

**MONTROSE COUNTY, COLORADO**  
**FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2016**

**MONTROSE COUNTY, COLORADO  
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## INDEPENDENT AUDITORS' REPORT

Board of County Commissioners  
Montrose County, Colorado

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activity, each major fund, and the aggregate remaining fund information of Montrose County, Colorado (the County), as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

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

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

### ***Auditors' Responsibility***

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

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

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

***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business- type activity, each major fund, and the aggregate remaining fund information of Montrose County, Colorado, as of December 31, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Other Matters***

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the budgetary comparison information on pages 4 through 13 and 43 through 46, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Other Information*

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

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

Board of County Commissioners  
Montrose County, Colorado

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated July 24, 2017, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

**CliftonLarsonAllen LLP**

Greenwood Village, Colorado  
July 24, 2017

**MONTROSE COUNTY, COLORADO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2016**

As management of Montrose County, Colorado (the County), we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended December 31, 2016. We encourage readers to consider the information presented here.

**Financial Highlights**

- The assets of the County exceeded its liabilities and deferred inflows of resources as of December 31, 2016 by \$156,653,539. Of this amount, \$39,557,663 is unrestricted and may be used to meet the government's ongoing obligations to citizens and creditors.
- The County's total net position increased by \$3,745,823.
- As of December 31, 2016, Montrose County's governmental funds reported combined ending fund balances of \$41,398,716, an increase of \$3,083,531 from 2015. Approximately 51% of this total amount, \$21,120,408 is unassigned and available for discretionary spending for the benefit of county citizens.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$21,120,408, or 120% of total general fund expenditures (including transfers out).
- The County's total bonded debt decreased by \$325,000 or 13% during 2016 due primarily to debt payments for the Justice Center Annex.

**Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government Wide Financial Statements:** The government-wide financial statements are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private-sector business.

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

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

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the County include general government, health and human services, public safety and protection, and road and bridge services.

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

**MONTROSE COUNTY, COLORADO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2016**

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

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

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

The County maintains 11 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, road and bridge fund, social services fund, capital expenditures fund, and public safety sales tax fund, all of which are considered to be major funds. Data from the other 6 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The County adopts an annual appropriated budget for each individual governmental fund. A budgetary comparison statement has been provided for all governmental funds to demonstrate compliance with these budgets.

The basic governmental fund financial statements can be found on pages 16 and 18 of this report.

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

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Montrose Airport Fund, which is considered to be a major fund of the County Government.

The basic proprietary fund financial statements can be found on pages 20 through 23 of this report.



**MONTROSE COUNTY, COLORADO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2016**

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

The basic fiduciary fund financial statement can be found on page 24 of this report.

***Notes to Financial Statements:*** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements begin on page 25 of this report.

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

**Government-wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the County, assets exceeded liabilities and deferred inflows by \$156,653,539 at December 31, 2016.

By far the largest portion of the County's net position (73%) reflects its investment in capital assets (e.g., land, buildings, machinery, equipment, and infrastructure); less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

**MONTROSE COUNTY, COLORADO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2016**

**Montrose County's Net Position (\$000)**

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
<b>ASSETS</b>						
Current and Other Assets	\$ 59,477	\$ 55,349	\$ 1,287	\$ (3)	\$ 60,764	\$ 55,346
Capital Assets	72,537	72,775	43,703	44,588	116,240	117,363
Total Assets	132,014	128,124	44,990	44,585	177,004	172,709
<b>LIABILITIES</b>						
Long-Term Liabilities						
Outstanding	4,545	4,817	71	46	4,616	4,863
Other Liabilities	3,158	2,531	665	237	3,823	2,768
Total Liabilities	7,703	7,348	736	283	8,439	7,631
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Property Tax Revenues	11,912	12,171	-	-	11,912	12,171
<b>NET POSITION</b>						
Invested in Capital Assets, Net of Related Debt	70,373	70,280	43,703	44,588	114,076	114,868
Restricted	3,019	2,621	-	-	3,019	2,621
Unrestricted	39,007	35,704	551	(286)	39,558	35,418
Total Net Position	\$ 112,399	\$ 108,605	\$ 44,254	\$ 44,302	\$ 156,653	\$ 152,907

An additional portion of the County's net position (2%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$39,557,663) may be used to meet the government's ongoing obligations to citizens and creditors.

At December 31, 2016, Montrose County is able to report positive balances in its governmental and business-type activities total net position. The same situation held true for 2015.

Governmental activities increased the County's net position by \$3,793,950.

The County's net position for the Montrose Regional Airport (its business-type activity) decreased by \$48,127.

**MONTROSE COUNTY, COLORADO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2016**

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

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
<b>PROGRAM REVENUES</b>						
Charges for Services	\$ 3,205	\$ 2,353	\$ 3,454	\$ 2,989	\$ 6,659	\$ 5,342
Operating Grants and Contributions	7,857	7,546	28	341	7,885	7,887
Capital Grants and Contributions	170	-	1,547	134	1,717	134
<b>GENERAL REVENUE</b>						
Property Taxes	13,645	13,199	-	-	13,645	13,199
Sales and Use Taxes	11,673	11,024	-	-	11,673	11,024
Other Taxes	7,315	7,562	-	-	7,315	7,562
Other Revenue	621	553	170	109	791	662
<b>Total Revenues</b>	<b>44,486</b>	<b>42,237</b>	<b>5,199</b>	<b>3,573</b>	<b>49,685</b>	<b>45,810</b>
<b>EXPENSES</b>						
General Government	10,259	10,583	-	-	10,259	10,583
Health and Human Services	7,549	7,402	-	-	7,549	7,402
Public Safety and Protection	11,719	10,300	-	-	11,719	10,300
Road and Bridge Services	11,107	11,585	-	-	11,107	11,585
Interest and Fiscal Charges	58	65	-	-	58	65
Airport	-	-	5,247	5,482	5,247	5,482
<b>Total Expenses</b>	<b>40,692</b>	<b>39,935</b>	<b>5,247</b>	<b>5,482</b>	<b>45,939</b>	<b>45,417</b>
<b>INCREASE (DECREASE) IN NET POSITION BEFORE TRANSFERS</b>	<b>3,794</b>	<b>2,302</b>	<b>(48)</b>	<b>(1,909)</b>	<b>3,746</b>	<b>393</b>
Transfers	-	5	-	(5)	-	-
<b>INCREASE (DECREASE) IN NET POSITION</b>	<b>3,794</b>	<b>2,307</b>	<b>(48)</b>	<b>(1,914)</b>	<b>3,746</b>	<b>393</b>
Net Position - January 1	108,605	106,298	44,302	46,216	152,907	152,514
<b>NET POSITION - DECEMBER 31</b>	<b>\$ 112,399</b>	<b>\$ 108,605</b>	<b>\$ 44,254</b>	<b>\$ 44,302</b>	<b>\$ 156,653</b>	<b>\$ 152,907</b>

**MONTROSE COUNTY, COLORADO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2016**

**General Government Functions**

The financial operations of the governmental funds - the County's general, special revenue, capital project, and debt service funds - are summarized here. The following schedule presents a summary of the governmental funds revenues from various sources for the fiscal year ended December 31, 2016 and the changes from the prior year.

REVENUE SOURCE	2016		2015		Increase (Decrease)	
	Amount	Percent	Amount	Percent	Amount	Percent
Taxes	\$ 24,666	53.9 %	\$ 23,982	54.1 %	\$ 684	2.9 %
Licenses and Permits	362	0.8	436	1.0	(74)	(17.0)
Intergovernmental	15,824	34.6	15,348	34.6	476	3.1
Charges for Services	2,013	4.4	1,762	4.0	251	14.2
Charges to Governments	321	0.7	304	0.7	17	5.6
Internal Charges	1,799	3.9	1,955	4.4	(156)	(8.0)
Miscellaneous	766	1.7	545	1.2	221	40.6
<b>Total Revenue (\$000)</b>	<b>\$ 45,751</b>	<b>100.0</b>	<b>\$ 44,332</b>	<b>100.0</b>	<b>\$ 1,419</b>	<b>3.2</b>

Overall revenue increased by 3.2% or \$1,419,036 in 2016 over 2015.

The largest source of revenue for 2016 was derived from taxes, 53.9% of total revenues. Overall, tax revenue increased by 2.9% or \$683,804. Property tax revenue in 2016 increased by \$479,388 or 4.1% over 2015 due primarily to an increase in assessed value and a reduction in the temporary credit mill levy for 2016. The County maintained its mill levy at 23.528 mills to remain within TABOR limits for tax collection purposes.

Licenses and permits show a 17% decrease from 2015 due primarily to a decrease in the total valuation of building permits issued in 2016. In December 2015 a large number of building permits were issued as a result of an upcoming impact fee that was imposed beginning on January 1, 2016.

Intergovernmental revenue increased in 2016 by \$475,770 or 3.1%, due primarily to increases in federal and state funding.

Charges for services increased 14.2% due primarily to increased fees collected in 2016 by the Treasurer and Clerk and Recorder. Charges to other governments were 5.6% or \$17,484 more than 2015 due to an increase in prisoner housing fees received from jurisdictions outside of Montrose County.

Miscellaneous revenue was more in 2016 than 2015 due primarily to an increase in investment income the County received on its cash investment portfolio for 2016.

**MONTROSE COUNTY, COLORADO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2016**

The following schedule presents a summary of the governmental funds expenditures for the fiscal year ended December 31, 2016 and the changes from the prior year.

	2016		2015		Increase (Decrease)	
	Amount	Percent	Amount	Percent	Amount	Percent
<b>EXPENDITURES</b>						
General Government	\$ 11,332	26.4 %	\$ 11,878	28.1 %	\$ (546)	(4.6)%
Health and Human Services	8,332	19.5	8,195	19.4	137	1.7
Public Safety and Protection	11,623	27.2	10,966	25.9	657	6.0
Road and Bridge Services	11,109	26.0	10,854	25.7	255	2.3
Debt Service	389	0.9	390	0.9	(1)	(0.3)
	<u>          </u>		<u>          </u>		<u>          </u>	
Total Expenditures (\$000)	<u>\$ 42,785</u>	100.0	<u>\$ 42,283</u>	100.0	<u>\$ 502</u>	1.2

Overall expenditures for 2016 were \$501,804 or 1.2% more than 2015.

General government expenditures decreased in 2016 primarily due to an employment settlement payment that occurred in 2015 and labor savings in the general fund that amounted to \$447,000 in 2016.

Health and Human Services increased by \$137,106 or 1.7% due primarily to an increase in labor and overall operating expenses. Public Safety and Protection activities increased by \$657,466 or 6.0%, due to an increase in Montrose County Sherriff's Office share of costs associated with operating the 911 Communication Center. Road and Bridge services increased by \$254,734 or 2.3%, due to an increase in heavy fleet maintenance charges in 2016.

**Business-Type Activities:** The decrease in the net position for the Montrose Regional Airport was \$48,127. The primary reason for the decrease was due to current depreciation and amortization of capital assets.

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

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

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

As of December 31, 2016, the County's governmental funds reported combined ending fund balances of \$41,398,716, an increase of \$3,083,531 over the prior year. Approximately 51% of this total amount constitutes unassigned fund balance, which is available for spending to meet the needs of county citizens. The remainder of fund balance is separated into three categories. (1) Non-spendable fund balance which includes amounts that cannot be spent because they are either not in spendable form or they are legally or contractually required to be maintained intact (\$1,863,202). (2) Assigned fund balance is constrained by the County's intent to be used for a specific purpose (\$15,395,667). (3) Restricted fund balance has constraints placed on the use of these resources either externally imposed by creditors, grantors, contributors, or have been imposed by law through constitutional provisions or enabling legislation, 1) to pay debt service (\$338,145), 2) to provide an emergency reserve as required by the TABOR amendment (\$1,123,407), or 3) other restricted fund balance (\$1,557,887).

**MONTROSE COUNTY, COLORADO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2016**

The General Fund is the chief operating fund of the County. At December 31, 2016, unassigned fund balance of the General Fund was \$21,120,408 while total fund balance reached \$22,249,200. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures (including transfers). Unassigned fund balance represents 120% of total General Fund expenditures (including transfers out), while total fund balance represents 126% of that same amount.

The fund balance of the County's General Fund increased by \$1,811,597 during 2016, as there were increases in the amount of property tax revenue, grants, internal charges, and other revenue received.

The Road and Bridge Fund had a total fund balance of \$8,875,556 of which \$980,766 is non-spendable for inventories. The net increase in fund balance in this fund during 2016 was \$1,185,116. The increase resulted primarily from an increase in overall revenue received and a reduction in the cost of paving oil and other operating costs associated with road projects during the year.

Fund balance in the Social Services Fund increased by \$365,945 to a level of \$1,683,938 by the end of 2016. The increase was due primarily to an increase in projected revenue and reductions in overall operating costs.

The Public Safety Sales Tax Fund decreased its fund balance by \$15,575 during 2016. Total fund balance for this fund was \$2,204,827 by the end of 2016.

Fund balance in the Capital Expenditures Fund decreased by \$767,879. Total fund balance for this fund was \$2,916,396 at the end of 2016.

Fund balances for all other governmental funds increased by \$504,327 during 2016.

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

Unrestricted net position of the Montrose Regional Airport at December 31, 2016 amounted to \$550,688.

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

**MONTROSE COUNTY, COLORADO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2016**

**Capital Asset and Debt Administration**

**Capital Assets.** The County's investment in capital assets for its governmental and business-type activities as of December 31, 2016 amounts to \$116,240,208 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, machinery, construction in progress, equipment, and infrastructure. The total net decrease in the County's investment in capital assets for the current fiscal year was \$1,122,531.

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

Construction in Progress	\$2,979,119
Buildings and Improvements	\$313,060
Infrastructure	\$2,203,901
Equipment and Vehicles	\$2,108,269
Runway Improvements	\$8,329

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
<b>CAPITAL ASSETS</b>						
Land and Improvements	\$ 3,645	\$ 3,658	\$ 2,539	\$ 2,539	\$ 6,184	\$ 6,197
Construction in Progress	780	485	753	400	1,533	885
Buildings and Improvements	17,409	18,076	8,408	8,483	25,817	26,559
Equipment	9,371	8,854	516	739	9,887	9,593
Infrastructure	41,331	41,701	31,488	32,427	72,819	74,128
Total Capital Assets (\$000)	<u>\$ 72,536</u>	<u>\$ 72,774</u>	<u>\$ 43,704</u>	<u>\$ 44,588</u>	<u>\$ 116,240</u>	<u>\$ 117,362</u>

Additional information on the County's capital assets can be found in Note 5 on pages 37 and 38 of the financial statements.

**Long-Term Debt:** At the end of 2016, the County had total bonded debt outstanding of \$2,130,000. The County has no general obligation debt.

The County's debt consists of the following:

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Certificates of Participation	<u>\$ 2,130</u>	<u>\$ 2,455</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,130</u>	<u>\$ 2,455</u>

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

**MONTROSE COUNTY, COLORADO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2016**

**Economic Factors and Next Year's Budgets and Rates**

- According to the Colorado Department of Labor and Employment, the unemployment rate for the County is currently 2.8%, which is a decrease from a rate of 4.9% a year ago. The County rate is higher than the state's average unemployment rate of 2.3%, which is lower than the national average rate of 4.4%.
- The Colorado Legislative Council reports that the 10-county western region's economy experienced moderate economic growth through 2016, despite a weakness in the energy industry. Garfield, Rio Blanco, and Delta counties have been significantly impacted by persistently low natural gas prices and a struggling coal industry. On the other hand, popular tourist destinations in the region continue to add jobs as an expanding state and national economy are helping to bolster the region's travel industry.
- Natural gas production in the western region has declined each year since 2013. This trend has continued through September 2016, declining 8.0 percent through December 2016. The region's natural gas production is concentrated in the Piceance Basin, primarily in Garfield County. Low gas prices have been depressing the regional production; however, the U.S. Geological Survey increased its estimates of the amount of natural gas reserves in the region by 40 times in 2016. The new estimates put the Piceance Basin at the second largest source of potential gas resources in the country that can be developed if natural gas prices increase.

All of these factors were considered in preparing the County's budget for 2017.

**Requests for Information**

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



**MONTROSE COUNTY, COLORADO**  
**STATEMENT OF NET POSITION**  
**DECEMBER 31, 2016**

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and Investments	\$ 42,381,142	\$ 1,056,122	\$ 43,437,264
Cash and Investments, Restricted	-	377,587	377,587
Taxes Receivable, Net of Allowance	13,693,596	-	13,693,596
Other Receivables, Net of Allowance	283,525	301,264	584,789
Intergovernmental Receivable	1,074,895	283,182	1,358,077
Inventories and Prepaid Expenses	1,201,756	30,975	1,232,731
Internal Balances	842,499	(842,499)	-
Noncurrent Restricted Assets	-	79,834	79,834
Capital Assets:			
Capital Assets Not Subject to Depreciation:			
Land	3,645,482	2,538,599	6,184,081
Construction in Progress	780,068	752,868	1,532,936
Capital Assets Subject to Depreciation:			
Buildings and Improvements, Net	17,409,421	8,407,599	25,817,020
Improvements other than Buildings, Net	-	31,488,286	31,488,286
Equipment, Net	9,370,939	516,122	9,887,061
Infrastructure, Net	41,330,824	-	41,330,824
 Total Assets	 132,014,147	 44,989,939	 177,004,086
<b>LIABILITIES</b>			
Accounts Payable	1,741,434	622,973	2,364,407
Accrued Liabilities	835,484	42,190	877,674
Due to Other Governments	166,156	-	166,156
Unearned Revenue	410,364	-	410,364
Funds Held for Others	4,866	-	4,866
Long-Term Liabilities			
Portion Due or Payable within One Year	1,566,163	70,614	1,636,777
Portion Due or Payable after One Year	2,978,618	-	2,978,618
 Total Liabilities	 7,703,085	 735,777	 8,438,862
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Property Tax Revenues	11,911,685	-	11,911,685
<b>NET POSITION</b>			
Net Investment in Capital Assets	70,372,963	43,703,474	114,076,437
Restricted for:			
Emergencies	1,123,407	-	1,123,407
Landfill Financial Assurance	806,329	-	806,329
Parks and Recreation	116,325	-	116,325
Capital Expenses	635,233	-	635,233
Debt Service	338,145	-	338,145
Unrestricted	39,006,975	550,688	39,557,663
 Total Net Position	 <u>\$ 112,399,377</u>	 <u>\$ 44,254,162</u>	 <u>\$ 156,653,539</u>

See accompanying Notes to Basic Financial Statements.

**MONTROSE COUNTY, COLORADO  
STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2016**

	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business- Type Activities	Total
<b>GOVERNMENTAL ACTIVITIES</b>							
General Government	\$ 10,258,375	\$ 2,587,724	\$ 894,087	\$ 17,056	\$ (6,759,508)	\$ -	\$ (6,759,508)
Health and Human Services	7,549,253	78,915	6,448,976	6,991	(1,014,371)	-	(1,014,371)
Public Safety and Protection	11,718,840	238,664	513,603	18,154	(10,948,419)	-	(10,948,419)
Road and Bridge Services	11,106,805	299,762	-	127,368	(10,679,675)	-	(10,679,675)
Interest and Fiscal Charges	58,408	-	-	-	(58,408)	-	(58,408)
Total Governmental Activities	40,691,681	3,205,065	7,856,666	169,569	(29,460,381)	-	(29,460,381)
<b>BUSINESS-TYPE ACTIVITIES</b>							
Montrose County Airport	5,246,989	3,453,745	27,761	1,546,668	-	(218,815)	(218,815)
Total	<u>\$ 45,938,670</u>	<u>\$ 6,658,810</u>	<u>\$ 7,884,427</u>	<u>\$ 1,716,237</u>	(29,460,381)	(218,815)	(29,679,196)
<b>GENERAL REVENUES AND TRANSFERS</b>							
Property Taxes					13,645,087	-	13,645,087
Sales and Use Taxes					11,673,374	-	11,673,374
Highway Users Tax					4,708,547	-	4,708,547
Other Shared Taxes					2,606,072	-	2,606,072
Investment Earnings					166,499	2,754	169,253
Miscellaneous					454,752	167,934	622,686
Total General Revenues					<u>33,254,331</u>	<u>170,688</u>	<u>33,425,019</u>
<b>CHANGE IN NET POSITION</b>					3,793,950	(48,127)	3,745,823
Net Position - Beginning of Year					<u>108,605,427</u>	<u>44,302,289</u>	<u>152,907,716</u>
<b>NET POSITION - END OF YEAR</b>					<u>\$ 112,399,377</u>	<u>\$ 44,254,162</u>	<u>\$ 156,653,539</u>

See accompanying Notes to Financial Statements.

**MONTROSE COUNTY, COLORADO  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2016**

	General Fund	Road and Bridge Fund	Social Services Fund	Public Safety Sales Tax Fund	Capital Expenditures Fund	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>							
Equity in Pooled Cash Investments	\$ 22,568,839	\$ 6,869,082	\$ 2,163,746	\$ 1,684,565	\$ 2,705,729	\$ 3,266,402	\$ 39,258,363
Other Cash and Investments	190,869	50	200	39,086	-	200	230,405
Receivables							
Taxes	10,359,481	1,040,532	1,552,204	741,379	-	-	13,693,596
Intergovernmental	160,987	363,667	339,664	-	-	205,690	1,070,008
Trade	2,686	10	56,113	43,499	11,568	69,566	183,442
Prepaid Expenses and Other Assets	5,385	-	4,514	29,363	-	675	39,937
Inventories	-	980,766	-	-	-	-	980,766
Advances to Other Funds	-	-	-	-	842,499	-	842,499
Total Assets	<u>\$ 33,288,247</u>	<u>\$ 9,254,107</u>	<u>\$ 4,116,441</u>	<u>\$ 2,537,892</u>	<u>\$ 3,559,796</u>	<u>\$ 3,542,533</u>	<u>\$ 56,299,016</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>							
<b>LIABILITIES</b>							
Accounts Payable	\$ 457,100	\$ 254,703	\$ 155,680	\$ 96,978	\$ 641,188	\$ 24,476	\$ 1,630,125
Accrued Liabilities	216,484	123,848	149,215	236,087	2,212	49,258	777,104
Due to Other Funds	-	-	-	-	-	-	-
Due to Other Governments	-	-	166,156	-	-	-	166,156
Funds Held for Others	4,866	-	-	-	-	-	4,866
Unearned Revenue	1,116	-	409,248	-	-	-	410,364
Total Liabilities	<u>679,566</u>	<u>378,551</u>	<u>880,299</u>	<u>333,065</u>	<u>643,400</u>	<u>73,734</u>	<u>2,988,615</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Property Tax Revenue	10,359,481	-	1,552,204	-	-	-	11,911,685
<b>FUND BALANCE</b>							
Nonspendable	5,385	980,766	4,514	29,363	842,499	675	1,863,202
Restricted for:							
Emergencies	1,123,407	-	-	-	-	-	1,123,407
Landfill Financial Assurance	-	-	-	-	-	806,329	806,329
Parks and Recreation	-	-	-	-	-	116,325	116,325
Capital Expenditures	-	-	-	-	-	635,233	635,233
Debt Service	-	-	-	-	-	338,145	338,145
Assigned	-	7,894,790	1,679,424	2,175,464	2,073,897	1,572,092	15,395,667
Unassigned	21,120,408	-	-	-	-	-	21,120,408
Total Fund Balance	<u>22,249,200</u>	<u>8,875,556</u>	<u>1,683,938</u>	<u>2,204,827</u>	<u>2,916,396</u>	<u>3,468,799</u>	<u>41,398,716</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 33,288,247</u>	<u>\$ 9,254,107</u>	<u>\$ 4,116,441</u>	<u>\$ 2,537,892</u>	<u>\$ 3,559,796</u>	<u>\$ 3,542,533</u>	<u>\$ 56,299,016</u>

See accompanying Notes to Financial Statements.

**MONTROSE COUNTY, COLORADO  
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET POSITION  
YEAR ENDED DECEMBER 31, 2016**

**Total Fund Balance - Governmental Funds** \$ 41,398,716

Amounts reported for governmental activities on the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. 69,746,734

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

Bond Premium, Less Accumulated Amortization (33,772)

Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the statement of net position. 5,709,218

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

Compensated Absences	(1,141,673)
Landfill Closure and Post-Closure Liability	(806,329)
Gravel Pit Remediation	(343,517)
Certificates of Participation	<u>(2,130,000)</u>
Total	<u>(4,421,519)</u>

**Net Position - Governmental Activities** \$ 112,399,377

**MONTROSE COUNTY, COLORADO**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**YEAR ENDED DECEMBER 31, 2016**

	General Fund	Road and Bridge Fund	Social Services Fund	Public Safety Sales Tax Fund	Capital Expenditures Fund	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>							
Taxes	\$ 12,274,230	\$ 6,165,570	\$ 1,545,388	\$ 4,680,748	\$ -	\$ -	\$ 24,665,936
Licenses and Permits	275,008	7,826	1,940	-	-	76,975	361,749
Intergovernmental	3,002,673	5,654,092	5,045,586	513,603	11,568	1,596,288	15,823,810
Charges for Services	1,774,293	-	-	238,664	-	-	2,012,957
Charges to Other Governments	29,336	291,936	-	-	-	-	321,272
Internal Charges	1,787,234	10,928	1,142	-	-	-	1,799,304
Investment Earnings	82,226	48,465	952	-	28,978	5,878	166,499
Miscellaneous	55,341	54,247	94,611	33,057	-	362,415	599,671
Total Revenues	<u>19,280,341</u>	<u>12,233,064</u>	<u>6,689,619</u>	<u>5,466,072</u>	<u>40,546</u>	<u>2,041,556</u>	<u>45,751,198</u>
<b>EXPENDITURES</b>							
Current:							
General Government	10,107,475	-	-	-	967,887	5,853	11,081,215
Health and Human Services	-	-	6,369,207	-	-	1,962,876	8,332,083
Public Safety and Protection	-	-	-	11,612,504	-	-	11,612,504
Road and Bridge Services	-	7,667,487	-	-	-	-	7,667,487
Capital Outlay	250,405	3,441,466	-	10,679	-	-	3,702,550
Debt Service:							
Principal	-	-	-	-	-	325,000	325,000
Interest and Other Charges	-	-	-	-	-	64,038	64,038
Total Expenditures	<u>10,357,880</u>	<u>11,108,953</u>	<u>6,369,207</u>	<u>11,623,183</u>	<u>967,887</u>	<u>2,357,767</u>	<u>42,784,877</u>
<b>EXCESS OF REVENUE OVER (UNDER)</b>							
<b>EXPENDITURES</b>	8,922,461	1,124,111	320,412	(6,157,111)	(927,341)	(316,211)	2,966,321
<b>OTHER FINANCING SOURCES (USES)</b>							
Proceeds from Sale of Capital Assets	56,205	61,005	-	-	-	-	117,210
Transfers in	120,000	-	45,533	6,141,536	550,000	990,538	7,847,607
Transfers out	(7,287,069)	-	-	-	(390,538)	(170,000)	(7,847,607)
Total Other Financing Sources (Uses)	<u>(7,110,864)</u>	<u>61,005</u>	<u>45,533</u>	<u>6,141,536</u>	<u>159,462</u>	<u>820,538</u>	<u>117,210</u>
<b>NET CHANGE IN FUND BALANCES</b>	1,811,597	1,185,116	365,945	(15,575)	(767,879)	504,327	3,083,531
Fund Balances - Beginning of Year	<u>20,437,603</u>	<u>7,690,440</u>	<u>1,317,993</u>	<u>2,220,402</u>	<u>3,684,275</u>	<u>2,964,472</u>	<u>38,315,185</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 22,249,200</u>	<u>\$ 8,875,556</u>	<u>\$ 1,683,938</u>	<u>\$ 2,204,827</u>	<u>\$ 2,916,396</u>	<u>\$ 3,468,799</u>	<u>\$ 41,398,716</u>

See accompanying Notes to Financial Statements.

**MONTROSE COUNTY, COLORADO  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2016**

**Net Change in Fund Balances - Total Governmental Funds** \$ 3,083,531

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

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

Depreciation	\$ (4,492,838)
Capital Outlay	4,856,520
Total	363,682

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

Net Book Value of Disposed Capital Assets	(422,009)
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Governmental funds report premiums on debt as other financing uses. However, in the statement of activities, premiums are allocated over the life of the debt and reported as amortization expense. This is the current year amortization expense. 5,629

Internal service funds are used by management to charge the costs of certain activities, such as fleet management to individual funds. The net revenue and transfers of the internal service fund is reported with governmental activities. 446,077

In the governmental funds, accruals for compensated absences are not recognized because they are not paid with expendable available financial resources. In the statement of activities, however, these accruals are reported regardless of when financial resources are available. This adjustment shows the change in the accrued compensated absences balance. 156,500

Long-term liabilities, including landfill post-closure costs, gravel pit, and claims are not due and payable in the current period and, therefore, are not reported in the funds. This adjustment shows the change in this liability. (164,460)

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

Payments on Certificates of Participation	325,000
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**Change in Net Position of Governmental Activities** \$ 3,793,950

**MONTROSE COUNTY, COLORADO**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**DECEMBER 31, 2016**

	Proprietary Fund Types	
	Enterprise Fund	Governmental Activities
	Montrose County Airport	Internal Service Funds
<b>CURRENT ASSETS</b>		
Cash	\$ 1,056,122	\$ 2,892,374
Cash, Restricted	377,587	-
Accounts Receivable, Net	301,264	100,083
Due from Other Governments	283,182	4,887
Inventories	6,624	181,053
Prepaid Expenses	24,351	-
Total Current Assets	2,049,130	3,178,397
<b>NONCURRENT ASSETS</b>		
Restricted Assets	79,834	-
Capital Assets		
Land	2,538,599	-
Construction in Progress	752,868	-
Land Improvements, Net	31,488,286	-
Buildings, Net	8,407,599	457,926
Equipment, Net	516,122	2,332,074
Total Noncurrent Assets	43,783,308	2,790,000
Total Assets	45,832,438	5,968,397
<b>CURRENT LIABILITIES</b>		
Accounts Payable	622,973	111,309
Accrued Liabilities	42,190	58,381
Accrued Compensated Absences	70,614	89,489
Total Current Liabilities	735,777	259,179
<b>NONCURRENT LIABILITIES</b>		
Advances from Other Funds	842,499	-
Total Noncurrent Liabilities	842,499	-
Total Liabilities	1,578,276	259,179
<b>NET POSITION</b>		
Net Investment in Capital Assets	43,703,474	2,790,000
Unrestricted	550,688	2,919,218
Total Net Position	\$ 44,254,162	\$ 5,709,218

*See accompanying Notes to Financial Statements.*

**MONTROSE COUNTY, COLORADO**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION**  
**PROPRIETARY FUNDS**  
**YEAR ENDED DECEMBER 31, 2016**

	Proprietary Fund Types	
	Enterprise Fund	Governmental Activities
	Montrose County Airport	Internal Service Funds
<b>OPERATING REVENUE</b>		
Charges for Services	\$ 3,031,708	\$ 3,859,612
<b>OPERATING EXPENSES</b>		
Salaries and Benefits	1,215,850	1,516,391
Services and Supplies	1,004,603	1,406,241
Depreciation and Amortization	3,026,536	614,282
Total Operating Expenses	<u>5,246,989</u>	<u>3,536,914</u>
<b>OPERATING PROFIT (LOSS)</b>	(2,215,281)	322,698
<b>NONOPERATING REVENUES (EXPENSES)</b>		
Investment Income	2,754	-
Gain on Sale of Assets	-	98,730
Grants and Contributions	27,761	-
Passenger Facility Charges	422,037	-
Other	167,934	24,649
Total Nonoperating Revenues	<u>620,486</u>	<u>123,379</u>
<b>INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS</b>	(1,594,795)	446,077
Capital Grants	<u>1,546,668</u>	<u>-</u>
<b>CHANGE IN NET POSITION</b>	(48,127)	446,077
Net Position - Beginning of Year	<u>44,302,289</u>	<u>5,263,141</u>
<b>NET POSITION - END OF YEAR</b>	<u>\$ 44,254,162</u>	<u>\$ 5,709,218</u>

See accompanying Notes to Financial Statements.



**MONTROSE COUNTY, COLORADO  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
YEAR ENDED DECEMBER 31, 2016**

	Business-Type Activity	
	Enterprise Fund	Governmental Activities
	Montrose County Airport	Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash Received from Customers	\$ 2,969,838	\$ 3,768,062
Cash Paid to Suppliers	(665,352)	(1,366,900)
Cash Paid to and for Employees	(1,183,233)	(1,511,609)
Net Cash Provided by Operating Activities	1,121,253	889,553
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Grants and Contributions	104,117	-
Other Receipts	167,934	24,647
Net Cash Provided by Noncapital Financing Activities	272,051	24,647
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Grants	1,284,514	-
Passenger Facility Charges	428,855	-
Payments on Interfund Loan	(404,894)	-
Sale of Capital Assets	-	160,325
Acquisition of Capital Assets	(2,033,415)	(496,332)
Net Cash Used by Capital and Related Financing Activities	(724,940)	(336,007)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Investment Income	2,754	-
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	671,118	578,193
Cash and Cash Equivalents - Beginning of Year	762,591	2,314,181
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	\$ 1,433,709	\$ 2,892,374

See accompanying Notes to Financial Statements.

**MONTROSE COUNTY, COLORADO  
STATEMENT OF CASH FLOWS (CONTINUED)  
PROPRIETARY FUNDS  
YEAR ENDED DECEMBER 31, 2016**

	Business-Type Activity	
	Enterprise Fund	Governmental Activities
	Montrose County Airport	Internal Service Funds
<b>RECONCILIATION OF OPERATING PROFIT (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>		
Operating Profit (Loss)	\$ (2,215,281)	\$ 322,698
Adjustments to Reconcile Operating Profit (Loss) to Net Cash Provided by Operating Activities:		
Depreciation and Amortization	3,026,536	614,282
(Increase) Decrease in Accounts Receivable	(61,870)	(91,550)
(Increase) Decrease in Inventory	2,206	5,129
(Increase) Decrease in Prepaid Expenses	24,918	2,976
Increase (Decrease) in Accounts Payable	312,127	31,236
Increase (Decrease) in Accrued Expenses	32,617	4,782
 Net Cash Provided by Operating Activities	 \$ 1,121,253	 \$ 889,553

*See accompanying Notes to Financial Statements.*

**MONTROSE COUNTY, COLORADO**  
**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES**  
**FIDUCIARY FUNDS**  
**DECEMBER 31, 2016**

	<u>Agency Funds</u>
<b>ASSETS</b>	
Cash and Investments	<u>\$ 1,353,365</u>
Total Assets	<u><u>\$ 1,353,365</u></u>
<b>LIABILITIES</b>	
Due to Other Governments	\$ 858,014
Deposits Held for Others	<u>495,351</u>
Total Liabilities	<u><u>\$ 1,353,365</u></u>

*See accompanying Notes to Financial Statements.*

**MONTROSE COUNTY, COLORADO  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2016**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**Financial Reporting Entity**

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

**Related Entities**

*Public Trustee*

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

*Jointly Funded Organization*

The County, in conjunction with other counties, shares in the financial support of the District Attorney of the Seventh Judicial District of the State of Colorado. In 2016, the County contributed \$818,189 for the operation of the District Attorney.

*Other*

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

**Government-Wide and Fund Financial Statements**

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

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

**MONTROSE COUNTY, COLORADO  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2016**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Government-Wide and Fund Financial Statements (Continued)**

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

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

**Governmental Funds**

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

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

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

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

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

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

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

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

The County reports the following major enterprise fund:

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

**MONTROSE COUNTY, COLORADO  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2016**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Governmental Funds (Continued)**

The County reports the following internal service funds:

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

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

The County reports the following fiduciary fund type:

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

**Measurement Focus, Basis of Accounting**

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

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

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

**MONTROSE COUNTY, COLORADO  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2016**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Budgets and Budgetary Accounting**

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

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

Appropriations are at the total fund expenditure level and lapse at year-end. Original budget appropriations, inclusive of interfund transfers out, for the year ended December 31, 2016 were \$64,476,704. The County had a supplemental appropriation totaling \$1,813,085, which increased final budget appropriations, inclusive of interfund transfers out, to \$66,289,789.

The County does not appropriate a budget for the Impact Fee fund as collection of these fees was suspended in 2011 and resumed in 2016, but no expenditures or transfers were incurred for 2016.

During 2016, supplemental appropriations resulted in budget amendments as follows:

Fund	Original Amount	Amended Amount
Governmental Activities:		
Special Revenue Funds:		
Road and Bridge	\$ 11,609,053	\$ 12,047,203
Social Services	6,146,824	6,390,258
Local Public Health	1,984,622	2,008,985
Business-Type Activities:		
Airport Operations	4,368,857	5,325,995
Internal Services Funds:		
Communications Center	1,079,254	1,229,254

**Cash**

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

**MONTROSE COUNTY, COLORADO  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2016**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Investments**

Investments at December 31, 2016, consisted of obligations of U.S. Agency Bonds stated at fair market value, CSAFE and Money Market Mutual Funds stated at amortized cost and COLOTRUST stated at net asset value.

**Cash and Cash Equivalents**

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

**Receivables and Payables**

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

**Property Taxes**

**Revenue Recognized in 2016**

Local property taxes levied for 2015 and collected by December 31, 2016 are recognized as revenue in these financial statements as shown below:

	Assessed Valuation	Mill Levy	Amount of Taxes			Percentage Collected of	
			Levied	Budgeted	Collected	Levied	Budgeted
General Fund	\$ 517,303,322	20.528	\$ 10,619,203	\$ 10,605,166	\$ 10,540,514	99.26%	99.39%
Social Services	\$ 517,303,322	3.000	\$ 1,551,910	\$ 1,549,859	\$ 1,540,484	99.26%	99.40%

**Assessed Valuation**

The assessed valuation for property in the State of Colorado is determined using base year market values. The certified assessed valuation for 2015 property taxes remitted in 2016 increased to \$517,303,322 from \$493,493,890 for 2014 property taxes remitted in 2015.

**Property Tax Calendar**

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

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

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



**MONTROSE COUNTY, COLORADO  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2016**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Inventory**

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

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

**Capital Assets**

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

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

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

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

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

**Accrued Vacation Payable**

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

**MONTROSE COUNTY, COLORADO  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2016**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Long-Term Obligations**

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

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

**Net Position**

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

**Fund Equity**

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

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

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

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

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

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

**MONTROSE COUNTY, COLORADO  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2016**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Fund Equity (Continued)**

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

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

**GASB Statement Implementation**

For the year ended December 31, 2016, the County adopted the provision of Governmental Accounting Standards Board (GASB) Statement No. 72, *Fair Value Measurement and Application*, which is effective for financial statement periods beginning after June 15, 2015. GASB Statement No. 72 requires disclosures to be made about fair value measurements, the level of fair value hierarchy, and valuation techniques. The County's fair value measurements have not changed as a result of the implementation.

**NOTE 2 DEPOSITS AND INVESTMENTS**

At December 31, 2016, the County's cash and investments consist of the following:

Cash and Investments - Statement of Net Position	\$ 43,437,264
Cash and Investments, Restricted - Statement of Net Position	377,587
Cash and Investments - Fiduciary Funds	<u>1,353,365</u>
Total	<u><u>\$ 45,168,216</u></u>

At December 31, 2016, cash and investments of the County are held as follows:

Cash on Hand	\$ 4,337
Cash Deposits	12,629,411
Investments	<u>32,534,468</u>
Total	<u><u>\$ 45,168,216</u></u>

**Cash Deposits**

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

**MONTROSE COUNTY, COLORADO  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2016**

**NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)**

**Investments**

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

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

Investments of the County at December 31, 2016 are as follows:

	Standard & Poor's Rating	Fair Fair Value	Maturity	
			Less than 1 Year	1-5 Years
Local Government Investment Pools	AAAm	\$ 25,682,490	\$ 25,682,490	\$ -
Money Market Mutual Funds	AAAm	347,473	347,473	-
U.S. Agency Bonds	AA+	6,504,505	5,161,642	1,342,863
Total Investments		<u>\$ 32,534,468</u>	<u>\$ 31,191,605</u>	<u>\$ 1,342,863</u>

As of December 31, 2016, the County has invested \$16,624,844 in the Colorado Government Liquid Asset Trust (COLOTRUST), an investment vehicle established for local government entities in Colorado pursuant to Part 7 of Article 75 of Title 24 of the Colorado Revised Statutes (CRS), to pool surplus funds for investment purposes. COLOTRUST operates similarly to a money market fund and each share is equal in value to \$1.00. The fair value of the position in the pool is the same as the value of the pool shares. The designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. Substantially all securities owned by the pool are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by the pool. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period. Separately issued financial statements may be obtained at the following address:

COLOTRUST  
999 18<sup>th</sup> Street, Suite 1230  
Denver, Colorado 80202 [www.colotrust.com](http://www.colotrust.com)

**MONTROSE COUNTY, COLORADO  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2016**

**NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)**

As of December 31, 2016, the County has invested \$9,057,646 in the Colorado Surplus Asset Fund Trust (CSAFE). CSAFE is a local government investment pool that operates similarly to COLOTRUST. Investments of the pool consist of securities of the United States Treasury, United States agencies, primary dealer repurchase agreements and Colorado depositories (with short term ratings of A1 or better) in which the deposits are collateralized at 102% of market value under the provisions of PDPA. The custodian's internal records identify the investments owned by the pool. Separately issued financial statements may be obtained at the following address:

CSAFE  
1600 Broadway, Suite 1100  
Denver, CO 80202 [www.csafe.org](http://www.csafe.org)

**Credit Risk**

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

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

**Interest Rate Risk**

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

**Fair Value**

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

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

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

**MONTROSE COUNTY, COLORADO  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2016**

**NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)**

**Fair Value (Continued)**

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

**Level 3:** Unobservable inputs for an asset or liability.

The County has the following fair value measurements as of December 31, 2016:

	12/31/2016	Level 1	Level 2	Level 3
<u>Investments by Fair Value Level:</u>				
U.S. Agency Bonds	\$ 6,504,505	-	\$ 6,504,505	-
Total Investments by Fair Value Level	6,504,505	\$ -	\$ 6,504,505	\$ -
Investments Measured at Amortized Cost				
Money Market Mutual Funds	347,473			
CSAFE	9,057,646			
	9,405,119			
Investments Measured at Net Asset Value				
Colotrust	16,624,844			
	16,624,844			
Total Investments	\$ 32,534,468			

**NOTE 3 RESTRICTED CASH**

**Passenger Facility Charges**

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

**MONTROSE COUNTY, COLORADO  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2016**

**NOTE 4 INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS**

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

Fund	Interfund Receivable	Interfund Payable
Major Fund:		
Capital Expenditure Fund Advance to Other Fund	\$ 842,499	\$ -
Airport Operations Fund Advance from Other Fund	-	842,499

The \$842,499 interfund balance relates to funds temporarily moved between funds for debt retirement. This amount is not expected to be repaid within one year.

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

Transfers Out	Transfers In					Total
	General	Social Services	Capital Expenditures	Public Safety Sales Tax	Other Governmental	
Major Fund						
General	\$ -	\$ 45,533	\$ 500,000	\$ 6,141,536	\$ 600,000	\$ 7,287,069
Capital Expenditures	-	-	-	-	390,538	390,538
Other Governmental	120,000	-	50,000	-	-	170,000
Total	<u>\$ 120,000</u>	<u>\$ 45,533</u>	<u>\$ 550,000</u>	<u>\$ 6,141,536</u>	<u>\$ 990,538</u>	<u>\$ 7,847,607</u>

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

**MONTROSE COUNTY, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2016**

**NOTE 5 CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2016 was as follows:

	Beginning Balance	Increase	Decrease	Transfers	Ending Balance
<b><u>Governmental Activities</u></b>					
Capital Assets Not Subject to Depreciation:					
Land	\$ 3,657,927	\$ -	\$ (12,445)	\$ -	\$ 3,645,482
Construction in Progress	485,310	1,006,917	(15,998)	(696,161)	780,068
Total Capital Assets Not Subject to Depreciation	4,143,237	1,006,917	(28,443)	(696,161)	4,425,550
Capital Assets Subject to Depreciation:					
Buildings and Improvements	31,078,084	121,747	-	-	31,199,831
Infrastructure	123,552,056	2,203,901	(1,776,754)	570,133	124,549,336
Equipment and Vehicles	17,116,061	1,523,955	(519,562)	126,028	18,246,482
Total Capital Assets Subject to Depreciation	171,746,201	3,849,603	(2,296,316)	696,161	173,995,649
Less Accumulated Depreciation for:					
Buildings and Improvements	13,503,274	745,062	-	-	14,248,336
Infrastructure	81,850,702	2,796,705	(1,428,895)	-	83,218,512
Equipment and Vehicles	10,730,401	951,071	(473,855)	-	11,207,617
Total Accumulated Depreciation	106,084,377	4,492,838	(1,902,750)	-	108,674,465
Capital Assets Subject to Depreciation, Net	65,661,824	(643,235)	(393,566)	696,161	65,321,184
Governmental Activities Capital Assets, Net	<u>\$ 69,805,061</u>	<u>\$ 363,682</u>	<u>\$ (422,009)</u>	<u>\$ -</u>	<u>\$ 69,746,734</u>
<b><u>Internal Service Fund Activities</u></b>					
<b><u>Governmental</u></b>					
Fleet					
Equipment and Vehicles	\$ 4,822,278	\$ 496,332	\$ (461,878)	\$ -	\$ 4,856,732
Communications Center					
Buildings and Improvements	614,894				614,894
Equipment and Vehicles	537,054	-	(110,831)	-	426,223
Less Accumulated Depreciation:					
Buildings and Improvements	114,062	42,906	-	-	156,968
Equipment and Vehicles	2,890,620	571,376	(511,115)	-	2,950,881
Internal Service Fund Activity Capital Assets, Net	<u>\$ 2,969,544</u>	<u>\$ (117,950)</u>	<u>\$ (61,594)</u>	<u>\$ -</u>	<u>\$ 2,790,000</u>



**MONTROSE COUNTY, COLORADO  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2016**

**NOTE 5 CAPITAL ASSETS (CONTINUED)**

	Beginning Balance	Increase	Decrease	Transfers	Ending Balance
<b><u>Business-Type Activities</u></b>					
<b><u>Airport</u></b>					
Capital Assets Not Subject to Depreciation:					
Land	\$ 2,538,599	\$ -	\$ -	\$ -	\$ 2,538,599
Construction in Progress	400,460	1,972,202	-	(1,619,794)	752,868
Total Capital Assets Not Subject to Depreciation	2,939,059	1,972,202	-	(1,619,794)	3,291,467
Capital Assets Subject to Depreciation:					
Runway Improvements	63,023,613	8,329	-	1,619,794	64,651,736
Buildings and Improvements	13,089,473	148,407	-	-	13,237,880
Equipment and Vehicles	2,879,641	12,938	-	-	2,892,579
Total Capital Assets Subject to Depreciation	78,992,727	169,674	-	1,619,794	80,782,195
Less Accumulated Depreciation for:					
Runway Improvements	30,596,689	2,566,761	-	-	33,163,450
Buildings and Improvements	4,606,373	223,908	-	-	4,830,281
Equipment and Vehicles	2,140,590	235,867	-	-	2,376,457
Total Accumulated Depreciation	37,343,652	3,026,536	-	-	40,370,188
Capital Assets Subject to Depreciation, Net	41,649,075	(2,856,862)	-	1,619,794	40,412,007
Business-Type Activity Capital Assets, Net	<u>\$ 44,588,134</u>	<u>\$ (884,660)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 43,703,474</u>

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

Governmental Activities:	
General Government	\$ 435,892
Public Safety and Protection	687,376
Road and Bridge Services	3,928,222
Health and Human Services	55,630
Total	<u>\$ 5,107,120</u>

**MONTROSE COUNTY, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2016**

**NOTE 6 LONG-TERM DEBT**

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

	Beginning Balance	Additions	Reductions/ Adjustments	Ending Balance	Amounts Due Within One Year
<b><u>Governmental Activities</u></b>					
Certificates of Participation Series 2012	\$ 2,455,000	\$ -	\$ (325,000)	\$ 2,130,000	\$ 335,000
Certificates of Participation Premium	39,401	-	(5,629)	33,772	-
Accrued Compensated Absences	1,336,043	1,268,394	(1,373,274)	1,231,163	1,231,163
Accrued Landfill Post-Closure Costs	658,368	147,961	-	806,329	-
Accrued Gravel Pit Remediation Costs	327,018	17,500	(1,001)	343,517	-
	<u>\$ 4,815,830</u>	<u>\$ 1,433,855</u>	<u>\$ (1,704,904)</u>	<u>\$ 4,544,781</u>	<u>\$ 1,566,163</u>
Total Governmental Activities Long-Term Debt					
<b><u>Business-Type Activity</u></b>					
Compensated Absences	<u>\$ 45,279</u>	<u>\$ 63,978</u>	<u>\$ (38,643)</u>	<u>\$ 70,614</u>	<u>\$ 70,614</u>

**Certificates of Participation**

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

Future minimum payments under the lease purchase agreement as of December 31, 2016 are as follows:

Year	Principal	Interest	Total
2017	\$ 335,000	57,538	\$ 392,538
2018	340,000	50,838	390,838
2019	350,000	42,338	392,338
2020	355,000	33,150	388,150
2021	370,000	22,500	392,500
2022	380,000	11,400	391,400
Total	<u>\$ 2,130,000</u>	<u>\$ 217,764</u>	<u>\$ 2,347,764</u>

**Conduit Debt**

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

**MONTROSE COUNTY, COLORADO  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2016**

**NOTE 7 PENSION PLAN**

**Retirement Plan**

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

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

During 2016, the County and employees each made their respectively required 4% contribution amounting to \$662,383, for a total of \$1,324,766.

**NOTE 8 RISK MANAGEMENT**

**County Workers Compensation Pool**

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

**Colorado Counties Casualty and Property Pool**

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

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

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

**MONTROSE COUNTY, COLORADO  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2016**

**NOTE 9 COMMITMENTS AND CONTINGENCIES**

**Pending Litigation**

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

**TABOR Amendment**

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

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

**Federal Funding**

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

**NOTE 10 CLOSURE AND POST-CLOSURE CARE COST**

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

The County's estimate of the closure and post-closure care costs liability at December 31, 2016, based on landfill capacity used to date, is \$806,329. The County will recognize the remaining estimated costs of closure and post-closure as the remaining estimated landfill capacity is filled. The County estimates the remaining life of the East End landfill to be 24 years as of December 31, 2016. Actual costs may be higher or lower due to inflation, changes in technology or changes in regulations.

**MONTROSE COUNTY, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2016**

**NOTE 10 CLOSURE AND POST-CLOSURE CARE COST (CONTINUED)**

	<u>Total Costs</u>	<u>Approximate Used Amount</u>	<u>Liability</u>
East End Closure	\$ 709,678	41.62%	\$ 295,336
East End Post-Closure	400,209	41.62%	166,549
West End Post-Closure	480,840	100.00%	344,444
Total	<u>\$ 1,590,727</u>		<u>\$ 806,329</u>

The County is required by state and federal laws and regulations to provide financial assurance to demonstrate that adequate funds will be readily available for the costs of closure and post-closure care. In addition, the County has voluntarily designated \$790,345 of invested funds for post-closure care.

**NOTE 11 LEASES**

The Airport leases facilities and land to various airlines, concessionaires and others. Substantially all of the leases are operating leases for land, building and terminal space. The leases contain provisions for cancellation by either party if certain conditions are met. The following is a schedule, by year, of minimum future rentals of the operating leases as of December 31, 2016:

<u>Year Ending December 31</u>	<u>Amount</u>
2017	\$ 79,557
2018	58,019
2019	41,857
2020	39,859
2021	37,408
2022-2026	129,800
2027-2031	73,782
2032-2036	27,194
2037-2040	8,470
Total	<u>\$ 495,946</u>

**MONTROSE COUNTY, COLORADO  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2016**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 12,527,952	12,527,952	\$ 12,274,230	\$ (253,722)
Licenses and Permits	245,025	245,025	275,008	29,983
Intergovernmental	2,648,000	2,648,000	3,002,673	354,673
Charges for Services	1,603,527	1,603,527	1,774,293	170,766
Charges to Other Governments	20,000	20,000	29,336	9,336
Internal Charges	1,804,222	1,804,222	1,787,234	(16,988)
Interest	100,000	100,000	82,226	(17,774)
Miscellaneous	10,300	10,300	55,341	45,041
Total Revenues	<u>18,959,026</u>	<u>18,959,026</u>	<u>19,280,341</u>	<u>321,315</u>
<b>EXPENDITURES</b>				
Current:				
General Government	10,459,308	10,461,368	10,107,475	353,893
Road and Bridge Services				
Capital Outlay	262,829	260,769	250,405	10,364
Total Expenditures	<u>10,722,137</u>	<u>10,722,137</u>	<u>10,357,880</u>	<u>364,257</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	8,236,889	8,236,889	8,922,461	685,572
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from Sale of Capital Assets	-	-	56,205	56,205
Transfers in	120,000	120,000	120,000	-
Transfers out	(8,126,569)	(8,126,569)	(7,287,069)	839,500
Total Other Financing Sources (Uses)	<u>(8,006,569)</u>	<u>(8,006,569)</u>	<u>(7,110,864)</u>	<u>895,705</u>
<b>EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	<u>\$ 230,320</u>	<u>\$ 230,320</u>	<u>\$ 1,811,597</u>	<u>\$ 1,581,277</u>

**MONTROSE COUNTY, COLORADO  
ROAD AND BRIDGE FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2016**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 6,033,000	\$ 6,033,000	\$ 6,165,570	\$ 132,570
Licenses and Permits	14,500	14,500	7,826	(6,674)
Intergovernmental	5,493,500	5,493,500	5,654,092	160,592
Charges to Other Governments	310,000	310,000	291,936	(18,064)
Internal Charges	-	-	10,928	10,928
Interest	30,000	30,000	48,465	18,465
Miscellaneous	92,600	92,600	54,247	(38,353)
Total Revenues	<u>11,973,600</u>	<u>11,973,600</u>	<u>12,233,064</u>	<u>259,464</u>
<b>EXPENDITURES</b>				
Current:				
Roads and Bridge Services	8,604,786	8,886,290	7,667,487	1,218,803
Capital Outlay	3,004,267	3,160,913	3,441,466	(280,553)
Total Expenditures	<u>11,609,053</u>	<u>12,047,203</u>	<u>11,108,953</u>	<u>938,250</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	364,547	(73,603)	1,124,111	1,197,714
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from Sale of Capital Assets	50,000	50,000	61,005	11,005
Total Other Financing Sources (Uses)	<u>50,000</u>	<u>50,000</u>	<u>61,005</u>	<u>11,005</u>
<b>EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	<u>\$ 414,547</u>	<u>\$ (23,603)</u>	<u>\$ 1,185,116</u>	<u>\$ 1,208,719</u>

**MONTROSE COUNTY, COLORADO  
SOCIAL SERVICES FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2016**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 1,559,859	\$ 1,559,859	\$ 1,545,388	\$ (14,471)
Licenses and Permits	2,000	2,000	1,940	(60)
Miscellaneous	136,400	136,400	94,611	(41,789)
Intergovernmental	4,676,100	4,676,100	5,045,586	369,486
Internal Charges	-	-	1,142	1,142
Interest Earnings	4,425	4,425	952	(3,473)
Total Revenues	<u>6,378,784</u>	<u>6,378,784</u>	<u>6,689,619</u>	<u>310,835</u>
<b>EXPENDITURES</b>				
Current:				
Health and Human Services	<u>6,146,824</u>	<u>6,390,258</u>	<u>6,369,207</u>	<u>21,051</u>
Total Expenditures	<u>6,146,824</u>	<u>6,390,258</u>	<u>6,369,207</u>	<u>21,051</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	231,960	(11,474)	320,412	331,886
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	<u>45,533</u>	<u>45,533</u>	<u>45,533</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>45,533</u>	<u>45,533</u>	<u>45,533</u>	<u>-</u>
<b>EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	<u>\$ 277,493</u>	<u>\$ 34,059</u>	<u>\$ 365,945</u>	<u>\$ 331,886</u>



**MONTROSE COUNTY, COLORADO  
PUBLIC SAFETY SALES TAX FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2016**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 4,487,000	\$ 4,487,000	\$ 4,680,748	\$ 193,748
Charges for Services	232,500	232,500	238,664	6,164
Intergovernmental	447,950	447,950	513,603	65,653
Miscellaneous Income	18,500	18,500	33,057	14,557
Total Revenues	<u>5,185,950</u>	<u>5,185,950</u>	<u>5,466,072</u>	<u>280,122</u>
<b>EXPENDITURES</b>				
Current:				
Public Safety Protection	11,957,230	11,957,230	11,612,504	344,726
Capital Outlay	-	-	10,679	(10,679)
Total Expenditures	<u>11,957,230</u>	<u>11,957,230</u>	<u>11,623,183</u>	<u>334,047</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(6,771,280)	(6,771,280)	(6,157,111)	614,169
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	6,541,536	6,541,536	6,141,536	(400,000)
Total Other Financing Sources (Uses)	<u>6,541,536</u>	<u>6,541,536</u>	<u>6,141,536</u>	<u>(400,000)</u>
<b>EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES</b>	<u>\$ (229,744)</u>	<u>\$ (229,744)</u>	<u>\$ (15,575)</u>	<u>\$ 214,169</u>

**MONTROSE COUNTY, COLORADO  
NONMAJOR GOVERNMENTAL FUNDS**

**Special Revenue Funds**

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

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

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

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

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

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

**Debt Service Funds**

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

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

**MONTROSE COUNTY, COLORADO  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
DECEMBER 31, 2016**

	Special Revenue				Debt Service		Total Nonmajor Governmental Funds
	Conservation Trust	County Clerk Technical	Solid Waste	Impact Fee	Local Public Health Fund	Justice Center	
<b>ASSETS</b>							
Equity in Pooled Cash and Investments	\$ 116,325	\$ 26,301	\$ 2,046,695	\$ 635,233	\$ 103,718	\$ 338,130	\$ 3,266,402
Other Cash and Investments	-	-	-	-	200	-	200
Receivables							
Intergovernmental	-	-	-	-	205,690	-	205,690
Trade	-	-	68,670	-	881	15	69,566
Prepaid Expenses and Other Assets	-	-	-	-	675	-	675
Total Assets	<u>\$ 116,325</u>	<u>\$ 26,301</u>	<u>\$ 2,115,365</u>	<u>\$ 635,233</u>	<u>\$ 311,164</u>	<u>\$ 338,145</u>	<u>\$ 3,542,533</u>
<b>LIABILITIES AND FUND BALANCE</b>							
<b>LIABILITIES</b>							
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ 24,476	\$ -	\$ 24,476
Accrued Liabilities	-	-	54	-	49,204	-	49,258
Total Liabilities	<u>-</u>	<u>-</u>	<u>54</u>	<u>-</u>	<u>73,680</u>	<u>-</u>	<u>73,734</u>
<b>FUND BALANCE</b>							
Nonspendable	-	-	-	-	675	-	675
Restricted for:							
Landfill Financial Assurance	-	-	806,329	-	-	-	806,329
Parks and Recreation	116,325	-	-	-	-	-	116,325
Capital Expenditures	-	-	-	635,233	-	-	635,233
Debt Service	-	-	-	-	-	338,145	338,145
Assigned	-	26,301	1,308,982	-	236,809	-	1,572,092
Total Fund Balance	<u>116,325</u>	<u>26,301</u>	<u>2,115,311</u>	<u>635,233</u>	<u>237,484</u>	<u>338,145</u>	<u>3,468,799</u>
Total Liabilities and Fund Balance	<u>\$ 116,325</u>	<u>\$ 26,301</u>	<u>\$ 2,115,365</u>	<u>\$ 635,233</u>	<u>\$ 311,164</u>	<u>\$ 338,145</u>	<u>\$ 3,542,533</u>

**MONTROSE COUNTY, COLORADO**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**YEAR ENDED DECEMBER 31, 2016**

	Special Revenue				Debt Service		Total Nonmajor Governmental Funds
	Conservation Trust	County Clerk Technical	Solid Waste	Impact Fee	Local Public Health Fund	Justice Center	
<b>REVENUES</b>							
Licenses and Permits	\$ -	\$ -	\$ -	\$ -	\$ 76,975	\$ -	\$ 76,975
Intergovernmental	192,898	-	-	-	1,403,390	-	1,596,288
Interest Earnings	707	-	5,092	43	-	36	5,878
Miscellaneous	-	9,776	158,146	169,569	24,924	-	362,415
Total Revenues	<u>193,605</u>	<u>9,776</u>	<u>163,238</u>	<u>169,612</u>	<u>1,505,289</u>	<u>36</u>	<u>2,041,556</u>
<b>EXPENDITURES</b>							
Current:							
General Government	-	-	4,353	-	-	1,500	5,853
Health and Human Services	-	-	-	-	1,962,876	-	1,962,876
Debt Service:							
Principal	-	-	-	-	-	325,000	325,000
Interest	-	-	-	-	-	64,038	64,038
Total Expenditures	<u>-</u>	<u>-</u>	<u>4,353</u>	<u>-</u>	<u>1,962,876</u>	<u>390,538</u>	<u>2,357,767</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	193,605	9,776	158,885	169,612	(457,587)	(390,502)	(316,211)
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers in	-	-	-	-	600,000	390,538	990,538
Transfers out	(170,000)	-	-	-	-	-	(170,000)
Total Other Financing Sources (Uses)	<u>(170,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>600,000</u>	<u>390,538</u>	<u>820,538</u>
<b>NET CHANGE IN FUND BALANCES</b>	23,605	9,776	158,885	169,612	142,413	36	504,327
Fund Balances - Beginning of Year	<u>92,720</u>	<u>16,525</u>	<u>1,956,426</u>	<u>465,621</u>	<u>95,071</u>	<u>338,109</u>	<u>2,964,472</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 116,325</u>	<u>\$ 26,301</u>	<u>\$ 2,115,311</u>	<u>\$ 635,233</u>	<u>\$ 237,484</u>	<u>\$ 338,145</u>	<u>\$ 3,468,799</u>

**MONTROSE COUNTY, COLORADO  
CAPITAL EXPENDITURES FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2016**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>	\$ 5,433,872	\$ 5,433,872	\$ 40,546	\$ (5,393,326)
<b>EXPENDITURES</b>				
General Government	<u>3,306,175</u>	<u>3,306,175</u>	<u>967,887</u>	<u>2,338,288</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	2,127,697	2,127,697	(927,341)	(3,055,038)
<b>OTHER FINANCING USES</b>				
Transfers in	500,000	500,000	550,000	50,000
Transfers out	<u>(390,538)</u>	<u>(390,538)</u>	<u>(390,538)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>109,462</u>	<u>109,462</u>	<u>159,462</u>	<u>50,000</u>
<b>EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES</b>	<u>\$ 2,237,159</u>	<u>\$ 2,237,159</u>	<u>\$ (767,879)</u>	<u>\$ (3,005,038)</u>

**MONTROSE COUNTY, COLORADO  
 CONSERVATION TRUST FUND  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL  
 YEAR ENDED DECEMBER 31, 2016**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental				
State of Colorado	\$ 125,000	\$ 125,000	\$ 192,898	\$ 67,898
Interest Income	500	500	707	207
Total Revenues	<u>125,500</u>	<u>125,500</u>	<u>193,605</u>	<u>68,105</u>
<b>EXPENDITURES</b>				
Culture - Recreation	-	-	-	-
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>				
	125,500	125,500	193,605	68,105
<b>OTHER FINANCING USES</b>				
Transfers out	<u>(120,000)</u>	<u>(120,000)</u>	<u>(170,000)</u>	<u>(50,000)</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>				
	<u>\$ 5,500</u>	<u>\$ 5,500</u>	<u>\$ 23,605</u>	<u>\$ 18,105</u>

**MONTROSE COUNTY, COLORADO  
COUNTY CLERK TECHNICAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2016**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Miscellaneous	\$ 8,000	\$ 8,000	\$ 9,776	\$ 1,776
<b>EXPENDITURES</b>				
General Government	-	-	-	-
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>\$ 8,000</u>	<u>\$ 8,000</u>	<u>\$ 9,776</u>	<u>\$ 1,776</u>

**MONTROSE COUNTY, COLORADO  
SOLID WASTE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2016**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Interest Income	\$ 1,000	\$ 1,000	\$ 5,092	\$ 4,092
Miscellaneous	94,500	94,500	158,146	63,646
Total Revenues	<u>95,500</u>	<u>95,500</u>	<u>163,238</u>	<u>67,738</u>
<b>EXPENDITURES</b>				
Post-Closure Costs	21,668	21,668	4,353	17,315
Total Expenditures	<u>21,668</u>	<u>21,668</u>	<u>4,353</u>	<u>17,315</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<u>\$ 73,832</u>	<u>\$ 73,832</u>	<u>\$ 158,885</u>	<u>\$ 85,053</u>



**MONTROSE COUNTY, COLORADO  
LOCAL PUBLIC HEALTH FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2016**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Other Revenues	\$ 24,250	\$ 24,250	\$ 24,924	\$ 674
Intergovernmental	1,258,150	1,258,150	1,403,390	145,240
Licenses and Permits	81,000	81,000	76,975	(4,025)
Total Revenues	<u>1,363,400</u>	<u>1,363,400</u>	<u>1,505,289</u>	<u>141,889</u>
<b>EXPENDITURES</b>				
Health and Human Services	<u>1,984,622</u>	<u>2,008,985</u>	<u>1,962,876</u>	<u>46,109</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>				
	(621,222)	(645,585)	(457,587)	187,998
<b>OTHER FINANCING USES</b>				
Transfers in	<u>600,000</u>	<u>600,000</u>	<u>600,000</u>	<u>-</u>
<b>EXCESS OF REVENUE AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES</b>				
	<u>\$ (21,222)</u>	<u>\$ (45,585)</u>	<u>\$ 142,413</u>	<u>\$ 187,998</u>

**MONTROSE COUNTY, COLORADO  
JUSTICE CENTER FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2016**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Interest	\$ 50	\$ 50	\$ 36	\$ (14)
<b>EXPENDITURES</b>				
General Government	3,500	3,500	1,500	2,000
Debt Service:				
Principal	325,000	325,000	325,000	-
Interest	151,538	151,538	64,038	87,500
Total Expenditures	<u>480,038</u>	<u>480,038</u>	<u>390,538</u>	<u>89,500</u>
<b>EXCESS OF EXPENDITURES OVER (UNDER) REVENUES</b>	(479,988)	(479,988)	(390,502)	89,486
<b>OTHER FINANCING USES</b>				
Transfers in	<u>830,038</u>	<u>830,038</u>	<u>390,538</u>	<u>(439,500)</u>
<b>EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES</b>	<u>\$ 350,050</u>	<u>\$ 350,050</u>	<u>\$ 36</u>	<u>\$ (350,014)</u>

**MONTROSE COUNTY, COLORADO  
PROPRIETARY FUNDS**

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

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

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

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

**MONTROSE COUNTY, COLORADO**  
**COMBINING STATEMENT OF NET POSITION**  
**INTERNAL SERVICE FUNDS**  
**DECEMBER 31, 2016**

	Fleet Management Fund	Communications Center Fund	Total
<b>CURRENT ASSETS</b>			
Cash	\$ 2,752,744	\$ 139,630	\$ 2,892,374
Accounts Receivable, Net	-	100,083	100,083
Due from Other Governments	4,887	-	4,887
Inventories	181,053	-	181,053
Total Current Assets	<u>2,938,684</u>	<u>239,713</u>	<u>3,178,397</u>
<b>NONCURRENT ASSETS</b>			
Buildings, Net	-	457,926	457,926
Equipment, Net	2,031,566	300,508	2,332,074
Total Noncurrent Assets	<u>2,031,566</u>	<u>758,434</u>	<u>2,790,000</u>
 Total Assets	 4,970,250	 998,147	 5,968,397
<b>CURRENT LIABILITIES</b>			
Accounts Payable	109,399	1,910	111,309
Accrued Liabilities	22,021	36,360	58,381
Accrued Compensated Absences	34,619	54,870	89,489
Total Current Liabilities	<u>166,039</u>	<u>93,140</u>	<u>259,179</u>
 Total Liabilities	 <u>166,039</u>	 <u>93,140</u>	 <u>259,179</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	2,031,566	758,434	2,790,000
Unrestricted	2,772,643	146,575	2,919,218
 Total Net Position	 <u>\$ 4,804,209</u>	 <u>\$ 905,009</u>	 <u>\$ 5,709,218</u>

**MONTROSE COUNTY, COLORADO  
COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND NET POSITION  
INTERNAL SERVICE FUNDS  
YEAR ENDED DECEMBER 31, 2016**

	Fleet Management Fund	Communications Center Fund	Total
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>OPERATING REVENUE</b>			
Charges for Services	\$ 2,757,703	\$ 1,101,909	\$ 3,859,612
<b>OPERATING EXPENSES</b>			
Salaries and Benefits	527,779	988,612	1,516,391
Services and Supplies	1,186,799	219,442	1,406,241
Depreciation and Amortization	523,400	90,882	614,282
Total Operating Expenses	<u>2,237,978</u>	<u>1,298,936</u>	<u>3,536,914</u>
<b>OPERATING PROFIT (LOSS)</b>	519,725	(197,027)	322,698
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Gain (Loss) on Disposal of Assets	115,694	(16,964)	98,730
Other	24,416	233	24,649
Total Nonoperating Revenues	<u>140,110</u>	<u>(16,731)</u>	<u>123,379</u>
<b>CHANGE IN NET POSITION</b>	659,835	(213,758)	446,077
Net Position - Beginning of Year	<u>4,144,374</u>	<u>1,118,767</u>	<u>5,263,141</u>
<b>NET POSITION - END OF YEAR</b>	<u>\$ 4,804,209</u>	<u>\$ 905,009</u>	<u>\$ 5,709,218</u>

**MONTROSE COUNTY, COLORADO  
COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
YEAR ENDED DECEMBER 31, 2016**

	<u>Fleet Management Fund</u>	<u>Communications Center Fund</u>	<u>Total</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash Received from Customers	\$ 2,766,236	\$ 1,001,826	\$ 3,768,062
Cash Paid to Suppliers	(1,133,259)	(233,640)	(1,366,900)
Cash Paid to and for Employees	(527,467)	(984,142)	(1,511,609)
Net Cash Provided (Used) by Operating Activities	<u>1,105,510</u>	<u>(215,956)</u>	<u>889,553</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Grants and Contributions	-	-	-
Other Receipts	24,414	231	24,647
Net Cash Provided by Noncapital Financing Activities	<u>24,414</u>	<u>231</u>	<u>24,647</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Sale of Capital Assets	160,326	-	160,325
Acquisition of Capital Assets	(496,332)	-	(496,332)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(336,006)</u>	<u>-</u>	<u>(336,007)</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	793,918	(215,725)	578,193
Cash and Cash Equivalents - Beginning of Year	<u>1,958,826</u>	<u>355,355</u>	<u>2,314,181</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u><u>\$ 2,752,744</u></u>	<u><u>\$ 139,630</u></u>	<u><u>\$ 2,892,374</u></u>

**MONTROSE COUNTY, COLORADO  
COMBINING STATEMENT OF CASH FLOWS (CONTINUED)  
INTERNAL SERVICE FUNDS  
YEAR ENDED DECEMBER 31, 2016**

	Fleet Management Fund	Communications Services Fund	Total
<b>RECONCILIATION OF OPERATING PROFIT (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>			
Operating Profit (Loss)	\$ 519,725	\$ (197,027)	\$ 322,698
Adjustments to Reconcile Operating Profit (Loss) to Net Cash Provided (Used) by Operating Activities:			
Depreciation and Amortization	523,400	90,882	614,282
(Increase) Decrease in Accounts Receivable	8,533	(100,083)	(91,550)
Decrease in Inventory	5,129	-	5,129
Decrease in Prepaid Expenses	-	2,976	2,976
Increase (Decrease) in Accounts Payable	48,411	(17,174)	31,236
Increase in Accrued Expenses	312	4,470	4,782
	<u>\$ 1,105,510</u>	<u>\$ (215,956)</u>	<u>\$ 889,553</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 1,105,510</u>	<u>\$ (215,956)</u>	<u>\$ 889,553</u>

**MONTROSE COUNTY, COLORADO**  
**MONTROSE COUNTY AIRPORT ENTERPRISE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND NET POSITION**  
**BUDGET AND ACTUAL**  
**YEAR ENDED DECEMBER 31, 2016**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>OPERATING REVENUES</b>				
Charges for Service	\$ 2,576,100	\$ 2,576,100	\$ 3,031,708	\$ 455,608
Total Operating Revenues	<u>2,576,100</u>	<u>2,576,100</u>	<u>3,031,708</u>	<u>455,608</u>
<b>OPERATING EXPENSES</b>				
Salaries and Benefits	1,126,511	1,181,511	1,215,850	(34,339)
Services and Supplies	1,731,909	1,503,002	1,004,603	498,399
Capital Outlay	<u>1,510,437</u>	<u>2,641,482</u>	<u>2,141,876</u>	<u>499,606</u>
Total Operating Expenses	<u>4,368,857</u>	<u>5,325,995</u>	<u>4,362,329</u>	<u>963,666</u>
<b>OPERATING LOSS</b>	(1,792,757)	(2,749,895)	(1,330,621)	1,419,274
<b>NONOPERATING REVENUES</b>				
Investment Income	2,500	2,500	2,754	254
Contributions/Grants	26,000	26,000	27,761	1,761
Passenger Facility Charges	300,000	300,000	422,037	122,037
Intergovernmental	1,339,367	1,339,367	1,546,668	207,301
Other	<u>101,000</u>	<u>101,000</u>	<u>167,934</u>	<u>66,934</u>
Total Nonoperating Revenues	<u>1,768,867</u>	<u>1,768,867</u>	<u>2,167,154</u>	<u>398,287</u>
<b>NET INCOME (LOSS) - BUDGET BASIS</b>	<u>\$ (23,890)</u>	<u>\$ (981,028)</u>	836,533	<u>\$ 1,817,561</u>
<b>ADJUSTMENTS FOR GAAP BASIS</b>				
Capital Outlay			2,141,876	
Depreciation			<u>(3,026,536)</u>	
<b>CHANGE IN NET POSITION - GAAP BASIS</b>			<u>\$ (48,127)</u>	



**MONTROSE COUNTY, COLORADO  
FLEET MANAGEMENT INTERNAL SERVICE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND NET POSITION  
BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2016**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>OPERATING REVENUES</b>				
Charges for Service	\$ 2,758,648	\$ 2,758,648	\$ 2,757,703	\$ (945)
Total Operating Revenues	<u>2,758,648</u>	<u>2,758,648</u>	<u>2,757,703</u>	<u>(945)</u>
<b>OPERATING EXPENSES</b>				
Salaries and Benefits	615,601	615,601	527,779	87,822
Services and Supplies	1,499,797	1,499,797	1,186,799	312,998
Capital Outlay	<u>548,341</u>	<u>548,341</u>	<u>496,332</u>	<u>52,009</u>
Total Operating Expenses	<u>2,663,739</u>	<u>2,663,739</u>	<u>2,210,910</u>	<u>452,829</u>
<b>OPERATING INCOME (LOSS)</b>	94,909	94,909	546,793	451,884
<b>NONOPERATING REVENUES</b>				
Other	<u>-</u>	<u>-</u>	<u>140,110</u>	<u>140,110</u>
Total Nonoperating Revenues	<u>-</u>	<u>-</u>	<u>140,110</u>	<u>140,110</u>
<b>NET INCOME (LOSS) - BUDGET BASIS</b>	<u>\$ 94,909</u>	<u>\$ 94,909</u>	686,903	<u>\$ 591,994</u>
<b>ADJUSTMENTS FOR GAAP BASIS</b>				
Capital Outlay			496,332	
Depreciation			<u>(523,400)</u>	
<b>CHANGE IN NET POSITION - GAAP BASIS</b>			<u>\$ 659,835</u>	

**MONTROSE COUNTY, COLORADO  
COMMUNICATIONS CENTER INTERNAL SERVICE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND NET POSITION  
BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2016**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>OPERATING REVENUES</b>				
Charges for Service	\$ 1,079,254	\$ 1,079,254	\$ 1,101,909	\$ 22,655
Total Operating Revenues	<u>1,079,254</u>	<u>1,079,254</u>	<u>1,101,909</u>	<u>22,655</u>
<b>OPERATING EXPENSES</b>				
Salaries and Benefits	836,719	986,719	988,612	(1,893)
Services and Supplies	227,198	227,198	219,442	7,756
Capital Outlay	15,337	15,337	-	15,337
Total Operating Expenses	<u>1,079,254</u>	<u>1,229,254</u>	<u>1,208,054</u>	<u>21,200</u>
<b>OPERATING INCOME (LOSS)</b>	-	(150,000)	(106,145)	43,855
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Other	-	-	233	233
Total Nonoperating Revenues	<u>-</u>	<u>-</u>	<u>233</u>	<u>233</u>
<b>NET INCOME (LOSS) - BUDGET BASIS</b>	<u>\$ -</u>	<u>\$ (150,000)</u>	(105,912)	<u>\$ 44,088</u>
<b>ADJUSTMENTS FOR GAAP BASIS</b>				
Loss on Disposal of Capital Assets			(16,964)	
Depreciation			<u>(90,882)</u>	
<b>CHANGE IN NET POSITION - GAAP BASIS</b>			<u>\$ (213,758)</u>	

**MONTROSE COUNTY, COLORADO**  
**FIDUCIARY FUNDS**  
**AGENCY FUNDS**

**Agency Funds**

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

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

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

**MONTROSE COUNTY, COLORADO**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
**YEAR ENDED DECEMBER 31, 2016**

	<u>Balance - January 1</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance - December 31</u>
<b><u>COUNTY CLERK CLEARING</u></b>				
<b>ASSETS</b>				
Cash and Investments	<u>\$ 835,566</u>	<u>\$ 22,448</u>	<u>\$ -</u>	<u>\$ 858,014</u>
Total Assets	<u><u>\$ 835,566</u></u>	<u><u>\$ 22,448</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 858,014</u></u>
<b>LIABILITIES</b>				
Due to Other Governments	<u>\$ 835,566</u>	<u>\$ 22,448</u>	<u>\$ -</u>	<u>\$ 858,014</u>
Total Liabilities	<u><u>\$ 835,566</u></u>	<u><u>\$ 22,448</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 858,014</u></u>
 <b>DEPOSITS HELD FOR OTHERS</b>				
<b>ASSETS</b>				
Cash and Investments	<u>\$ 547,025</u>	<u>\$ -</u>	<u>\$ 51,674</u>	<u>\$ 495,351</u>
Total Assets	<u><u>\$ 547,025</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 51,674</u></u>	<u><u>\$ 495,351</u></u>
<b>LIABILITIES</b>				
Deposits Held for Others	<u>\$ 547,025</u>	<u>\$ -</u>	<u>\$ 51,674</u>	<u>\$ 495,351</u>
Total Liabilities	<u><u>\$ 547,025</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 51,674</u></u>	<u><u>\$ 495,351</u></u>

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

	A	B	C	D	E
PROGRAMS	County EBT Authorizations	County Share of Authorizations	Expenditures by County Warrant	County EBT Authorizations and Expenditures By County Warrant (Col. A+Col. C)	Total Expenditures (Col. B+Col. C)
Administration			1,234,748	1,234,748	1,234,748
Adult Services			230,878	230,878	230,878
Aid to Needy Disabled	239,249	46,749		239,249	46,749
Chaffee Grant			18,658	18,658	18,658
Child Care Program	704,863	87,785	133,844	838,707	221,629
Child Support Enforcement			708,272	708,272	708,272
Child Welfare	2,455,288	515,474	1,260,786	3,716,074	1,776,260
Colorado Works	549,839	79,859	600,317	1,150,156	680,176
CORE Services	142,602	19,091	441,393	583,995	460,484
Employment First			126,308	126,308	126,308
Food Assistance	7,051,411			7,051,411	-
HB1414 / IV-E Reserves			227,944	227,944	227,944
LEAP	601,900		27,407	629,307	27,407
Medicaid Transportation			59,433	59,433	59,433
Old Age Pension	719,876	228	22,256	742,132	22,484
Parental Fees			67,884	67,884	67,884
Single Entry Point	16,929		400,696	417,625	400,696
Veterans Services			59,197	59,197	59,197
Other Grants & Programs				-	-
County Only Costs (Including General Assistance)				-	-
<b>Total Programs</b>	<b>12,481,957</b>	<b>749,186</b>	<b>5,620,021</b>	<b>18,101,978</b>	<b>6,369,207</b>

Explanation of columns:

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

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

<b>LOCAL HIGHWAY FINANCE REPORT</b>	City or County: Montrose County
	YEAR ENDING : December 2016

This Information From The Records Of (example - City of _ or County of	Prepared By: Phone:
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**I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE**

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

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

**III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES**

ITEM	AMOUNT	ITEM	AMOUNT
<b>A. Receipts from local sources:</b>		<b>A. Local highway disbursements:</b>	
1. Local highway-user taxes		1. Capital outlay (from page 2)	3,441,466
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	5,954,397
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	193,485
3. Other local imposts (from page 2)	6,992,633	c. Other	252,342
4. Miscellaneous local receipts (from page 2)	182,470	d. Total (a. through c.)	445,827
5. Transfers from toll facilities		4. General administration & miscellaneous	839,941
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	96
a. Bonds - Original Issues		6. Total (1 through 5)	10,681,726
b. Bonds - Refunding Issues		<b>B. Debt service on local obligations:</b>	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	
7. Total (1 through 6)	7,175,104	b. Redemption	
<b>B. Private Contributions</b>		c. Total (a. + b.)	0
<b>C. Receipts from State government (from page 2)</b>	4,827,027	2. Notes:	
<b>D. Receipts from Federal Government (from page 2)</b>	291,936	a. Interest	
<b>E. Total receipts (A.7 + B + C + D)</b>	12,294,067	b. Redemption	
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	0
		<b>C. Payments to State for highways</b>	
		<b>D. Payments to toll facilities</b>	
		<b>E. Total disbursements (A.6 + B.3 + C + D)</b>	
			10,681,726

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

	Opening Debt	Amount Issued	Redemptions	Closing Debt
<b>A. Bonds (Total)</b>				0
1. Bonds (Refunding Portion)				
<b>B. Notes (Total)</b>				0

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

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	13,663,223	12,294,067	10,681,726	15,275,564	0

Notes and Comments:

<b>LOCAL HIGHWAY FINANCE REPORT</b>	STATE: Colorado
	YEAR ENDING (mm/yy): December 2016

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

ITEM	AMOUNT	ITEM	AMOUNT
<b>A.3. Other local imposts:</b>		<b>A.4. Miscellaneous local receipts:</b>	
a. Property Taxes and Assessments	8	a. Interest on investments	48,465
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes	6,992,625	c. Parking Garage Fees	
2. Infrastructure & Impact Fees		d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	87,930
4. Licenses		f. Charges for Services	4,528
5. Specific Ownership &/or Other		g. Other Misc. Receipts	41,547
6. Total (1. through 5.)	6,992,625	h. Other	
c. Total (a. + b.)	6,992,633	i. Total (a. through h.)	182,470
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
<b>C. Receipts from State Government</b>		<b>D. Receipts from Federal Government</b>	
1. Highway-user taxes	3,831,923	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	291,936
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	995,104	d. Federal Transit Admin	
d. Other (Specify) - DOLA Grant		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	
f. Total (a. through e.)	995,104	g. Total (a. through f.)	291,936
4. Total (1. + 2. + 3.f)	4,827,027	3. Total (1. + 2.g)	
			(Carry forward to page 1)

**III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL**

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
<b>A.1. Capital outlay:</b>			
a. Right-Of-Way Costs			0
b. Engineering Costs		104,150	104,150
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements			0
(3). System Preservation		3,337,316	3,337,316
(4). System Enhancement & Operation			0
(5). Total Construction (1) + (2) + (3) + (4)	0	3,337,316	3,337,316
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	3,441,466	3,441,466
			(Carry forward to page 1)

Notes and Comments: