

MONTROSE COUNTY, COLORADO
FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017

E

RECEIVED

Office of the State Auditor

September 12, 2018

**MONTROSE COUNTY, COLORADO
TABLE OF CONTENTS
YEAR ENDED DECEMBER 31, 2017**

INDEPENDENT AUDITORS' REPORT	1
MANAGEMENT'S DISCUSSION AND ANALYSIS	4
BASIC FINANCIAL STATEMENTS	
STATEMENT OF NET POSITION	14
STATEMENT OF ACTIVITIES	15
BALANCE SHEET – GOVERNMENTAL FUNDS	16
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION	17
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS	18
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES	19
STATEMENT OF NET POSITION – PROPRIETARY FUNDS	20
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND NET POSITION – PROPRIETARY FUNDS	21
STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS	22
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES – FIDUCIARY FUNDS	23
NOTES TO BASIC FINANCIAL STATEMENTS	24
REQUIRED SUPPLEMENTARY INFORMATION	
STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL	
GENERAL FUND	43
ROAD AND BRIDGE FUND	44
SOCIAL SERVICES FUND	45
PUBLIC SAFETY SALES TAX FUND	46

**MONTROSE COUNTY, COLORADO
TABLE OF CONTENTS
YEAR ENDED DECEMBER 31, 2017**

SUPPLEMENTARY INFORMATION	
NONMAJOR GOVERNMENTAL FUNDS	47
COMBINING BALANCE SHEET	48
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES	49
SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL	
CAPITAL EXPENDITURES FUND	50
CONSERVATION TRUST FUND	51
COUNTY CLERK TECHNICAL FUND	52
SOLID WASTE FUND	53
IMPACT FEE FUND	54
LOCAL PUBLIC HEALTH FUND	55
JUSTICE CENTER FUND	56
PROPRIETARY FUNDS	57
COMBINING STATEMENT OF NET POSITION – INTERNAL SERVICE FUNDS	58
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND NET POSITION – INTERNAL SERVICE FUNDS	59
COMBINING STATEMENT OF CASH FLOWS – INTERNAL SERVICE FUNDS	60
SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND NET POSITION – BUDGET AND ACTUAL	
MONTROSE COUNTY AIRPORT ENTERPRISE FUND	61
FLEET MANAGEMENT INTERNAL SERVICE FUND	62
COMMUNICATIONS CENTER INTERNAL SERVICE FUND	63
FIDUCIARY FUNDS	64
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES – AGENCY FUNDS	65
OTHER	
EBT AUTHORIZATION SCHEDULE	66
LOCAL HIGHWAY FINANCE REPORT	67

INDEPENDENT AUDITORS' REPORT

Board of County Commissioners
Montrose County, Colorado

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activity, each major fund, and the aggregate remaining fund information of Montrose 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 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 activity, each major fund, and the aggregate remaining fund information of Montrose County, Colorado, 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 and the budgetary comparison information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, 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 schedules, the EBT Authorization Schedule, and the Local Highway Finance Report are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules, the EBT Authorization Schedule, 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 schedules, the EBT Authorization Schedule, and the Local Highway Finance Report are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Board of County Commissioners
Montrose County, Colorado

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 10, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Albuquerque, New Mexico
September 10, 2018

**MONTROSE COUNTY, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2017**

As management of Montrose County, Colorado (the County), we offer readers of the 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.

Financial Highlights

- The assets of the County exceeded its liabilities and deferred inflows of resources as of December 31, 2017 by \$160,693,335. Of this amount, \$46,991,482 is unrestricted and may be used to meet the government's ongoing obligations to citizens and creditors.
- The County's total net position increased by \$4,039,796.
- As of December 31, 2017, Montrose County's governmental funds reported combined ending fund balances of \$48,947,785, an increase of \$7,549,069 from 2016. Approximately 40% of this total amount, \$19,795,605 is unassigned and available for discretionary spending for the benefit of county citizens.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$19,795,605, or 89% of total general fund expenditures (including transfers out).
- The County's total debt increased by approximately \$13.7 million during 2017 due to a new lease purchase agreement in the amount of \$14 million. Increase during current year was offset by payment of \$335,000 on the Series 2012 Certificates of Participation.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the 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 a private-sector business.

The statement of net position presents information on all of the County's assets, liabilities and deferred inflows of resources with the difference between the three reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

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 the statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

**MONTROSE COUNTY, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2017**

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 the County include general government, health and human services, public safety and protection, and road and bridge services.

The government-wide financial statements can be found on pages 14 - 15 of this report.

Fund Financial Statements: A fund is a grouping of related accounts that is used to maintain control over resources, which have been segregated for specific activities or objectives. The 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 the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

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.

The County maintains 11 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 fund, road and bridge fund, social services fund, capital expenditures fund, and public safety sales tax fund, all of which are considered to be major funds. Data from the other 6 governmental 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 County adopts an annual appropriated budget for each individual governmental fund. A budgetary comparison statement has been provided for all governmental funds to demonstrate compliance with these budgets.

The basic governmental fund financial statements can be found on pages 16 - 19 of this report.

**MONTROSE COUNTY, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2017**

Proprietary Funds: The County Government maintains two types of proprietary funds. Enterprise funds are used to report the same functions presented as business- type activities in the government-wide financial statements. The County Government used an enterprise fund to account for its Montrose County Airport Fund. Internal Service funds are used to account for goods or services given to one department by another on a cost reimbursement basis. The County Government used an internal service fund to account for its Internal Fleet Management Fund and its Internal Communications Center Fund.

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 the Montrose County Airport Fund, which is considered to be a major fund of the County Government.

The basic proprietary fund financial statements can be found on pages 20 - 22 of this report.

Fiduciary Funds: Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statement can be found on page 23 of this report.

Notes to 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 begin on page 24 of this report.

Other Information: Required supplementary information consists of budgetary comparison statements for the General and major Special Revenue Funds, beginning on page 43 of this report. The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information and begin on page 48 of this report.

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 the County, assets exceeded liabilities and deferred inflows of resources by \$160,693,335 at December 31, 2017.

By far the largest portion of the County's net position (69%) reflects its investment in capital assets (e.g., land, buildings, machinery, equipment, and infrastructure); less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, 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.

**MONTROSE COUNTY, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2017**

Montrose County's Net Position (\$000)

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
ASSETS						
Current and Other Assets	\$ 66,911	\$ 59,477	\$ 2,142	\$ 1,287	\$ 69,053	\$ 60,764
Capital Assets	84,465	72,537	42,037	43,703	126,502	116,240
Total Assets	<u>151,376</u>	<u>132,014</u>	<u>44,179</u>	<u>44,990</u>	<u>195,555</u>	<u>177,004</u>
LIABILITIES						
Long-Term Liabilities						
Outstanding	18,182	4,545	61	71	18,243	4,616
Other Liabilities	3,606	3,158	477	665	4,083	3,823
Total Liabilities	<u>21,788</u>	<u>7,703</u>	<u>538</u>	<u>736</u>	<u>22,326</u>	<u>8,439</u>
DEFERRED INFLOWS OF RESOURCES						
Property Tax Revenues	<u>12,536</u>	<u>11,912</u>	<u>-</u>	<u>-</u>	<u>12,536</u>	<u>11,912</u>
NET POSITION						
Invested in Capital Assets, Net of Related Debt	68,641	70,373	42,037	43,703	110,678	114,076
Restricted	3,024	3,019	-	-	3,024	3,019
Unrestricted	45,387	39,007	1,604	551	46,991	39,558
Total Net Position	<u>\$ 117,052</u>	<u>\$ 112,399</u>	<u>\$ 43,641</u>	<u>\$ 44,254</u>	<u>\$ 160,693</u>	<u>\$ 156,653</u>

An additional portion of the County's net position (2%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$46,991,482) may be used to meet the government's ongoing obligations to citizens and creditors.

At December 31, 2017, Montrose County is able to report positive balances in its governmental and business-type activities total net position. The same situation held true for 2016.

Governmental activities increased the County's net position by \$4,653,031.

The County's net position for the Montrose Regional Airport (its business-type activity) decreased by \$613,235.

**MONTROSE COUNTY, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2017**

Montrose County's Changes in Net Position (\$000)

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
PROGRAM REVENUES						
Charges for Services	\$ 3,419	\$ 3,205	\$ 3,677	\$ 3,454	\$ 7,096	\$ 6,659
Operating Grants and Contributions	7,942	7,857	27	28	7,969	7,885
Capital Grants and Contributions	39	170	871	1,547	910	1,717
GENERAL REVENUE						
Property Taxes	13,664	13,645	-	-	13,664	13,645
Sales and Use Taxes	12,320	11,673	-	-	12,320	11,673
Other Taxes	7,545	7,315	-	-	7,545	7,315
Other Revenue	1,021	621	148	170	1,169	791
Total Revenues	45,950	44,486	4,723	5,199	50,673	49,685
EXPENSES						
General Government	11,293	10,259	-	-	11,293	10,259
Health and Human Services	7,293	7,549	-	-	7,293	7,549
Public Safety and Protection	11,441	11,719	-	-	11,441	11,719
Road and Bridge Services	11,117	11,107	-	-	11,117	11,107
Interest and Fiscal Charges	153	58	-	-	153	58
Airport	-	-	5,336	5,247	5,336	5,247
Total Expenses	41,297	40,692	5,336	5,247	46,633	45,939
INCREASE (DECREASE) IN NET POSITION BEFORE TRANSFERS	4,653	3,794	(613)	(48)	4,040	3,746
Transfers	-	-	-	-	-	-
INCREASE (DECREASE) IN NET POSITION	4,653	3,794	(613)	(48)	4,040	3,746
Net Position - January 1	112,399	108,605	44,254	44,302	156,653	152,907
NET POSITION - DECEMBER 31	\$ 117,052	\$ 112,399	\$ 43,641	\$ 44,254	\$ 160,693	\$ 156,653

**MONTROSE COUNTY, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2017**

General Government Functions (\$000)

The financial operations of the governmental funds - the County's general, special revenue, capital project, and debt service funds - are summarized here. The following schedule presents a summary of the governmental funds revenues from various sources for the fiscal year ended December 31, 2017 and the changes from the prior year.

REVENUE SOURCE	2017		2016		Increase (Decrease)	
	Amount	Percent	Amount	Percent	Amount	Percent
Taxes	\$ 25,167	53.5 %	\$ 24,666	54.1 %	\$ 501	2.0 %
Licenses and Permits	497	1.1	362	1.0	135	37.3
Intergovernmental	16,304	34.6	15,824	34.6	480	3.0
Charges for Services	2,028	4.3	2,013	4.0	15	0.7
Charges to Governments	161	0.3	321	0.7	(160)	(49.8)
Internal Charges	1,886	4.0	1,799	4.4	87	4.8
Miscellaneous	1,023	2.2	766	1.2	257	33.6
Total Revenue (\$000)	\$ 47,066	100.0	\$ 45,751	100.0	\$ 1,315	2.9

Overall revenue increased by 2.9% or \$1,314,509 in 2017 over 2016.

The largest source of revenue for 2017 was derived from taxes, 53.5% of total revenues. Overall, tax revenue increased by 2% or \$500,800. Property tax revenue in 2017 decreased by \$286,289 or 2.4% over 2016 due primarily to a decrease in the temporary mill levy credit for 2017.

Licenses and permits had a 37% increase from 2016 due primarily to an increase in the total valuation of building permits issued in 2017.

Intergovernmental revenue increased in 2017 by \$480,015 or 3%, due primarily to increases in federal and state funding.

Charges for services increased 0.7% due primarily to an increase in traffic code fees collected in the Public Safety Sales Tax fund. Charges to other governments were 50% or \$160,462 less than 2016 due to Congress not reauthorizing the Secure Rural School Payment for 2017. This decrease is seen in the Road and Bridge fund.

Miscellaneous revenue was more in 2017 than 2016 due primarily to an increase in investment income the County received on its cash investment portfolio for 2017.

**MONTROSE COUNTY, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2017**

The following schedule presents a summary of the governmental funds expenditures for the fiscal year ended December 31, 2017 and the changes from the prior year.

	2017		2016		Increase (Decrease)	
	Amount	Percent	Amount	Percent	Amount	Percent
EXPENDITURES						
General Government	\$ 25,375	45.6 %	\$ 11,332	26.5 %	\$ 14,043	123.9 %
Health and Human Services	7,935	14.3	8,332	19.5	(397)	(4.8)
Public Safety and Protection	11,444	20.6	11,623	27.1	(179)	(1.5)
Road and Bridge Services	10,271	18.5	11,109	26.0	(838)	(7.5)
Debt Service	575	1.0	389	0.9	186	47.8
	<u>575</u>		<u>389</u>		<u>186</u>	
Total Expenditures (\$000)	<u>\$ 55,600</u>	100.0	<u>\$ 42,785</u>	100.0	<u>\$ 12,815</u>	30.0

Overall expenditures for 2017 were \$12,815,585 or 30% more than 2016 (including capital outlay and debt service expenditures).

The largest increase was related to the general government function, which was a result of \$14,957,093 in capital outlay associated with the County's on-going construction of the Events Center and road and bridge facility.

Business-Type Activities: The decrease in the net position for the Montrose Regional Airport was \$613,235. The primary reason for the decrease was due to a 43.7% decrease in capital grants received during 2017 when compared to 2016.

Financial Analysis of the Government's Funds

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

Governmental Funds. The focus of the 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, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of December 31, 2017, the County's governmental funds reported combined ending fund balances of \$48,947,785, an increase of \$7,549,069 over the prior year. Approximately 40% of this total amount constitutes unassigned fund balance, which is available for spending to meet the needs of county citizens. The remainder of fund balance is separated into three categories. (1) Non-spendable fund balance which includes amounts that cannot be spent because they are either not in spendable form or they are legally or contractually required to be maintained intact (\$1,325,718); (2) Assigned fund balance is constrained by the County's intent to be used for a specific purpose (\$24,802,808); and (3) Restricted fund balance has constraints placed on the use of these resources either externally imposed by creditors, grantors, contributors, or have been imposed by law through constitutional provisions or enabling legislation, 1) to pay debt service (\$338,980), 2) to provide an emergency reserve as required by the TABOR amendment (\$1,162,114), or 3) other restricted fund balance (\$1,522,560).

**MONTROSE COUNTY, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2017**

The General Fund is the chief operating fund of the County. At December 31, 2017, unassigned fund balance of the General Fund was \$19,795,605 while total fund balance reached \$20,970,499. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures (including transfers). Unassigned fund balance represents 89% of total General Fund expenditures (including transfers out), while total fund balance represents 94% of that same amount.

The fund balance of the County's General Fund decreased by \$1,278,701 during 2017, which was due to an increase in transfers to other funds of \$4,606,032 above 2016.

The Road and Bridge Fund had a total fund balance of \$12,047,153 of which \$881,568 is non-spendable for inventories. The net increase in fund balance in this fund during 2017 was \$3,171,597. The increase resulted primarily from an increase in overall revenue received and a reduction in the cost of paving oil and other operating costs associated with road projects during the year.

Fund balance in the Social Services Fund increased by \$601,996 to \$2,285,934 by the end of 2017. The increase was due primarily to reductions in overall operating costs.

The Public Safety Sales Tax Fund increased its fund balance by \$778,447 during 2017. Total fund balance for this fund was \$2,983,274 by the end of 2017.

Fund balance in the Capital Expenditures Fund increased by \$4,268,720. Total fund balance for this fund was \$7,185,116 at the end of 2017.

Fund balances for all other governmental funds increased by \$7,010 during 2017.

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

Unrestricted net position of the Montrose Regional Airport at December 31, 2017 amounted to \$1,603,975.

Other factors concerning the finances of these entities have already been addressed in the discussion of Montrose County Government's business-type activities.

**MONTROSE COUNTY, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2017**

Capital Asset and Debt Administration (\$000)

Capital Assets. The County's investment in capital assets for its governmental and business-type activities as of December 31, 2017 amounts to \$126,501,342 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, machinery, construction in progress, equipment, and infrastructure. The total net increase in the County's investment in capital assets for the current fiscal year was \$10,261,134.

Major capital asset events during the current fiscal year included the following:

Construction in Progress – Events Center \$14,003,622

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
CAPITAL ASSETS						
Land and Improvements	\$ 3,375	\$ 3,645	\$ 2,775	\$ 2,539	\$ 6,150	\$ 6,184
Construction in Progress	15,070	780	467	753	15,537	1,533
Buildings and Improvements	17,060	17,409	8,005	8,277	25,065	25,686
Equipment	9,001	9,371	1,409	646	10,410	10,017
Infrastructure	39,958	41,331	29,381	31,488	69,339	72,819
Total Capital Assets (\$000)	<u>\$ 84,464</u>	<u>\$ 72,536</u>	<u>\$ 42,037</u>	<u>\$ 43,703</u>	<u>\$ 126,501</u>	<u>\$ 116,239</u>

Additional information on the County's capital assets can be found in Note 5 on pages 36 - 37 of the financial statements.

Long-Term Debt: At the end of 2017, the County had total bonded debt outstanding of \$1,795,000. The County has no general obligation debt.

The County's debt consists of the following:

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Certificates of Participation	\$ 1,795	\$ 2,130	\$ -	\$ -	\$ 1,795	\$ 2,130
Lease Purchase Agreement	14,000	-	-	-	14,000	-
Total Long Term Debt (\$000)	<u>\$ 15,795</u>	<u>\$ 2,130</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,795</u>	<u>\$ 2,130</u>

Additional information on the County's long-term debt can be found in Note 6 on pages 38 - 39 of the financial statements.

**MONTROSE COUNTY, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2017**

Economic Factors and Next Year's Budgets and Rates

- According to the Colorado Department of Labor and Employment, the unemployment rate for the County is currently 3.0%, which is an increase from a rate of 2.8% a year ago. The County rate is lower than the state's average unemployment rate of 3.1%, which is lower than the national average rate of 4.1%.
- The Colorado Legislative Council reports that the 10-county western region's economy has lagged behind other areas in the state over the past few years; however, the economy has been improving as of late and more people are moving to the western region. Relatively affordable housing and an improving labor market are attracting people from Denver and other areas of the state and country.
- Despite lower natural gas production, a decline in the coal industry in the area, and low agricultural prices, the region's labor market in 2017 still showed improvement by posting the strongest job gains since 2008, increasing 2.7% over the prior year. The region's unemployment rate declined for the seventh consecutive year, as employment gains outpaced growth in the labor force. Government and hospitals are some of the largest employers in the region. However, employment growth in Grand Junction, the region's largest city, has decelerated modestly over the past three years.
- After years of subpar growth, the region's residential construction market has gained momentum. In 2017, the region's planning departments issued permits that will add almost 1,300 residential units, up 38.0% from the prior year. Growth picked up considerably in the last half of the year, suggesting the trend will continue into 2018. A limited number of existing homes and more people moving into the region is buoying the housing market. Higher rental prices in the region are also stimulating more people to buy a home. Conversely, activity in the region's nonresidential construction was down in 2017 compared with the year prior. The total value of nonresidential construction projects was down 34.9% in 2017, relative to year-ago levels.

All of these factors were considered in preparing the County's budget for 2018.

Requests for Information

This financial report is designed to provide a general overview of the County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Montrose County Finance Director, 1845 S. Townsend Avenue, Montrose, Colorado 81401.

MONTROSE COUNTY, COLORADO
STATEMENT OF NET POSITION
DECEMBER 31, 2017

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and Investments	\$ 49,624,962	\$ 1,409,246	\$ 51,034,208
Cash and Investments, Restricted	-	325,548	325,548
Taxes Receivable, Net of Allowance	14,433,289	-	14,433,289
Other Receivables, Net of Allowance	415,602	353,807	769,409
Intergovernmental Receivable	894,159	315,188	1,209,347
Inventories and Prepaid Expenses	1,116,350	36,022	1,152,372
Internal Balances	426,798	(426,798)	-
Noncurrent Restricted Assets	-	129,051	129,051
Capital Assets:			
Capital Assets Not Subject to Depreciation:			
Land	3,374,874	2,775,368	6,150,242
Construction in Progress	15,069,986	466,572	15,536,558
Capital Assets Subject to Depreciation:			
Buildings and Improvements, Net	17,059,954	8,004,604	25,064,558
Improvements other than Buildings, Net	-	29,381,040	29,381,040
Equipment, Net	9,001,300	1,409,368	10,410,668
Infrastructure, Net	39,958,276	-	39,958,276
Total Assets	<u>151,375,550</u>	<u>44,179,016</u>	<u>195,554,566</u>
LIABILITIES			
Accounts Payable	2,182,689	435,067	2,617,756
Accrued Liabilities	846,991	41,987	888,978
Due to Other Governments	165,656	-	165,656
Unearned Revenue	405,558	-	405,558
Funds Held for Others	4,866	-	4,866
Long-Term Liabilities			
Portion Due or Payable Within One Year	2,360,594	61,035	2,421,629
Portion Due or Payable After One Year	15,821,274	-	15,821,274
Total Liabilities	<u>21,787,628</u>	<u>538,089</u>	<u>22,325,717</u>
DEFERRED INFLOWS OF RESOURCES			
Property Tax Revenues	<u>12,535,514</u>	-	<u>12,535,514</u>
NET POSITION			
Net Investment in Capital Assets	68,641,247	42,036,952	110,678,199
Restricted for:			
Emergencies	1,162,114	-	1,162,114
Landfill Financial Assurance	775,588	-	775,588
Parks and Recreation	125,250	-	125,250
Capital Expenses	621,722	-	621,722
Debt Service	338,980	-	338,980
Unrestricted	<u>45,387,507</u>	<u>1,603,975</u>	<u>46,991,482</u>
Total Net Position	<u>\$ 117,052,408</u>	<u>\$ 43,640,927</u>	<u>\$ 160,693,335</u>

See accompanying Notes to Basic Financial Statements.

**MONTROSE COUNTY, COLORADO
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2017**

	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business- Type Activities	Total
GOVERNMENTAL ACTIVITIES							
General Government	\$ 11,292,785	\$ 3,057,729	\$ 1,294,973	\$ 3,914	\$ (6,936,169)	\$ -	\$ (6,936,169)
Health and Human Services	7,293,198	76,617	6,191,032	1,604	(1,023,945)	-	(1,023,945)
Public Safety and Protection	11,441,061	213,552	456,213	4,166	(10,767,130)	-	(10,767,130)
Road and Bridge Services	11,116,509	71,193	-	29,232	(11,016,084)	-	(11,016,084)
Interest and Fiscal Charges	152,767	-	-	-	(152,767)	-	(152,767)
Total Governmental Activities	41,296,320	3,419,091	7,942,218	38,916	(29,896,095)	-	(29,896,095)
BUSINESS-TYPE ACTIVITIES							
Montrose County Airport	5,335,984	3,677,416	26,718	870,574	-	(761,276)	(761,276)
Total	<u>\$ 46,632,304</u>	<u>\$ 7,096,507</u>	<u>\$ 7,968,936</u>	<u>\$ 909,490</u>	(29,896,095)	(761,276)	(30,657,371)
GENERAL REVENUES AND TRANSFERS							
Property Taxes					13,664,157	-	13,664,157
Sales and Use Taxes					12,319,536	-	12,319,536
Highway Users Tax					4,819,969	-	4,819,969
Other Shared Taxes					2,724,681	-	2,724,681
Investment Earnings					463,239	2,822	466,061
Miscellaneous					557,544	145,219	702,763
Total General Revenues					<u>34,549,126</u>	<u>148,041</u>	<u>34,697,167</u>
CHANGE IN NET POSITION							
					4,653,031	(613,235)	4,039,796
Net Position - Beginning of Year					<u>112,399,377</u>	<u>44,254,162</u>	<u>156,653,539</u>
NET POSITION - END OF YEAR							
					<u>\$ 117,052,408</u>	<u>\$ 43,640,927</u>	<u>\$ 160,693,335</u>

See accompanying Notes to Financial Statements.

**MONTROSE COUNTY, COLORADO
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2017**

	General Fund	Road and Bridge Fund	Social Services Fund	Public Safety Sales Tax Fund	Capital Expenditures Fund	Other Governmental Funds	Total Governmental Funds
ASSETS							
Equity in Pooled Cash Investments	\$ 21,156,765	\$ 9,904,214	\$ 2,756,421	\$ 2,467,894	\$ 7,940,584	\$ 3,343,342	\$ 47,569,220
Other Cash and Investments	252,241	50	200	71,749	-	200	324,440
Receivables							
Taxes	10,940,594	1,111,177	1,594,920	786,598	-	-	14,433,289
Intergovernmental	84,651	381,304	230,866	-	-	192,205	889,026
Trade	20,535	1,680	60,742	51,456	246,075	35,114	415,602
Due From Other Funds	27,289	-	-	-	-	-	27,289
Prepaid Expenses and Other Assets	12,780	-	2,272	2,100	-	200	17,352
Inventories	-	881,568	-	-	-	-	881,568
Advances to Other Funds	-	-	-	-	426,798	-	426,798
Total Assets	<u>\$ 32,494,855</u>	<u>\$ 12,279,993</u>	<u>\$ 4,645,421</u>	<u>\$ 3,379,797</u>	<u>\$ 8,613,457</u>	<u>\$ 3,571,061</u>	<u>\$ 64,984,584</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES							
LIABILITIES							
Accounts Payable	\$ 354,241	\$ 112,367	\$ 46,670	\$ 157,086	\$ 1,422,555	\$ 12,562	\$ 2,105,481
Accrued Liabilities	223,539	120,473	154,110	239,437	5,786	49,090	792,435
Due to Other Funds	-	-	-	-	-	27,289	27,289
Due to Other Governments	-	-	165,656	-	-	-	165,656
Funds Held for Others	4,866	-	-	-	-	-	4,866
Unearned Revenue	1,116	-	398,131	-	-	6,311	405,558
Total Liabilities	<u>583,762</u>	<u>232,840</u>	<u>764,567</u>	<u>396,523</u>	<u>1,428,341</u>	<u>95,252</u>	<u>3,501,285</u>
DEFERRED INFLOWS OF RESOURCES							
Property Tax Revenue	10,940,594	-	1,594,920	-	-	-	12,535,514
FUND BALANCE							
Nonspendable	12,780	881,568	2,272	2,100	426,798	200	1,325,718
Restricted for:							
Emergencies	1,162,114	-	-	-	-	-	1,162,114
Landfill Financial Assurance	-	-	-	-	-	775,588	775,588
Parks and Recreation	-	-	-	-	-	125,250	125,250
Capital Expenditures	-	-	-	-	-	621,722	621,722
Debt Service	-	-	-	-	-	338,980	338,980
Assigned	-	11,165,585	2,283,662	2,981,174	6,758,318	1,614,069	24,802,808
Unassigned	19,795,605	-	-	-	-	-	19,795,605
Total Fund Balance	<u>20,970,499</u>	<u>12,047,153</u>	<u>2,285,934</u>	<u>2,983,274</u>	<u>7,185,116</u>	<u>3,475,809</u>	<u>48,947,785</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 32,494,855</u>	<u>\$ 12,279,993</u>	<u>\$ 4,645,421</u>	<u>\$ 3,379,797</u>	<u>\$ 8,613,457</u>	<u>\$ 3,571,061</u>	<u>\$ 64,984,584</u>

See accompanying Notes to Financial Statements.

**MONTROSE COUNTY, COLORADO
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
YEAR ENDED DECEMBER 31, 2017**

Total Fund Balance - Governmental Funds \$ 48,947,785

Amounts reported for governmental activities on 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. 81,500,420

Bond premiums are reported as other financing items in governmental funds; however, they are recorded as additions to debt obligations in the statement of net position and are amortized over the life of the bonds to which they are related.

Bond Premium, Less Accumulated Amortization (28,143)

Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the statement of net position. 4,710,840

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.

Compensated Absences	(1,184,318)
Landfill Closure and Post-Closure Liability	(775,588)
Gravel Pit Remediation	(323,588)
Lease Purchase Agreement	(14,000,000)
Certificates of Participation	(1,795,000)
Total	<u>(18,078,494)</u>

Net Position - Governmental Activities \$ 117,052,408

MONTROSE COUNTY, COLORADO
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2017

	General Fund	Road and Bridge Fund	Social Services Fund	Public Safety Sales Tax Fund	Capital Expenditures Fund	Other Governmental Funds	Total Governmental Funds
REVENUES							
Taxes	\$ 12,243,768	\$ 6,451,220	\$ 1,557,480	\$ 4,914,268	\$ -	\$ -	\$ 25,166,736
Licenses and Permits	412,221	8,203	1,840	-	-	74,777	497,041
Intergovernmental	2,902,175	5,894,543	4,975,484	456,213	732,485	1,342,925	16,303,825
Charges for Services	1,814,396	-	-	213,552	-	-	2,027,948
Charges to Other Governments	97,820	62,990	-	-	-	-	160,810
Internal Charges	1,546,355	339,687	193	-	-	-	1,886,235
Investment Earnings	314,293	117,354	2,156	-	18,170	11,266	463,239
Miscellaneous	8,784	152,512	98,176	95,658	-	204,743	559,873
Total Revenues	<u>19,339,812</u>	<u>13,026,509</u>	<u>6,635,329</u>	<u>5,679,691</u>	<u>750,655</u>	<u>1,633,711</u>	<u>47,065,707</u>
EXPENDITURES							
Current:							
General Government	10,099,046	-	-	-	20,370	3,759	10,123,175
Health and Human Services	-	-	6,133,333	-	-	1,801,991	7,935,324
Public Safety and Protection	-	-	-	11,444,345	-	-	11,444,345
Road and Bridge Services	-	7,781,846	-	-	-	-	7,781,846
Capital Outlay	294,872	2,488,794	-	-	14,957,093	-	17,740,759
Debt Service:							
Principal	-	-	-	-	-	335,000	335,000
Debt Issuance Costs	-	-	-	-	81,617	-	81,617
Interest and Other Charges	-	-	-	-	-	158,396	158,396
Total Expenditures	<u>10,393,918</u>	<u>10,270,640</u>	<u>6,133,333</u>	<u>11,444,345</u>	<u>15,059,080</u>	<u>2,299,146</u>	<u>55,600,462</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	8,945,894	2,755,869	501,996	(5,764,654)	(14,308,425)	(665,435)	(8,534,755)
OTHER FINANCING SOURCES (USES)							
Proceeds from Sale of Capital Assets	496,054	87,770	-	-	-	-	583,824
Debt Proceeds	-	-	-	-	14,000,000	-	14,000,000
Transfers In	1,172,452	400,000	100,000	6,543,101	5,000,000	844,897	14,060,450
Transfers Out	(11,893,101)	(72,042)	-	-	(422,855)	(172,452)	(12,560,450)
Total Other Financing Sources (Uses)	<u>(10,224,595)</u>	<u>415,728</u>	<u>100,000</u>	<u>6,543,101</u>	<u>18,577,145</u>	<u>672,445</u>	<u>16,083,824</u>
NET CHANGE IN FUND BALANCES	(1,278,701)	3,171,597	601,996	778,447	4,268,720	7,010	7,549,069
Fund Balances - Beginning of Year	22,249,200	8,875,556	1,683,938	2,204,827	2,916,396	3,468,799	41,398,716
FUND BALANCES - END OF YEAR	<u>\$ 20,970,499</u>	<u>\$ 12,047,153</u>	<u>\$ 2,285,934</u>	<u>\$ 2,983,274</u>	<u>\$ 7,185,116</u>	<u>\$ 3,475,809</u>	<u>\$ 48,947,785</u>

See accompanying Notes to Financial Statements.

**MONTROSE COUNTY, COLORADO
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2017**

Net Change in Fund Balances - Total Governmental Funds \$ 7,549,069

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these 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.

Depreciation	\$ (4,739,220)
Capital Outlay	17,096,016
Total	12,356,796

Governmental funds do not report gains or losses on disposal of capital assets. However, in the statement of activities, the difference between the book value of the asset and the proceeds received on disposal is recognized as a gain or loss.

Net Book Value of Disposed Capital Assets	(603,110)
---	-----------

Governmental funds report premiums on debt as other financing uses. However, in the statement of activities, premiums are allocated over the life of the debt and reported as amortization expense. This is the current year amortization expense.

5,629

Internal service funds are used by management to charge the costs of certain activities, such as fleet management to individual funds. The net revenue and transfers of the internal service fund is reported with governmental activities.

(998,378)

In the governmental funds, accruals for compensated absences are not recognized because they are not paid with expendable available financial resources. In the statement of activities, however, these accruals are reported regardless of when financial resources are available. This adjustment shows the change in the accrued compensated absences balance.

(42,645)

Long-term liabilities, including landfill post-closure costs, gravel pit, and claims are not due and payable in the current period and, therefore, are not reported in the funds. This adjustment shows the change in this liability.

50,670

Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position and do not affect the statement of activities.

Purchase Agreement Proceeds	(14,000,000)
-----------------------------	--------------

Governmental funds report the repayment of principal on long-term debt as expenditures. However, these repayments are not reported in the statement of activities, but as a reduction of debt in the statement of net position. This amount is the effect of the difference in the treatment of these repayments.

Payments on Certificates of Participation	335,000
---	---------

Change in Net Position of Governmental Activities **\$ 4,653,031**

MONTROSE COUNTY, COLORADO
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2017

	Proprietary Fund Types	
	Enterprise Fund	Governmental Activities
	Montrose County Airport	Internal Service Funds
CURRENT ASSETS		
Cash	\$ 1,409,246	\$ 1,731,302
Cash, Restricted	325,548	-
Accounts Receivable, Net	353,807	-
Due from Other Governments	315,188	5,133
Inventories	1,700	217,430
Prepaid Expenses	34,322	-
Total Current Assets	2,439,811	1,953,865
NONCURRENT ASSETS		
Restricted Assets	129,051	-
Capital Assets		
Land	2,775,368	-
Construction in Progress	466,572	-
Land Improvements, Net	29,381,040	-
Buildings, Net	8,004,604	415,020
Equipment, Net	1,409,368	2,548,950
Total Noncurrent Assets	42,166,003	2,963,970
Total Assets	44,605,814	4,917,835
CURRENT LIABILITIES		
Accounts Payable	435,067	77,208
Accrued Liabilities	41,987	54,557
Accrued Compensated Absences	61,035	75,230
Total Current Liabilities	538,089	206,995
NONCURRENT LIABILITIES		
Advances from Other Funds	426,798	-
Total Noncurrent Liabilities	426,798	-
Total Liabilities	964,887	206,995
NET POSITION		
Net Investment in Capital Assets	42,036,952	2,963,970
Unrestricted	1,603,975	1,746,870
Total Net Position	\$ 43,640,927	\$ 4,710,840

See accompanying Notes to Financial Statements.

MONTROSE COUNTY, COLORADO
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2017

	Proprietary Fund Types	
	Enterprise Fund	Governmental Activities
	Montrose County Airport	Internal Service Funds
OPERATING REVENUE		
Charges for Services	\$ 3,231,267	\$ 3,469,541
OPERATING EXPENSES		
Salaries and Benefits	1,159,754	1,501,248
Services and Supplies	1,009,684	1,308,389
Depreciation and Amortization	3,166,546	675,443
Total Operating Expenses	5,335,984	3,485,080
OPERATING PROFIT (LOSS)	(2,104,717)	(15,539)
NONOPERATING REVENUES (EXPENSES)		
Investment Income	2,822	-
Gain on Sale of Assets	-	11,594
Grants and Contributions	26,718	-
Passenger Facility Charges	446,149	-
Other	145,219	25,011
Total Nonoperating Revenues	620,908	36,605
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	(1,483,809)	21,066
Capital Grants	870,574	-
Capital Contributions	-	480,556
Transfers Out	-	(1,500,000)
CHANGE IN NET POSITION	(613,235)	(998,378)
Net Position - Beginning of Year	44,254,162	5,709,218
NET POSITION - END OF YEAR	\$ 43,640,927	\$ 4,710,840

See accompanying Notes to Financial Statements.

**MONTROSE COUNTY, COLORADO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2017**

	Business-Type Activity	
	Enterprise Fund	Governmental Activities
	Montrose County Airport	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Customers	\$ 3,178,724	\$ 3,569,377
Cash Paid to Suppliers	(1,098,776)	(1,378,864)
Cash Paid to and for Employees	(1,169,536)	(1,519,331)
Net Cash Provided by Operating Activities	910,412	671,182
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Transfers Out	-	(1,500,000)
Other Receipts	145,219	25,011
Net Cash Used by Noncapital Financing Activities	145,219	(1,474,989)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Grants	865,286	-
Passenger Facility Charges	396,932	-
Payments on Interfund Loan	(415,701)	-
Capital Contributions	-	11,575
Sale of Capital Assets	-	21,099
Acquisition of Capital Assets	(1,603,885)	(389,939)
Net Cash Used by Capital and Related Financing Activities	(757,368)	(357,265)
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment Income	2,822	-
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	301,085	(1,161,072)
Cash and Cash Equivalents - Beginning of Year	1,433,709	2,892,374
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 1,734,794	\$ 1,731,302
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating Loss	\$ (2,104,717)	\$ (15,539)
Adjustments to Reconcile Operating Loss to Net Cash Provided by Operating Activities:		
Depreciation and Amortization	3,166,546	675,443
(Increase) Decrease in Accounts Receivable	(52,543)	99,836
(Increase) Decrease in Inventory	4,924	(36,377)
(Increase) Decrease in Prepaid Expenses	(9,971)	-
Increase (Decrease) in Accounts Payable	(84,045)	(34,098)
Increase (Decrease) in Accrued Expenses	(9,782)	(18,083)
Net Cash Provided by Operating Activities	\$ 910,412	\$ 671,182
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES		
Contributed Capital Assets	\$ -	\$ 468,980

See accompanying Notes to Financial Statements.

MONTROSE COUNTY, COLORADO
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS
DECEMBER 31, 2017

	<u>Agency Funds</u>
ASSETS	
Cash and Investments	<u>\$ 1,883,486</u>
Total Assets	<u><u>\$ 1,883,486</u></u>
LIABILITIES	
Due to Other Governments	\$ 956,124
Deposits Held for Others	<u>927,362</u>
Total Liabilities	<u><u>\$ 1,883,486</u></u>

See accompanying Notes to Financial Statements.

MONTROSE COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of Montrose County, Colorado (the County), have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Following is a summary of the more significant principles:

Financial Reporting Entity

The County was formed in 1883. The governing body of the County is a three member Board of County Commissioners. The County provides the following services directly: general government, health and human services, public safety and protection, road and bridge services, and airport facilities. The County provides several additional services through other governmental organizations, which are excluded or included in this report, as detailed below.

Related Entities

Public Trustee

The Public Trustee is a state statutorily mandated position, whose financial transactions are independent of the County. However, all expenditures and associated funding transactions relating to the operations of the County Office of the Public Trustee are included in the General Fund.

Jointly Funded Organization

The County, in conjunction with other counties, shares in the financial support of the District Attorney of the Seventh Judicial District of the State of Colorado. In 2017, the County contributed \$846,289 for the operation of the District Attorney.

Other

The County Commissioners are also responsible for appointing the members of the boards of the Montrose County Housing Authority (the Housing Authority) and the Montrose Library District. However, the County's accountability for these organizations does not extend beyond making the appointments.

Government-Wide and Fund Financial Statements

The government-wide statements include the statement of net position and the statement of activities, which display information about the primary government (the County). These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the *governmental* and *business-type activities* of the County. Governmental activities are generally financed through taxes, intergovernmental revenues and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for the business-type activity of the County and for each function of the County's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function.

**MONTROSE COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements (Continued)

Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

The fund financial statements provide information about the County's funds, including its fiduciary funds. Separate statements for each fund category - *governmental*, *proprietary* and *fiduciary* - are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and proprietary funds are aggregated and reported as nonmajor funds.

Governmental Funds

Governmental funds are those through which governmental functions of the County are financed. The acquisition, use and balances of the County's expendable financial resources and the related liabilities are accounted for through governmental funds. The measurement focus is upon determination of and changes in financial position rather than upon net income. The following are the County's major governmental funds:

General Fund: is the general operating fund of the County. It is used to account for financial resources except those required to be accounted for in another fund.

Special Revenue Funds: are used to account for the proceeds of specific revenue sources that are restricted or committed to expenditures for specific purposes other than debt service or capital projects. The following are the County's major special revenue funds:

Road and Bridge Fund: This fund accounts for the maintenance and construction of County roads.

Social Services Fund: This fund accounts for the various public welfare programs administered by the County.

Public Safety Sales Tax Fund: This fund accounts for the proceeds of a County sales tax to be used to improve public safety programs.

Capital Projects Funds: are used to account for all resources that are restricted, committed or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities or other capital amounts. The following is the County's major capital projects fund:

Capital Expenditures Fund: This fund accounts for resources to be used for County building and property improvements.

**MONTROSE COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Governmental Funds (Continued)

The County reports the following major enterprise fund:

Montrose Airport: This fund accounts for the County's airports at Montrose (Montrose Regional Airport) and Nucla (Hopkins Field Airport), which provide services for both commercial and general aviation.

The County reports the following internal service funds:

Fleet Management Internal Service Fund: This fund is used to account for the capital assets, liabilities, and operational management of the Montrose County Fleet. The fleet-related services are provided to other County departments on a cost reimbursement basis.

Communications Center Fund: This fund is used to account for all costs associated with operating and maintaining the Countywide Emergency 911 Dispatch Center.

The County reports the following fiduciary fund type:

Agency Funds: This fund accounts for the monies held on behalf of other governments and agencies that use the County as a depository or for property taxes collected on behalf of the other governments or agencies.

Measurement Focus, Basis of Accounting

The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus and accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Property taxes are reported as revenue in the fiscal year for which the taxes are levied. Revenue from grants and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied. The agency funds also use the accrual basis of accounting.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The County considers all revenues reported in the governmental funds to be available if the revenues are collected within 60 days after year-end. Property taxes, sales taxes, licenses, and interest are considered to be susceptible to accrual. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt and claims and judgments, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources. When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted revenues first, then unrestricted resources as they are needed.

**MONTROSE COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting (Continued)

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. The operating expenses for the proprietary funds include the cost of administrative expenses, services and supplies, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Budgets and Budgetary Accounting

The County follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to October 15 of each year, a proposed operating budget is submitted to the County Commissioners for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted by the County to obtain taxpayer comments.
3. Prior to December 31, the budget is legally adopted at the fund level through passage of a resolution for all County funds, except the fiduciary fund types.
4. Any revisions that increase the expenditure of any fund or elected official budget must be approved by the County Commissioners by passage of a resolution.
5. Budgets for the governmental fund types are adopted on a basis consistent with GAAP. The proprietary fund types adopt budgets using a non-GAAP basis.

Appropriations are at the total fund expenditure level and lapse at year-end. Original budget appropriations, inclusive of interfund transfers out, for the year ended December 31, 2017 were \$87,912,125. The County had a supplemental appropriation totaling \$2,133,104, which increased final budget appropriations, inclusive of interfund transfers out, to \$90,045,229.

During 2017, supplemental appropriations resulted in budget amendments as follows:

Fund	Original Amount	Amended Amount
Governmental Activities:		
General Fund	\$ 24,642,165	\$ 25,222,817
Special Revenue Funds:		
Impact Fee Fund	-	52,452
Internal Services Funds:		
Fleet Management Fund	2,339,242	3,839,242

**MONTROSE COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash

Except for cash held by third parties (Fair Board, Weed Commission, Public Trustee, and Sheriff's Funds), all cash is deposited with the County Treasurer. The Treasurer invests the funds to achieve the best possible return on the investment. Investments in short-term certificates of deposit or cash equivalents are accounted for as cash in all funds. Interest income is allocated to funds as designated by the Board of County Commissioners.

Investments

Investments at December 31, 2017, consisted of obligations of U.S. Agency Bonds stated at fair market value, CSAFE and Money Market Mutual Funds stated at amortized cost and COLOTRUST stated at net asset value.

Cash and Cash Equivalents

For purposes of the statement of cash flows, cash equivalents are defined as liquid investments with original maturity dates of 90 days or less at time of purchase.

Receivables and Payables

All property tax and other receivables are shown net of an allowance for uncollectibles. Activities between funds where an outstanding balance is present at year-end and is expected to be repaid within one year are reported as "due to/from other funds" in the fund financial statements. If such balances are expected to remain outstanding for more than one year from the current year-end date, the balances are reported as "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 "internal balances."

Property Taxes

Revenue Recognized in 2017

Local property taxes levied for 2016 and collected by December 31, 2017 are recognized as revenue in these financial statements as shown below:

	Assessed Valuation	Mill Levy	Amount of Taxes			Percentage Collected of	
			Levied	Budgeted	Collected	Levied	Budgeted
General Fund	\$ 517,401,415	20.022	\$ 10,359,411	\$ 10,359,481	\$ 10,322,110	99.64%	99.64%
Social Services	\$ 517,401,415	3.000	\$ 1,552,204	\$ 1,552,204	\$ 1,546,626	99.64%	99.64%

Assessed Valuation

The assessed valuation for property in the State of Colorado is determined using base year market values. The certified assessed valuation for 2016 property taxes remitted in 2017 increased to \$517,401,415 from \$517,303,322 for 2015 property taxes remitted in 2016.

Property Tax Calendar

Property taxes are not due and payable until after the assessment year has ended and are not included in the budget or statement of revenues, expenditures, and changes in fund balance of the assessment year.

**MONTROSE COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property Taxes (Continued)

Property Tax Calendar (Continued)

Property taxes are recorded as deferred inflows of resources in the year they are levied and measurable. The deferred property tax revenues are recorded as revenue in the year they are available or collected.

Property taxes are levied on or before December 15 of each year and attach as an enforceable lien on the property on January 1. Taxes are payable in full on April 30 or in two installments on February 28 and June 15. The County bills and collects its own property taxes and the taxes for various other entities.

Inventory

Inventories of the Road and Bridge Special Revenue Fund are valued at cost. The costs of the inventories are recorded as expenditures when used. The reported inventories are equally offset by nonspendable fund balance.

The inventories of the proprietary funds are stated at cost, using the first-in, first-out method, or market.

Capital Assets

Capital assets, which include land, buildings and improvements, furniture and equipment, construction in progress, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the government-wide financial statements. The County defines capital assets as equipment and fixtures with an initial, individual cost of more than \$5,000, land, land improvements, and buildings with an initial cost of more than \$50,000 and infrastructure with an initial cost of more than \$250,000. Such assets are recorded at acquisition cost or estimated acquisition cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition cost at the date of donation.

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

Major outlays for capital assets and improvements are capitalized as projects are completed.

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

Landfill Disposal Systems	25 years
Drainage Systems	25 years
Water Systems	25 years
Roads	20 - 50 years
Buildings and Improvements	7 - 40 years
Runways and Access Roads	15 - 20 years
Vehicles	5 - 15 years
Furniture and Equipment	3 - 20 years

**MONTROSE COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accrued Vacation Payable

It is the County's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. In the proprietary funds and in the government-wide financial statements, all vacation and sick pay earned is accrued and reported as accrued compensated absences. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund-type statement of net position. Long-term debt premiums and discounts are amortized over the life of the related debt using the straight-line method, which approximates the effective interest method. Debt issuance costs are expensed as incurred.

In the governmental fund financial statements, the face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Net Position

Net position is classified in three components. Net investment in capital assets consists of capital assets, net of accumulated depreciation, and is reduced by the current balances of any outstanding borrowings used to finance the purchase or construction of those assets. Restricted net position is noncapital assets that must be used for a particular purpose, as specified by creditors, grantors, or contributors external to the County. Unrestricted net position is the remaining net position that does not meet the definition of net investment in capital assets or restricted net position.

Fund Equity

In the governmental fund financial statements, governmental funds report the following classifications of fund balance:

Nonspendable: includes amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact.

Restricted: includes amounts restricted by external sources (creditors, laws of other governments, etc.) or by constitutional provision or enabling legislation.

Committed: includes amounts that can only be used for specific purposes. Committed fund balance is reported pursuant to resolutions passed by the Board of County Commissioners, the County's highest level of decision-making authority. Commitments may be modified or rescinded only through resolutions approved by the Board of County Commissioners.

**MONTROSE COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Equity (Continued)

Assigned: includes amounts the County intends to use for a specific purpose, but do not meet the definition of restricted or committed fund balance. The Board of County Commissioners has designated the Director of Finance as the County employee with authority to assign fund equity.

Unassigned: is a residual classification within the General Fund. The General Fund is the only fund that would report a positive amount in unassigned fund balance. Negative fund balances in other governmental funds are reported as unassigned once other purposes of that fund were reduced.

For the General Fund, in the event that an expenditure can be considered restricted or unrestricted (committed, assigned, or unassigned) and both categories have available amounts, the funds will be first applied against the most restrictive fund balance classification.

The order of use of funds for special revenue funds and the capital projects fund will be from the least constrained to most constrained (i.e., unassigned, assigned, committed, restricted, and then nonspendable).

NOTE 2 DEPOSITS AND INVESTMENTS

At December 31, 2017, the County's cash and investments consist of the following:

Cash and Investments - Statement of Net Position	\$ 51,034,208
Cash and Investments, Restricted - Statement of Net Position	325,548
Cash and Investments - Fiduciary Funds	1,883,486
Total	<u>\$ 53,243,242</u>

At December 31, 2017, cash and investments of the County are held as follows:

Cash on Hand	\$ 4,187
Cash Deposits	12,318,104
Investments	40,920,951
Total	<u>\$ 53,243,242</u>

Cash Deposits

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash be in eligible public depositories. Eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the aggregate uninsured deposits.

**MONTROSE COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)

Investments

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local governments may invest, which include:

- Obligations of the United States and certain U.S. government agencies' securities
- Certain international agency securities
- General obligation and revenue bonds for U.S. local government entities
- Bankers' acceptance of certain banks
- Commercial paper
- Written repurchase agreements collateralized by certain authorized securities
- Certain securities lending agreements
- Certain money market mutual funds
- Guaranteed investment contracts
- Local government investment pools
- Certain corporate bonds

Investments of the County at December 31, 2017 are as follows:

	Standard & Poor's Rating	Fair Value	Maturity	
			Less than 1 Year	1-5 Years
Local Government Investment Pools	AAAm	\$ 33,994,498	\$ 33,994,498	\$ -
Money Market Mutual Funds	AAAm	360,732	360,732	-
Negotiable CDs	AA+	1,220,078	-	1,220,078
U.S. Agency Bonds	AA+	5,345,643	966,890	4,378,753
Total Investments		<u>\$ 40,920,951</u>	<u>\$ 35,322,120</u>	<u>\$ 5,598,831</u>

As of December 31, 2017, the County has invested \$24,841,421 in the Colorado Government Liquid Asset Trust (COLOTRUST), an investment vehicle established for local government entities in Colorado pursuant to Part 7 of Article 75 of Title 24 of the Colorado Revised Statutes (CRS), to pool surplus funds for investment purposes. COLOTRUST operates similarly to a money market fund and each share is equal in value to \$1.00. The designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. Substantially all securities owned by the pool are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by the pool. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period. Separately issued financial statements may be obtained at the following address:

COLOTRUST
717 17th Street, Suite 1850
Denver, Colorado 80202 www.colotruster.com

**MONTROSE COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)

As of December 31, 2017, the County has invested \$9,153,077 in the Colorado Surplus Asset Fund Trust (CSAFE). CSAFE is a local government investment pool that operates similarly to COLOTRUST. Investments of the pool consist of securities of the United States Treasury, United States agencies, primary dealer repurchase agreements and Colorado depositories (with short term ratings of A1 or better) in which the deposits are collateralized at 102% of market value under the provisions of PDPA. The custodian's internal records identify the investments owned by the pool. Separately issued financial statements may be obtained at the following address:

CSAFE
1675 Broadway, Suite 500
Denver, CO 80202 www.csafe.org

Credit Risk

Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. It is the County's policy to limit its investments to U.S. Treasury obligations, repurchase agreements, government backed securities, money market mutual funds, local government investment pools, and corporate obligations.

The County's investment policy is to apply the "prudent investor" rule, which states, "investments shall be made with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with these matters would use in the conduct of a plan of like character with like aims." Investments shall be diversified so as to minimize the risk of loss and to maximize the rate of return.

Interest Rate Risk

As a means of limiting its exposure to fair value losses arising from rising interest rates, the County's investment policy, along with Colorado statutes, does not allow investment maturities to exceed five years.

Concentration of Credit Risk

Concentration of credit risk arises from the magnitude of an investment in a single issuer. As of December 31, 2017, more than 5% of the County's investments were invested in Federal National Mortgage Association (FNMA) federal agency securities.

Fair Value

The County categorized its fair value measurements within the fair value hierarchy established by generally accepted accounting principles.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value.

**MONTROSE COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)

Fair Value (Continued)

Level 1: Quoted prices (unadjusted) in active markets for an identical asset or liability that a government can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3: Unobservable inputs for an asset or liability.

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

	12/31/2017	Level 1	Level 2	Level 3
<u>Investments by Fair Value Level:</u>				
U.S. Agency Bonds	\$ 5,345,643	\$ -	\$ 5,345,643	\$ -
Negotiable CDs	1,220,078	-	1,220,078	-
Total Investments by Fair Value Level	<u>6,565,721</u>	<u>-</u>	<u>6,565,721</u>	<u>-</u>
Investments Measured at Amortized Cost				
Money Market Mutual Funds	360,732			
CSAFE	9,153,077			
	<u>9,513,809</u>			
Investments Measured at Net Asset Value				
Colotrust	<u>24,841,421</u>			
Total Investments	<u>\$ 40,920,951</u>			

NOTE 3 RESTRICTED CASH

Passenger Facility Charges

Unspent passenger facility charge (PFCs) revenues are recorded in the financial statements as restricted cash.

**MONTROSE COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE 4 INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund receivables and payables (due to/from and advances to/from) consist of the following:

Fund	Interfund Receivable	Interfund Payable
Major Fund:		
Capital Expenditure Fund Advance to Other Fund	\$ 426,798	\$ -
Airport Operations Fund Advance from Other Fund	-	426,798

The \$426,798 interfund balance relates to funds temporarily moved between funds for debt retirement. This amount is expected to be repaid within one year.

Transfers to and from the various funds consist of the following:

Transfers Out	Transfers In						Total
	General	Road and Bridge	Social Services	Capital Expenditures	Public Safety Sales Tax	Other Governmental	
Major Fund							
General	\$ -	\$ -	\$ -	\$ 5,000,000	\$ 6,543,101	\$ 350,000	\$ 11,893,101
Capital Expenditures	-	-	-	-	-	422,855	422,855
Road and Bridge	-	-	-	-	-	72,042	72,042
Other Governmental	172,452	-	-	-	-	-	172,452
Internal Service	1,000,000	400,000	100,000	-	-	-	1,500,000
Total	<u>\$ 1,172,452</u>	<u>\$ 400,000</u>	<u>\$ 100,000</u>	<u>\$ 5,000,000</u>	<u>\$ 6,543,101</u>	<u>\$ 844,897</u>	<u>\$ 14,060,450</u>

Transfers to and from the various funds were to cover the costs of operations, capital and debt service.

MONTROSE COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 5 CAPITAL ASSETS

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

	Beginning Balance	Increase	Decrease	Transfers	Ending Balance
<u>Governmental Activities</u>					
Capital Assets Not Subject to Depreciation:					
Land	\$ 3,645,482	\$ 29,893	\$ (300,501)	\$ -	\$ 3,374,874
Construction in Progress	780,068	14,711,504	-	(421,586)	15,069,986
Total Capital Assets Not Subject to Depreciation	4,425,550	14,741,397	(300,501)	(421,586)	18,444,860
Capital Assets Subject to Depreciation:					
Buildings and Improvements	31,199,831	12,744	-	421,586	31,634,161
Infrastructure	124,549,336	1,634,406	(1,159,541)	-	125,024,201
Equipment and Vehicles	18,246,482	707,469	(849,518)	-	18,104,433
Total Capital Assets Subject to Depreciation	173,995,649	2,354,619	(2,009,059)	421,586	174,762,795
Less Accumulated Depreciation for:					
Buildings and Improvements	14,248,336	740,891	-	-	14,989,227
Infrastructure	83,218,512	2,808,725	(961,312)	-	85,065,925
Equipment and Vehicles	11,207,617	1,189,604	(745,138)	-	11,652,083
Total Accumulated Depreciation	108,674,465	4,739,220	(1,706,450)	-	111,707,235
Capital Assets Subject to Depreciation, Net	65,321,184	(2,384,601)	(302,609)	421,586	63,055,560
Governmental Activities Capital Assets, Net	<u>\$ 69,746,734</u>	<u>\$ 12,356,796</u>	<u>\$ (603,110)</u>	<u>\$ -</u>	<u>\$ 81,500,420</u>
<u>Internal Service Fund Activities</u>					
<u>Governmental</u>					
Fleet					
Equipment and Vehicles	\$ 4,856,732	\$ 389,939	\$ (87,532)	\$ -	\$ 5,159,139
Communications Center					
Buildings and Improvements	614,894	-	-	-	614,894
Equipment and Vehicles	426,223	468,980	-	-	895,203
Less Accumulated Depreciation:					
Buildings and Improvements	156,968	42,906	-	-	199,874
Equipment and Vehicles	2,950,881	632,537	(78,026)	-	3,505,392
Internal Service Fund Activity Capital Assets, Net	<u>\$ 2,790,000</u>	<u>\$ 183,476</u>	<u>\$ (9,506)</u>	<u>\$ -</u>	<u>\$ 2,963,970</u>

**MONTROSE COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE 5 CAPITAL ASSETS (CONTINUED)

	Beginning Balance	Increase	Decrease	Transfers	Ending Balance
<u>Business-Type Activities</u>					
<u>Airport</u>					
Capital Assets Not Subject to Depreciation:					
Land	\$ 2,538,599	\$ 236,087	\$ -	\$ 682	\$ 2,775,368
Construction in Progress	752,868	851,429	-	(1,137,725)	466,572
Total Capital Assets Not Subject to Depreciation	3,291,467	1,087,516	-	(1,137,043)	3,241,940
Capital Assets Subject to Depreciation:					
Runway Improvements	64,651,736	51,833	-	515,376	65,218,945
Buildings and Improvements	13,237,880	93,119	-	-	13,330,999
Equipment and Vehicles	2,892,579	267,556	-	621,667	3,781,802
Total Capital Assets Subject to Depreciation	80,782,195	412,508	-	1,137,043	82,331,746
Less Accumulated Depreciation for:					
Runway Improvements	33,163,450	2,674,455	-	-	35,837,905
Buildings and Improvements	4,960,644	365,749	-	-	5,326,393
Equipment and Vehicles	2,246,094	126,342	-	-	2,372,436
Total Accumulated Depreciation	40,370,188	3,166,546	-	-	43,536,734
Capital Assets Subject to Depreciation, Net	40,412,007	(2,754,038)	-	1,137,043	38,795,012
Business-Type Activity Capital Assets, Net	<u>\$ 43,703,474</u>	<u>\$ (1,666,522)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 42,036,952</u>

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

Governmental Activities:	
General Government	\$ 501,050
Public Safety and Protection	704,960
Road and Bridge Services	4,133,023
Health and Human Services	75,630
Total	<u>\$ 5,414,663</u>

**MONTROSE COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE 6 LONG-TERM DEBT

Following is a schedule of changes in long-term debt:

	Beginning Balance	Additions	Reductions/ Adjustments	Ending Balance	Amounts Due Within One Year
<u>Governmental Activities</u>					
Certificates of Participation Series 2012	\$ 2,130,000	\$ -	\$ (335,000)	\$ 1,795,000	\$ 340,000
Certificates of Participation Premium	33,772	-	(5,629)	28,143	-
Lease Purchase Agreement Facility Construction Loan 2017	-	14,000,000	-	14,000,000	761,045
Accrued Compensated Absences	1,231,163	1,274,665	(1,246,279)	1,259,549	1,259,549
Accrued Landfill Post-Closure Costs	806,329	-	(30,741)	775,588	-
Accrued Gravel Pit Remediation Costs	343,517	50,190	(70,119)	323,588	-
Total Governmental Activities Long-Term Debt	<u>\$ 4,544,781</u>	<u>\$ 15,324,855</u>	<u>\$ (1,687,768)</u>	<u>\$ 18,181,868</u>	<u>\$ 2,360,594</u>
<u>Business-Type Activity</u>					
Compensated Absences	<u>\$ 70,614</u>	<u>\$ 59,619</u>	<u>\$ (69,198)</u>	<u>\$ 61,035</u>	<u>\$ 61,035</u>

Certificates of Participation

Certificates of participation dated October 1, 2012, in the amount of \$3,395,000, with interest at 2-3%, were issued pursuant to a lease purchase agreement with a financial institution for the construction of a Justice Center.

Future minimum payments under the lease purchase agreement as of December 31, 2017 are as follows:

Year	Principal	Interest	Total
2018	\$ 340,000	50,838	\$ 390,838
2019	350,000	42,338	392,338
2020	355,000	33,150	388,150
2021	370,000	22,500	392,500
2022	380,000	11,400	391,400
Total	<u>\$ 1,795,000</u>	<u>\$ 160,226</u>	<u>\$ 1,955,226</u>

Lease Purchase Agreement

On August 30, 2017, the County entered into a lease purchase agreement with a financial institution in the amount of \$14,000,000 with interest at 2.85% to construct an events center at the Montrose County Fairgrounds, to construct a road and bridge facility, and for other necessary capital improvements of the County. Principal payments begin in 2018 and are due each year through 2032.

**MONTROSE COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE 6 LONG-TERM DEBT (CONTINUED)

Lease Purchase Agreement (Continued)

Future minimum payments under the lease purchase agreement as of December 31, 2017 are as follows:

Year	Principal	Interest	Total
2018	\$ 761,045	399,000	\$ 1,160,045
2019	782,735	377,310	1,160,045
2020	805,043	355,002	1,160,045
2021	827,987	332,059	1,160,046
2022	851,584	308,461	1,160,045
2023 - 2027	4,636,107	1,164,119	5,800,226
2028 - 2032	5,335,499	464,728	5,800,227
Total	<u>\$ 14,000,000</u>	<u>\$ 3,400,679</u>	<u>\$ 17,400,679</u>

Conduit Debt

During 2007, the County acted as bond issuer for a third-party mental health facility. The bond issue was for a principal amount totaling \$1,600,000. The bonds are Revenue Bonds, Series 2007. The Bonds matured on June 28, 2017 and did not constitute indebtedness of the County.

NOTE 7 PENSION PLAN

Retirement Plan

The County participates in the Colorado County Officials and Employees Retirement Association Defined Contribution Plan (CCOERA), a multiple-employer public employee retirement system, which is a qualified plan as defined by Internal Revenue Service Code Section 401(A) and CRS 24.54. The plan provides retirement benefits through a defined contribution plan to participating Colorado counties, municipalities, and special districts. In a defined contribution plan, benefits depend solely on amounts contributed to the plan, plus investment earnings. Plan provisions and contribution requirements are established and may be amended by CCOERA and would have to be approved by the County.

There are no unfunded past service liabilities. All full-time employees are required to participate in the plan after six months of service. The County is required to contribute 4% of employee compensation, excluding overtime. The employee is required to contribute an amount equal to the County's contribution, and may contribute up to an additional 10% of their compensation. Employees are immediately vested in their participant contributions and become vested in employer contributions to the plan over a five-year period.

During 2017, the County and employees each made their respectively required 4% contribution amounting to \$676,741, for a total of \$1,353,482.

**MONTROSE COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE 8 RISK MANAGEMENT

County Workers Compensation Pool

The County is exposed to various risks of loss related to injuries of employees while on the job. The County joined together with other counties in the State of Colorado to form the County Workers Compensation Pool (CWCP), a public entity risk pool currently operating as a common risk management and insurance program for member counties. The intergovernmental agreement of formation of CWCP provides that the pool will be financially self-sustaining through member contributions and additional assessments, if necessary, and that the pool will purchase insurance through commercial companies for members' claims in excess of specified self-insured retention, which is determined each policy year.

Colorado Counties Casualty and Property Pool

The County is exposed to various risks of loss related to casualty and property losses. The County has joined together with other counties in the State of Colorado to form the Colorado Counties Casualty and Property Pool (CAPP), a public entity risk pool currently operating as a common risk management and insurance program for member counties. The intergovernmental agreement of formation of CAPP provides that the pool will be financially self-sustaining through member contributions and additional assessments, if necessary, and that the pool will purchase insurance through commercial companies for members' claims in excess of a specified self-insured retention, which is determined each policy year.

In the past three years, the amount of settlement for any claim has not exceeded the insurance coverage in any instance.

The County carries commercial insurance for all other risks of loss. The County has had no settlements in excess of insurance coverage for each of the past three fiscal years.

NOTE 9 COMMITMENTS AND CONTINGENCIES

Pending Litigation

The County is involved in various lawsuits. Management does not believe the potential loss to the County from any of these lawsuits would have a material impact on the financial statements.

TABOR Amendment

Colorado voters passed an amendment to the State Constitution, Article X, Section 20 (the Taxpayer Bill of Rights, otherwise known as TABOR), which has several limitations, including revenue raising, spending abilities and other specific requirements of state and local governments. The amendment is complex and subject to judicial interpretation. The County believes it is in compliance with the requirements of the amendment. However, the County has made certain interpretations of the amendment's language in order to determine its compliance.

In November 2006, Montrose County voters approved an exception to the TABOR limits for all revenues except property taxes.

**MONTROSE COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE 9 COMMITMENTS AND CONTINGENCIES (CONTINUED)

Federal Funding

Under the terms of federal and state grants, periodic audits are required and certain costs may be questioned as not being appropriate expenditures under the terms of the grants. Such audits could lead to reimbursements to the grantor agencies. Management believes that any disallowances, if any, resulting from any such audits would not be material to the financial statements.

NOTE 10 CLOSURE AND POST-CLOSURE CARE COST

The County entered into a service agreement with the contractor for operation of the current landfill, which requires the contractor to pay the County based on incoming volumes, at \$0.10 per yard. The term of the agreement is 40 years. State and federal laws and regulations require the County to place a final cover on its landfill site within 6 months of the date it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. The private contractor is responsible for closure costs and the County for post-closure costs. Although post-closure care costs will be paid only after the date that the landfill stops accepting waste, the County reports estimated post-closure care costs as a liability.

The County's estimate of the closure and post-closure care costs liability at December 31, 2017, based on landfill capacity used to date, is \$775,588. The County will recognize the remaining estimated costs of closure and post-closure as the remaining estimated landfill capacity is filled. The County estimates the remaining life of the East End landfill to be 67 years as of December 31, 2017. Actual costs may be higher or lower due to inflation, changes in technology or changes in regulations.

	<u>Total Costs</u>	<u>Approximate Used Amount</u>	<u>Liability</u>
East End Closure	\$ 722,452	38.16%	\$ 275,680
East End Post-Closure	407,413	38.16%	155,464
West End Post-Closure	480,840	100.00%	344,444
Total	<u>\$ 1,610,705</u>		<u>\$ 775,588</u>

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 addition, the County has voluntarily designated \$790,345 of invested funds for post-closure care.

**MONTROSE COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE 11 LEASES

The Airport leases facilities and land to various airlines, concessionaires and others. Substantially all of the leases are operating leases for land, building, and terminal space. The leases contain provisions for cancellation by either party if certain conditions are met. The following is a schedule, by year, of minimum future rentals of the operating leases as of December 31, 2017:

Year Ending December 31	Amount
2018	\$ 58,734
2019	43,994
2020	40,874
2021	39,995
2022	29,300
2023-2027	123,058
2028-2032	69,263
2033-2037	25,346
2038-2042	6,461
Total	\$ 437,025

**MONTROSE COUNTY, COLORADO
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2017**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 12,194,505	12,194,505	\$ 12,243,768	\$ 49,263
Licenses and Permits	325,950	325,950	412,221	86,271
Intergovernmental	2,652,604	2,652,604	2,902,175	249,571
Charges for Services	1,685,121	1,685,121	1,814,396	129,275
Charges to Other Governments	15,000	15,000	97,820	82,820
Internal Charges	1,549,733	1,549,733	1,546,355	(3,378)
Interest	95,000	95,000	314,293	219,293
Miscellaneous	10,700	10,700	8,784	(1,916)
Total Revenues	<u>18,528,613</u>	<u>18,528,613</u>	<u>19,339,812</u>	<u>811,199</u>
EXPENDITURES				
Current:				
General Government	12,162,414	12,735,764	10,099,046	2,636,718
Capital Outlay	<u>436,650</u>	<u>443,952</u>	<u>294,872</u>	<u>149,080</u>
Total Expenditures	<u>12,599,064</u>	<u>13,179,716</u>	<u>10,393,918</u>	<u>2,785,798</u>
EXCESS OF REVENUES OVER EXPENDITURES	5,929,549	5,348,897	8,945,894	3,596,997
OTHER FINANCING SOURCES (USES)				
Proceeds from Sale of Capital Assets	-	-	496,054	496,054
Transfers In	120,000	120,000	1,172,452	1,052,452
Transfers Out	<u>(12,043,101)</u>	<u>(12,043,101)</u>	<u>(11,893,101)</u>	<u>150,000</u>
Total Other Financing Sources (Uses)	<u>(11,923,101)</u>	<u>(11,923,101)</u>	<u>(10,224,595)</u>	<u>1,698,506</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	<u>\$ (5,993,552)</u>	<u>\$ (6,574,204)</u>	<u>\$ (1,278,701)</u>	<u>\$ 5,295,503</u>

**MONTROSE COUNTY, COLORADO
ROAD AND BRIDGE FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2017**

	Original and Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Taxes	\$ 6,515,250	\$ 6,451,220	\$ (64,030)
Licenses and Permits	10,000	8,203	(1,797)
Intergovernmental	5,789,500	5,894,543	105,043
Charges to Other Governments	290,000	62,990	(227,010)
Internal Charges	-	339,687	339,687
Interest	30,000	117,354	87,354
Miscellaneous	17,100	152,512	135,412
Total Revenues	12,651,850	13,026,509	374,659
 EXPENDITURES			
Current:			
Roads and Bridge Services	8,560,940	7,781,846	779,094
Capital Outlay	3,126,404	2,488,794	637,610
Total Expenditures	11,687,344	10,270,640	1,416,704
 EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	964,506	2,755,869	1,791,363
 OTHER FINANCING SOURCES (USES)			
Proceeds from Sale of Capital Assets	80,000	87,770	7,770
Transfers In	-	400,000	400,000
Transfers Out	(880,611)	(72,042)	808,569
Total Other Financing Sources (Uses)	(800,611)	415,728	1,216,339
 EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	\$ 163,895	\$ 3,171,597	\$ 3,007,702

**MONTROSE COUNTY, COLORADO
SOCIAL SERVICES FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2017**

	Original and Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Taxes	\$ 1,562,204	\$ 1,557,480	\$ (4,724)
Licenses and Permits	2,000	1,840	(160)
Miscellaneous	94,300	98,176	3,876
Intergovernmental	5,062,050	4,975,484	(86,566)
Internal Charges	1,000	193	(807)
Interest Earnings	600	2,156	1,556
Total Revenues	6,722,154	6,635,329	(86,825)
EXPENDITURES			
Current:			
Health and Human Services	6,556,997	6,133,333	423,664
Total Expenditures	6,556,997	6,133,333	423,664
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	165,157	501,996	336,839
OTHER FINANCING SOURCES (USES)			
Transfers In	-	100,000	100,000
Total Other Financing Sources (Uses)	-	100,000	100,000
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	\$ 165,157	\$ 601,996	\$ 436,839

**MONTROSE COUNTY, COLORADO
PUBLIC SAFETY SALES TAX FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2017**

	Original and Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Taxes	\$ 4,950,750	\$ 4,914,268	\$ (36,482)
Charges for Services	244,625	213,552	(31,073)
Intergovernmental	379,950	456,213	76,263
Miscellaneous Income	16,000	95,658	79,658
Total Revenues	<u>5,591,325</u>	<u>5,679,691</u>	<u>88,366</u>
EXPENDITURES			
Current:			
Public Safety Protection	11,711,785	11,444,345	267,440
Capital Outlay	25,000	-	25,000
Total Expenditures	<u>11,736,785</u>	<u>11,444,345</u>	<u>292,440</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(6,145,460)	(5,764,654)	380,806
OTHER FINANCING SOURCES (USES)			
Transfers In	6,543,101	6,543,101	-
Total Other Financing Sources (Uses)	<u>6,543,101</u>	<u>6,543,101</u>	<u>-</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES	<u>\$ 397,641</u>	<u>\$ 778,447</u>	<u>\$ 380,806</u>

**MONTROSE COUNTY, COLORADO
NONMAJOR GOVERNMENTAL FUNDS**

Special Revenue Funds

Special revenue funds are used to account for revenues of the County, which finance specified activities as required, by law or administrative action.

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

County Clerk Technical Fund accounts for a portion of fees to be used for technology advances in the Clerk and Recorder's office.

Solid Waste Fund formerly accounted for the operations of the County landfill and recycle activities. These activities were sold December 31, 1996. The fund now accounts for general government activities.

Impact Fee Fund accounts for impact fees to be used for future capital needs.

Local Public Health Fund accounts for revenue received to be used to provide for public health services for the citizens of Montrose County, Colorado.

Debt Service Funds

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

Justice Center Fund accounts for debt service payments on the County's 2012 certificates of participation issued to construct the Justice Center.

**MONTROSE COUNTY, COLORADO
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2017**

	Special Revenue				Debt Service		Total Nonmajor Governmental Funds
	Conservation Trust	County Clerk Technical	Solid Waste	Impact Fee	Local Public Health Fund	Justice Center	
ASSETS							
Equity in Pooled Cash and Investments	\$ 125,250	\$ 36,451	\$ 2,221,751	\$ 621,722	\$ -	\$ 338,168	\$ 3,343,342
Other Cash and Investments	-	-	-	-	200	-	200
Receivables							
Intergovernmental	-	-	-	-	192,205	-	192,205
Trade	-	-	30,697	-	3,605	812	35,114
Prepaid Expenses and Other Assets	-	-	-	-	200	-	200
Total Assets	<u>\$ 125,250</u>	<u>\$ 36,451</u>	<u>\$ 2,252,448</u>	<u>\$ 621,722</u>	<u>\$ 196,210</u>	<u>\$ 338,980</u>	<u>\$ 3,571,061</u>
LIABILITIES AND FUND BALANCE							
LIABILITIES							
Accounts Payable	\$ -	\$ -	\$ 626	\$ -	\$ 11,936	\$ -	\$ 12,562
Accrued Liabilities	-	-	14	-	49,076	-	49,090
Due to Other Funds	-	-	-	-	27,289	-	27,289
Unearned Revenue	-	-	-	-	6,311	-	6,311
Total Liabilities	<u>-</u>	<u>-</u>	<u>640</u>	<u>-</u>	<u>94,612</u>	<u>-</u>	<u>95,252</u>
FUND BALANCE							
Nonspendable	-	-	-	-	200	-	200
Restricted for:							
Landfill Financial Assurance	-	-	775,588	-	-	-	775,588
Parks and Recreation	125,250	-	-	-	-	-	125,250
Capital Expenditures	-	-	-	621,722	-	-	621,722
Debt Service	-	-	-	-	-	338,980	338,980
Assigned	-	36,451	1,476,220	-	101,398	-	1,614,069
Total Fund Balance	<u>125,250</u>	<u>36,451</u>	<u>2,251,808</u>	<u>621,722</u>	<u>101,598</u>	<u>338,980</u>	<u>3,475,809</u>
Total Liabilities and Fund Balance	<u>\$ 125,250</u>	<u>\$ 36,451</u>	<u>\$ 2,252,448</u>	<u>\$ 621,722</u>	<u>\$ 196,210</u>	<u>\$ 338,980</u>	<u>\$ 3,571,061</u>

MONTROSE COUNTY, COLORADO
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2017

	Special Revenue				Debt Service		Total Nonmajor Governmental Funds
	Conservation Trust	County Clerk Technical	Solid Waste	Impact Fee	Local Public Health Fund	Justice Center	
REVENUES							
Licenses and Permits	\$ -	\$ -	\$ -	\$ -	\$ 74,777	\$ -	\$ 74,777
Intergovernmental	127,377	-	-	-	1,215,548	-	1,342,925
Interest Earnings	1,548	-	8,860	24	-	834	11,266
Miscellaneous	-	10,150	129,896	38,917	25,780	-	204,743
Total Revenues	<u>128,925</u>	<u>10,150</u>	<u>138,756</u>	<u>38,941</u>	<u>1,316,105</u>	<u>834</u>	<u>1,633,711</u>
EXPENDITURES							
Current:							
General Government	-	-	2,259	-	-	1,500	3,759
Health and Human Services	-	-	-	-	1,801,991	-	1,801,991
Debt Service:							
Principal	-	-	-	-	-	335,000	335,000
Interest	-	-	-	-	-	158,396	158,396
Total Expenditures	<u>-</u>	<u>-</u>	<u>2,259</u>	<u>-</u>	<u>1,801,991</u>	<u>494,896</u>	<u>2,299,146</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	128,925	10,150	136,497	38,941	(485,886)	(494,062)	(665,435)
OTHER FINANCING SOURCES (USES)							
Transfers in	-	-	-	-	350,000	494,897	844,897
Transfers out	(120,000)	-	-	(52,452)	-	-	(172,452)
Total Other Financing Sources (Uses)	<u>(120,000)</u>	<u>-</u>	<u>-</u>	<u>(52,452)</u>	<u>350,000</u>	<u>494,897</u>	<u>672,445</u>
NET CHANGE IN FUND BALANCES	8,925	10,150	136,497	(13,511)	(135,886)	835	7,010
Fund Balances - Beginning of Year	<u>116,325</u>	<u>26,301</u>	<u>2,115,311</u>	<u>635,233</u>	<u>237,484</u>	<u>338,145</u>	<u>3,468,799</u>
FUND BALANCES - END OF YEAR	<u>\$ 125,250</u>	<u>\$ 36,451</u>	<u>\$ 2,251,808</u>	<u>\$ 621,722</u>	<u>\$ 101,598</u>	<u>\$ 338,980</u>	<u>\$ 3,475,809</u>

**MONTROSE COUNTY, COLORADO
CAPITAL EXPENDITURES FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2017**

	Original and Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES	\$ 1,433,872	\$ 750,655	\$ (683,217)
EXPENDITURES			
Current:			
General Government	30,202	20,370	9,832
Capital Outlay	19,879,000	14,957,093	4,921,907
Debt Service:			
Debt Issuance Costs	420,000	81,617	338,383
	<u>20,329,202</u>	<u>15,059,080</u>	<u>5,270,122</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(18,895,330)	(14,308,425)	4,586,905
OTHER FINANCING USES			
Debt proceeds	14,000,000	14,000,000	-
Transfers In	5,000,000	5,000,000	-
Transfers Out	(747,482)	(422,855)	324,627
Total Other Financing Sources (Uses)	<u>18,252,518</u>	<u>18,577,145</u>	<u>324,627</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES	<u>\$ (642,812)</u>	<u>\$ 4,268,720</u>	<u>\$ 4,911,532</u>

**MONTROSE COUNTY, COLORADO
 CONSERVATION TRUST FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 YEAR ENDED DECEMBER 31, 2017**

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES			
Intergovernmental			
State of Colorado	\$ 125,000	\$ 127,377	\$ 2,377
Interest Income	500	1,548	1,048
Total Revenues	<u>125,500</u>	<u>128,925</u>	<u>3,425</u>
 EXPENDITURES			
Culture - Recreation	<u>-</u>	<u>-</u>	<u>-</u>
 EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	125,500	128,925	3,425
 OTHER FINANCING USES			
Transfers Out	<u>(120,000)</u>	<u>(120,000)</u>	<u>-</u>
 EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	<u>\$ 5,500</u>	<u>\$ 8,925</u>	<u>\$ 3,425</u>

**MONTROSE COUNTY, COLORADO
COUNTY CLERK TECHNICAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2017**

	Original and Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Miscellaneous	\$ 9,000	\$ 10,150	\$ 1,150
EXPENDITURES			
General Government	-	-	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ 9,000</u>	<u>\$ 10,150</u>	<u>\$ 1,150</u>

**MONTROSE COUNTY, COLORADO
SOLID WASTE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2017**

	Original and Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Interest Income	\$ 1,500	\$ 8,860	\$ 7,360
Miscellaneous	112,500	129,896	17,396
Total Revenues	<u>114,000</u>	<u>138,756</u>	<u>24,756</u>
EXPENDITURES			
Post-Closure Costs	<u>10,380</u>	<u>2,259</u>	<u>8,121</u>
Total Expenditures	<u>10,380</u>	<u>2,259</u>	<u>8,121</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>\$ 103,620</u>	<u>\$ 136,497</u>	<u>\$ 32,877</u>

**MONTROSE COUNTY, COLORADO
IMPACT FEE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2017**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Interests Income	\$ -	\$ -	\$ 24	\$ 24
Miscellaneous	196,600	196,600	38,917	(157,683)
Total Revenues	<u>196,600</u>	<u>196,600</u>	<u>38,941</u>	<u>(157,659)</u>
EXPENDITURES				
General Government	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCING USES				
Transfers Out	<u>-</u>	<u>(52,452)</u>	<u>(52,452)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>(52,452)</u>	<u>(52,452)</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ 196,600</u>	<u>\$ 144,148</u>	<u>\$ (13,511)</u>	<u>\$ (157,659)</u>

**MONTROSE COUNTY, COLORADO
LOCAL PUBLIC HEALTH FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2017**

	Original and Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Other Revenues	\$ 16,000	\$ 25,780	\$ 9,780
Intergovernmental	1,266,870	1,215,548	(51,322)
Licenses and Permits	81,000	74,777	(6,223)
Total Revenues	1,363,870	1,316,105	(47,765)
 EXPENDITURES			
Health and Human Services	2,047,858	1,801,991	245,867
 EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(683,988)	(485,886)	198,102
 OTHER FINANCING USES			
Transfers In	500,000	350,000	(150,000)
 EXCESS OF REVENUE AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES	\$ (183,988)	\$ (135,886)	\$ 48,102

**MONTROSE COUNTY, COLORADO
JUSTICE CENTER FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2017**

	Original and Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Interest	\$ 50	\$ 834	\$ 784
EXPENDITURES			
General Government	5,500	1,500	4,000
Debt Service:			
Principal	335,000	335,000	-
Interest	302,538	158,396	144,142
Total Expenditures	<u>643,038</u>	<u>494,896</u>	<u>148,142</u>
EXCESS OF EXPENDITURES OVER (UNDER) REVENUES	(642,988)	(494,062)	148,926
OTHER FINANCING USES			
Transfers In	<u>1,628,093</u>	<u>494,897</u>	<u>(1,133,196)</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES	<u>\$ 985,105</u>	<u>\$ 835</u>	<u>\$ (984,270)</u>

**MONTROSE COUNTY, COLORADO
PROPRIETARY FUNDS**

Proprietary funds are used to account for activities of the County that are managed similarly to for-profit businesses whereby the user fees are intended to cover a majority of the fund's expenses.

Montrose County Airport Fund accounts for the County's airports at Montrose (Montrose Regional Airport) and Nucla (Hopkins Field Airport), which provide services for both commercial and general aviation.

Fleet Management Internal Service Fund accounts for the capital assets, liabilities, and operational management of the Montrose County Fleet. The fleet-related services are provided to other County departments on a cost-reimbursement basis.

Communications Center Fund accounts for all costs associated with operating and maintaining the Countywide Emergency 911 Dispatch Center.

**MONTROSE COUNTY, COLORADO
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
DECEMBER 31, 2017**

	Fleet Management Fund	Communications Center Fund	Total
	<u> </u>	<u> </u>	<u> </u>
CURRENT ASSETS			
Cash	\$ 1,460,066	\$ 271,236	\$ 1,731,302
Due from Other Governments	5,133	-	5,133
Inventories	217,430	-	217,430
Total Current Assets	<u>1,682,629</u>	<u>271,236</u>	<u>1,953,865</u>
NONCURRENT ASSETS			
Buildings, Net	-	415,020	415,020
Equipment, Net	1,839,723	709,227	2,548,950
Total Noncurrent Assets	<u>1,839,723</u>	<u>1,124,247</u>	<u>2,963,970</u>
 Total Assets	 3,522,352	 1,395,483	 4,917,835
CURRENT LIABILITIES			
Accounts Payable	69,882	7,326	77,208
Accrued Liabilities	21,990	32,567	54,557
Accrued Compensated Absences	19,992	55,238	75,230
Total Current Liabilities	<u>111,864</u>	<u>95,131</u>	<u>206,995</u>
 Total Liabilities	 <u>111,864</u>	 <u>95,131</u>	 <u>206,995</u>
NET POSITION			
Net Investment in Capital Assets	1,839,723	1,124,247	2,963,970
Unrestricted	<u>1,570,765</u>	<u>176,105</u>	<u>1,746,870</u>
 Total Net Position	 <u>\$ 3,410,488</u>	 <u>\$ 1,300,352</u>	 <u>\$ 4,710,840</u>

**MONTROSE COUNTY, COLORADO
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
YEAR ENDED DECEMBER 31, 2017**

	Fleet Management Fund	Communications Center Fund	Total
OPERATING REVENUE			
Charges for Services	\$ 2,409,397	\$ 1,060,144	\$ 3,469,541
OPERATING EXPENSES			
Salaries and Benefits	612,038	889,210	1,501,248
Services and Supplies	1,155,408	152,981	1,308,389
Depreciation and Amortization	572,277	103,166	675,443
Total Operating Expenses	<u>2,339,723</u>	<u>1,145,357</u>	<u>3,485,080</u>
OPERATING PROFIT (LOSS)	69,674	(85,213)	(15,539)
NONOPERATING REVENUES (EXPENSES)			
Gain (Loss) on Disposal of Assets	11,594	-	11,594
Other	25,011	-	25,011
Total Nonoperating Revenues	<u>36,605</u>	<u>-</u>	<u>36,605</u>
INCOME BEFORE CAPITAL GRANTS AND TRANSFERS	106,279	(85,213)	21,066
Capital Contributions	-	480,556	480,556
Transfers Out	<u>(1,500,000)</u>	<u>-</u>	<u>(1,500,000)</u>
CHANGE IN NET POSITION	(1,393,721)	395,343	(998,378)
Net Position - Beginning of Year	<u>4,804,209</u>	<u>905,009</u>	<u>5,709,218</u>
NET POSITION - END OF YEAR	<u>\$ 3,410,488</u>	<u>\$ 1,300,352</u>	<u>\$ 4,710,840</u>

**MONTROSE COUNTY, COLORADO
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
YEAR ENDED DECEMBER 31, 2017**

	Fleet Management Fund	Communications Center Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Received from Customers	\$ 2,409,150	\$ 1,160,227	\$ 3,569,377
Cash Paid to Suppliers	(1,231,302)	(147,562)	(1,378,864)
Cash Paid to and for Employees	(626,696)	(892,635)	(1,519,331)
Net Cash Provided By Operating Activities	551,152	120,030	671,182
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers Out	(1,500,000)	-	(1,500,000)
Other Receipts	25,009	-	25,011
Net Cash Used by Noncapital Financing Activities	(1,474,991)	-	(1,474,989)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Sale of Capital Assets	21,100	-	21,099
Capital Contributions	-	11,576	11,575
Acquisition of Capital Assets	(389,939)	-	(389,939)
Net Cash Provided (Used) by Capital and Related Financing Activities	(368,839)	11,576	(357,265)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,292,678)	131,606	(1,161,072)
Cash and Cash Equivalents - Beginning of Year	2,752,744	139,630	2,892,374
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 1,460,066	\$ 271,236	\$ 1,731,302
RECONCILIATION OF OPERATING PROFIT (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES			
Operating Profit (Loss)	\$ 69,674	\$ (85,213)	\$ (15,539)
Adjustments to Reconcile Operating Profit (Loss) to Net Cash Provided by Operating Activities:			
Depreciation and Amortization	572,277	103,166	675,443
(Increase) Decrease in Accounts Receivable	(247)	100,083	99,836
Decrease in Inventory	(36,377)	-	(36,377)
Increase (Decrease) in Accounts Payable	(39,517)	5,419	(34,098)
Increase in Accrued Expenses	(14,658)	(3,425)	(18,083)
Net Cash Provided by Operating Activities	\$ 551,152	\$ 120,030	\$ 671,182
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES			
Contributed Capital Assets	\$ -	\$ 468,980	\$ 468,980

MONTROSE COUNTY, COLORADO
MONTROSE COUNTY AIRPORT ENTERPRISE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND NET POSITION
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2017

	Original and Final Budget	Actual	Variance with Final Budget Positive (Negative)
OPERATING REVENUES			
Charges for Service	\$ 2,867,000	\$ 3,231,267	\$ 364,267
Total Operating Revenues	<u>2,867,000</u>	<u>3,231,267</u>	<u>364,267</u>
OPERATING EXPENSES			
Salaries and Benefits	1,211,988	1,159,754	52,234
Services and Supplies	1,407,984	1,009,684	398,300
Capital Outlay	2,494,375	1,500,024	994,351
Total Operating Expenses	<u>5,114,347</u>	<u>3,669,462</u>	<u>1,444,885</u>
OPERATING LOSS	(2,247,347)	(438,195)	1,809,152
NONOPERATING REVENUES			
Investment Income	2,000	2,822	822
Contributions/Grants	26,000	26,718	718
Passenger Facility Charges	425,000	446,149	21,149
Intergovernmental	1,981,906	870,574	(1,111,332)
Other	90,750	145,219	54,469
Total Nonoperating Revenues	<u>2,525,656</u>	<u>1,491,482</u>	<u>(1,034,174)</u>
NET INCOME (LOSS) - BUDGET BASIS	<u>\$ 278,309</u>	1,053,287	<u>\$ 774,978</u>
ADJUSTMENTS FOR GAAP BASIS			
Capital Outlay		1,500,024	
Depreciation		<u>(3,166,546)</u>	
CHANGE IN NET POSITION - GAAP BASIS		<u>\$ (613,235)</u>	

**MONTROSE COUNTY, COLORADO
FLEET MANAGEMENT INTERNAL SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND NET POSITION
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2017**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
OPERATING REVENUES				
Charges for Service	\$ 2,410,495	\$ 2,410,495	\$ 2,409,397	\$ (1,098)
Total Operating Revenues	<u>2,410,495</u>	<u>2,410,495</u>	<u>2,409,397</u>	<u>(1,098)</u>
OPERATING EXPENSES AND TRANSFERS				
Salaries and Benefits	646,022	646,022	612,038	33,984
Services and Supplies	1,285,243	1,285,243	1,155,408	129,835
Capital Outlay	407,977	407,977	389,939	18,038
Transfers Out	-	1,500,000	1,500,000	-
Total Operating Expenses	<u>2,339,242</u>	<u>3,839,242</u>	<u>3,657,385</u>	<u>181,857</u>
OPERATING INCOME (LOSS)	71,253	(1,428,747)	(1,247,988)	180,759
NONOPERATING REVENUES				
Other	15,754	15,754	46,111	30,357
Total Nonoperating Revenues	<u>15,754</u>	<u>15,754</u>	<u>46,111</u>	<u>30,357</u>
NET INCOME (LOSS) - BUDGET BASIS	<u>\$ 87,007</u>	<u>\$ (1,412,993)</u>	(1,201,877)	<u>\$ 211,116</u>
ADJUSTMENTS FOR GAAP BASIS				
Capital Outlay			389,939	
Depreciation			(572,277)	
Net Book Value of Capital Assets Sold			<u>(9,506)</u>	
CHANGE IN NET POSITION - GAAP BASIS			<u>\$ (1,393,721)</u>	

MONTROSE COUNTY, COLORADO
COMMUNICATIONS CENTER INTERNAL SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND NET POSITION
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2017

	Original and Final Budget	Actual	Variance with Final Budget Positive (Negative)
OPERATING REVENUES			
Charges for Service	\$ 1,030,728	\$ 1,060,144	\$ 29,416
Total Operating Revenues	1,030,728	1,060,144	29,416
OPERATING EXPENSES			
Salaries and Benefits	890,252	889,210	1,042
Services and Supplies	166,420	152,981	13,439
Total Operating Expenses	1,056,672	1,042,191	14,481
OPERATING INCOME (LOSS)	(25,944)	17,953	43,897
NONOPERATING REVENUES (EXPENSES)			
Other	1,000	480,556	479,556
Total Nonoperating Revenues	1,000	480,556	479,556
NET INCOME (LOSS) - BUDGET BASIS	\$ (24,944)	498,509	\$ 523,453
ADJUSTMENTS FOR GAAP BASIS			
Depreciation		(103,166)	
CHANGE IN NET POSITION - GAAP BASIS		\$ 395,343	

MONTROSE COUNTY, COLORADO
FIDUCIARY FUNDS
AGENCY FUNDS

Agency Funds

Agency funds account for assets held by the County as an agency for individuals, private organizations, other governments, and/or other funds.

County Clerk Clearing accounts for all monies collected (principally tax collections) by the Montrose County Clerk for various local government entities within the County.

Deposits Held for Others accounts for development fees collected and disbursed for the acquisition of real property needed for the expansion of school sites and/or facilities and parks, performance deposits, and funds held for other organizations, including the Public Trustee.

MONTROSE COUNTY, COLORADO
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
YEAR ENDED DECEMBER 31, 2017

	<u>Balance - January 1</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance - December 31</u>
<u>COUNTY CLERK CLEARING</u>				
ASSETS				
Cash and Investments	\$ 858,014	\$ 98,110	\$ -	\$ 956,124
Total Assets	<u>\$ 858,014</u>	<u>\$ 98,110</u>	<u>\$ -</u>	<u>\$ 956,124</u>
LIABILITIES				
Due to Other Governments	\$ 858,014	\$ 98,110	\$ -	\$ 956,124
Total Liabilities	<u>\$ 858,014</u>	<u>\$ 98,110</u>	<u>\$ -</u>	<u>\$ 956,124</u>
 DEPOSITS HELD FOR OTHERS				
ASSETS				
Cash and Investments	\$ 495,351	\$ 432,011	\$ -	\$ 927,362
Total Assets	<u>\$ 495,351</u>	<u>\$ 432,011</u>	<u>\$ -</u>	<u>\$ 927,362</u>
LIABILITIES				
Deposits Held for Others	\$ 495,351	\$ 432,011	\$ -	\$ 927,362
Total Liabilities	<u>\$ 495,351</u>	<u>\$ 432,011</u>	<u>\$ -</u>	<u>\$ 927,362</u>

MONTROSE COUNTY, COLORADO
MONTROSE COUNTY DEPARTMENT OF HUMAN SERVICES
EBT AUTHORIZATION SCHEDULE
FOR THE CALENDAR YEAR 2016

	A	B	C	D	E
PROGRAMS	County EBT Authorizations	County Share of Authorizations	Expenditures by County Warrant	County EBT Authorizations and Expenditures By County Warrant (Col. A+Col. C)	Total Expenditures (Col. B+Col. C)
Administration			1,142,979	1,142,979	1,142,979
Adult Services		138	210,268	210,268	210,406
Aid to Needy Disabled	188,680	37,951		188,680	37,951
Chaffee Grant			16,562	16,562	16,562
Child Care Program	976,576	102,659	108,847	1,085,423	211,506
Child Support Enforcement			704,687	704,687	704,687
Child Welfare	2,255,544	451,805	1,242,139	3,497,683	1,693,944
Colorado Works	402,145	64,395	684,233	1,086,378	748,628
CORE Services	401,034	31,330	444,213	845,247	475,543
Employment First			105,959	105,959	105,959
Food Assistance	6,649,938			6,649,938	-
HB1414 / IV-E Reserves			188,969	188,969	188,969
LEAP	657,715		2,818	660,533	2,818
Medicaid Transportation			59,069	59,069	59,069
Old Age Pension	748,320	257	20,825	769,145	21,082
Parental Fees			106,209	106,209	106,209
Single Entry Point	15,557		407,021	422,578	407,021
Veterans Services				-	-
Other Grants & Programs				-	-
County Only Costs (Including General Assistance)				-	-
Total Programs	12,295,509	688,535	5,444,798	17,740,307	6,133,333

Explanation of columns:

- A County EBT Authorizations - Payments for human service programs authorized by the County, net of refunds. These County authorizations are paid by the Colorado Department of Human Services by electronic benefit cards (EBT) and by electronic funds transfers (EFT).
- B County Share of EBT Authorizations - Amounts are settled monthly by a reduction of State cash advances to the County and are net of any refunds.
- C Expenditures By County Warrant - Expenditures made by County warrants or other County payment methods.
- D Represents the total cost of the human service programs that are administered by the County.
- E Equals the expenditures on the statement of revenues, expenditures, and changes in the fund balances - governmental funds, social services fund column of this document.

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

LOCAL HIGHWAY FINANCE REPORT	City or County: Montrose County
	YEAR ENDING : December 2017

This Information From The Records Of (example - City of _ or County of _):	Prepared By: Phone:
--	------------------------

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)	2,488,794
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	6,135,463
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	0
2. General fund appropriations		b. Snow and ice removal	247,166
3. Other local imposts (from page 2)	7,405,348	c. Other	196,378
4. Miscellaneous local receipts (from page 2)	1,105,526	d. Total (a. through c.)	443,544
5. Transfers from toll facilities		4. General administration & miscellaneous	894,893
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	
a. Bonds - Original Issues		6. Total (1 through 5)	9,962,694
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)	8,510,874	b. Redemption	
B. Private Contributions		c. Total (a. + b.)	0
C. Receipts from State government (from page 2)	4,940,414	2. Notes:	
D. Receipts from Federal Government (from page 2)	62,990	a. Interest	
E. Total receipts (A.7 + B + C + D)	13,514,278	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)	9,962,694

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
	15,275,564	13,514,278	9,962,694	18,827,148	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	80	a. Interest on investments	118,962
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes	7,405,268	c. Parking Garage Fees	
2. Infrastructure & Impact Fees		d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	90,300
4. Licenses		f. Charges for Services	453,131
5. Specific Ownership &/or Other	0	g. Other Misc. Receipts	43,133
6. Total (1. through 5.)	7,405,268	h. Other	400,000
c. Total (a. + b.)	7,405,348	i. Total (a. through h.)	1,105,526
	(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	4,819,969	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	62,990
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	120,445	d. Federal Transit Admin	
d. Other (Specify) - DOLA Grant		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	0
f. Total (a. through e.)	120,445	g. Total (a. through f.)	62,990
4. Total (1. + 2. + 3.f)	4,940,414	3. Total (1. + 2.g)	
			(Carry forward to page 1)

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs			0
b. Engineering Costs			0
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements			0
(3). System Preservation		2,488,794	2,488,794
(4). System Enhancement & Operation			0
(5). Total Construction (1) + (2) + (3) + (4)	0	2,488,794	2,488,794
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	2,488,794	2,488,794
			(Carry forward to page 1)

Notes and Comments: