

MONTEZUMA COUNTY, COLORADO

Accountants' Reports
and
Basic Financial Statements

December 31, 2021

MONTEZUMA COUNTY, COLORADO

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Montezuma County, Colorado, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise Montezuma County, Colorado's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Montezuma County, Colorado, as of December 31, 2021, 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.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Montezuma County, Colorado and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Montezuma County, Colorado's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Montezuma County Colorado's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Montezuma County, Colorado's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

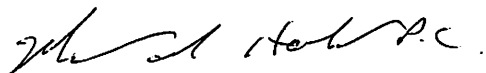
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3–13 and 41–47 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Montezuma County, Colorado's basic financial statements. The accompanying combining and individual nonmajor fund financial statements, budgetary comparison schedules, local highway finance report and schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 23, 2022 on our consideration of Montezuma County Colorado's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 Montezuma County, Colorado'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 Montezuma County, Colorado's internal control over financial reporting and compliance.



Majors and Haley P.C.
June 23, 2022

MONTEZUMA COUNTY, COLORADO

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) For the Year Ended December 31, 2021

FINANCIAL HIGHLIGHTS

Key financial highlights for the County in 2021 are as follows:

- In total, net position increased by \$1,422,291. Net position of governmental activities increased by \$1,247,584 which represents a 2.4 percent increase from 2020. Net position of business type activities increased by \$174,707 or 10.4 percent from 2020.
- General revenues accounted for \$14,779,567 in revenue or 29 percent of all revenues. Program specific revenues in the form of charges for services, grants and contributions accounted for \$36,224,261 or 71 percent of total revenues of \$51,003,828.
- Governmental activities total assets decreased by \$161,133. Total liabilities decreased by \$13,208. Deferred inflows of resources decreased by \$1,395,509.
- The County incurred \$47,962,616 in expenses related to government activities. \$34,430,633 of these expenses were offset by program specific charges for services, grants and contributions. General revenues (primarily mineral leasing and property taxes) of \$14,779,567 were adequate to cover the balance of the costs of these programs.
- Among the major funds, the General Fund had \$16,367,379 in revenues, and \$13,318,615 in expenditures in including net transfers. It's fund balance increased by \$3,048,764 from \$18,289,825 to \$21,338,589.
- Net position of the Enterprise Fund increased from \$1,674,540 to \$1,849,247.

MONTEZUMA COUNTY, COLORADO

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) For the Year Ended December 31, 2021

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

County-wide Statements

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

MONTEZUMA COUNTY, COLORADO

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) For the Year Ended December 31, 2021

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

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

- Over time, increases or decreases in the County's net position is an indicator of whether its financial position is improving or deteriorating.
- To assess the County's overall health, you need to consider additional non-financial factors such as changes in the County's property tax base and the condition of county facilities.

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

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

Fund Financial Statements

The fund financial statements provide more detailed information about the County's funds, focusing on its most significant or "major" funds, not the County as a whole. Funds are accounting devices the County uses to keep track of specific sources of funding and spending on particular programs. Some funds are required to be established by state law. However, the County establishes many other funds to help it manage and control its finances to achieve certain results.

The County uses three types of funds:

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

MONTEZUMA COUNTY, COLORADO

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) For the Year Ended December 31, 2021

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

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

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

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

FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE

Total assets increased by \$213,868. Total liabilities increased by \$187,086. Deferred inflows of resources decreased by \$1,395,509.

The County's combined net position was larger on December 31, 2021 than it was at December 31, 2020, increasing by 2.6 percent to \$55,729,842. Most of the increase came from its governmental activities, the net position of which

MONTEZUMA COUNTY, COLORADO

MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)
For the Year Ended December 31, 2021

increased \$1,247,584 to \$53,880,595. The net position of the County's business type activities increased \$174,707 to \$1,849,247.

Table 1 provides a summary of the County's net position for 2021 compared to 2020:

Table 1
Condensed Statement of Net Position
(In millions)

	Governmental Activities		Business-type Activities		Total County	
	2021	2020	2021	2020	2021	2020
Assets						
Current assets	\$ 43.939	\$ 43.406	\$ 1.132	\$ 0.551	\$ 45.071	\$ 43.957
Capital assets	21.771	22.465	2.364	2.570	24.135	25.035
Total assets	<u>65.710</u>	<u>65.871</u>	<u>3.496</u>	<u>3.121</u>	<u>69.206</u>	<u>68.992</u>
Liabilities						
Current liabilities	<u>2.305</u>	<u>2.338</u>	<u>1.647</u>	<u>1.446</u>	<u>3.952</u>	<u>3.784</u>
Noncurrent liabilities	<u>0.780</u>	<u>0.761</u>			<u>0.780</u>	<u>0.761</u>
Deferred inflows of resources	<u>8.744</u>	<u>10.139</u>			<u>8.744</u>	<u>10.139</u>
Net Position						
Invested in capital	20.992	21.704	1.849	1.675	22.841	23.379
Nonspendable	0.050	0.050			0.050	0.050
Restricted	6.736	7.989			6.736	7.989
Unrestricted	26.103	22.890			26.103	22.890
Total net position	<u>\$ 53.881</u>	<u>\$ 52.633</u>	<u>\$ 1.849</u>	<u>\$ 1.675</u>	<u>\$ 55.730</u>	<u>\$ 54.308</u>

MONTEZUMA COUNTY, COLORADO

MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)
For the Year Ended December 31, 2021

Table 2 shows the changes in net position for fiscal year 2021 compared to 2020.

Table 2
Changes in Net Position
(In millions)

	Governmental Activities		Business-type Activities		Total County	
	2021	2020	2021	2020	2021	2020
Revenues						
Program revenues						
Charges for services	\$ 3.825	\$ 3.688	\$ 1.794	\$ 1.487	\$ 5.619	\$ 5.175
Operating grants	30.605	24.029			30.605	24.029
Capital grants				0.121	-	0.121
General revenues						
Property taxes	10.786	10.750			10.786	10.750
Mineral leasing	0.971	1.901			0.971	1.901
Other	3.023	3.393			3.023	3.393
Total revenues	<u>49.210</u>	<u>43.761</u>	<u>1.794</u>	<u>1.608</u>	<u>51.004</u>	<u>45.369</u>
Expenses						
General government	6.207	6.311			6.207	6.311
Public safety	7.955	7.459			7.955	7.459
Public works	8.336	10.775	1.619	1.338	9.955	12.113
Public health and welfare	24.798	20.012			24.798	20.012
Culture and recreation	0.395	0.440			0.395	0.440
Depreciation-unallocated	0.272	0.256			0.272	0.256
Total expenses	<u>47.963</u>	<u>45.253</u>	<u>1.619</u>	<u>1.338</u>	<u>49.582</u>	<u>46.591</u>
Increase (decrease) in net position	<u>\$ 1.247</u>	<u>\$ (1.492)</u>	<u>\$ 0.175</u>	<u>\$ 0.270</u>	<u>\$ 1.422</u>	<u>\$ (1.222)</u>

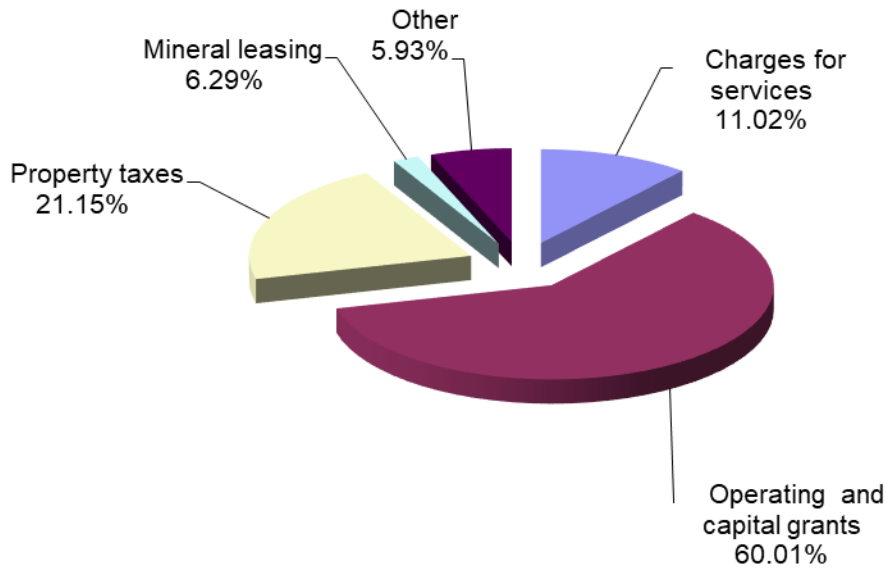
MONTEZUMA COUNTY, COLORADO

**MANAGEMENT’S DISCUSSION AND ANALYSIS
(UNAUDITED)
For the Year Ended December 31, 2021**

Operating and capital grants and property taxes accounted for most of the County’s total revenue, with each contributing 60.01 percent and 21.15 percent respectively (See Table 3). Another 11.02 percent came from charges for services and the remainder from mineral leasing, and other sources.

The County’s expenses are predominately related to public health and welfare, (50 percent), public works (20.1 percent) and public safety (16 percent) (See Table 4). The County’s general government activities accounted for 12.5 percent of total costs.

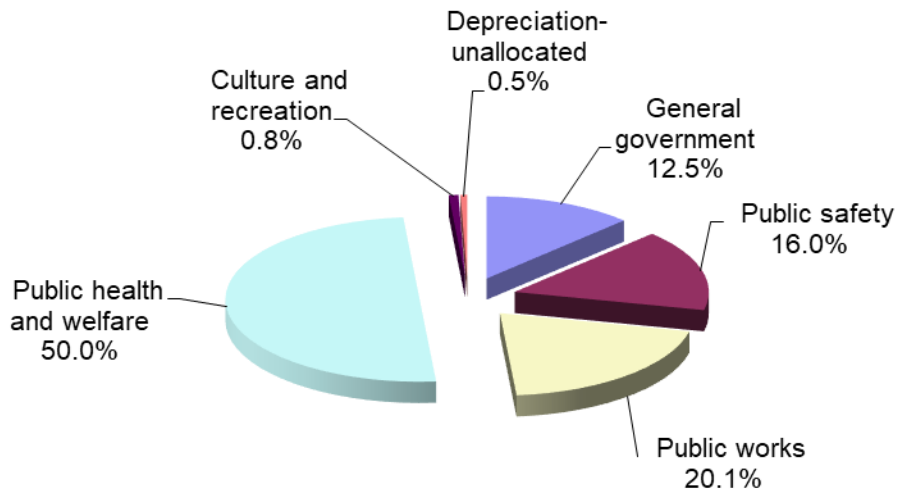
Table 3
Sources of Revenue for Fiscal Year 2021



MONTEZUMA COUNTY, COLORADO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)
For the Year Ended December 31, 2021**

**Table 4
Expenses for Fiscal Year 2021
Governmental Activities**



The primary sources of operating revenue for the County come from operating grants and general property taxes. The County receives approximately 81 percent of this funding from these sources while the remaining amounts come from charges for services and other general revenues.

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

MONTEZUMA COUNTY, COLORADO

MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)
For the Year Ended December 31, 2021

Table 5
Government Activities
(In millions)

	Total Cost of Services		Net Cost of Services	
	2021	2020	2021	2020
General government	\$ 6.207	\$ 6.311	\$ 2.210	\$ 4.043
Public safety	7.955	7.459	6.457	6.117
Public works	8.336	10.775	3.997	6.559
Public health and welfare	24.798	20.012	0.677	0.437
Culture and recreation	0.395	0.440	(0.081)	0.124
Depreciation-unallocated	0.272	0.256	0.272	0.256
Total	\$ 47.963	\$ 45.253	\$ 13.532	\$ 17.536

- The cost of all governmental activities during the year was \$47.963 million.
- Some of the cost was financed by the users of the County's programs (\$3.825 million)
- Federal and state government subsidized certain programs with grants and contributions (\$30.605 million).
- However, \$14.780 million was financed by state and county taxpayers. This portion of governmental activities was financed with \$10.786 million in property taxes, \$.971 million in mineral leasing and \$3.023 million in other general revenues.

Business-type Activities

Business-type activities are made up of the Landfill Fund. This program had revenues of \$1.794 million and expenses of \$1.619 million. Business-type activities receive no support from tax revenue.

MONTEZUMA COUNTY, COLORADO

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) For the Year Ended December 31, 2021

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

Information about the County's major funds starts on page 16. These funds are accounted for using the modified accrual basis of accounting. All governmental funds have total revenues of \$49.220 million and expenditures of \$47.261 million.

General Fund Budgetary Highlights

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

Over the course of the year, the County made two revisions to the annual operating budget.

- Actual expenditures were \$1,338,308 under budget, primarily because the County closely monitored expenditures in an effort to remain below budget levels.

CAPITAL ASSET ADMINISTRATION

By the end of 2021, the County has invested \$45.800 million in land, buildings, and equipment (including vehicles), of this total \$39.370 million was from governmental activities.

Table 6 shows capital assets for 2021 compared to 2020:

MONTEZUMA COUNTY, COLORADO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)
For the Year Ended December 31, 2021**

**Table 6
Capital Assets at December 31
(In millions)**

	Governmental Activities		Business-Type Activities		Total County	
	2021	2020	2021	2020	2021	2020
Land	\$ 1.344	\$ 1.344			\$ 1.344	\$ 1.344
Infrastructure	1.859	1.859			1.859	1.859
Buildings	23.484	23.268			23.484	23.268
Equipment	12.683	12.397	\$ 6.430	\$ 6.332	19.113	18.729
Total	<u>\$ 39.370</u>	<u>\$ 38.868</u>	<u>\$ 6.430</u>	<u>\$ 6.332</u>	<u>\$ 45.800</u>	<u>\$ 45.200</u>

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

FACTORS BEARING ON THE COUNTY'S FUTURE

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

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide the County's citizens, taxpayers, and creditors with a general overview of the County's finances and to demonstrate the County's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Montezuma County Administration Office, 109 W Main, Room 302 Cortez, Colorado 81321.

MONTEZUMA COUNTY, COLORADO

MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)
For the Year Ended December 31, 2021

MONTEZUMA COUNTY, COLORADO
Statement of Activities

For the Year Ended December 31, 2021

	Program Revenues			Net (Expenses) Revenue And Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business- type Activities
Governmental Activities						
General government	\$ 6,206,894	\$ 1,168,536	\$ 2,828,818		\$ (2,209,540)	\$ (2,209,540)
Public safety	7,954,959	1,000,101	497,673		(6,457,185)	(6,457,185)
Public works	8,336,408	954,321	3,384,890		(3,997,197)	(3,997,197)
Public health and welfare	24,797,461	575,894	23,544,260		(677,307)	(677,307)
Culture and recreation	395,395	126,461	349,679		80,745	80,745
Depreciation-unallocated	271,499				(271,499)	(271,499)
Total Governmental Activities	<u>47,962,616</u>	<u>3,825,313</u>	<u>30,605,320</u>	-	<u>(13,531,983)</u>	<u>(13,531,983)</u>
Business-Type Activities						
County landfill	1,618,921	1,793,628			\$ 174,707	174,707
Total Business-Type Activities	<u>1,618,921</u>	<u>1,793,628</u>			<u>174,707</u>	<u>174,707</u>
Total County	<u>\$ 49,581,537</u>	<u>\$ 5,618,941</u>	<u>\$ 30,605,320</u>	-	<u>(13,531,983)</u>	<u>174,707</u>
						<u>(13,357,276)</u>

General Revenues

Property Tax for general purposes	10,786,157	10,786,157
Specific Ownership Tax for general purposes	1,378,390	1,378,390
Delinquent Tax and Interest	372,200	372,200
Lodgers Tax	246,365	246,365
Severance Tax	14,634	14,634
Intergovernmental		
Motor Vehicle License Fees	94,999	94,999
Mineral Leasing	971,132	971,132
Payment in Lieu of Taxes	197,836	197,836
Tobacco Taxes	9,216	9,216
Earnings on investments	127,308	127,308
Reimbursements	243,868	243,868
Royalties	174,884	174,884
Asset sales	50,407	50,407
Miscellaneous	112,171	112,171

Total General Revenues

14,779,567 - 14,779,567

Changes in Net Position

1,247,584 174,707 1,422,291

Net Position Beginning of the Year

52,633,011 1,674,540 54,307,551

Net Position End of the Year

\$ 53,880,595 \$ 1,849,247 \$ 55,729,842

The accompanying notes are an integral part of this statement.

MONTEZUMA COUNTY, COLORADO

Balance Sheet
Governmental Funds

December 31, 2021

	General Fund	Road and Bridge Fund	Social Services Fund	Capital Fund	Other Governmental Funds	Total Governmental Funds
Assets						
Cash-unrestricted	\$ 21,708,768	\$ 4,461,469	\$ 1,215,992	\$ 48,603	\$ 5,496,770	\$ 32,931,602
Property taxes receivable	6,416,611	1,853,616	473,638			8,743,865
Other receivables	10,055		1,550,802	144,000	33	1,704,890
Due from state			237,420			237,420
Due from other governments	35,514	212,323	23,486			271,323
Inventory		50,000				50,000
Total Assets	\$28,170,948	\$ 6,577,408	\$ 3,501,338	\$ 192,603	\$ 5,496,803	\$ 43,939,100
Liabilities						
Accounts payable	\$ 107,830	\$ 97,944		\$ 15,337	\$ 37,897	\$ 259,008
Due to other funds				43,500		43,500
Payments in arrears			\$ 1,550,802			1,550,802
Unearned revenue	307,918		145,121			453,039
Total Liabilities	415,748	97,944	1,695,923	58,837	37,897	2,306,349
Deferred inflows of resources						
Deferred property tax revenues	6,416,611	1,853,616	473,638			8,743,865
Fund Balances						
Nonspendable						
Inventories		50,000				50,000
Restricted						
TABOR	50,000				722,119	772,119
Cancer treatments					56,678	56,678
Roads and bridges		4,575,848				4,575,848
Public health and welfare			1,331,777			1,331,777
Unrestricted						
Assigned for future year's expenditures	21,288,589			133,766	4,680,109	26,102,464
Total Fund Balances	21,338,589	4,625,848	1,331,777	133,766	5,458,906	32,888,886
Total Liabilities, Deferred inflows of resources and Fund Balances	\$28,170,948	\$ 6,577,408	\$ 3,501,338	\$ 192,603	\$ 5,496,803	\$ 43,939,100

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

Total Fund Balance Governmental Funds \$ 32,888,886

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

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

Capital assets	\$ 39,370,082
Accumulated depreciation	<u>(17,598,867)</u>

Long term liabilities are not due and payable in the current period and therefore, they are not reported in the governmental funds balance sheet. 21,771,215

Due in one year	-
Due in more than one year	<u>(779,506)</u>
	(779,506)

Total Net Position Governmental Activities \$ 53,880,595

The accompanying notes are an integral part of this statement.

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

For the Year Ended December 31, 2021

	General Fund	Road and Bridge Fund	Social Services Fund	Capital Fund	Other Governmental Funds	Total Governmental Funds
Revenues						
Taxes	\$ 8,830,738	\$ 2,076,294	\$ 661,284		\$ 1,239,205	\$ 12,807,521
Intergovernmental revenues	5,054,578	3,360,733	20,796,700	\$ 81,061	2,457,058	31,750,130
Charges for services	384,314	1,073,476			993,547	2,451,337
Fines and forfeitures	49,644					49,644
Earnings on investments	122,854				4,466	127,320
Fee accounts	1,445,327					1,445,327
Other	479,924	86,622		22,343		588,889
Total Revenues	16,367,379	6,597,125	21,457,984	103,404	4,694,276	49,220,168
Expenditures						
General government	5,289,224			799,659	196,500	6,285,383
Public safety	7,042,108			38,214	454,470	7,534,792
Public works		7,610,645		543,070		8,153,715
Public health and welfare	550,948		21,701,515	146,576	2,509,480	24,908,519
Culture and recreation	330,756			47,395		378,151
Total Expenditures	13,213,036	7,610,645	21,701,515	1,574,914	3,160,450	47,260,560
Excess revenues over (under) expenditures	3,154,343	(1,013,520)	(243,531)	(1,471,510)	1,533,826	1,959,608
Other Financing Sources (Uses)						
Transfers in (out)	(105,579)	752		941,550	(836,723)	-
Total Other Financing Sources (Uses)	(105,579)	752	-	941,550	(836,723)	-
Net Change in Fund Balances	3,048,764	(1,012,768)	(243,531)	(529,960)	697,103	1,959,608
Fund Balances beginning of the year	18,289,825	5,638,616	1,575,308	663,726	4,761,803	30,929,278
Fund Balances end of the year	\$ 21,338,589	\$ 4,625,848	\$ 1,331,777	\$ 133,766	\$ 5,458,906	\$ 32,888,886

The accompanying notes are an integral part of this statement.

MONTEZUMA COUNTY, COLORADO

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of
Governmental Funds to the Statement of Activities

For the Year Ended December 31, 2021

Net Change in Fund Balances Governmental Funds \$ 1,959,608

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

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

Capital asset purchases capitalized	\$ 621,328	
Depreciation expense	<u>(1,305,211)</u>	(683,883)

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

Proceeds from the sale of capital assets	(60,375)	
Gain on asset sales	<u>50,407</u>	(9,968)

Some increases in debt are not reported in the governmental funds but are reflected in the Statement of Activities

Increase in accrued compensated absences	<u>(18,173)</u>	(18,173)
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Change in Net Position of Governmental Activities \$ 1,247,584

The accompanying notes are an integral part of this statement.

MONTEZUMA COUNTY, COLORADO

Statement of Net Position
Proprietary Fund

December 31, 2021

	<u>Landfill Fund</u> <u>Enterprise Fund</u>
Assets	
Current Assets	
Cash	\$ 1,088,476
Due from other funds	43,500
Total Current Assets	<u>1,131,976</u>
Noncurrent Assets	
Capital Assets	6,430,060
Accumulated Depreciation	(4,065,952)
Total Noncurrent Assets	<u>2,364,108</u>
Total Assets	<u>3,496,084</u>
Liabilities	
Current Liabilities	
Accounts payable	34,346
Accrued closure costs	1,612,491
Total Current Liabilities	<u>1,646,837</u>
Net Position	
Net investment in capital assets	1,849,247
Total Net Position	<u>\$ 1,849,247</u>

The accompanying notes are an integral part of this statement.

MONTEZUMA COUNTY, COLORADO

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

For the Year Ended December 31, 2021

	<u>Landfill Fund Enterprise Fund</u>
Operating Revenues	
Landfill fees	\$ 1,793,628
Total Operating Revenues	<u>1,793,628</u>
Operating Expenses	
Salaries	416,934
Employee benefits	138,746
Other operating expenses	209,143
Professional fees	147,899
Utilities	41,337
Insurance and bonds	32,158
Repairs and maintenance	145,936
Depreciation	303,934
Total Operating Expenses	<u>1,436,087</u>
Operating income (loss)	<u>357,541</u>
Non-Operating Revenue (Expense)	
Increase in accrued closure costs	(182,834)
Total Non-Operating Revenue (Expense)	<u>(182,834)</u>
Change in net position	174,707
Net position beginning of the year	1,674,540
Net position end of the year	<u>\$ 1,849,247</u>

The accompanying notes are an integral part of this statement.

MONTEZUMA COUNTY, COLORADO

Statement of Cash Flows
Proprietary Fund

For the Year Ended December 31, 2021

	Landfill Fund Enterprise Fund
Cash Flows from Operating Activities	
Cash received from customers	\$ 1,793,628
Cash payments to employees for services	(416,934)
Cash payments to suppliers for goods and services	(697,759)
Net Cash Flows provided (used) by Operating Activities	<u>678,935</u>
Cash Flows from Capital and Related Financing Activities	
Purchase of equipment and facilities	(97,990)
Grants received	121,125
Net Cash Flows provided (used) by Capital and Related Financing Activities	<u>23,135</u>
Net increase (decrease) in cash and cash equivalents	702,070
Cash and cash equivalents beginning of the year	386,406
Cash and cash equivalents end of the year	<u><u>\$ 1,088,476</u></u>
Reconciliation of operating income (loss) to Net Cash provided (used) by Operating Activities	
Operating income (loss)	\$ 357,541
Adjustments to reconcile operating income (loss) to net cash provided by operating activities	
Depreciation	303,934
Increase or (decrease) in Accounts payable	17,460
Net Cash Flows provided (used) by Operating Activities	<u><u>\$ 678,935</u></u>

The accompanying notes are an integral part of this statement.

MONTEZUMA COUNTY, COLORADO

Statement of Fiduciary Net Position

As of December 31, 2021

	<u>Custodial Fund</u>
Assets	
Cash	\$ 1,284,262
Total Assets	<u>1,284,262</u>
Liabilities	
Due to other governments	1,284,262
Total Liabilities	<u>1,284,262</u>
Net Position	<u><u>\$ -</u></u>

The accompanying notes are an integral part of this statement.

MONTEZUMA COUNTY, COLORADO

Statement of Changes in Fiduciary Net Position
For the Year Ended December 31, 2021

	<u>Custodial Fund</u>
Additions	
Taxes collected for other governments	\$ 35,405,702
Total Additions	<u>35,405,702</u>
Deductions	
Payment of taxes to other governments	35,405,702
Total Deductions	<u>35,405,702</u>
Net increase (decrease) in fiduciary net position	-
Net position beginning	-
Net position ending	<u><u>\$ -</u></u>

The accompanying notes are an integral part of this statement.

MONTEZUMA COUNTY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2021

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

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

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

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

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

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

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

MONTEZUMA COUNTY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2021

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

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

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

Special Revenue Funds-

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

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

Capital Projects Funds-

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

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

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

Enterprise Fund-

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

MONTEZUMA COUNTY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2021

Fiduciary Funds – reporting focuses on net position and changes in net position. In 2019 the County implemented GASB 84. Under this new reporting requirement the County has one custodial fund.

Basis of Presentation-

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

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

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

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

MONTEZUMA COUNTY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2021

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

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

Fiduciary funds are reported using the economic resources measurement focus.

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

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

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

MONTEZUMA COUNTY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2021

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

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

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

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

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

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

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

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

Public hearings are conducted to obtain comments.

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

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

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

MONTEZUMA COUNTY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2021

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

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

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

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

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

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

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

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

MONTEZUMA COUNTY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2021

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

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

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

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

MONTEZUMA COUNTY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2021

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

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

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

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

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

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

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

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

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

MONTEZUMA COUNTY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2021

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

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

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

Cash on the Combined Balance Sheet consisted of:

Cash on hand	\$ 91,211
Deposits and certificates of deposit	10,026,552
Market linked certificates of deposit	3,262,000
Investments at cost	21,924,577
Total cash and investments	<u>\$ 35,304,340</u>

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

At December 31, the carrying amount of the County’s deposits was \$10,026,552 and the bank balance was \$10,534,674. Of the bank balance, \$1,000,000 was covered by federal depository insurance and \$9,534,674 was collateralized with securities held in single financial institution collateral pools as provided by statute. Collateral for uninsured deposits is held by banks in the name of a number of government accounts of which the County is a part. The carrying amount of the County’s market linked certificates of deposit was \$3,262,000 and the bank balance was \$3,262,000. The bank balances were fully insured by federal depository insurance.

MONTEZUMA COUNTY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2021

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

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

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

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

Investment Type	Cost	Investment Maturities (in years)			
		Less than 1	1-5	6-10	More than 10
Investment Pools					
COLOTRUST	\$ 20,551,857				
CSAFE	760,345				
	<u>21,312,202</u>				
LPL Money Market	110,710				
US Treasury Note	501,665		\$ 501,665		
Total	<u>\$ 21,924,577</u>				

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

MONTEZUMA COUNTY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2021

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

The County maintains no control over the plan, other than being a member of the Association. Employees are fully vested upon participation in the plan. The County has no unfunded liability under the plan. The total 2021 County payroll was \$12,095,881. The covered payroll for retirement plan purposes was \$11,728,551. The 2021 employer and employee contributions to the plan were \$610,936 and \$679,499 respectively. There were no County securities or other transactions included in the plan’s assets.

Capital Assets – Capital asset activity for the fiscal year ended December 31, 2021:

	Capital Assets Jan 1, 2021	Additions	Deletions/ Transfers	Capital Assets Dec 31, 2021
Governmental Activities				
Capital assets, not being depreciated:				
Land	\$ 1,344,190			\$ 1,344,190
Total capital assets not depreciated	1,344,190	-	-	1,344,190
Capital assets, being depreciated:				
Buildings	23,267,869	\$ 215,904		23,483,773
Equipment	12,396,432	405,424	\$ (118,942)	12,682,914
Infrastructure	1,859,205			1,859,205
Total capital assets being depreciated	37,523,506	621,328	(118,942)	38,025,892
Less accumulated depreciation for:				
Buildings	(6,298,842)	(588,792)		(6,887,634)
Equipment	(8,570,986)	(685,585)	108,974	(9,147,597)
Infrastructure	(1,532,802)	(30,834)		(1,563,636)
Total accumulated depreciation	(16,402,630)	(1,305,211)	108,974	(17,598,867)
Total capital assets, being depreciated, net	21,120,876	(683,883)	(9,968)	20,427,025
Governmental Activities Capital Assets, net	<u>\$ 22,465,066</u>	<u>\$ (683,883)</u>	<u>\$ (9,968)</u>	<u>\$ 21,771,215</u>
Business Type Activities				
Equipment and facilities	\$ 6,332,070	\$ 97,990		\$ 6,430,060
Less accumulated depreciation	(3,762,018)	(303,934)		(4,065,952)
Business Type Activities Capital Assets net	<u>\$ 2,570,052</u>	<u>\$ (205,944)</u>	<u>-</u>	<u>\$ 2,364,108</u>

MONTEZUMA COUNTY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2021

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

General government	\$ 9,887
Public safety	512,615
Public works	366,876
Public health and welfare	70,417
Culture and recreation	73,917
Unallocated	271,499
Total depreciation government activities	<u>\$ 1,305,211</u>

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

	<u>Due To (From)</u>
Colorado works	\$ 49,095
Child care	(741)
Child welfare	75,088
County administration	71,838
Core services	9,873
Child support	6,997
LEAP	224
Adult protective services	10,999
PSSF Regional	(394)
Aid to needy disabled	(5,525)
Home care allowance	(1,183)
Old age pension	6,268
Food assistance	(285)
Federal and State incentives	5,127
Medicaid collections	56
Cost allocation plan	9,983
Net Amount Due From State	<u>\$ 237,420</u>

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

MONTEZUMA COUNTY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2021

Operating Leases –In 2020, the County leased six blades from John Deere Financial with semi-annual payments of \$69,082.

The future minimum payments for these leases are as follows:

2022	\$	69,082
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Long-Term Debt-

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

	Balance January 1, 2021	Additions	Deletions	Balance December 31, 2021
Accrued compensation	\$ 761,333	\$ 18,173		\$ 779,506
Total	\$ 761,333	\$ 18,173	\$ -	\$ 779,506

Interfund Operating Transfers- consist of the following:

	<u>Transfer In</u>	<u>Transfer out</u>
General Fund	\$ 872,754	\$ 978,333
Special Revenue Funds		
Public Health Fund	36,031	
Law Enforcement Authority Fund		785,141
Conservation Trust Fund		87,613
Road and Bridge Fund	15,710	14,958
Capital Fund	941,550	
	<u>\$ 1,866,045</u>	<u>\$ 1,866,045</u>

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

MONTEZUMA COUNTY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2021

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

Non-spendable

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

Restricted

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

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

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

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

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

MONTEZUMA COUNTY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2021

General Fund	\$ 21,288,589
Special Revenue Funds	
Contingent Fund	595,335
Emergency Telephone Service Fund	551,938
Sheriff's Forfeiture Fund	25,160
Conservation Trust Fund	631,899
Law Enforcement Authority Fund	1,407,842
Revolving Loan Fund	42,387
Lodger's Tax Fund	274,109
Public Health Fund	1,151,439
Capital Projects Funds	
Capital Fund	133,766
 Total	 <u><u>\$ 26,102,464</u></u>

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

The accounts of the County Public Trustee consist of the following as of and for the year ended December 31, 2021:

Cash at January 1, 2021	\$ 67,351
Revenues	
Interest and fees	28,012
Expenditures	(45,834)
Cash at December 31, 2021	<u><u>\$ 49,529</u></u>

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

MONTEZUMA COUNTY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2021

Tax Spending, Revenue and Debt Limitations- Colorado voters passed an amendment to the State Constitution, Article X, Section 20, which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local governments.

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

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

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

The Amendment requires local governments to establish Emergency Reserves. These reserves must be at least 3% of fiscal year spending. Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

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

Risk Management – County Workers Compensation Pool – The County is exposed to various risks of loss related to injuries of employees while on the job. The County joined the County Workers’ Compensation Pool (CWCP), a public entity risk pool currently operating as a common risk management and insurance program for member counties. The County pays an annual contribution to CWCP for its workers’ compensation insurance coverage. The intergovernmental formation agreement of CWCP provides that the pool will be financially self-sustaining through member contributions and additional assessments, if necessary, and the pool will purchase excess insurance through commercial companies for members’ claims in excess of a specified self-insured retention, which is determined each policy year.

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

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

MONTEZUMA COUNTY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2021

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

Currently, the landfill is operating on a cell basis. An average “life to closure” has been estimated at 30 to 40 years for the cells. It is estimated that at December 31, 2021 71.4% of the capacity had been used. Engineer estimates have been obtained for anticipated closure and post-closure costs. The County is required to perform certain maintenance and monitoring functions for thirty years after closure. The expense and liability associated with these requirements are reflected in the financial statements of the Landfill Fund.

	<u>Estimated Costs</u>	<u>Estimated Capacity Used</u>	<u>Accrued Closure Costs</u>
Closure	\$ 1,334,367	71.40%	\$ 952,738
Post-closure	736,621	71.40%	525,947
Post-closure Carver Landfill	133,808	100%	133,806
Total	<u>\$ 2,204,796</u>		<u>\$ 1,612,491</u>

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

Compliance with Laws and Regulations-The County may be in violation of State Statute. Expenditures exceeded appropriations in the Social Services Fund, Public Health Fund, Emergency Telephone Fund and the Lodgers Tax Fund.

MONTEZUMA COUNTY, COLORADO

Required Supplementary Information

December 31, 2021

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

Such information includes:

Budgetary Comparison Schedules

General Fund

Road and Bridge Fund

Social Services Fund

MONTEZUMA COUNTY, COLORADO

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

For the Year Ended December 31, 2021

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
Revenues				
Taxes				
General property taxes	\$ 7,673,589	\$ 7,673,589	\$ 7,638,522	\$ (35,067)
Specific ownership taxes	659,085	659,085	893,471	234,386
Delinquent tax and interest	6,700	6,700	274,895	268,195
Severance taxes	332,641	332,641	14,634	(318,007)
Tobacco products taxes	7,103	7,103	9,216	2,113
Total taxes	8,679,118	8,679,118	8,830,738	151,620
Intergovernmental revenues				
Payment in lieu of taxes		-	197,836	197,836
Mineral leasing	746,118	746,118	971,132	225,014
Grants				
COVID relief grant			197,490	197,490
SLFRF grant			2,542,871	2,542,871
Public safety grants	399,519	399,519	497,672	98,153
Senior services and transportation grants	470,548	470,548	521,558	51,010
Other grants			126,019	126,019
Total intergovernmental revenues	1,616,185	1,616,185	5,054,578	3,438,393
Charges for services				
General government	44,999	44,999	163,361	118,362
Senior nutrition and transportation	100,000	100,000	94,493	(5,507)
County fair and fairground user fees	66,000	66,000	126,460	60,460
Total charges for services	210,999	210,999	384,314	173,315
Fines and forfeitures				
Court fines	35,331	35,331	49,644	14,313
Total fines and forfeitures	35,331	35,331	49,644	14,313
Earnings on investments	197,376	197,376	122,854	(74,522)
Miscellaneous revenues				
Rents and royalties	291,172	291,172	174,884	(116,288)
Reimbursements	156,705	156,705	242,015	85,310
Other	255,585	255,585	63,025	(192,560)
Total miscellaneous revenues	703,462	703,462	479,924	(223,538)
Fee accounts				
Sheriff fees	450,000	450,000	440,153	(9,847)
Clerk fees	567,146	567,146	690,985	123,839
Treasurers fees	242,763	242,763	268,472	25,709
Public trustee fees	29,699	29,699	45,717	16,018
Total fee accounts	1,289,608	1,289,608	1,445,327	155,719
Total revenues	12,732,079	12,732,079	16,367,379	3,635,300

(continued)

MONTEZUMA COUNTY, COLORADO

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

For the Year Ended December 31, 2021

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
Expenditures				
General government				
Board of county commissioners	\$ 320,952	\$ 320,952	\$ 329,751	\$ (8,799)
Planning department	154,574	154,574	151,696	2,878
Clerk	971,903	971,903	661,342	310,561
Treasurer	291,937	291,937	270,980	20,957
Public trustee	19,604	19,604	18,720	884
Assessor	535,080	535,080	458,220	76,860
Attorney	300,682	300,682	274,010	26,672
Grounds and buildings	723,681	723,681	749,500	(25,819)
Administration	369,322	369,322	360,305	9,017
Elections	121,250	121,250	131,000	(9,750)
Extention services	125,229	125,229	122,767	2,462
Veteran's office	118,125	118,125	106,749	11,376
Purchasing	61,550	61,550	55,940	5,610
Computer services and mapping	613,518	613,518	634,307	(20,789)
Surveyor	5,967	5,967	3,771	2,196
Natural resources and public lands	89,143	89,143	84,239	4,904
COVID expenditures			180,670	(180,670)
Miscellaneous	606,937	606,937	695,257	(88,320)
Total general government	5,429,454	5,429,454	5,289,224	140,230
Public safety				
Sheriff administration	4,522,334	4,497,606	3,497,007	1,000,599
Coroner	130,374	130,374	148,966	(18,592)
District attorney	944,119	944,119	944,119	-
Jail	2,634,760	2,634,760	2,349,354	285,406
Emergency management	68,563	68,563	102,662	(34,099)
Total public safety	8,300,150	8,275,422	7,042,108	1,233,314
Health and welfare				
Senior services and transportation	493,162	493,162	550,948	(57,786)
Total health and welfare	493,162	493,162	550,948	(57,786)

(continued)

MONTEZUMA COUNTY, COLORADO

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

For the Year Ended December 31, 2021

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
Expenditures (continued)				
Culture and recreation				
County fair	\$ 71,362	\$ 71,362	\$ 68,931	\$ 2,431
Fairgrounds	192,422	192,422	176,985	15,437
Conservation trust	89,522	89,522	84,840	4,682
Total culture and recreation	353,306	353,306	330,756	22,550
Total expenditures	14,576,072	14,551,344	13,213,036	1,338,308
Excess (deficit) of revenues over (under) expenditures	(1,843,993)	(1,819,265)	3,154,343	4,973,608
Other financing sources (uses)				
Net operating transfers in (out)	531,405	531,405	(105,579)	(636,984)
Total other financing sources (uses)	531,405	531,405	(105,579)	(636,984)
Excess (deficit) of revenues and other financing sources over (under) expenditures and other financing uses	(1,312,588)	(1,287,860)	3,048,764	4,336,624
Fund balance, beginning	11,162,951	18,289,825	18,289,825	-
Fund balance, ending	\$ 9,850,363	\$ 17,001,965	\$ 21,338,589	\$ 4,336,624

MONTEZUMA COUNTY, COLORADO

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

For the Year Ended December 31, 2021

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
Revenues				
Taxes				
General property taxes	\$ 1,949,408	\$ 1,949,408	\$ 1,829,630	\$ (119,778)
Specific ownership taxes	127,305	127,305	180,630	53,325
Delinquent taxes and interest	67,000	67,000	66,034	(966)
Total taxes	<u>2,143,713</u>	<u>2,143,713</u>	<u>2,076,294</u>	<u>(67,419)</u>
Intergovernmental revenues				
Federal shared revenues				
Forest Service	176,944	176,944	39,238	(137,706)
Mineral leasing	756,404	756,404		(756,404)
State shared revenues				
Highway user's tax	2,585,277	2,585,277	2,947,268	361,991
Additional motor vehicle registration fee	91,390	91,390	94,999	3,609
Grants	39,000	39,000	279,228	240,228
Total intergovernmental revenues	<u>3,649,015</u>	<u>3,649,015</u>	<u>3,360,733</u>	<u>(288,282)</u>
Miscellaneous revenues				
Permits and charges for services	294,500	294,500	761,666	467,166
Sale of assets	25,000	25,000	38,033	13,033
Impact fees	116,300	116,300	311,810	195,510
Other	26,028	26,028	48,589	22,561
Total miscellaneous revenues	<u>461,828</u>	<u>461,828</u>	<u>1,160,098</u>	<u>698,270</u>
Total revenues	<u>6,254,556</u>	<u>6,254,556</u>	<u>6,597,125</u>	<u>342,569</u>
Expenditures				
Current operating				
Public Works				
Administration	190,495	188,968	191,500	(2,532)
Maintenance of condition	4,877,612	4,961,713	4,625,124	336,589
Snow and ice removal	253,487	256,797	240,596	16,201
System preservation	3,764,855	3,768,001	2,414,852	1,353,149
Payments to cities	231,630	231,630	138,573	93,057
Total public works	<u>9,318,079</u>	<u>9,407,109</u>	<u>7,610,645</u>	<u>1,796,464</u>
Total expenditures	<u>9,318,079</u>	<u>9,407,109</u>	<u>7,610,645</u>	<u>1,796,464</u>
Excess (deficit) of revenues over (under) expenditures	<u>(3,063,523)</u>	<u>(3,152,553)</u>	<u>(1,013,520)</u>	<u>2,139,033</u>
Other financing sources (uses)				
Transfers in			752	752
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>752</u>	<u>752</u>
Excess (deficit) of other financing sources over (under) expenditures and other financing uses	<u>(3,063,523)</u>	<u>(3,152,553)</u>	<u>(1,012,768)</u>	<u>2,139,785</u>
Fund balance, beginning	4,761,435	5,638,616	5,638,616	-
Fund balance, ending	<u>\$ 1,697,912</u>	<u>\$ 2,486,063</u>	<u>\$ 4,625,848</u>	<u>\$ 2,139,785</u>

MONTEZUMA COUNTY, COLORADO

Schedule of Revenue, Expenditures and Changes in
Fund Balance - Budget and Actual
Social Services Fund
For the year Ended December 31, 2021

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
Revenues				
Taxes				
General Property Taxes	\$ 516,377	\$ 516,377	\$ 595,729	\$ 79,352
Specific Ownership Taxes	45,503	45,503	65,555	20,052
Total taxes	561,880	561,880	661,284	99,404
Intergovernmental revenues				
Programs settled by CFMS				
Colorado Works	1,315,706	1,315,706	805,986	(509,720)
Child Care	893,016	893,016	651,527	(241,489)
Child Welfare	1,613,781	1,668,781	1,647,271	(21,510)
Administration	1,212,445	1,212,445	1,028,021	(184,424)
Core Services	377,462	377,462	192,277	(185,185)
Child Support	188,208	188,208	132,024	(56,184)
LEAP	1,244,065	989,065	655,428	(333,637)
Adult Protective Services	173,414	173,414	113,215	(60,199)
Aid to Needy Disabled	188,567	188,567	123,539	(65,028)
Home Care Allowance	148,895	148,895	91,824	(57,071)
Old Age Pension	637,910	387,910	445,011	57,101
Food Assistance	12,167,443	12,617,443	14,612,345	1,994,902
Title IV-B PSSF	207,306	207,306	124,029	(83,277)
Tanf Collections EBT	(3,455)	(3,455)	(5,797)	(2,342)
State and Federal Incentives	18,426	18,426	78,981	60,555
TANF Collections IVD Retained	(32,304)	(32,304)	(27,324)	4,980
Medicaid Collections	(1,049)	(1,049)	(4,825)	(3,776)
Cost Allocation			22,632	22,632
Total Programs settled by CFMS	20,349,836	20,349,836	20,686,164	336,328
Other				
System Care Grant	100,615	100,615		(100,615)
Integrated Care Management	128,248	128,248	86,090	(42,158)
Title IV-B PSSF			22,208	22,208
Other			2,238	2,238
Total Other	228,863	228,863	110,536	(118,327)
Total Intergovernmental revenues	20,578,699	20,578,699	20,796,700	218,001
Total Revenues	21,140,579	21,140,579	21,457,984	317,405

Continued

MONTEZUMA COUNTY, COLORADO

Schedule of Revenue, Expenditures and Changes in
Fund Balance - Budget and Actual
Social Services Fund
For the year Ended December 31, 2021

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
Expenditures				
Health and Welfare				
Programs settled by CFMS				
Colorado Works	\$ 1,315,706	1,315,706	\$ 938,252	\$ 377,454
Child Care	893,016	893,016	733,652	159,364
Child Welfare	1,971,810	2,026,810	1,997,139	29,671
Administration	1,328,496	1,328,496	1,235,639	92,857
Core Services	414,399	414,399	189,078	225,321
Child Support	285,164	285,164	195,668	89,496
LEAP	1,244,065	989,065	655,428	333,637
Adult Protective Services	216,767	216,767	141,519	75,248
Aid to Needy Disabled	235,709	235,709	154,424	81,285
Home Care Allowance	156,732	156,732	96,657	60,075
Old Age Pension	637,910	387,910	445,011	(57,101)
Food Assistance	12,167,443	12,617,443	14,611,287	(1,993,844)
Title IV-B PSSF	207,306	207,306	126,646	80,660
Tanf Collections EBT	(3,455)	(3,455)	(7,246)	3,791
Tanf Collections IVD Retained	(41,724)	(41,724)	(34,155)	(7,569)
Medicaid Collections	(1,049)	(1,049)	(4,825)	3,776
Total Programs settled by CFMS	<u>21,028,295</u>	<u>21,028,295</u>	<u>21,474,174</u>	<u>(445,879)</u>
Other				
System Care Grant	100,616	100,616		100,616
Integrated Care Management	128,248	128,248	86,090	42,158
Title IV-B PSSF			22,208	(22,208)
Other	154,687	154,687	119,043	35,644
Total Other	<u>383,551</u>	<u>383,551</u>	<u>227,341</u>	<u>156,210</u>
Total expenditures	<u>21,411,846</u>	<u>21,411,846</u>	<u>21,701,515</u>	<u>(289,669)</u>
Excess revenues over (under) expenditures	<u>(271,267)</u>	<u>(271,267)</u>	<u>(243,531)</u>	<u>27,736</u>
Other financing sources (uses)				
Operating transfers in (out)			-	-
Total other financing sources (uses)			<u>-</u>	<u>-</u>
Excess (deficit) of other financing sources over (under) expenditures and other financing uses	<u>(271,267)</u>	<u>(271,267)</u>	<u>(243,531)</u>	<u>27,736</u>
Fund balance, beginning	1,178,785	1,178,785	1,575,308	396,523
Fund balance, ending	<u>\$ 907,518</u>	<u>\$ 907,518</u>	<u>\$ 1,331,777</u>	<u>\$ 424,259</u>

MONTEZUMA COUNTY, COLORADO

Other Supplementary Information

December 31, 2021

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

These statements and schedules include:

Combining Statements- Nonmajor governmental funds

Budgetary Comparison Schedules- Nonmajor governmental funds

Budgetary Comparison Schedule-Capital Fund

Budgetary Comparison Schedule-Enterprise Fund

MONTEZUMA COUNTY, COLORADO

Nonmajor Governmental Funds

December 31, 2021

Special Revenue Funds

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

Public Health Fund

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

Conservation Trust Fund

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

Clara Ormiston Fund

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

Emergency Telephone Service Fund

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

Sheriff's Department Forfeiture Fund

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

Revolving Loan Fund

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

Lodgers' Tax Fund

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

Emergency Reserve Fund

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

Contingent Fund

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

Law Enforcement Authority

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

MONTEZUMA COUNTY
 Combining Balance Sheet
 Non Major Governmental Funds

December 31, 2021

	Special Revenue Funds										
	Public Health Fund	Conservation Trust Fund	Clara Ormiston Fund	Emergency Telephone Fund	Sheriff's Forfeiture Fund	Revolving Loan Fund	Lodgers Tax Fund	Emergency Reserve Fund	Contingent Fund	Law Enforcement Authority Fund	Total
Assets											
Cash	\$ 1,185,901	\$ 631,873	\$ 56,671	\$ 555,373	\$ 25,160	\$ 42,387	\$ 274,109	\$ 722,119	\$ 595,335	\$ 1,407,842	\$ 5,496,770
Other receivables		26	7								33
Total Assets	<u>\$ 1,185,901</u>	<u>\$ 631,899</u>	<u>\$ 56,678</u>	<u>\$ 555,373</u>	<u>\$ 25,160</u>	<u>\$ 42,387</u>	<u>\$ 274,109</u>	<u>\$ 722,119</u>	<u>\$ 595,335</u>	<u>\$ 1,407,842</u>	<u>\$ 5,496,803</u>
Liabilities											
Accounts payable	\$ 34,462			\$ 3,435							\$ 37,897
Total Liabilities	<u>34,462</u>	<u>-</u>	<u>-</u>	<u>3,435</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>37,897</u>
Fund Balance											
Restricted											
Cancer treatments			\$ 56,678								56,678
TABOR								\$ 722,119			722,119
Unrestricted											
Assigned for future year's expenditures	1,151,439	\$ 631,899		551,938	\$ 25,160	\$ 42,387	\$ 274,109		\$ 595,335	\$ 1,407,842	4,680,109
Total Fund Balance	<u>1,151,439</u>	<u>631,899</u>	<u>56,678</u>	<u>551,938</u>	<u>25,160</u>	<u>42,387</u>	<u>274,109</u>	<u>722,119</u>	<u>595,335</u>	<u>1,407,842</u>	<u>5,458,906</u>
Total Liabilities and Fund Balance	<u>\$ 1,185,901</u>	<u>\$ 631,899</u>	<u>\$ 56,678</u>	<u>\$ 555,373</u>	<u>\$ 25,160</u>	<u>\$ 42,387</u>	<u>\$ 274,109</u>	<u>\$ 722,119</u>	<u>\$ 595,335</u>	<u>\$ 1,407,842</u>	<u>\$ 5,496,803</u>

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

For the Year Ended December 31, 2021

	Special Revenue Funds										
	Public Health Fund	Conservation Trust Fund	Clara Ormiston Fund	Emergency Telephone Fund	Sheriff's Forfeiture Fund	Revolving Loan Fund	Lodgers Tax Fund	Emergency Reserve Fund	Contingent Fund	Law Enforcement Authority Fund	Total
Revenues											
Taxes							\$ 246,366			\$ 992,839	\$ 1,239,205
Intergovernmental	\$ 2,226,003	\$ 231,055									2,457,058
Charges for services	481,401			\$ 510,305	\$ 1,841						993,547
Earnings on investments		268	\$ 4,027		12	\$ 159					4,466
Total Revenues	2,707,404	231,323	4,027	510,305	1,853	159	246,366	-	-	992,839	4,694,276
Expenditures											
General government							196,500				196,500
Public safety				454,470							454,470
Public Health	2,509,480										2,509,480
Total expenditures	2,509,480	-	-	454,470	-	-	196,500	-	-	-	3,160,450
Excess revenues over (under) expenditures	197,924	231,323	4,027	55,835	1,853	159	49,866	-	-	992,839	1,533,826
Other financing sources (uses)											
Operating transfers in (out)	36,031	(87,613)								(785,141)	(836,723)
Total other financing sources (uses)	36,031	(87,613)	-	-	-	-	-	-	-	(785,141)	(836,723)
Excess (deficit) of revenues and other financing sources over (under) expenditures and other financing uses	233,955	143,710	4,027	55,835	1,853	159	49,866	-	-	207,698	697,103
Fund Balances beginning of the year	917,484	488,189	52,651	496,103	23,307	42,228	224,243	\$ 722,119	\$ 595,335	1,200,144	4,761,803
Fund Balances end of the year	\$ 1,151,439	\$ 631,899	\$ 56,678	\$ 551,938	\$ 25,160	\$ 42,387	\$ 274,109	\$ 722,119	\$ 595,335	\$ 1,407,842	\$ 5,458,906

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

For the Year Ended December 31, 2021

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
Revenues				
Intergovernmental revenues				
Operating grants	\$ 2,076,171	\$ 2,076,171	\$ 2,226,003	\$ 149,832
Charges of services	445,250	445,250	481,401	36,151
Total Revenues	<u>2,521,421</u>	<u>2,521,421</u>	<u>2,707,404</u>	<u>185,983</u>
Expenditures				
Public health	2,362,710	2,362,710	2,509,480	(146,770)
Total Expenditures	<u>2,362,710</u>	<u>2,362,710</u>	<u>2,509,480</u>	<u>(146,770)</u>
Excess revenues over (under) expenditures	158,711	158,711	197,924	39,213
Other financing sources (uses)				
Operating transfers in (out)	40,359	40,359	36,031	(4,328)
Total other financing sources (uses)	<u>40,359</u>	<u>40,359</u>	<u>36,031</u>	<u>(4,328)</u>
Excess (deficit) of revenues and other financing sources over (under) expenditures and other financing uses	<u>199,070</u>	<u>199,070</u>	<u>233,955</u>	<u>34,885</u>
Fund Balances beginning of the year		917,484	917,484	-
Fund Balances end of the year	<u>\$ 199,070</u>	<u>\$ 1,116,554</u>	<u>\$ 1,151,439</u>	<u>\$ 34,885</u>

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

For the Year Ended December 31, 2021

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
Revenues				
Intergovernmental				
Lottery funds	\$ -	\$ -	\$ 231,055	\$ 231,055
Total intergovernmental revenues	-	-	231,055	231,055
Miscellaneous				
Earnings on investments	-	-	268	268
Total miscellaneous revenues	-	-	268	268
Total Revenues	-	-	231,323	231,323
Other financing sources (uses)				
Operating transfers out	(89,522)	(89,522)	(87,613)	1,909
Total other financing sources (uses)	(89,522)	(89,522)	(87,613)	1,909
Excess (deficit) of revenues and other financing sources over (under) expenditures and other financing uses	(89,522)	(89,522)	143,710	233,232
Fund Balances beginning of the year	-	488,189	488,189	-
Fund Balances end of the year	\$ (89,522)	\$ 398,667	\$ 631,899	\$ 233,232

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

For the Year Ended December 31, 2021

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
Revenues				
Earnings on investments			\$ 4,027	\$ 4,027
Total Revenues	-	-	4,027	4,027
Other financing sources (uses)				
Operating transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Excess (deficit) of revenues and other financing sources over (under) expenditures and other financing uses	-	-	4,027	4,027
Fund Balances beginning of the year	\$ 51,874	\$ 52,651	52,651	-
Fund Balances end of the year	\$ 51,874	\$ 52,651	\$ 56,678	\$ 4,027

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

For the Year Ended December 31, 2021

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
Revenues				
Charges for services	\$ 416,828	\$ 416,828	\$ 510,305	\$ 93,477
Total Revenues	<u>416,828</u>	<u>416,828</u>	<u>510,305</u>	<u>93,477</u>
Expenditures				
Public safety	424,460	424,460	454,470	(30,010)
Total Expenditures	<u>424,460</u>	<u>424,460</u>	<u>454,470</u>	<u>(30,010)</u>
Excess revenues over (under) expenditures	<u>(7,632)</u>	<u>(7,632)</u>	<u>55,835</u>	<u>63,467</u>
Other financing sources (uses)				
Operating transfers out			-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficit) of revenues and other financing sources over (under) expenditures and other financing uses	<u>(7,632)</u>	<u>(7,632)</u>	<u>55,835</u>	<u>63,467</u>
Fund Balances beginning of the year	-	496,103	496,103	-
Fund Balances end of the year	<u>\$ (7,632)</u>	<u>\$ 488,471</u>	<u>\$ 551,938</u>	<u>\$ 63,467</u>

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

For the Year Ended December 31, 2021

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
Revenues				
Other			\$ 1,853	\$ 1,853
Total Revenues	-	-	1,853	1,853
Expenditures				
Public safety				-
Total expenditures	-	-	-	-
Excess revenues over (under) expenditures	-	-	1,853	1,853
Fund Balances beginning of the year	\$ -	\$ 23,307	23,307	-
Fund Balances end of the year	\$ -	\$ 23,307	\$ 25,160	\$ 1,853

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

For the Year Ended December 31, 2021

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
Revenues				
Earnings on investments			\$ 159	\$ 159
Total Revenues	-	-	159	159
Expenditures				
Excess revenues over (under) expenditures	-	-	159	159
Other financing sources (uses)				
Operating transfers out				-
Total other financial sources (uses)		-	-	-
Excess (deficit) of revenues and other financing sources over (under) expenditures and other financing uses			159	159
Fund Balances beginning of the year	\$ -	42,228	42,228	-
Fund Balances end of the year	\$ -	\$ 42,228	\$ 42,387	\$ 159

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

For the Year Ended December 31, 2021

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
Revenues				
Lodgers tax	\$ 70,000	\$ 70,000	\$ 246,366	\$ 176,366
Total Revenues	<u>70,000</u>	<u>70,000</u>	<u>246,366</u>	<u>176,366</u>
Expenditures				
General government	70,000	70,000	196,500	(126,500)
Total Expenditures	<u>70,000</u>	<u>70,000</u>	<u>196,500</u>	<u>(126,500)</u>
Excess revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>49,866</u>	<u>49,866</u>
Fund Balances beginning of the year	-	224,243	224,243	-
Fund Balances end of the year	<u>\$ -</u>	<u>\$ 224,243</u>	<u>\$ 274,109</u>	<u>\$ 49,866</u>

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

For the Year Ended December 31, 2021

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

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

For the Year Ended December 31, 2021

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
Revenues				
Reimbursements				
Total Revenues	-	-	-	-
Expenditures				
General government				-
Total Expenditures	-	-	-	-
Excess revenues over (under) expenditures	-	-	-	-
Other financing sources (uses)				
Operating transfers out				
Total other financing sources (uses)			-	-
Excess (deficit) of revenues and other financing sources over (under) expenditures and other financing uses	\$ 607,789	\$ 607,789	\$ 595,335	12,454
Fund Balances end of the year	\$ 607,789	\$ 607,789	\$ 595,335	\$ (12,454)

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

For the Year Ended December 31, 2021

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
Revenues				
Taxes				
Property taxes	\$ -	\$ -	\$ 860,849	\$ 860,849
Specific ownership taxes		-	100,161	100,161
Delinquent tax and interest			31,270	31,270
Miscellaneous			559	559
Total Revenues	-	-	992,839	992,839
Other financing sources (uses)				
Operating transfers out	(811,244)	(811,244)	(785,141)	26,103
Total other financing sources (uses)	(811,244)	(811,244)	(785,141)	26,103
Excess (deficit) of revenues and other financing sources over (under) expenditures and other financing uses	(811,244)	(811,244)	207,698	1,018,942
Fund Balances beginning of the year	-	1,200,144	1,200,144	-
Fund Balances end of the year	<u>\$ (811,244)</u>	<u>\$ 388,900</u>	<u>\$ 1,407,842</u>	<u>\$ 1,018,942</u>

MONTEZUMA COUNTY, COLORADO

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

For the Year Ended December 31, 2021

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
Revenues				
Intergovernmental revenues				
Mineral leasing	\$ 746,118	\$ 746,118		\$ (746,118)
Grants	601,590	601,590	\$ 81,061	(520,529)
Total intergovernmental revenues	1,347,708	1,347,708	81,061	(1,266,647)
Miscellaneous revenues				
Sale of assets	18,000	18,000	22,343	4,343
Total miscellaneous revenues	18,000	18,000	22,343	4,343
Total Revenues	1,365,708	1,365,708	103,404	(1,262,304)
Expenditures				
General government	1,951,428	1,951,428	799,659	1,151,769
Public works	10,000	10,000	543,070	(533,070)
Public safety	-	-	38,214	(38,214)
Culture and recreation	191,000	191,000	47,395	143,605
Public health	28,600	28,600	146,576	(117,976)
Total expenditures	2,181,028	2,181,028	1,574,914	606,114
Excess (deficit) of revenues over (under) expenditures	(815,320)	(815,320)	(1,471,510)	(656,190)
Other financing sources (uses)				
Operating transfers in	-	-	941,550	941,550
Total other financing sources (uses)	-	-	941,550	941,550
Excess (deficit) of revenues and other financing sources over (under) expenditures and other financing uses	(815,320)	(815,320)	(529,960)	285,360
Fund balance, beginning	430,459	663,726	663,726	-
Fund balance, ending	\$ (384,861)	\$ (151,594)	\$ 133,766	\$ 285,360

MONTEZUMA COUNTY, COLORADO

Statement of Revenues, Expenditures, and Changes in Net Position - Budget and Actual
 Proprietary Fund
 Enterprise Fund
 Landfill Fund

For the Year Ended December 31, 2021

	Budgeted Amounts		(Non GAAP Basis)	Variance
	Original	Final	Actual Amounts	Favorable (Unfavorable)
Operating Revenues				
Landfill fees	\$ 1,325,469	\$ 1,325,469	\$ 1,793,628	\$ 468,159
Total local sources	<u>1,325,469</u>	<u>1,325,469</u>	<u>1,793,628</u>	<u>468,159</u>
Operating Expenses				
Landfill operations				
Salaries	415,152	415,152	416,934	(1,782)
Employee benefits	134,730	134,730	138,746	(4,016)
Other operating expenses	173,482	173,482	209,143	(35,661)
Professional fees	228,091	228,091	147,899	80,192
Utilities	33,189	33,189	41,337	(8,148)
Insurance and bonds	36,447	36,447	32,158	4,289
Repairs and maintenance	89,132	89,132	145,936	(56,804)
Capital outlay	278,293	278,293	97,990	180,303
Total Operating Expenses	<u>1,388,516</u>	<u>1,388,516</u>	<u>1,230,143</u>	<u>158,373</u>
Operating income (loss)	<u>(63,047)</u>	<u>(63,047)</u>	<u>563,485</u>	<u>626,532</u>
Non-Operating Revenue (Expense)				
(Increase) Decrease in accrued closure costs	(170,000)	(170,000)	(182,834)	(12,834)
Total Non-Operating Revenue (Expense)	<u>(170,000)</u>	<u>(170,000)</u>	<u>(182,834)</u>	<u>(12,834)</u>
Change in net position non GAAP basis	(233,047)	(233,047)	380,651	613,698
Add capital outlay			97,990	97,990
Less depreciation expense			(303,934)	(303,934)
Change in net position	<u>(233,047)</u>	<u>(233,047)</u>	<u>174,707</u>	<u>407,754</u>
Net position beginning of the year	480,797	1,674,540	1,674,540	-
Net position end of the year	<u>\$ 247,750</u>	<u>\$ 1,441,493</u>	<u>\$ 1,849,247</u>	<u>\$ 407,754</u>

INFORMATION REQUIRED BY OVERSIGHT AUTHORITIES

Majors and Haley, P.C.
Certified Public Accountants

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Chris L. Majors, CPA, MT

Lori Hasty Haley, CPA

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Montezuma County, Colorado, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise Montezuma County, Colorado's basic financial statements, and have issued our report thereon dated June 23, 2022.

Report on Internal Control over Financial Reporting

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

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

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

weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

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

Purpose of This Report

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



Majors and Haley, P.C.
June 23, 2022

Majors and Haley, P.C.
Certified Public Accountants

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

Chris L. Majors, CPA, MT

Lori Hasty Haley, CPA

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

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Montezuma County, Colorado's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Montezuma County Colorado's major federal programs for the year ended December 31, 2021. Montezuma County, Colorado's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Montezuma County, Colorado complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2021.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Montezuma County, Colorado and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Montezuma County, Colorado's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Montezuma County, Colorado's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Montezuma County, Colorado's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit

conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Montezuma County, Colorado's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Montezuma County, Colorado's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Montezuma County, Colorado's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Montezuma County, Colorado's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

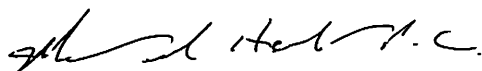
Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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



Majors and Haley, P.C.
June 23, 2022

MONTEZUMA COUNTY 2021
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2021

<i>Federal Grantor/Program or Cluster Title</i>	<i>Federal CFDA Number</i>	<i>Pass-through Grantor</i>	<i>Federal Expenditures(\$)</i>
CCDF Cluster-Cluster			
Department of Health and Human Services			
Child Care and Development Block Grant	93.575	Colorado Department of Human Services	\$ 183,587
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	Colorado Department of Human Services	320,387
<i>Total Department of Health and Human Services</i>			<u>503,974</u>
Total CCDF Cluster-Cluster			<u>503,974</u>
CSBG Cluster-Cluster			
Department of Health and Human Services			
Community Services Block Grant	93.569	Housing Solutions of the Southwest	13,780
<i>Total Department of Health and Human Services</i>			<u>13,780</u>
Total CSBG Cluster-Cluster			<u>13,780</u>
Forest Service Schools and Roads Cluster-Cluster			
United States Department of Agriculture			
Schools and Roads - Grants to Counties	10.666		<u>39,238</u>
Total Forest Service Schools and Roads Cluster-Cluster			<u>39,238</u>
Medicaid Cluster-Cluster			
Department of Health and Human Services			
Medical Assistance Program	93.778	Colorado Department of Department of Health Care Policy and Financing	238,913
Medical Assistance Program	93.778	Colorado Department of Human Services	426,673
Total Medical Assistance Program			<u>665,586</u>
<i>Total Department of Health and Human Services</i>			<u>665,586</u>
Total Medicaid Cluster-Cluster			<u>665,586</u>
SNAP Cluster-Cluster			
United States Department of Agriculture			
Supplemental Nutrition Assistance Program	10.551	Colorado Department of Human Services	8,323
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	Colorado Department of Human Services	320,710
<i>Total United States Department of Agriculture</i>			<u>329,033</u>
Total SNAP Cluster-Cluster			<u>329,033</u>
TANF Cluster-Cluster			
Department of Health and Human Services			
Temporary Assistance for Needy Families (TANF) State Programs	93.558	Colorado Department of Human Services	867,900
<i>Total Department of Health and Human Services</i>			<u>867,900</u>
Total TANF Cluster-Cluster			<u>867,900</u>
Other Programs			
Department of Homeland Security			
Hazard Mitigation Grant	97.039	Colorado Department of Public Services	34,317
<i>Total Department of Homeland Security</i>			<u>34,317</u>

(continued)

The accompanying notes are an integral part of this schedule

MONTEZUMA COUNTY 2021
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2021

<i>Federal Grantor/Program or Cluster Title</i>	<i>Federal CFDA Number</i>	<i>Pass-through Grantor</i>	<i>Federal Expenditures(\$)</i>
Department of Transportation			
Formula Grants for Rural Areas and Tribal Transit Program	20.509	Colorado Department of Transportation	\$ 127,757
<i>Total Department of Transportation</i>			<u>127,757</u>
Department of Health and Human Services			
Public Health Emergency Preparedness	93.069	Colorado Department of Public Health and Environment	85,718
Guardianship Assistance	93.090	Colorado Department of Human Services	19,786
Injury Prevention and Control Research and State and Community Based Programs	93.136	Colorado Department of Public Health and Environment	95,464
State Rural Hospital Flexibility Program	93.241	Colorado Department of Public Health and Environment	30,570
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	Colorado Department of Public Health and Environment	10,925
Immunization Cooperative Agreements	93.268	Colorado Department of Public Health and Environment	139,015
MaryLee Allen Promoting Safe and Stable Families Program	93.556	Colorado Department of Human Services	22,208
MaryLee Allen Promoting Safe and Stable Families Program	93.556	Colorado Department of Human Services	124,029
<i>Total MaryLee Allen Promoting Safe and Stable Families Program</i>			<u>146,237</u>
Child Support Enforcement	93.563	Colorado Department of Human Services	187,127
Low-Income Home Energy Assistance	93.568	Colorado Department of Human Services	5,798
Stephanie Tubbs Jones Child Welfare Services Program	93.645	Colorado Department of Human Services	23,109
Foster Care Title IV-E	93.658	Colorado Department of Human Services	288,800
Adoption Assistance	93.659	Colorado Department of Human Services	63,337
Social Services Block Grant	93.667	Colorado Department of Human Services	116,365
Elder Abuse Prevention Interventions Program	93.747	Colorado Department of Human Services	8,551
Maternal and Child Health Services Block Grant to the States	93.994	Colorado Department of Public Health and Environment	23,029
<i>Total Department of Health and Human Services</i>			<u>1,243,831</u>
Department of the Treasury			
Coronavirus Relief Fund	21.019	Direct	197,490
Coronavirus Relief Fund	21.019	Colorado Department of Human Services	1,274
<i>Total Coronavirus Relief Fund</i>			<u>198,764</u>
Coronavirus State and Local Fiscal Recovery Funds	21.027		2,542,871
<i>Total Department of the Treasury</i>			<u>2,741,635</u>
United States Department of Agriculture			
WIC Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	Colorado Department of Public Health and Environment	267,717
WIC Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	Colorado Department of Public Health and Environment	119,726
<i>Total WIC Special Supplemental Nutrition Program for Women, Infants, and Children</i>			<u>387,443</u>
<i>Total United States Department of Agriculture</i>			<u>387,443</u>
Total Other Programs			<u>4,534,983</u>
Total Expenditures of Federal Awards			<u><u>\$ 6,954,494</u></u>

The accompanying notes are an integral part of this schedule

MONTEZUMA COUNTY, COLORADO

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS For the Year Ended December 31, 2021

Organization

The accompanying schedule of expenditures of federal awards presents the activity of all federal award programs of Montezuma County, Colorado for the year ended December 31, 2021. All federal awards received directly from federal agencies as well as federal awards passed through other governmental agencies, are included on the schedule.

Basis Of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the County and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in the schedule may differ from amounts presented in, or used in, the preparation of the basic financial statements.

Indirect Costs

The County has not elected to use the 10% *de minimis* indirect cost rate as allowed in the Uniform Guidance, Section 414.

Food Distribution

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

Sub-recipients

Montezuma County had no sub-recipients of federal funds for the year ended December 31, 2021.

MONTEZUMA COUNTY, COLORADO
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 For the Year Ended December 31, 2021

Section 1- Summary of Auditors' Results

Financial Statements

Type of auditors' report issued		Unmodified Opinion
Internal control over financial reporting:		
Material weakness(es) identified?	_____ yes	_____ X _____ no
Significant deficiency(ies) identified not considered to be material weaknesses?	_____ yes	_____ X _____ no

Federal Awards

Internal control over major programs:		
Material weakness(es) identified?	_____ yes	_____ X _____ no
Significant deficiency(ies) identified not considered to be material weaknesses?	_____ yes	_____ X _____ no

Type of auditors' report issued on compliance for major programs:		Unmodified Opinion
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Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance		
	_____ yes	_____ X _____ no

Identification of major programs:

CFDA Number	Name of Federal Program or Cluster
21.027	Coronavirus State and Local Fiscal Recovery Funds

Dollar threshold to distinguish between Type A and Type B programs:		\$750,000
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Auditee qualified as low-risk auditee		
	_____ X _____ yes	_____ _____ no

Section 2- Findings under Generally Accepted Government Auditing Standards

There were no findings required to be reported under Generally Accepted Government Auditing Standards

Section 3- Findings and Questioned Costs Under Uniform Guidance

There were no findings or questioned cost for federal awards as defined in the Uniform Guidance.

MONTEZUMA COUNTY, COLORADO

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the Year Ended December 31, 2021

There were no prior year findings or questioned costs noted that were reportable under the Uniform Guidance criteria.

MONTEZUMA COUNTY, COLORADO

SCHEDULE OF CORRECTIVE ACTION PLAN
For the Year Ended December 31, 2021

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

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

LOCAL HIGHWAY FINANCE REPORT	City or County:
	County
YEAR ENDING : December 2021	

This Information From The Records Of (example - City of _ or County of _) County of Montezuma	Prepared By: Majors and Haley PC Phone: 970-565-9521
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I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway disbursements:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	2,414,852
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	4,625,124
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	
2. General fund appropriations		b. Snow and ice removal	240,596
3. Other local imposts (from page 2)	2,388,104	c. Other	
4. Miscellaneous local receipts (from page 2)	849,040	d. Total (a. through c.)	240,596
5. Transfers from toll facilities		4. General administration & miscellaneous	330,073
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	
a. Bonds - Original Issues		6. Total (1 through 5)	7,610,645
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)	3,237,144	b. Redemption	
B. Private Contributions		c. Total (a. + b.)	0
C. Receipts from State government (from page 2)	3,321,495	2. Notes:	
D. Receipts from Federal Government (from page 2)	39,238	a. Interest	
E. Total receipts (A.7 + B + C + D)	6,597,877	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)	7,610,645

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
	5,638,616	6,597,877	7,610,645	4,625,848	0

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT		STATE: Colorado	
		YEAR ENDING (mm/yy): December 2021	
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	1,895,664	a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes		c. Parking Garage Fees	
2. Infrastructure & Impact Fees	311,810	d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	38,033
4. Licenses		f. Charges for Services	761,666
5. Specific Ownership &/or Other	180,630	g. Other Misc. Receipts	48,589
6. Total (1. through 5.)	492,440	h. Other Transfers in	752
c. Total (a. + b.)	2,388,104	i. Total (a. through h.)	849,040
	(Carry forward to page 1)		(Carry forward to page 1)
III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL			
ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	2,947,268	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	39,238
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	94,999	d. Federal Transit Admin	
d. Other (Specify) - DOLA Grant	208,615	e. U.S. Corps of Engineers	
e. Other (Specify)-CDOT Grant	70,613	f. Other Federal	
f. Total (a. through e.)	374,227	g. Total (a. through f.)	39,238
4. Total (1. + 2. + 3.f)	3,321,495	3. Total (1. + 2.g)	
			(Carry forward to page 1)
		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		2,414,852	2,414,852
(4). System Enhancement & Operation			0
(5). Total Construction (1) + (2) + (3) + (4)		0	2,414,852
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)		0	2,414,852
			(Carry forward to page 1)
Notes and Comments:			