326.55	325.58	323.58	306.58	310.18	311.88	321.00
Building(s) Sq. Footage	123,686	123,686	123,686	123,342	105,809	105,809	117,937	117,937	117,937	109,832
Immunizations	b.) 7,189	9,268	8,661	9,216	10,081	10,545	13,222	12,355	22,956	13,261
Birth/Death Certificates	c.) data not available after 2015	data not available after 2015	data not available after 2015	1,578	1,495	1,489	1,450	1,407	1,430	1,492
Human Services Caseload	58,845	65,770	66,788	55,981	47,876	49,266	48,470	46,145	43,463	36,129
Human Services										
Number of Employees	4.00	4.00	4.00	3.00	5.00	4.00	5.00	5.00	5.00	5.00
Building(s) Sq. Footage	7,326	7,326	7,326	7,326	7,326	7,326	475	475	475	695
Bus Ridership	793,218	793,008	831,435	923,888	991,478	1,028,465	1,045,898	983,698	878,022	755,658
Culture and Recreation										
Number of Employees	4.00	4.00	4.00	7.00	4.00	4.00	4.00	4.00	4.00	4.00
Building(s) Sq. Footage	152,851	152,851	152,851	152,851	140,282	140,282	164,042	164,042	164,042	164,042
Fairground Service Days	d.) 230	285	269	298	288	271	295	336	312	311
County Fair Attendance	44,058	51,297	57,122	51,129	53,202	63,423	53,135	56,878	53,000	55,000
Business -Type Activities										
Number of Employees	23.60	23.60	8.00	8.00	8.00	8.00	8.00	18.00	25.00	24.00
Building(s) Sq. Footage	8,307	8,307	8,307	8,307	9,374	9,374	1,240	1,240	1,240	3,539
Building Inspections	31,526	25,917	23,469	22,964	21,840	19,470	19,188	21,439	25,678	37,146
Building Permits Issued	3,924	3,667	3,116	2,247	2,100	2,040	1,899	2,085	2,170	2,814
Cubic Yards of Landfill Space Consumed	234,118	245,652	286,679	240,800	241,300	239,000	272,000	262,836	316,015	345,620
Additional Sq Footage not Assigned										
Community Centers	23,760	23,760	23,760	23,760	23,760	23,760				
Vacant Properties	10,259	10,259	10,259	31,140	57,876	57,876	Information not available prior to 2011			
Miscellaneous - Leased	6,000	6,000	6,000	7,097	7,695	7,695				

Source: Mesa County departments and documents

- a.) Includes recorded documents and vehicles registrations.
- b.) 2010 -Number of immunizations decreased due to lowered demand of the Flu and H1N1 vaccination following the 2009 H1N1 panic which almost doubled demand.
- c.) Birth certificates from the hospital no longer available after 2006. Death Certificates no longer available after 2014.
- d.) After 2010 use has been up, while service days have been down - ie, more events/activities held in less days.
- e.) Prior to 2012, Facilities did not have the breakdown of square footage not assigned.