

**MONTROSE COUNTY, COLORADO**  
**FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2018**

**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 activities, each major fund, and the aggregate remaining fund information of Montrose County, Colorado (the County), as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

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

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

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

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

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

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

***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business- type activities, each major fund, and the aggregate remaining fund information of Montrose County, Colorado, as of December 31, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Other Matters***

*Required Supplementary Information*

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

*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the 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 18, 2019, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

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

**CliftonLarsonAllen LLP**

Greenwood Village, Colorado  
July 18, 2019

**MONTROSE COUNTY, COLORADO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2018**

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, 2018. 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, 2018 by \$170,188,320. Of this amount, \$30,210,863 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 \$9,494,985.
- As of December 31, 2018, Montrose County's governmental funds reported combined ending fund balances of \$48,238,696, a decrease of \$709,089 from 2017. Approximately 35% of this total amount, \$16,678,597 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 \$16,678,597, or 88% of total general fund expenditures (including transfers out).
- The County's total debt decreased by approximately \$1.1 million during 2018 due to the payment of principal on the lease purchase agreement and certificates of participation.

**Overview of the Financial Statements**

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

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

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

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

**MONTROSE COUNTY, COLORADO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2018**

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

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

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

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

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

The County maintains 12 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 7 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

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

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



**MONTROSE COUNTY, COLORADO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2018**

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

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

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

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

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

**Notes to Financial Statements:** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements begin on page 24 of this report.

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

### **Government-wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the County, assets exceeded liabilities and deferred inflows of resources by \$170,188,320 at December 31, 2018.

By far the largest portion of the County's net position (70%) 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, 2018**

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

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
<b>ASSETS</b>						
Current and Other Assets	\$ 65,163	\$ 66,911	\$ 3,990	\$ 2,142	\$ 69,153	\$ 69,053
Capital Assets	90,957	84,465	43,686	42,037	134,643	126,502
Total Assets	156,120	151,376	47,676	44,179	203,796	195,555
<b>LIABILITIES</b>						
Long-Term Liabilities						
Outstanding	17,108	18,182	69	61	17,177	18,243
Other Liabilities	3,005	3,606	859	477	3,864	4,083
Total Liabilities	20,113	21,788	928	538	21,041	22,326
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Property Tax Revenues	12,567	12,536	-	-	12,567	12,536
<b>NET POSITION</b>						
Net Investment in Capital Assets	76,241	68,641	43,686	42,037	119,927	110,678
Restricted	19,698	3,024	352	-	20,050	3,024
Unrestricted	27,501	45,387	2,710	1,604	30,211	46,991
Total Net Position	\$ 123,440	\$ 117,052	\$ 46,748	\$ 43,641	\$ 170,188	\$ 160,693

An additional portion of the County's net position (12%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$30,210,863) may be used to meet the government's ongoing obligations to citizens and creditors.

At December 31, 2018, Montrose County is able to report positive balances in its governmental and business-type activities total net position. The same situation held true for 2017.

Governmental activities increased the County's net position by \$6,387,921.

The County's net position for the Montrose Regional Airport (its business-type activity) increased by \$3,107,064.

**MONTROSE COUNTY, COLORADO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2018**

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

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
<b>PROGRAM REVENUES</b>						
Charges for Services	\$ 3,987	\$ 3,419	\$ 3,884	\$ 3,677	\$ 7,871	\$ 7,096
Operating Grants and Contributions	8,086	7,942	32	27	8,118	7,969
Capital Grants and Contributions	-	39	4,467	871	4,467	910
<b>GENERAL REVENUE</b>						
Property Taxes	14,335	13,664	-	-	14,335	13,664
Sales and Use Taxes	13,014	12,320	-	-	13,014	12,320
Other Taxes	8,606	7,545	-	-	8,606	7,545
Other Revenue	1,494	1,021	283	148	1,777	1,169
<b>Total Revenues</b>	<b>49,522</b>	<b>45,950</b>	<b>8,666</b>	<b>4,723</b>	<b>58,188</b>	<b>50,673</b>
<b>EXPENSES</b>						
General Government	10,758	11,293	-	-	10,758	11,293
Health and Human Services	7,935	7,293	-	-	7,935	7,293
Public Safety and Protection	11,932	11,441	-	-	11,932	11,441
Road and Bridge Services	12,065	11,117	-	-	12,065	11,117
Interest and Fiscal Charges	444	153	-	-	444	153
Airport	-	-	5,559	5,336	5,559	5,336
<b>Total Expenses</b>	<b>43,134</b>	<b>41,297</b>	<b>5,559</b>	<b>5,336</b>	<b>48,693</b>	<b>46,633</b>
<b>INCREASE (DECREASE) IN NET POSITION BEFORE TRANSFERS</b>	<b>6,388</b>	<b>4,653</b>	<b>3,107</b>	<b>(613)</b>	<b>9,495</b>	<b>4,040</b>
Transfers	-	-	-	-	-	-
<b>INCREASE (DECREASE) IN NET POSITION</b>	<b>6,388</b>	<b>4,653</b>	<b>3,107</b>	<b>(613)</b>	<b>9,495</b>	<b>4,040</b>
Net Position - January 1	117,052	112,399	43,641	44,254	160,693	156,653
<b>NET POSITION - DECEMBER 31</b>	<b>\$ 123,440</b>	<b>\$ 117,052</b>	<b>\$ 46,748</b>	<b>\$ 43,641</b>	<b>\$ 170,188</b>	<b>\$ 160,693</b>

**MONTROSE COUNTY, COLORADO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2018**

**General Government Functions (\$000)**

The financial operations of the governmental funds - the County's general, special revenue, capital project, and debt service funds - are summarized here. The following schedule presents a summary of the governmental funds revenues from various sources for the fiscal year ended December 31, 2018 and the changes from the prior year.

REVENUE SOURCE	2018		2017		Increase (Decrease)	
	Amount	Percent	Amount	Percent	Amount	Percent
Taxes	\$ 26,451	52.2 %	\$ 25,167	54.1 %	\$ 1,284	5.1 %
Licenses and Permits	528	1.0	497	1.0	31	6.2
Intergovernmental	17,591	34.7	16,304	34.6	1,287	7.9
Charges for Services	2,262	4.5	2,028	4.0	234	11.5
Charges to Governments	442	0.9	161	0.7	281	174.5
Internal Charges	1,980	3.9	1,886	4.4	94	5.0
Miscellaneous	1,423	2.8	1,023	1.2	400	39.1
Total Revenue (\$000)	<u>\$ 50,677</u>	100.0	<u>\$ 47,066</u>	100.0	<u>\$ 3,611</u>	7.7

Overall revenue increased by 7.7% or \$3,610,631 in 2018 over 2017.

The largest source of revenue for 2018 was derived from taxes, 52.2% of total revenues. Overall, tax revenue increased by 5% or \$1,283,805. Property tax revenue in 2018 increased \$613,932 or 5.2% over 2017 due primarily to an increase in the assessed valuation for 2018.

Licenses and permits had a 6.2% increase from 2017 due primarily to an increase in the total valuation of building permits issued in 2018.

Intergovernmental revenue increased in 2018 by \$1,286,816 or 7.9%, due primarily to increases in federal and state funding.

Charges for services increased 11.5% due primarily to the new Event Center and Fairground Fund and the associated fees charged for County events. Charges to other governments were \$281,670 more than 2017 primarily due to an increase U.S. Forest Service grant funds received. This increase is seen in the Road and Bridge fund.

Miscellaneous revenue was more in 2018 than 2017 due primarily to an increase in investment income the County received on its cash investment portfolio for 2018.

**MONTROSE COUNTY, COLORADO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2018**

The following schedule presents a summary of the governmental funds expenditures for the fiscal year ended December 31, 2018 and the changes from the prior year.

	2018		2017		Increase (Decrease)	
	Amount	Percent	Amount	Percent	Amount	Percent
<b>EXPENDITURES</b>						
General Government	\$ 17,037	33.0 %	\$ 25,375	45.6 %	\$ (8,338)	(32.9)%
Health and Human Services	8,647	16.8	7,935	14.3	712	9.0
Public Safety and Protection	12,125	23.5	11,444	20.5	681	6.0
Road and Bridge Services	12,231	23.7	10,271	18.5	1,960	19.1
Debt Service	1,551	3.0	575	1.0	976	169.7
Total Expenditures (\$000)	<u>\$ 51,591</u>	100.0	<u>\$ 55,600</u>	99.9	<u>\$ (4,009)</u>	(7.2)

Overall expenditures for 2018 were \$51,590,004 or 7.2% less than 2017 (including capital outlay and debt service expenditures).

The largest decrease was related to the general government function, which had \$14,957,093 in capital outlay associated with the County's on-going construction of the Events Center and road and bridge facility during 2017. These capital outlay expenditures decreased as the project was complete. The decrease was offset by an increase in the Event Center and Fairgrounds Fund due to operations during the first year.

**Business-Type Activities:** The increase in the net position for the Montrose Regional Airport was \$3,107,064. The primary reason for the increase was due to a 413% increase in capital grants received during 2018 when compared to 2017.

**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, 2018, the County's governmental funds reported combined ending fund balances of \$48,238,696, a decrease of \$709,089 from the prior year. Approximately 35% 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 (\$1,020,974); (2) Assigned fund balance is constrained by the County's intent to be used for a specific purpose (\$10,840,999); and (3) Restricted fund balance has constraints placed on the use of these resources either externally imposed by creditors, grantors, contributors, or have been imposed by law through constitutional provisions or enabling legislation, 1) restricted for road and bridge (\$13,204,137); 2) to provide an emergency reserve as required by the TABOR amendment (\$1,239,402); or 3) other restricted fund balance (\$5,254,587).

**MONTROSE COUNTY, COLORADO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2018**

The General Fund is the chief operating fund of the County. At December 31, 2018, unassigned fund balance of the General Fund was \$16,678,597 while total fund balance reached \$22,466,700. 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 88% of total General Fund expenditures (including transfers out), while total fund balance represents 118% of that same amount.

The fund balance of the County's General Fund increased by \$1,496,201 during 2018, which was primarily due to an increase in taxes as previously discussed.

The Road and Bridge Fund had a total fund balance of \$14,201,585 of which \$997,448 is non-spendable for inventories. The net increase in fund balance in this fund during 2018 was \$2,154,432. The increase resulted primarily from an increase in intergovernmental revenues due to increase in federal and state grant funds received during 2018.

Fund balance in the Social Services Fund increased by \$291,540 to \$2,577,474 by the end of 2018. The increase was due primarily to an increase in federal revenues when compared to 2017.

The Public Safety Sales Tax Fund increased its fund balance by \$683,152 during 2018. Total fund balance for this fund was \$3,666,426 by the end of 2018.

Fund balance in the Capital Expenditures Fund decreased by \$5,267,975. Total fund balance for this fund was \$1,917,141 at the end of 2018.

Fund balances for all other governmental funds decreased by \$66,439 during 2018.

**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, 2018 amounted to \$2,710,016.

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, 2018**

**Capital Asset and Debt Administration (\$000)**

**Capital Assets.** The County's investment in capital assets for its governmental and business-type activities as of December 31, 2018 amounts to \$134,643,445 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, machinery, construction in progress, equipment, and infrastructure. The total net increase in the County's investment in capital assets for the current fiscal year was \$8,142,103.

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

La Salle Property Remodel and Construction	\$2,577,696
Fairgrounds Indoor Arena	\$3,230,911
Asphalt Roads	\$2,339,272

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
<b>CAPITAL ASSETS</b>						
Land and Improvements	\$ 3,375	\$ 3,375	\$ 2,776	\$ 2,775	\$ 6,151	\$ 6,150
Construction in Progress	151	15,070	136	467	287	15,537
Buildings and Improvements	36,978	17,060	7,794	8,005	44,772	25,065
Equipment	10,423	9,001	1,233	1,409	11,656	10,410
Infrastructure	40,031	39,958	31,746	29,381	71,777	69,339
Total Capital Assets (\$000)	<u>\$ 90,958</u>	<u>\$ 84,464</u>	<u>\$ 43,685</u>	<u>\$ 42,037</u>	<u>\$ 134,643</u>	<u>\$ 126,501</u>

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

**Long-Term Debt:** At the end of 2018, the County had total bonded debt outstanding of \$1,455,000. In addition, the County had outstanding debt of \$13,238,955 related to a lease purchase agreement entered into in 2017. The County has no general obligation debt.

The County's debt consists of the following:

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Certificates of Participation	\$ 1,455	\$ 1,795	\$ -	\$ -	\$ 1,455	\$ 1,795
Lease Purchase Agreement	13,239	14,000	-	-	13,239	14,000
Total Long Term Debt (\$000)	<u>\$ 14,694</u>	<u>\$ 15,795</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,694</u>	<u>\$ 15,795</u>

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

**MONTROSE COUNTY, COLORADO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2018**

**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 3.0%, which remains consistent from the rate of 3.0% a year ago. The County rate is higher than the state's average unemployment rate of 2.7%, which is lower than the national average rate of 3.6%.
- The Colorado Legislative Council reports that the 10-county western region's economy accelerated in 2017 and growth has continued into 2018. Relatively affordable housing and an improving labor market are attracting people from Denver and other areas of the state and country.
- Despite lower natural gas production, a decline in the coal industry in the area, and low agricultural prices, the region's labor market in 2018 still showed improvement by posting an increase of 3.0% over the prior year. The unemployment rate averaged 3.6% in 2018, as new entrants into the labor force filled the new jobs. State and local governments and hospitals are some of the largest employers in the region.
- After years of subpar growth, the region's residential construction market has gained momentum. In 2018, the construction industry has increased activity above already high levels, growing 16.7%. The region's nonresidential construction sector began picking up momentum in the summer. The total value of nonresidential construction projects increased 10.8% in 2018 while the number of projects increased 22.4%. There has also been a slight increase in natural gas production in 2018, increasing approximately 4.6%. The increase can be attributed to power plants as natural gas continues to be an attractive fuel to replace coal for electricity generation.

All of these factors were considered in preparing the County's budget for 2019.

**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, 2018**

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and Investments	\$ 48,466,859	\$ 2,178,443	\$ 50,645,302
Cash and Investments, Restricted	-	352,355	352,355
Taxes Receivable, Net of Allowance	14,623,985	-	14,623,985
Other Receivables, Net of Allowance	155,590	514,165	669,755
Intergovernmental Receivable	727,213	793,216	1,520,429
Inventories and Prepaid Items	1,189,105	52,358	1,241,463
Noncurrent Restricted Assets	-	99,425	99,425
Capital Assets:			
Capital Assets Not Subject to Depreciation:			
Land	3,374,874	2,775,501	6,150,375
Construction in Progress	151,021	136,485	287,506
Capital Assets Subject to Depreciation:			
Buildings and Improvements, Net	36,978,276	7,793,965	44,772,241
Improvements other than Buildings, Net	-	31,746,186	31,746,186
Equipment, Net	10,423,023	1,233,483	11,656,506
Infrastructure, Net	40,030,631	-	40,030,631
Total Assets	<u>156,120,577</u>	<u>47,675,582</u>	<u>203,796,159</u>
<b>LIABILITIES</b>			
Accounts Payable	1,399,763	808,835	2,208,598
Accrued Liabilities	973,343	50,204	1,023,547
Due to Other Governments	165,256	-	165,256
Unearned Revenue	461,457	-	461,457
Funds Held for Others	4,866	-	4,866
Long-Term Liabilities			
Portion Due or Payable Within One Year	2,397,276	68,552	2,465,828
Portion Due or Payable After One Year	14,710,937	-	14,710,937
Total Liabilities	<u>20,112,898</u>	<u>927,591</u>	<u>21,040,489</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Property Tax Revenues	<u>12,567,350</u>	-	<u>12,567,350</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	76,241,356	43,685,620	119,926,976
Restricted for:			
Emergencies	1,239,402	-	1,239,402
Public Safety	3,666,001	-	3,666,001
Landfill Financial Assurance	798,360	-	798,360
Parks and Recreation	140,543	-	140,543
Road and Bridge	13,204,137	-	13,204,137
Capital Expenses	306,722	-	306,722
Debt Service	342,961	-	342,961
Passenger Facility Charges	-	352,355	352,355
Unrestricted	<u>27,500,847</u>	<u>2,710,016</u>	<u>30,210,863</u>
Total Net Position	<u>\$ 123,440,329</u>	<u>\$ 46,747,991</u>	<u>\$ 170,188,320</u>

See accompanying Notes to Basic Financial Statements.

**MONTROSE COUNTY, COLORADO  
STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2018**

	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	\$ 10,758,387	\$ 3,311,824	\$ 801,179	\$ -	\$ (6,645,384)	\$ -	\$ (6,645,384)
Health and Human Services	7,935,129	96,725	6,731,826	-	(1,106,578)	-	(1,106,578)
Public Safety and Protection	11,931,865	205,295	553,135	-	(11,173,435)	-	(11,173,435)
Road and Bridge Services	12,064,581	373,269	-	-	(11,691,312)	-	(11,691,312)
Interest and Fiscal Charges	444,209	-	-	-	(444,209)	-	(444,209)
Total Governmental Activities	43,134,171	3,987,113	8,086,140	-	(31,060,918)	-	(31,060,918)
<b>BUSINESS-TYPE ACTIVITIES</b>							
Montrose County Airport	5,558,957	3,884,237	32,208	4,466,599	-	2,824,087	2,824,087
Total	<u>\$ 48,693,128</u>	<u>\$ 7,871,350</u>	<u>\$ 8,118,348</u>	<u>\$ 4,466,599</u>	(31,060,918)	2,824,087	(28,236,831)
<b>GENERAL REVENUES AND TRANSFERS</b>							
Property Taxes					14,334,986	-	14,334,986
Sales and Use Taxes					13,013,749	-	13,013,749
Highway Users Tax					5,536,434	-	5,536,434
Other Shared Taxes					3,069,873	-	3,069,873
Investment Earnings					841,060	2,818	843,878
Miscellaneous					652,737	280,159	932,896
Total General Revenues					<u>37,448,839</u>	<u>282,977</u>	<u>37,731,816</u>
<b>CHANGE IN NET POSITION</b>							
					6,387,921	3,107,064	9,494,985
Net Position - Beginning of Year					<u>117,052,408</u>	<u>43,640,927</u>	<u>160,693,335</u>
<b>NET POSITION - END OF YEAR</b>							
					<u>\$ 123,440,329</u>	<u>\$ 46,747,991</u>	<u>\$ 170,188,320</u>

See accompanying Notes to Financial Statements.

**MONTROSE COUNTY, COLORADO  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2018**

	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	\$ 22,683,404	\$ 12,221,816	\$ 3,048,587	\$ 3,129,847	\$ 2,256,851	\$ 3,483,052	\$ 46,823,557
Other Cash and Investments	248,027	50	250	103,799	-	1,200	353,326
Receivables							
Taxes	10,969,627	1,215,890	1,597,723	840,745	-	-	14,623,985
Intergovernmental	23,212	289,966	299,070	-	-	112,378	724,626
Trade	-	2,036	57,401	51,417	-	40,922	151,776
Prepaid Items	18,610	-	2,604	425	-	1,887	23,526
Inventories	-	997,448	-	-	-	-	997,448
Total Assets	<u>\$ 33,942,880</u>	<u>\$ 14,727,206</u>	<u>\$ 5,005,635</u>	<u>\$ 4,126,233</u>	<u>\$ 2,256,851</u>	<u>\$ 3,639,439</u>	<u>\$ 63,698,244</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>							
<b>LIABILITIES</b>							
Accounts Payable	\$ 257,462	\$ 384,981	\$ 30,416	\$ 179,806	\$ 327,720	\$ 133,761	\$ 1,314,146
Accrued Liabilities	244,225	140,640	192,540	278,885	11,990	78,193	946,473
Due to Other Governments	-	-	165,256	-	-	-	165,256
Funds Held for Others	4,866	-	-	-	-	-	4,866
Unearned Revenue	-	-	442,226	1,116	-	18,115	461,457
Total Liabilities	<u>506,553</u>	<u>525,621</u>	<u>830,438</u>	<u>459,807</u>	<u>339,710</u>	<u>230,069</u>	<u>2,892,198</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Property Tax Revenue	10,969,627	-	1,597,723	-	-	-	12,567,350
<b>FUND BALANCE</b>							
Nonspendable	18,610	997,448	2,604	425	-	1,887	1,020,974
Restricted for:							
Emergencies	1,239,402	-	-	-	-	-	1,239,402
Public Safety	-	-	-	3,666,001	-	-	3,666,001
Landfill Financial Assurance	-	-	-	-	-	798,360	798,360
Parks and Recreation	-	-	-	-	-	140,543	140,543
Road and Bridge	-	13,204,137	-	-	-	-	13,204,137
Capital Expenditures	-	-	-	-	-	306,722	306,722
Debt Service	-	-	-	-	-	342,961	342,961
Assigned	4,530,091	-	2,574,870	-	1,917,141	1,818,897	10,840,999
Unassigned	16,678,597	-	-	-	-	-	16,678,597
Total Fund Balance	<u>22,466,700</u>	<u>14,201,585</u>	<u>2,577,474</u>	<u>3,666,426</u>	<u>1,917,141</u>	<u>3,409,370</u>	<u>48,238,696</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 33,942,880</u>	<u>\$ 14,727,206</u>	<u>\$ 5,005,635</u>	<u>\$ 4,126,233</u>	<u>\$ 2,256,851</u>	<u>\$ 3,639,439</u>	<u>\$ 63,698,244</u>

See accompanying Notes to Financial Statements.

**MONTROSE COUNTY, COLORADO  
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET POSITION  
DECEMBER 31, 2018**

**Total Fund Balance - Governmental Funds** \$ 48,238,696

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. 88,051,337

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 (22,514)

Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the statement of net position. 4,238,312

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

Compensated Absences	(1,244,344)
Landfill Closure and Post-Closure Liability	(798,360)
Gravel Pit Remediation	(328,843)
Lease Purchase Agreement	(13,238,955)
Certificates of Participation	(1,455,000)
Total	(17,065,502)

**Net Position - Governmental Activities** \$ 123,440,329

**MONTROSE COUNTY, COLORADO**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**YEAR ENDED DECEMBER 31, 2018**

	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	\$ 12,939,052	\$ 6,768,757	\$ 1,592,880	\$ 5,149,852	\$ -	\$ -	\$ 26,450,541
Licenses and Permits	414,272	17,187	2,040	-	-	94,686	528,185
Intergovernmental	3,075,575	6,888,357	5,277,991	553,135	209,222	1,586,361	17,590,641
Charges for Services	1,725,900	286	-	205,295	-	330,543	2,262,024
Charges to Other Governments	86,685	355,795	-	-	-	-	442,480
Internal Charges	1,718,717	260,683	530	-	-	-	1,979,930
Investment Earnings	536,769	261,573	5,220	6,954	7,073	23,471	841,060
Miscellaneous	17,894	146,357	95,311	113,967	-	207,948	581,477
Total Revenues	<u>20,514,864</u>	<u>14,698,995</u>	<u>6,973,972</u>	<u>6,029,203</u>	<u>216,295</u>	<u>2,243,009</u>	<u>50,676,338</u>
<b>EXPENDITURES</b>							
Current:							
General Government	9,201,226	-	-	-	35,217	1,014,591	10,251,034
Health and Human Services	-	-	6,682,432	-	-	1,964,296	8,646,728
Public Safety and Protection	-	-	-	11,660,000	-	-	11,660,000
Road and Bridge Services	-	7,542,946	-	-	-	-	7,542,946
Capital Outlay	465,326	4,687,646	-	464,775	5,806,715	513,951	11,938,413
Debt Service:							
Principal	-	-	-	-	-	1,101,045	1,101,045
Interest and Other Charges	-	-	-	-	-	449,838	449,838
Total Expenditures	<u>9,666,552</u>	<u>12,230,592</u>	<u>6,682,432</u>	<u>12,124,775</u>	<u>5,841,932</u>	<u>5,043,721</u>	<u>51,590,004</u>
<b>EXCESS OF REVENUE OVER (UNDER) EXPENDITURES</b>	10,848,312	2,468,403	291,540	(6,095,572)	(5,625,637)	(2,800,712)	(913,666)
<b>OTHER FINANCING SOURCES (USES)</b>							
Proceeds from Sale of Capital Assets	4,944	199,633	-	-	-	-	204,577
Transfers In	-	315,000	-	6,778,724	750,000	3,500,715	11,344,439
Transfers Out	(9,357,055)	(828,604)	-	-	(392,338)	(766,442)	(11,344,439)
Total Other Financing Sources (Uses)	<u>(9,352,111)</u>	<u>(313,971)</u>	<u>-</u>	<u>6,778,724</u>	<u>357,662</u>	<u>2,734,273</u>	<u>204,577</u>
<b>NET CHANGE IN FUND BALANCES</b>	1,496,201	2,154,432	291,540	683,152	(5,267,975)	(66,439)	(709,089)
Fund Balances - Beginning of Year	<u>20,970,499</u>	<u>12,047,153</u>	<u>2,285,934</u>	<u>2,983,274</u>	<u>7,185,116</u>	<u>3,475,809</u>	<u>48,947,785</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 22,466,700</u>	<u>\$ 14,201,585</u>	<u>\$ 2,577,474</u>	<u>\$ 3,666,426</u>	<u>\$ 1,917,141</u>	<u>\$ 3,409,370</u>	<u>\$ 48,238,696</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, 2018**

**Net Change in Fund Balances - Total Governmental Funds** \$ (709,089)

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	\$ (4,737,873)
Capital Outlay	12,020,393
Total	<u>7,282,520</u>

Governmental funds do not report capital assets donated from other entities or from business type activities

Net Book Value of Donated Assets	8,103
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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	(765,506)
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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.

(472,528)

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.

(60,026)

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.

(28,027)

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 Long-Term Debt	<u>1,101,045</u>
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**Change in Net Position of Governmental Activities** \$ 6,387,921

**MONTROSE COUNTY, COLORADO**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**DECEMBER 31, 2018**

	Proprietary Fund Types	
	Enterprise Fund	Governmental Activities
	Montrose County Airport	Internal Service Funds
<b>CURRENT ASSETS</b>		
Cash	\$ 2,178,443	\$ 1,289,976
Cash, Restricted	352,355	-
Accounts Receivable, Net	514,165	3,814
Due from Other Governments	793,216	2,587
Inventories	14,663	168,131
Prepaid Expenses	37,695	-
Total Current Assets	3,890,537	1,464,508
<b>NONCURRENT ASSETS</b>		
Restricted Assets	99,425	-
Capital Assets		
Land	2,775,501	-
Construction in Progress	136,485	-
Land Improvements, Net	31,746,186	-
Buildings, Net	7,793,965	372,113
Equipment, Net	1,233,483	2,534,375
Total Noncurrent Assets	43,785,045	2,906,488
Total Assets	47,675,582	4,370,996
<b>CURRENT LIABILITIES</b>		
Accounts Payable	808,835	85,617
Accrued Liabilities	50,204	26,871
Accrued Compensated Absences	68,552	20,196
Total Current Liabilities	927,591	132,684
Total Liabilities	927,591	132,684
<b>NET POSITION</b>		
Net Investment in Capital Assets	43,685,620	2,906,488
Restricted	352,355	-
Unrestricted	2,710,016	1,331,824
Total Net Position	\$ 46,747,991	\$ 4,238,312

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, 2018**

	Proprietary Fund Types	
	Enterprise Fund	Governmental Activities
	Montrose County Airport	Internal Service Funds
<b>OPERATING REVENUE</b>		
Charges for Services	\$ 3,374,763	\$ 3,149,029
<b>OPERATING EXPENSES</b>		
Salaries and Benefits	1,227,387	1,438,900
Services and Supplies	1,060,904	1,597,766
Depreciation and Amortization	3,270,666	644,583
Total Operating Expenses	5,558,957	3,681,249
<b>OPERATING PROFIT (LOSS)</b>	(2,184,194)	(532,220)
<b>NONOPERATING REVENUES (EXPENSES)</b>		
Investment Income	2,818	-
Gain on Sale of Assets	91,700	22,337
Grants and Contributions	32,208	-
Passenger Facility Charges	509,474	-
Other	188,459	27,966
Total Nonoperating Revenues	824,659	50,303
<b>INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS</b>	(1,359,535)	(481,917)
Capital Grants	4,466,599	-
Capital Contributions	-	9,389
<b>CHANGE IN NET POSITION</b>	3,107,064	(472,528)
Net Position - Beginning of Year	43,640,927	4,710,840
<b>NET POSITION - END OF YEAR</b>	\$ 46,747,991	\$ 4,238,312

See accompanying Notes to Financial Statements.



**MONTROSE COUNTY, COLORADO  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
YEAR ENDED DECEMBER 31, 2018**

	Business-Type Activity	
	Enterprise Fund	Governmental Activities
	Montrose County Airport	Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash Received from Customers	\$ 3,214,405	\$ 3,147,760
Cash Paid to Suppliers	(1,107,279)	(1,531,954)
Cash Paid to and for Employees	(1,211,653)	(1,521,620)
Net Cash Provided by Operating Activities	895,473	94,186
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Grants and Contributions	31,483	-
Other Receipts	188,459	27,966
Net Cash Provided by Noncapital Financing Activities	219,942	27,966
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Grants	3,989,296	-
Passenger Facility Charges	539,100	-
Payments on Interfund Loan	(426,798)	-
Capital Contributions	-	9,389
Sale of Capital Assets	200,000	34,214
Acquisition of Capital Assets	(4,623,827)	(607,081)
Net Cash Used by Capital and Related Financing Activities	(322,229)	(563,478)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Investment Income	2,818	-
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	796,004	(441,326)
Cash and Cash Equivalents - Beginning of Year	1,734,794	1,731,302
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	\$ 2,530,798	\$ 1,289,976
<b>RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>		
Operating Loss	\$ (2,184,194)	\$ (532,220)
Adjustments to Reconcile Operating Loss to Net Cash Provided by Operating Activities:		
Depreciation and Amortization	3,270,666	644,583
(Increase) in Accounts Receivable	(160,358)	(1,269)
(Increase) Decrease in Inventory	(12,963)	49,299
(Increase) in Prepaid Expenses	(3,373)	-
Increase (Decrease) in Accounts Payable	(30,039)	16,513
Increase (Decrease) in Accrued Expenses	15,734	(82,720)
Net Cash Provided by Operating Activities	\$ 895,473	\$ 94,186

See accompanying Notes to Financial Statements.

**MONTROSE COUNTY, COLORADO  
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES  
FIDUCIARY FUNDS  
DECEMBER 31, 2018**

	<u>Agency Funds</u>
<b>ASSETS</b>	
Cash and Investments	<u>\$ 2,122,445</u>
Total Assets	<u><u>\$ 2,122,445</u></u>
<b>LIABILITIES</b>	
Due to Other Governments	\$ 1,510,068
Deposits Held for Others	<u>612,377</u>
Total Liabilities	<u><u>\$ 2,122,445</u></u>

See accompanying Notes to Financial Statements.

**MONTROSE COUNTY, COLORADO  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**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 2018, the County contributed \$903,593 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 non-exchange 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, 2018**

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

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

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

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

**Governmental Funds**

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

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

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

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

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

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

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

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

**MONTROSE COUNTY, COLORADO  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

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

**Governmental Funds (Continued)**

The County reports the following major enterprise fund:

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

The County reports the following internal service funds:

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

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

The County reports the following fiduciary fund type:

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

**Measurement Focus, Basis of Accounting**

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

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

**MONTROSE COUNTY, COLORADO  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

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

**Measurement Focus, Basis of Accounting (Continued)**

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

**Budgets and Budgetary Accounting**

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

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

Appropriations are at the total fund expenditure level and lapse at year-end. Original budget appropriations, inclusive of interfund transfers out, for the year ended December 31, 2018 were \$77,758,730. The County had a supplemental appropriation totaling \$5,570,543, which increased final budget appropriations, inclusive of interfund transfers out, to \$83,329,273. For the year ended December 31, 2018, the Events Center and Fairgrounds Fund had actual expenditures of \$12,936 in excess of the final appropriated budget. This may be a violation of Colorado Budget Law.

**MONTROSE COUNTY, COLORADO  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

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

During 2018, supplemental appropriations resulted in budget amendments as follows:

Fund	Original Amount	Amended Amount
Governmental Activities:		
General Fund	\$ 19,584,435	\$ 19,853,435
Special Revenue Funds:		
Road and Bridge Fund	14,176,086	14,483,376
Capital Project Funds:		
Capital Expenditure Fund	2,427,434	7,171,687
Business Type Funds:		
Airport Fund	10,366,289	10,516,289
Internal Services Funds:		
Fleet Management Fund	2,649,443	2,749,443

**Cash**

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

**Investments**

Investments at December 31, 2018, consisted of obligations of U.S. Agency Bonds and negotiable CDs 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."

**MONTROSE COUNTY, COLORADO  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

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

**Property Taxes**

**Revenue Recognized in 2018**

Local property taxes levied for 2017 and collected by December 31, 2018 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	\$ 531,639,918	20.579	\$ 10,940,618	\$ 10,940,594	\$ 10,894,498	99.58%	99.58%
Social Services	\$ 531,639,918	3.000	\$ 1,594,920	\$ 1,594,920	\$ 1,588,170	99.58%	99.58%

**Assessed Valuation**

The assessed valuation for property in the State of Colorado is determined using base year market values. The certified assessed valuation for 2017 property taxes remitted in 2018 increased to \$531,639,918 from \$517,401,415 for 2016 property taxes remitted in 2017.

**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.

**Inventories and Prepaid Items**

Inventories of the Road and Bridge Special Revenue Fund are valued at cost. The costs of the inventories are recorded as expenditures when used. The reported inventories are classified as nonspendable fund balance. The inventories of the proprietary funds are stated at cost, using the first-in, first-out method, or market.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items, and classified as nonspendable fund balance in the governmental funds. Prepayments are recorded using the consumption method where services are allocated over appropriate service periods.



**MONTROSE COUNTY, COLORADO  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

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

**Capital Assets**

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

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

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

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

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

**Accrued Vacation Payable**

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

**Long-Term Obligations**

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

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

**MONTROSE COUNTY, COLORADO  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

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

**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.

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).

**MONTROSE COUNTY, COLORADO  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**NOTE 2 DEPOSITS AND INVESTMENTS**

At December 31, 2018, the County's cash and investments consist of the following:

Cash and Investments - Statement of Net Position	\$ 50,645,302
Cash and Investments, Restricted - Statement of Net Position	352,355
Cash and Investments - Fiduciary Funds	<u>2,122,445</u>
Total	<u>\$ 53,120,102</u>

At December 31, 2018, cash and investments of the County are held as follows:

Cash on Hand	\$ 5,287
Cash Deposits	14,401,930
Investments	<u>38,712,885</u>
Total	<u>\$ 53,120,102</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.

**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

**MONTROSE COUNTY, COLORADO  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

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

Investments of the County at December 31, 2018 are as follows:

	Standard & Poor's Rating	Fair Value	Maturity	
			Less than 1 Year	1-5 Years
Local Government Investment Pools	AAAm	\$ 31,701,669	\$ 31,701,669	\$ -
Money Market Mutual Funds	AAAm	343,476	343,476	-
Money Market Mutual Funds	Unrated	11,527	11,527	-
Negotiable CDs	AA+	1,306,871	-	1,306,871
U.S. Agency Bonds	AA+	5,349,342	693,981	4,655,361
Total Investments		<u>\$ 38,712,885</u>	<u>\$ 32,750,653</u>	<u>\$ 5,962,232</u>

As of December 31, 2018, the County has invested \$21,317,500 in the Colorado Government Liquid Asset Trust (COLOTRUST), an investment vehicle established for local government entities in Colorado pursuant to Part 7 of Article 75 of Title 24 of the Colorado Revised Statutes (CRS), to pool surplus funds for investment purposes. COLOTRUST operates similarly to a money market fund and each share is equal in value to \$1.00. The designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. Substantially all securities owned by the pool are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by the pool. COLOTRUST records its investments at fair value and the County records its investments in COLOTRUST using the net asset value method. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period. Separately issued financial statements may be obtained at the following address:

COLOTRUST  
717 17<sup>th</sup> Street, Suite 1850  
Denver, Colorado 80202 [www.colotrust.com](http://www.colotrust.com)

As of December 31, 2018, the County has invested \$10,384,169 in the Colorado Surplus Asset Fund Trust (CSAFE). CSAFE is a local government investment pool. 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. CSAFE records its investments at amortized cost and the County records its investment in CSAFE using the amortized cost method. Separately issued financial statements may be obtained at the following address:

CSAFE  
1675 Broadway, Suite 500  
Denver, CO 80202 [www.csafe.org](http://www.csafe.org)

**MONTROSE COUNTY, COLORADO  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

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

**Credit Risk**

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

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

**Interest Rate Risk**

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

**Concentration of Credit Risk**

Concentration of credit risk arises from the magnitude of an investment in a single issuer. As of December 31, 2018, more than 5% of the County's investments were invested in Federal National Mortgage Association (FNMA) and Federal Home Mortgage Loan Corporation (FHMLC) federal agency securities.

**Fair Value**

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

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

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

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

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

**MONTROSE COUNTY, COLORADO  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

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

The County has the following fair value measurements as of December 31, 2018:

	12/31/2018	Level 1	Level 2	Level 3
<u>Investments by Fair Value Level:</u>				
U.S. Agency Bonds	\$ 5,349,342	\$ -	\$ 5,349,342	\$ -
Negotiable CDs	1,306,871	-	1,306,871	-
Total Investments by Fair Value Level	<u>6,656,213</u>	<u>\$ -</u>	<u>\$ 6,656,213</u>	<u>\$ -</u>
 Investments Measured at Amortized Cost				
Money Market Mutual Funds	355,003			
CSAFE	10,384,169			
	<u>10,739,172</u>			
 Investments Measured at Net Asset Value				
Colotrust	21,317,500			
	<u>21,317,500</u>			
Total Investments	<u>\$ 38,712,885</u>			

**NOTE 3 RESTRICTED CASH**

**Passenger Facility Charges**

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

**NOTE 4 INTERFUND TRANSFERS**

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

Transfers Out	Transfers In				Total
	Road and Bridge	Capital Expenditures	Public Safety Sales Tax	Other Governmental	
Major Fund					
General	\$ -	\$ 750,000	\$ 6,778,724	\$ 1,828,331	\$ 9,357,055
Capital Expenditures	-	-	-	392,338	392,338
Road and Bridge	-	-	-	828,604	828,604
Other Governmental	315,000	-	-	451,442	766,442
Total	<u>\$ 315,000</u>	<u>\$ 750,000</u>	<u>\$ 6,778,724</u>	<u>\$ 3,500,715</u>	<u>\$ 11,344,439</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, 2018**

**NOTE 5 CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2018 was as follows:

	Beginning Balance	Increase	Decrease	Transfers	Ending Balance
<b><u>Governmental Activities</u></b>					
Capital Assets Not Subject to Depreciation:					
Land	\$ 3,374,874	\$ -	\$ -	\$ -	\$ 3,374,874
Construction in Progress	15,069,986	7,010,336	-	(21,929,301)	151,021
Total Capital Assets Not Subject to Depreciation	18,444,860	7,010,336	-	(21,929,301)	3,525,895
Capital Assets Subject to Depreciation:					
Buildings and Improvements	31,634,161	444,800	(250,800)	20,570,759	52,398,920
Infrastructure	125,024,201	2,339,272	(2,316,303)	927,954	125,975,124
Equipment and Vehicles	18,104,433	2,225,985	(777,812)	473,914	20,026,520
Total Capital Assets Subject to Depreciation	174,762,795	5,010,057	(3,344,915)	21,972,627	198,400,564
Less Accumulated Depreciation for:					
Buildings and Improvements	14,989,227	803,530	-	-	15,792,757
Infrastructure	85,065,925	2,764,844	(1,886,276)	-	85,944,493
Equipment and Vehicles	11,652,083	1,169,499	(693,133)	9,423	12,137,872
Total Accumulated Depreciation	111,707,235	4,737,873	(2,579,409)	9,423	113,875,122
Capital Assets Subject to Depreciation, Net	63,055,560	272,184	(765,506)	21,963,204	84,525,442
Governmental Activities Capital Assets, Net	<u>\$ 81,500,420</u>	<u>\$ 7,282,520</u>	<u>\$ (765,506)</u>	<u>\$ 33,903</u>	<u>\$ 88,051,337</u>
<b><u>Internal Service Fund Activities</u></b>					
<b><u>Governmental</u></b>					
Fleet					
Equipment and Vehicles	\$ 5,159,139	\$ 607,081	\$ (118,758)	\$ (18,209)	\$ 5,629,253
Communications Center					
Buildings and Improvements	614,894	-	-	-	614,894
Equipment and Vehicles	895,203	-	-	-	895,203
Less Accumulated Depreciation:					
Buildings and Improvements	199,874	42,907	-	-	242,781
Equipment and Vehicles	3,505,392	601,676	(106,881)	(10,106)	3,990,081
Internal Service Fund Activity Capital Assets, Net	<u>\$ 2,963,970</u>	<u>\$ (37,502)</u>	<u>\$ (11,877)</u>	<u>\$ (8,103)</u>	<u>\$ 2,906,488</u>

**MONTROSE COUNTY, COLORADO  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**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	\$ 2,775,368	\$ 133	\$ -	\$ -	\$ 2,775,501
Construction in Progress	466,572	4,761,652	-	(5,091,739)	136,485
Total Capital Assets Not Subject to Depreciation	3,241,940	4,761,785	-	(5,091,739)	2,911,986
Capital Assets Subject to Depreciation:					
Runway Improvements	65,218,945	-	-	5,091,739	70,310,684
Buildings and Improvements	13,330,999	263,807	(120,000)	-	13,474,806
Equipment and Vehicles	3,781,802	27,842	-	(25,117)	3,784,527
Total Capital Assets Subject to Depreciation	82,331,746	291,649	(120,000)	5,066,622	87,570,017
Less Accumulated Depreciation for:					
Runway Improvements	35,837,905	2,726,593	-	-	38,564,498
Buildings and Improvements	5,326,393	366,148	(11,700)	-	5,680,841
Equipment and Vehicles	2,372,436	177,925	-	683	2,551,044
Total Accumulated Depreciation	43,536,734	3,270,666	(11,700)	683	46,796,383
Capital Assets Subject to Depreciation, Net	38,795,012	(2,979,017)	(108,300)	5,065,939	40,773,634
Business-Type Activity Capital Assets, Net	<u>\$ 42,036,952</u>	<u>\$ 1,782,768</u>	<u>\$ (108,300)</u>	<u>\$ (25,800)</u>	<u>\$ 43,685,620</u>

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

Governmental Activities:	
General Government	\$ 573,910
Public Safety and Protection	631,905
Road and Bridge Services	4,101,463
Health and Human Services	75,178
Total	<u>\$ 5,382,456</u>



**MONTROSE COUNTY, COLORADO  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**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	\$ 1,795,000	\$ -	\$ (340,000)	\$ 1,455,000	\$ 350,000
Certificates of Participation Premium	28,143	-	(5,629)	22,514	-
Lease Purchase Agreement Facility Construction Loan 2017	14,000,000	-	(761,045)	13,238,955	782,735
Accrued Compensated Absences	1,259,549	1,509,496	(1,504,504)	1,264,541	1,264,541
Accrued Landfill Post-Closure Costs	775,588	22,772	-	798,360	-
Accrued Gravel Pit Remediation Costs	323,588	44,910	(39,655)	328,843	-
Total Governmental Activities Long-Term Debt	<u>\$ 18,181,868</u>	<u>\$ 1,577,178</u>	<u>\$ (2,650,833)</u>	<u>\$ 17,108,213</u>	<u>\$ 2,397,276</u>
<b><u>Business-Type Activity</u></b>					
Compensated Absences	<u>\$ 61,035</u>	<u>\$ 55,718</u>	<u>\$ (48,201)</u>	<u>\$ 68,552</u>	<u>\$ 68,552</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, 2018 are as follows:

Year	Principal	Interest	Total
2019	\$ 350,000	42,338	\$ 392,338
2020	355,000	33,150	388,150
2021	370,000	22,500	392,500
2022	380,000	11,400	391,400
Total	<u>\$ 1,455,000</u>	<u>\$ 109,388</u>	<u>\$ 1,564,388</u>

**Lease Purchase Agreement**

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

**MONTROSE COUNTY, COLORADO  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**NOTE 6 LONG-TERM DEBT (CONTINUED)**

**Lease Purchase Agreement (Continued)**

Future minimum payments under the lease purchase agreement as of December 31, 2018 are as follows:

Year	Principal	Interest	Total
2019	\$ 782,735	377,310	\$ 1,160,045
2020	805,043	355,002	1,160,045
2021	827,987	332,059	1,160,046
2022	851,584	308,461	1,160,045
2023	875,855	284,191	1,160,046
2024 - 2028	4,768,236	1,031,990	5,800,226
2029 - 2032	4,327,515	312,667	4,640,182
Total	<u>\$ 13,238,955</u>	<u>\$ 3,001,680</u>	<u>\$ 16,240,635</u>

**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 2018, the County and employees each made their respectively required 4% contribution amounting to \$691,208, for a total of \$1,382,416.

**MONTROSE COUNTY, COLORADO  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**NOTE 8 RISK MANAGEMENT**

**County Workers Compensation Pool**

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

**Colorado Counties Casualty and Property Pool**

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

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

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

**NOTE 9 COMMITMENTS AND CONTINGENCIES**

**Pending Litigation**

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

**TABOR Amendment**

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

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

**MONTROSE COUNTY, COLORADO  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**NOTE 9 COMMITMENTS AND CONTINGENCIES (CONTINUED)**

**Federal Funding**

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

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

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

The County's estimate of the closure and post-closure care costs liability at December 31, 2018, based on landfill capacity used to date, is \$798,360. 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 66 years as of December 31, 2018. Actual costs may be higher or lower due to inflation, changes in technology or changes in regulations.

	<u>Total Costs</u>	<u>Approximate Used Amount</u>	<u>Liability</u>
East End Closure	\$ 736,179	39.65%	\$ 291,906
East End Post-Closure	415,154	39.65%	164,615
West End Post-Closure	480,840	100.00%	341,839
Total	<u>\$ 1,632,173</u>		<u>\$ 798,360</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 \$815,929 of invested funds for post-closure care.

**MONTROSE COUNTY, COLORADO  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**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, 2018:

Year Ending December 31	Amount
2019	\$ 56,701
2020	54,343
2021	53,463
2022	40,375
2023	30,938
2024-2028	126,369
2029-2033	64,059
2034-2038	30,286
2039-2040	4,496
Total	\$ 461,030

**NOTE 12 INTERGOVERNMENTAL AGREEMENT**

Effective November 1, 2018, the County discontinued the Montrose Regional Dispatch Center (MRDC) and entered into an Intergovernmental Agreement with the Western Colorado Regional Dispatch Center (WestCO). Under the Agreement, WestCO will provide emergency communication and dispatch services for those agencies dispatched by the MRDC. The County will provide WestCO access to its facilities and rights to use its equipment and radio frequencies necessary to continue emergency communication and dispatch services. The effective term of the Agreement is for the period of November 1, 2018 through May 1, 2019. The County paid WestCO the funds budgeted for the operational costs of MRDC for November and December 2018. Commencing January 1, 2019, the County became a member of WestCO and will pay its relative share of the expenses for emergency communication and dispatch services.

**MONTROSE COUNTY, COLORADO  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2018**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 12,643,528	\$ 12,643,528	\$ 12,939,052	\$ 295,524
Licenses and Permits	341,700	341,700	414,272	72,572
Intergovernmental	2,962,597	2,962,597	3,075,575	112,978
Charges for Services	1,674,422	1,674,422	1,725,900	51,478
Charges to Other Governments	90,000	90,000	86,685	(3,315)
Internal Charges	1,819,020	1,819,020	1,718,717	(100,303)
Interest	200,000	200,000	536,769	336,769
Miscellaneous	6,600	6,600	17,894	11,294
Total Revenues	<u>19,737,867</u>	<u>19,737,867</u>	<u>20,514,864</u>	<u>776,997</u>
<b>EXPENDITURES</b>				
Current:				
General Government	9,853,879	9,853,879	9,201,226	652,653
Capital Outlay	139,215	408,215	465,326	(57,111)
Total Expenditures	<u>9,993,094</u>	<u>10,262,094</u>	<u>9,666,552</u>	<u>595,542</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	9,744,773	9,475,773	10,848,312	1,372,539
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from Sale of Capital Assets	-	-	4,944	4,944
Transfers Out	(9,591,341)	(9,591,341)	(9,357,055)	234,286
Total Other Financing Sources (Uses)	<u>(9,591,341)</u>	<u>(9,591,341)</u>	<u>(9,352,111)</u>	<u>239,230</u>
<b>EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	<u>\$ 153,432</u>	<u>\$ (115,568)</u>	<u>\$ 1,496,201</u>	<u>\$ 1,611,769</u>

**MONTROSE COUNTY, COLORADO  
ROAD AND BRIDGE FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2018**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 7,672,317	\$ 7,672,317	\$ 6,768,757	\$ (903,560)
Licenses and Permits	7,500	7,500	17,187	9,687
Intergovernmental	5,074,000	5,074,000	6,888,357	1,814,357
Charges to Other Governments	10,000	10,000	355,795	345,795
Charges for Services	3,500	3,500	286	(3,214)
Internal Charges	80,000	80,000	260,683	180,683
Interest Earnings	55,000	55,000	261,573	206,573
Miscellaneous	82,000	82,000	146,357	64,357
Total Revenues	<u>12,984,317</u>	<u>12,984,317</u>	<u>14,698,995</u>	<u>1,714,678</u>
<b>EXPENDITURES</b>				
Current:				
Roads and Bridge Services	9,284,808	9,284,808	7,542,946	1,741,862
Capital Outlay	<u>4,062,674</u>	<u>4,369,964</u>	<u>4,687,646</u>	<u>(317,682)</u>
Total Expenditures	<u>13,347,482</u>	<u>13,654,772</u>	<u>12,230,592</u>	<u>1,424,180</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(363,165)	(670,455)	2,468,403	3,138,858
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from Sale of Capital Assets	-	-	199,633	199,633
Transfers In	315,000	315,000	315,000	-
Transfers Out	<u>(828,604)</u>	<u>(828,604)</u>	<u>(828,604)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(513,604)</u>	<u>(513,604)</u>	<u>(313,971)</u>	<u>199,633</u>
<b>EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	<u>\$ (876,769)</u>	<u>\$ (1,184,059)</u>	<u>\$ 2,154,432</u>	<u>\$ 3,338,491</u>

**MONTROSE COUNTY, COLORADO  
SOCIAL SERVICES FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2018**

	Original and Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
Taxes	\$ 1,604,920	\$ 1,592,880	\$ (12,040)
Licenses and Permits	2,000	2,040	40
Miscellaneous	36,650	95,311	58,661
Intergovernmental	4,973,200	5,277,991	304,791
Charges to Other Governments	14,400	-	(14,400)
Charges for Services	35,075	-	(35,075)
Internal Charges	-	530	530
Interest Earnings	325	5,220	4,895
Total Revenues	6,666,570	6,973,972	307,402
 <b>EXPENDITURES</b>			
Current:			
Health and Human Services	6,750,892	6,682,432	68,460
Capital Outlay	25,977	-	25,977
Total Expenditures	6,776,869	6,682,432	94,437
 <b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	\$ (110,299)	\$ 291,540	\$ 401,839



**MONTROSE COUNTY, COLORADO  
PUBLIC SAFETY SALES TAX FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2018**

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES</b>			
Taxes	\$ 5,122,614	\$ 5,149,852	\$ 27,238
Charges for Services	263,350	205,295	(58,055)
Intergovernmental	487,200	553,135	65,935
Interest Earnings	-	6,954	6,954
Miscellaneous Income	6,000	113,967	107,967
Total Revenues	<u>5,879,164</u>	<u>6,029,203</u>	<u>150,039</u>
 <b>EXPENDITURES</b>			
Current:			
Public Safety Protection	12,183,304	11,660,000	523,304
Capital Outlay	530,000	464,775	65,225
Total Expenditures	<u>12,713,304</u>	<u>12,124,775</u>	<u>588,529</u>
 <b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	 (6,834,140)	 (6,095,572)	 738,568
 <b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	6,485,566	6,778,724	293,158
Total Other Financing Sources (Uses)	<u>6,485,566</u>	<u>6,778,724</u>	<u>293,158</u>
 <b>EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES</b>	 <u>\$ (348,574)</u>	 <u>\$ 683,152</u>	 <u>\$ 1,031,726</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.

*Event Center and Fairgrounds Fund* accounts for revenue received for events held at the Montrose County event center and fairgrounds.

**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.

*General Debt Service Fund* accounts for debt service payments on the County's 2012 certificates of participation issued to construct the Justice Center and the 2017 lease purchase agreement issued to construct the Events Center and road and bridge facility.

**MONTROSE COUNTY, COLORADO  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
DECEMBER 31, 2018**

	Special Revenue					Debt Service	Total Nonmajor Governmental Funds	
	Conservation Trust	County Clerk Technical	Solid Waste	Impact Fee	Local Public Health Fund	Event Center and Fairgrounds Fund		General Debt Service Fund
<b>ASSETS</b>								
Equity in Pooled Cash and Investments	\$ 140,543	\$ 22,689	\$ 2,394,911	\$ 306,722	\$ 62,700	\$ 216,483	\$ 339,004	\$ 3,483,052
Other Cash and Investments	-	-	-	-	200	1,000	-	1,200
Receivables								
Intergovernmental	-	-	-	-	112,378		-	112,378
Trade	-	-	34,817	-	1,660	488	3,957	40,922
Prepaid Expenses and Other Assets	-	-	-	-	870	1,017	-	1,887
<b>Total Assets</b>	<b><u>\$ 140,543</u></b>	<b><u>\$ 22,689</u></b>	<b><u>\$ 2,429,728</u></b>	<b><u>\$ 306,722</u></b>	<b><u>\$ 177,808</u></b>	<b><u>\$ 218,988</u></b>	<b><u>\$ 342,961</u></b>	<b><u>\$ 3,639,439</u></b>
<b>LIABILITIES AND FUND BALANCE</b>								
<b>LIABILITIES</b>								
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ 21,001	\$ 112,760	\$ -	\$ 133,761
Accrued Liabilities	-	-	56	-	62,181	15,956	-	78,193
Due to Other Funds	-	-	-	-	-		-	-
Unearned Revenue	-	-	-	-	18,115		-	18,115
<b>Total Liabilities</b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>56</u></b>	<b><u>-</u></b>	<b><u>101,297</u></b>	<b><u>128,716</u></b>	<b><u>-</u></b>	<b><u>230,069</u></b>
<b>FUND BALANCE</b>								
Nonspendable	-	-	-	-	870	1,017	-	1,887
Restricted for:								
Landfill Financial Assurance	-	-	798,360	-	-	-	-	798,360
Parks and Recreation	140,543	-	-	-	-	-	-	140,543
Capital Expenditures	-	-	-	306,722	-	-	-	306,722
Debt Service	-	-	-	-	-	-	342,961	342,961
Assigned	-	22,689	1,631,312	-	75,641	89,255	-	1,818,897
<b>Total Fund Balance</b>	<b><u>140,543</u></b>	<b><u>22,689</u></b>	<b><u>2,429,672</u></b>	<b><u>306,722</u></b>	<b><u>76,511</u></b>	<b><u>90,272</u></b>	<b><u>342,961</u></b>	<b><u>3,409,370</u></b>
<b>Total Liabilities and Fund Balance</b>	<b><u>\$ 140,543</u></b>	<b><u>\$ 22,689</u></b>	<b><u>\$ 2,429,728</u></b>	<b><u>\$ 306,722</u></b>	<b><u>\$ 177,808</u></b>	<b><u>\$ 218,988</u></b>	<b><u>\$ 342,961</u></b>	<b><u>\$ 3,639,439</u></b>

**MONTROSE COUNTY, COLORADO**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**YEAR ENDED DECEMBER 31, 2018**

	Special Revenue				Debt Service		Total Nonmajor Governmental Funds	
	Conservation Trust	County Clerk Technical	Solid Waste	Impact Fee	Local Public Health Fund	Event Center and Fairgrounds Fund		General Debt Service Fund
<b>REVENUES</b>								
Licenses and Permits	\$ -	\$ -	\$ -	\$ -	\$ 94,686	\$ -	\$ -	\$ 94,686
Charges for Services	-	-	-	-	-	330,543	-	330,543
Intergovernmental	132,526	-	-	-	1,453,835	-	-	1,586,361
Interest Earnings	2,767	-	16,724	-	-	-	3,980	23,471
Miscellaneous	-	10,829	171,099	-	26,020	-	-	207,948
Total Revenues	<u>135,293</u>	<u>10,829</u>	<u>187,823</u>	<u>-</u>	<u>1,574,541</u>	<u>330,543</u>	<u>3,980</u>	<u>2,243,009</u>
<b>EXPENDITURES</b>								
Current:								
General Government	-	24,591	9,959	-	-	978,541	1,500	1,014,591
Health and Human Services	-	-	-	-	1,964,296	-	-	1,964,296
Capital Outlay	-	-	-	-	-	513,951	-	513,951
Debt Service:								
Principal	-	-	-	-	-	-	1,101,045	1,101,045
Interest	-	-	-	-	-	-	449,838	449,838
Total Expenditures	<u>-</u>	<u>24,591</u>	<u>9,959</u>	<u>-</u>	<u>1,964,296</u>	<u>1,492,492</u>	<u>1,552,383</u>	<u>5,043,721</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	135,293	(13,762)	177,864	-	(389,755)	(1,161,949)	(1,548,403)	(2,800,712)
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers in	-	-	-	-	364,668	1,583,663	1,552,384	3,500,715
Transfers out	(120,000)	-	-	(315,000)	-	(331,442)	-	(766,442)
Total Other Financing Sources (Uses)	<u>(120,000)</u>	<u>-</u>	<u>-</u>	<u>(315,000)</u>	<u>364,668</u>	<u>1,252,221</u>	<u>1,552,384</u>	<u>2,734,273</u>
<b>NET CHANGE IN FUND BALANCES</b>	15,293	(13,762)	177,864	(315,000)	(25,087)	90,272	3,981	(66,439)
Fund Balances - Beginning of Year	<u>125,250</u>	<u>36,451</u>	<u>2,251,808</u>	<u>621,722</u>	<u>101,598</u>	<u>-</u>	<u>338,980</u>	<u>3,475,809</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 140,543</u>	<u>\$ 22,689</u>	<u>\$ 2,429,672</u>	<u>\$ 306,722</u>	<u>\$ 76,511</u>	<u>\$ 90,272</u>	<u>\$ 342,961</u>	<u>\$ 3,409,370</u>

**MONTROSE COUNTY, COLORADO  
CAPITAL EXPENDITURES FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2018**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>	\$ 683,871	\$ 683,871	\$ 216,295	\$ (467,576)
<b>EXPENDITURES</b>				
Current:				
General Government	96,158	96,158	35,217	60,941
Capital Outlay	1,938,938	6,683,191	5,806,715	876,476
	<u>2,035,096</u>	<u>6,779,349</u>	<u>5,841,932</u>	<u>937,417</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(1,351,225)	(6,095,478)	(5,625,637)	469,841
<b>OTHER FINANCING USES</b>				
Transfers In	1,250,000	1,250,000	750,000	(500,000)
Transfers Out	(392,338)	(392,338)	(392,338)	-
Total Other Financing Sources (Uses)	<u>857,662</u>	<u>857,662</u>	<u>357,662</u>	<u>(500,000)</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (493,563)</u>	<u>\$ (5,237,816)</u>	<u>\$ (5,267,975)</u>	<u>\$ (30,159)</u>

**MONTROSE COUNTY, COLORADO  
 CONSERVATION TRUST FUND  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL  
 YEAR ENDED DECEMBER 31, 2018**

	Original and Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
State of Colorado	\$ 125,000	\$ 132,526	\$ 7,526
Interest Income	750	2,767	2,017
Total Revenues	125,750	135,293	9,543
<b>EXPENDITURES</b>			
Culture - Recreation	-	-	-
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	125,750	135,293	9,543
<b>OTHER FINANCING USES</b>			
Transfers Out	(120,000)	(120,000)	-
<b>NET CHANGE IN FUND BALANCE</b>	\$ 5,750	\$ 15,293	\$ 9,543

**MONTROSE COUNTY, COLORADO  
COUNTY CLERK TECHNICAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2018**

	Original and Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
Miscellaneous	\$ 10,000	\$ 10,829	\$ 829
<b>EXPENDITURES</b>			
General Government	27,000	24,591	2,409
<b>NET CHANGE IN FUND BALANCE</b>	\$ (17,000)	\$ (13,762)	\$ 3,238

**MONTROSE COUNTY, COLORADO  
SOLID WASTE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2018**

	Original and Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
Interest Income	\$ 5,000	\$ 16,724	\$ 11,724
Miscellaneous	115,000	171,099	56,099
Total Revenues	<u>120,000</u>	<u>187,823</u>	<u>67,823</u>
<b>EXPENDITURES</b>			
Post-Closure Costs	<u>20,000</u>	<u>9,959</u>	<u>10,041</u>
Total Expenditures	<u>20,000</u>	<u>9,959</u>	<u>10,041</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ 100,000</u>	<u>\$ 177,864</u>	<u>\$ 77,864</u>



**MONTROSE COUNTY, COLORADO  
IMPACT FEE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2018**

	Original and Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
Interest Income	\$ -	\$ -	\$ -
Miscellaneous	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXPENDITURES</b>			
General Government	<u>-</u>	<u>-</u>	<u>-</u>
<b>OTHER FINANCING USES</b>			
Transfers Out	<u>(315,000)</u>	<u>(315,000)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(315,000)</u>	<u>(315,000)</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u><u>\$ (315,000)</u></u>	<u><u>\$ (315,000)</u></u>	<u><u>\$ -</u></u>

**MONTROSE COUNTY, COLORADO  
LOCAL PUBLIC HEALTH FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2018**

	Original and Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
Other Revenues	\$ 219,820	\$ 26,020	\$ (193,800)
Intergovernmental	1,252,400	1,453,835	201,435
Licenses and Permits	57,800	94,686	36,886
Total Revenues	1,530,020	1,574,541	44,521
 <b>EXPENDITURES</b>			
Health and Human Services	2,064,849	1,964,296	100,553
 <b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(534,829)	(389,755)	145,074
 <b>OTHER FINANCING USES</b>			
Transfers In	525,097	364,668	(160,429)
 <b>NET CHANGE IN FUND BALANCE</b>	\$ (9,732)	\$ (25,087)	\$ (15,355)

**MONTROSE COUNTY, COLORADO  
EVENT CENTER AND FAIRGROUNDS FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2018**

	Original and Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
Charges for Services	\$ 360,320	\$ 330,543	\$ (29,777)
Total Revenues	<u>360,320</u>	<u>330,543</u>	<u>(29,777)</u>
<b>EXPENDITURES</b>			
Current:			
General Government	926,156	978,541	(52,385)
Capital Outlay	553,400	513,951	39,449
	<u>1,479,556</u>	<u>1,492,492</u>	<u>(12,936)</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(1,119,236)	(1,161,949)	(42,713)
<b>OTHER FINANCING USES</b>			
Transfers In	1,450,678	1,583,663	132,985
Transfers Out	<u>(331,442)</u>	<u>(331,442)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>1,119,236</u>	<u>1,252,221</u>	<u>132,985</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ -</u>	<u>\$ 90,272</u>	<u>\$ 90,272</u>

**MONTROSE COUNTY, COLORADO  
GENERAL DEBT SERVICE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2018**

	Original and Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
Interest	\$ 150	\$ 3,980	\$ 3,830
<b>EXPENDITURES</b>			
General Government	1,500	1,500	-
Debt Service:			
Principal	1,101,045	1,101,045	-
Interest	449,839	449,838	1
Total Expenditures	<u>1,552,384</u>	<u>1,552,383</u>	<u>1</u>
<b>EXCESS OF EXPENDITURES OVER (UNDER) REVENUES</b>	(1,552,234)	(1,548,403)	3,831
<b>OTHER FINANCING USES</b>			
Transfers In	<u>1,552,384</u>	<u>1,552,384</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ 150</u>	<u>\$ 3,981</u>	<u>\$ 3,831</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, 2018**

	Fleet Management Fund	Communications Center Fund	Total
<b>CURRENT ASSETS</b>			
Cash	\$ 1,079,183	\$ 210,793	\$ 1,289,976
Accounts Receivable, Net	-	3,814	3,814
Due from Other Governments	2,587	-	2,587
Inventories	168,131	-	168,131
Total Current Assets	1,249,901	214,607	1,464,508
<b>NONCURRENT ASSETS</b>			
Buildings, Net	-	372,113	372,113
Equipment, Net	1,906,513	627,862	2,534,375
Total Noncurrent Assets	1,906,513	999,975	2,906,488
 Total Assets	 3,156,414	 1,214,582	 4,370,996
<b>CURRENT LIABILITIES</b>			
Accounts Payable	31,258	54,359	85,617
Accrued Liabilities	26,871	-	26,871
Accrued Compensated Absences	20,196	-	20,196
Total Current Liabilities	78,325	54,359	132,684
 Total Liabilities	 78,325	 54,359	 132,684
<b>NET POSITION</b>			
Net Investment in Capital Assets	1,906,513	999,975	2,906,488
Unrestricted	1,171,576	160,248	1,331,824
 Total Net Position	 \$ 3,078,089	 \$ 1,160,223	 \$ 4,238,312

**MONTROSE COUNTY, COLORADO  
COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND NET POSITION  
INTERNAL SERVICE FUNDS  
YEAR ENDED DECEMBER 31, 2018**

	Fleet Management Fund	Communications Center Fund	Total
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>OPERATING REVENUE</b>			
Charges for Services	\$ 2,108,211	\$ 1,040,818	\$ 3,149,029
<b>OPERATING EXPENSES</b>			
Salaries and Benefits	608,920	829,980	1,438,900
Services and Supplies	1,361,680	236,086	1,597,766
Depreciation and Amortization	520,313	124,270	644,583
Total Operating Expenses	<u>2,490,913</u>	<u>1,190,336</u>	<u>3,681,249</u>
<b>OPERATING PROFIT (LOSS)</b>	(382,702)	(149,518)	(532,220)
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Gain on Disposal of Assets	22,337	-	22,337
Other	27,966	-	27,966
Total Nonoperating Revenues	<u>50,303</u>	<u>-</u>	<u>50,303</u>
<b>INCOME BEFORE CAPITAL GRANTS AND TRANSFERS</b>	(332,399)	(149,518)	(481,917)
Capital Contributions	<u>-</u>	<u>9,389</u>	<u>9,389</u>
<b>CHANGE IN NET POSITION</b>	(332,399)	(140,129)	(472,528)
Net Position - Beginning of Year	<u>3,410,488</u>	<u>1,300,352</u>	<u>4,710,840</u>
<b>NET POSITION - END OF YEAR</b>	<u>\$ 3,078,089</u>	<u>\$ 1,160,223</u>	<u>\$ 4,238,312</u>

**MONTROSE COUNTY, COLORADO  
COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
YEAR ENDED DECEMBER 31, 2018**

	Fleet Management Fund	Communications Center Fund	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash Received from Customers	\$ 2,110,756	\$ 1,037,004	\$ 3,147,760
Cash Paid to Suppliers	(1,342,903)	(189,051)	(1,531,954)
Cash Paid to and for Employees	(603,835)	(917,785)	(1,521,620)
Net Cash Provided (Used) by Operating Activities	<u>164,018</u>	<u>(69,832)</u>	<u>94,186</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Other Receipts	<u>27,966</u>	-	<u>27,966</u>
Net Cash Provided by Noncapital Financing Activities	27,966	-	27,966
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Sale of Capital Assets	34,214	-	34,214
Capital Contributions	-	9,389	9,389
Acquisition of Capital Assets	<u>(607,081)</u>	<u>-</u>	<u>(607,081)</u>
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(572,867)</u>	<u>9,389</u>	<u>(563,478)</u>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	(380,883)	(60,443)	(441,326)
Cash and Cash Equivalents - Beginning of Year	<u>1,460,066</u>	<u>271,236</u>	<u>1,731,302</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 1,079,183</u>	<u>\$ 210,793</u>	<u>\$ 1,289,976</u>
<b>RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>			
Operating Loss	\$ (382,702)	\$ (149,518)	\$ (532,220)
Adjustments to Reconcile Operating Loss to Net Cash Provided (Used) by Operating Activities:			
Depreciation and Amortization	520,313	124,270	644,583
(Increase) Decrease in Accounts Receivable	2,545	(3,814)	(1,269)
Decrease in Inventory	49,299	-	49,299
Increase (Decrease) in Accounts Payable	(30,522)	47,035	16,513
Increase (Decrease) in Accrued Expenses	<u>5,085</u>	<u>(87,805)</u>	<u>(82,720)</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 164,018</u>	<u>\$ (69,832)</u>	<u>\$ 94,186</u>



**MONTROSE COUNTY, COLORADO**  
**MONTROSE COUNTY AIRPORT ENTERPRISE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND NET POSITION -**  
**BUDGETARY BASIS - BUDGET AND ACTUAL**  
**YEAR ENDED DECEMBER 31, 2018**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>OPERATING REVENUES</b>				
Charges for Service	\$ 2,977,500	\$ 2,977,500	\$ 3,374,763	\$ 397,263
Total Operating Revenues	<u>2,977,500</u>	<u>2,977,500</u>	<u>3,374,763</u>	<u>397,263</u>
<b>OPERATING EXPENSES</b>				
Salaries and Benefits	1,217,624	1,217,624	1,227,387	(9,763)
Services and Supplies	1,397,995	1,397,995	1,060,904	337,091
Capital Outlay	7,750,670	7,900,670	5,053,434	2,847,236
Total Operating Expenses	<u>10,366,289</u>	<u>10,516,289</u>	<u>7,341,725</u>	<u>3,174,564</u>
<b>OPERATING LOSS</b>	(7,388,789)	(7,538,789)	(3,966,962)	3,571,827
<b>NONOPERATING REVENUES</b>				
Investment Income	2,000	2,000	2,818	818
Contributions/Grants	-	-	32,208	32,208
Passenger Facility Charges	425,000	425,000	509,474	84,474
Intergovernmental	6,728,057	6,728,057	4,466,599	(2,261,458)
Other	153,000	153,000	388,459	235,459
Total Nonoperating Revenues	<u>7,308,057</u>	<u>7,308,057</u>	<u>5,399,558</u>	<u>(1,908,499)</u>
<b>NET INCOME (LOSS) - BUDGET BASIS</b>	<u>\$ (80,732)</u>	<u>\$ (230,732)</u>	1,432,596	<u>\$ 1,663,328</u>
<b>ADJUSTMENTS FOR GAAP BASIS</b>				
Net Book Value of Capital Assets Sold			(108,300)	
Capital Outlay			5,053,434	
Depreciation			<u>(3,270,666)</u>	
<b>CHANGE IN NET POSITION - GAAP BASIS</b>			<u>\$ 3,107,064</u>	

**MONTROSE COUNTY, COLORADO  
FLEET MANAGEMENT INTERNAL SERVICE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND NET POSITION -  
BUDGETARY BASIS - BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2018**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>OPERATING REVENUES</b>				
Charges for Service	\$ 2,272,161	\$ 2,272,161	\$ 2,108,211	\$ (163,950)
Total Operating Revenues	<u>2,272,161</u>	<u>2,272,161</u>	<u>2,108,211</u>	<u>(163,950)</u>
<b>OPERATING EXPENSES AND TRANSFERS</b>				
Salaries and Benefits	661,831	661,831	608,920	52,911
Services and Supplies	1,254,960	1,354,960	1,361,680	(6,720)
Capital Outlay	732,652	732,652	607,081	125,571
Total Operating Expenses	<u>2,649,443</u>	<u>2,749,443</u>	<u>2,577,681</u>	<u>171,762</u>
<b>OPERATING INCOME (LOSS)</b>	(377,282)	(477,282)	(469,470)	7,812
<b>NONOPERATING REVENUES</b>				
Other	166,480	166,480	62,180	(104,300)
Total Nonoperating Revenues	<u>166,480</u>	<u>166,480</u>	<u>62,180</u>	<u>(104,300)</u>
<b>NET INCOME (LOSS) - BUDGET BASIS</b>	<u>\$ (210,802)</u>	<u>\$ (310,802)</u>	(407,290)	<u>\$ (96,488)</u>
<b>ADJUSTMENTS FOR GAAP BASIS</b>				
Capital Outlay			607,081	
Depreciation			(520,313)	
Net Book Value of Capital Assets Sold			<u>(11,877)</u>	
<b>CHANGE IN NET POSITION - GAAP BASIS</b>			<u>\$ (332,399)</u>	

**MONTROSE COUNTY, COLORADO  
COMMUNICATIONS CENTER INTERNAL SERVICE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND NET POSITION -  
BUDGETARY BASIS - BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2018**

	Original and Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>OPERATING REVENUES</b>			
Charges for Service	\$ 907,217	\$ 1,040,818	\$ 133,601
Total Operating Revenues	907,217	1,040,818	133,601
<b>OPERATING EXPENSES</b>			
Salaries and Benefits	969,346	829,980	139,366
Services and Supplies	185,293	236,086	(50,793)
Total Operating Expenses	1,154,639	1,066,066	88,573
<b>OPERATING INCOME (LOSS)</b>	(247,422)	(25,248)	222,174
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Other	276,802	9,389	(267,413)
Total Nonoperating Revenues	276,802	9,389	(267,413)
<b>NET INCOME (LOSS) - BUDGET BASIS</b>	\$ 29,380	(15,859)	\$ (45,239)
<b>ADJUSTMENTS FOR GAAP BASIS</b>			
Depreciation		(124,270)	
<b>CHANGE IN NET POSITION - GAAP BASIS</b>		\$ (140,129)	

**MONTROSE COUNTY, COLORADO**  
**MONTROSE COUNTY DEPARTMENT OF HUMAN SERVICES**  
**EBT AUTHORIZATION SCHEDULE**  
**FOR THE CALENDAR YEAR 2018**

	A	B	C	D	E
<b>PROGRAMS</b>	<b>County EBT Authorizations</b>	<b>County Share of Authorizations</b>	<b>Expenditures by County Warrant</b>	<b>County EBT Authorizations and Expenditures By County Warrant (Col. A+Col. C)</b>	<b>Total Expenditures (Col. B+Col. C)</b>
Administration	-	-	1,238,539	1,238,539	1,238,539
Adult Services	-	-	231,187	231,187	231,187
Aid to Needy Disabled	169,291	34,263	-	169,291	34,263
Chaffee Grant	-	-	12,295	12,295	12,295
Child Care Program	1,023,289	112,911	117,186	1,140,475	230,097
Child Support Enforcement	-	-	774,233	774,233	774,233
Child Welfare	2,224,043	426,580	1,416,624	3,640,667	1,843,204
Colorado Works	372,469	77,976	841,170	1,213,639	919,146
CORE Services	358,998	32,518	400,494	759,492	433,012
Employment First	-	-	88,208	88,208	88,208
Food Assistance	6,060,034	-	-	6,060,034	-
HB1414 / IV-E Reserves	-	-	130,615	130,615	130,615
LEAP	664,642	-	72,064	736,706	72,064
Medicaid Transportation	-	-	76,769	76,769	76,769
Old Age Pension	679,649	277	25,313	704,962	25,590
Parental Fees	-	-	54,934	54,934	54,934
Single Entry Point	14,803	-	518,276	533,079	518,276
Veterans Services	-	-	-	-	-
Other Grants & Programs	-	-	-	-	-
County Only Costs (Including General Assistance)	-	-	-	-	-
<b>Total Programs</b>	<b>11,567,218</b>	<b>684,525</b>	<b>5,997,907</b>	<b>17,565,125</b>	<b>6,682,432</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.

**MONTROSE COUNTY, COLORADO  
LOCAL HIGHWAY FINANCE REPORT  
YEAR ENDED DECEMBER 31, 2018**

Financial Planning 02/01  
Form # 350-050-36

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 2018

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)	2,988,046
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	7,072,115
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	959
2. General fund appropriations		b. Snow and ice removal	223,870
3. Other local imposts (from page 2)	7,880,070	c. Other	176,482
4. Miscellaneous local receipts (from page 2)	869,547	d. Total (a. through c.)	401,311
5. Transfers from toll facilities		4. General administration & miscellaneous	1,718,092
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	
a. Bonds - Original Issues		6. Total (1 through 5)	12,179,565
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)	8,749,617	b. Redemption	
<b>B. Private Contributions</b>		c. Total (a. + b.)	0
<b>C. Receipts from State government (from page 2)</b>		2. Notes:	
	5,793,215	a. Interest	285,000
<b>D. Receipts from Federal Government (from page 2)</b>		b. Redemption	543,604
	355,795	c. Total (a. + b.)	828,604
<b>E. Total receipts (A.7 + B + C + D)</b>		3. Total (1.c + 2.c)	828,604
	14,898,627	<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>	
			13,008,169

**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>	10,000,000		543,604	9,456,396

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

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	18,880,652	14,898,627	13,008,169	20,771,110	0

Notes and Comments:

**MONTROSE COUNTY, COLORADO  
LOCAL HIGHWAY FINANCE REPORT  
YEAR ENDED DECEMBER 31, 2018**

<b>LOCAL HIGHWAY FINANCE REPORT</b>		STATE: Colorado	
		YEAR ENDING (mm/yy): December 2018	
<b>II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL</b>			
<b>ITEM</b>	<b>AMOUNT</b>	<b>ITEM</b>	<b>AMOUNT</b>
<b>A.3. Other local imposts:</b>		<b>A.4. Miscellaneous local receipts:</b>	
a. Property Taxes and Assessments	1	a. Interest on investments	262,073
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes	7,863,897	c. Parking Garage Fees	
2. Infrastructure & Impact Fees		d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	230,638
4. Licenses	16,172	f. Charges for Services	260,969
5. Specific Ownership &/or Other	0	g. Other Misc. Receipts	16,861
6. Total (1. through 5.)	7,880,069	h. Other	99,006
c. Total (a. + b.)	7,880,070	i. Total (a. through h.)	869,547
	(Carry forward to page 1)		(Carry forward to page 1)
<b>ITEM</b>	<b>AMOUNT</b>	<b>ITEM</b>	<b>AMOUNT</b>
<b>C. Receipts from State Government</b>		<b>D. Receipts from Federal Government</b>	
1. Highway-user taxes	5,536,433	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	305,294
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	122,347	d. Federal Transit Admin	
d. Other (Specify) - DOLA Grant		e. U.S. Corps of Engineers	
e. Other (Specify)	134,435	f. Other Federal	50,501
f. Total (a. through e.)	256,782	g. Total (a. through f.)	355,795
4. Total (1. + 2. + 3.f)	5,793,215	3. Total (1. + 2.g)	
			(Carry forward to page 1)
<b>III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL</b>			
	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			0
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements			0
(3). System Preservation		2,988,046	2,988,046
(4). System Enhancement & Operation			0
(5). Total Construction (1) + (2) + (3) + (4)	0	2,988,046	2,988,046
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	2,988,046	2,988,046
			(Carry forward to page 1)
<b>Notes and Comments:</b>			