

**MONTEZUMA COUNTY, COLORADO**

Accountants' Reports  
and  
Basic Financial Statements

December 31, 2011

# MONTEZUMA COUNTY, COLORADO

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# MONTEZUMA COUNTY, COLORADO

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INDEPENDENT AUDITORS' REPORT

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

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 Montezuma County, Colorado as of and for the year ended December 31, 2011, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Montezuma County, Colorado's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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 aggregated remaining fund information of Montezuma County, Colorado, as of December 31, 2011, and the respective changes in financial position and, where applicable, cash flows, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

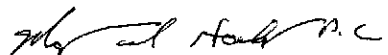
In accordance with *Government Auditing Standards*, we have also issued our report dated July 13, 2012, on our consideration of Montezuma County, Colorado's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on

compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary information on pages 3 through 13 and 41 through 48, 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Montezuma County, Colorado's basic financial statements. The combining non-major fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements. The combining non-major fund financial statements and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation the financial statements as a whole.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Montezuma County, Colorado's basic financial statements. The budgetary comparison schedules and Local Highway Finance Report are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.



Majors and Haley, P.C.  
July 13, 2012

**MONTEZUMA COUNTY, COLORADO**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**(UNAUDITED)**  
**For the Year Ended December 31, 2011**

***FINANCIAL HIGHLIGHTS***

Key financial highlights for the County in 2011 are as follows:

- In total, net assets increased \$846,841. Net assets of governmental activities increased \$797,816, which represents a 2.5 percent increase from 2010. Net assets of business type activities increased \$49,025 or 4 percent from 2010.
- General revenues accounted for \$12.89 million in revenue or 41 percent of all revenues. Program specific revenues in the form of charges for services, grants and contributions accounted for \$18.2 million or 59 percent of total revenues of \$31.09 million.
- Governmental activities total assets increased by \$1.95 million. Current assets increased by \$970,196. Non-current assets decreased by \$17,784. Current liabilities increased by \$753,400 and long-term liabilities decreased by \$598,804.
- The County incurred \$29.34 million in expenses related to government activities. \$17.25 million of these expenses were offset by program specific charges for services, grants and contributions. General revenues (primarily mineral leasing and property taxes) of \$12.89 million were adequate to cover the balance of the costs of these programs.
- Among the major funds, the General Fund had \$17.38 million in revenues, including transfers and \$13.19 million in expenditures. It's fund balance increased by \$4.19 million from \$5.33 million to \$9.52 million. \$3 million of this increase is due to the residual equity transfer from the Unallocated Reserve Fund as a result of the implementation of GASB 54.
- Net assets of the Enterprise Fund increased from \$1,202,440 to \$1,251,465.

## **MONTEZUMA COUNTY, COLORADO**

### **MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) For the Year Ended December 31, 2011**

#### ***OVERVIEW OF THE FINANCIAL STATEMENTS***

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

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

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

#### ***County-wide Statements***

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

## MONTEZUMA COUNTY, COLORADO

### MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

For the Year Ended December 31, 2011

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

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

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

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

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

#### ***Fund Financial Statements***

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

The County uses three types of funds:

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



## MONTEZUMA COUNTY, COLORADO

### MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

For the Year Ended December 31, 2011

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

- **Proprietary funds-** Services for which the County charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the County-wide financial statements. The County's enterprise funds (one type of proprietary fund) are the same as its business-type activities but provide more detail and additional information such as cash flow analysis.
- **Fiduciary funds-** The County is the agent, or fiduciary, for assets that belong to others, such as the Agency Fund. The County is responsible for ensuring that the assets reported in this fund are used only for their intended purposes and by those to whom the assets belong. The County excludes these activities from the County-wide financial statements because it cannot use these assets to finance its operations.

### **FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE**

Total assets increased by \$910,024. Current assets increased by \$998,699. Net capital assets decreased by \$88,675. Current liabilities increased by \$661,987. Non-current liabilities decreased by \$598,804.

The County's combined net assets were larger on December 31, 2011 than they were at December 31, 2010, increasing by 2.5 percent to \$34,665,002. Most of the increase came from its governmental activities, the net assets of which increased \$797,816 to \$33,413,537. The net assets of the County's business type activities increased \$49,025 to \$1,251,465.

# MONTEZUMA COUNTY, COLORADO

## MANAGEMENT'S DISCUSSION AND ANALYSIS

(UNAUDITED)

For the Year Ended December 31, 2011

Table 1 provides a summary of the County's net assets for 2011 compared to 2010:

**Table 1**  
**Condensed Statement of Net Assets**  
**(In millions)**

	Governmental Activities		Business-type Activities		Total County	
	2011	2010	2011	2010	2011	2010
<b>Assets</b>						
Current assets	\$ 31.280	\$ 30.309	\$ 0.214	\$ 0.185	\$ 31.494	\$ 30.494
Capital assets	13.208	13.226	1.828	1.899	15.036	15.125
<b>Total assets</b>	<b>44.488</b>	<b>43.535</b>	<b>2.042</b>	<b>2.084</b>	<b>46.530</b>	<b>45.619</b>
<b>Liabilities</b>						
Current liabilities	9.873	9.119	0.791	0.882	10.664	10.001
Noncurrent liabilities	1.202	1.800			1.202	1.800
<b>Net Assets</b>						
Invested in capital	12.006	11.425	1.251	1.202	13.257	12.627
Reserve for inventory	0.050	0.050			0.050	0.050
Reserve for emergencies	0.722	0.772			0.722	0.772
Reserve for cancer treatments	0.025	0.021			0.025	0.021
Unrestricted	20.610	20.348			20.610	20.348
<b>Total net assets</b>	<b>\$ 33.413</b>	<b>\$ 32.616</b>	<b>\$ 1.251</b>	<b>\$ 1.202</b>	<b>\$ 34.664</b>	<b>\$ 33.818</b>

# MONTEZUMA COUNTY, COLORADO

## MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) For the Year Ended December 31, 2011

Table 2 shows the changes in net assets for fiscal year 2011 compared to 2010.

**Table 2**  
**Changes in Net Assets**  
**(In millions)**

	Governmental Activities		Business-type Activities		Total County	
	2011	2010	2011	2010	2011	2010
<b>Revenues</b>						
Program revenues						
Charges for services	\$ 2.310	\$ 2.706	\$ 0.952	\$ 0.899	\$ 3.262	\$ 3.605
Operating grants	14.783	14.515		0.008	14.783	14.523
Capital grants	0.152	0.643			0.152	0.643
General revenues						
Property taxes	8.371	9.361			8.371	9.361
Sales taxes	0.005	0.588			0.005	0.588
Other	4.520	3.622			4.520	3.622
<b>Total revenues</b>	<b>30.141</b>	<b>31.435</b>	<b>0.952</b>	<b>0.907</b>	<b>31.093</b>	<b>32.342</b>
<b>Expenses</b>						
General government	4.309	3.792			4.309	3.792
Public safety	6.509	6.371			6.509	6.371
Public works	4.808	4.417	0.903	0.931	5.711	5.348
Public health and welfare	12.861	12.479			12.861	12.479
Culture and recreation	0.740	0.282			0.740	0.282
Depreciation-unallocated	0.116	0.116			0.116	0.116
<b>Total expenses</b>	<b>29.343</b>	<b>27.457</b>	<b>0.903</b>	<b>0.931</b>	<b>30.246</b>	<b>28.388</b>
<b>Increase (decrease) in net assets</b>	<b>\$ 0.798</b>	<b>\$ 3.978</b>	<b>\$ 0.049</b>	<b>\$ (0.024)</b>	<b>\$ 0.847</b>	<b>\$ 3.954</b>

## MONTEZUMA COUNTY, COLORADO

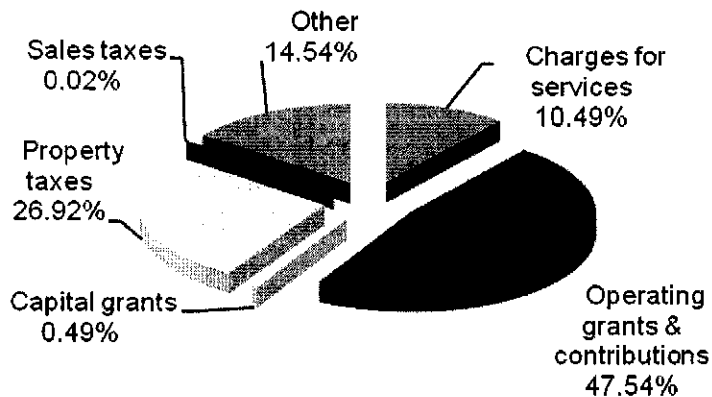
### MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

For the Year Ended December 31, 2011

Operating grants and property taxes accounted for most of the County's total revenue, with each contributing 47.54 percent and 26.92 percent respectively (See Table 3). Another 10.49 percent came from charges for services and the remainder from sales taxes, and other sources.

The County's expenses are predominately related to public health and welfare, (42.5 percent), public works (18.9 percent) and public safety (21.5 percent) (See Table 4). The County's general government activities accounted for 14.2 percent of total costs.

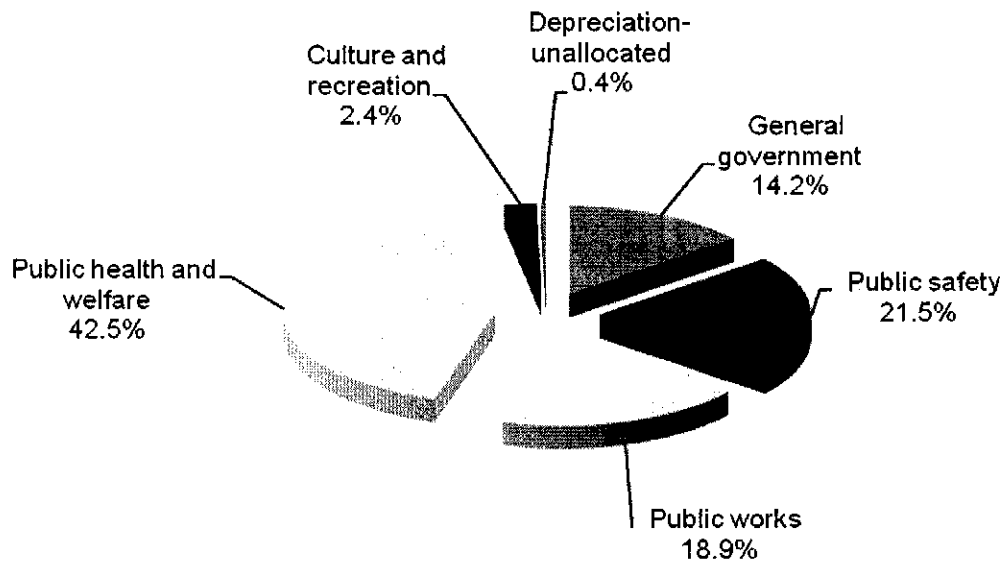
**Table 3**  
***Sources of Revenue for Fiscal Year 2011***



## MONTEZUMA COUNTY, COLORADO

### MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) For the Year Ended December 31, 2011

**Table 4**  
***Expenses for Fiscal Year 2011***



#### ***Governmental Activities***

The primary sources of operating revenue for the County come from operating grants and general property taxes. The County receives approximately 74 percent of this funding from these sources while the remaining amounts come from charges for services and other general revenues.

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

## MONTEZUMA COUNTY, COLORADO

### MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) For the Year Ended December 31, 2011

**Table 5**  
**Government Activities**  
**(In millions)**

	Total Cost of Services		Net Cost of Services	
	2011	2010	2011	2010
General government	\$ 4.309	\$ 3.792	\$ 3.283	\$ 2.280
Public safety	6.509	6.371	5.140	5.065
Public works	4.808	4.417	2.112	1.288
Public health and welfare	12.861	12.479	0.915	0.773
Culture and recreation	0.740	0.282	0.531	0.072
Depreciation-unallocated	0.116	0.116	0.116	0.116
Total	<u>\$ 29.343</u>	<u>\$ 27.457</u>	<u>\$ 12.097</u>	<u>\$ 9.594</u>

- The cost of all governmental activities during the year was \$29.343 million.
- Some of the cost was financed by the users of the County's programs (\$2.310 million)
- Federal and state government subsidized certain programs with grants and contributions (\$14.936 million).
- However, \$12.895 million was financed by state and county taxpayers. This portion of governmental activities was financed with \$8.371 million in property taxes, \$2.286 million in mineral leasing and \$2.238 million in other general revenues.

#### **Business-type Activities**

Business-type activities are made up of the Landfill Fund. This program had revenues of \$.952 million and expenses of \$.903 million. Business-type activities receive no support from tax revenue.

## **MONTEZUMA COUNTY, COLORADO**

### **MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**

For the Year Ended December 31, 2011

#### ***FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS***

Information about the County's major funds starts on page 16. These funds are accounted for using the modified accrual basis of accounting. All governmental funds have total revenues of \$30.183 million and expenditures of \$29.966 million.

##### ***General Fund Budgetary Highlights***

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

Over the course of the year, the County revised the annual operating budget by making an increase in appropriations.

- Increases in appropriations were due primarily to increases in expenditures that were not foreseen at the time of the original budget.
- Actual expenditures were \$1.274 million under budget, primarily because the County closely monitored expenditures in an effort to remain below budget levels.

#### ***CAPITAL ASSET ADMINISTRATION***

By the end of 2011, the County has invested \$28.086 million in land, buildings, and equipment (including vehicles), of this total \$24.274 million was from governmental activities.

Table 6 shows capital assets for 2011 compared to 2010:

## MONTEZUMA COUNTY, COLORADO

### MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) For the Year Ended December 31, 2011

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

	Governmental Activities		Business-Type Activities		Total County	
	2011	2010	2011	2010	2011	2010
Land	\$ 1.258	\$ 1.258			\$ 1.258	\$ 1.258
Infrastructure	1.859	1.859			1.859	1.859
Buildings	11.490	11.096			11.490	11.096
Equipment	9.667	9.273	\$ 3.813	\$ 3.731	13.480	13.004
Total	<u>\$ 24.274</u>	<u>\$ 23.486</u>	<u>\$ 3.813</u>	<u>\$ 3.731</u>	<u>\$ 28.087</u>	<u>\$ 27.217</u>

Additional information on the County's capital assets can be found in the Notes to the Financial Statements on page 33 of this report.

### **FACTORS BEARING ON THE COUNTY'S FUTURE**

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

### **CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT**

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



**MONTEZUMA COUNTY, COLORADO**  
Statement of Net Assets

December 31, 2011

	Governmental Activities	Business-type Activities	Total
<b>Assets</b>			
<b>Current Assets</b>			
Cash-unrestricted	\$ 21,540,157	\$ 213,972	\$ 21,754,129
Property taxes receivable	8,406,210		8,406,210
Other receivables	652,230		652,230
Due from other funds	263,442		263,442
Due from state	141,773		141,773
Due from other governments	226,096		226,096
Inventory	50,000		50,000
<b>Total Current Assets</b>	<u>31,279,908</u>	<u>213,972</u>	<u>31,493,880</u>
<b>Noncurrent Assets</b>			
Capital assets	24,273,501	3,813,319	28,086,820
Accumulated depreciation	(11,065,654)	(1,985,007)	(13,050,661)
<b>Total Noncurrent Assets</b>	<u>13,207,847</u>	<u>1,828,312</u>	<u>15,036,159</u>
<b>Total Assets</b>	<u><u>\$ 44,487,755</u></u>	<u><u>\$ 2,042,284</u></u>	<u><u>\$ 46,530,039</u></u>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Accounts payable	\$ 518,113	\$ 40,939	\$ 559,052
Due to other funds		263,442	263,442
Accrued closure costs		486,438	486,438
Due to other governments	87,112		87,112
Trusts payable	328		328
Payments in arrears	635,953		635,953
Deferred revenue	8,631,091		8,631,091
<b>Total Current Liabilities</b>	<u>9,872,597</u>	<u>790,819</u>	<u>10,663,416</u>
<b>Noncurrent Liabilities</b>			
Due within one year	390,000		390,000
Due in more than one year	811,621		811,621
<b>Total Noncurrent Liabilities</b>	<u>1,201,621</u>	<u>-</u>	<u>1,201,621</u>
<b>Total Liabilities</b>	<u>11,074,218</u>	<u>790,819</u>	<u>11,865,037</u>
<b>Net Assets</b>			
Invested in capital assets, net of related debt	12,006,226	1,251,465	13,257,691
Restricted			
Reserved for inventories	50,000		50,000
Reserved for cancer treatments	25,022		25,022
Reserved for emergencies	722,119		722,119
Unrestricted	20,610,170		20,610,170
<b>Total Net Assets</b>	<u>33,413,537</u>	<u>1,251,465</u>	<u>34,665,002</u>
<b>Total Liabilities and Net Assets</b>	<u><u>\$ 44,487,755</u></u>	<u><u>\$ 2,042,284</u></u>	<u><u>\$ 46,530,039</u></u>

The accompanying notes are an integral part of this statement.

**MONTEZUMA COUNTY, COLORADO**  
Statement of Activities

For the Year Ended December 31, 2011

	Program Revenues				Net (Expenses) Revenue And Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business- type Activities	Total
<b>Governmental Activities</b>							
General government	\$ 4,309,459	\$ 833,556	\$ 85,986	\$ 106,919	\$ (3,282,998)		\$ (3,282,998)
Public safety	6,509,504	915,079	454,476		(5,139,949)		(5,139,949)
Public works	4,807,528	134,320	2,560,771		(2,112,437)		(2,112,437)
Public health and welfare	12,860,720	347,311	11,552,600	45,558	(915,251)		(915,251)
Culture and recreation	739,789	79,623	129,612		(530,554)		(530,554)
Depreciation-unallocated	115,914				(115,914)		(115,914)
<b>Total Governmental Activities</b>	<b>29,342,914</b>	<b>2,309,889</b>	<b>14,783,445</b>	<b>152,477</b>	<b>(12,097,103)</b>		<b>(12,097,103)</b>
<b>Business-Type Activities</b>							
County landfill	903,033	952,058				\$ 49,025	49,025
<b>Total Business-Type Activities</b>	<b>903,033</b>	<b>952,058</b>	<b>-</b>			<b>49,025</b>	<b>49,025</b>
<b>Total County</b>	<b>\$ 30,245,947</b>	<b>\$ 3,261,947</b>	<b>\$ 14,783,445</b>	<b>\$ 152,477</b>	<b>(12,097,103)</b>	<b>49,025</b>	<b>(12,048,078)</b>

**General Revenues**

Property tax for general purposes	8,371,266	8,371,266
Specific Ownership tax for general purposes	790,160	790,160
Delinquent Tax and Interest	(13,426)	(13,426)
Sales Tax	4,763	4,763
Lodgers Tax	103,142	103,142
Severance Tax	278,419	278,419
Intergovernmental		
Motor Vehicle License Fees	90,642	90,642
Mineral Leasing	2,286,221	2,286,221
Payment in Lieu of Taxes	162,291	162,291
Tobacco Taxes	7,446	7,446
Earnings on investments	145,690	145,690
Reimbursements	202,516	202,516
Royalties	354,930	354,930
Asset sales	(2,387)	(2,387)
Miscellaneous	113,246	113,246

<b>Total General Revenues</b>	<b>12,894,919</b>	<b>-</b>	<b>12,894,919</b>
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<b>Changes in Net Assets</b>	<b>797,816</b>	<b>49,025</b>	<b>846,841</b>
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Net Assets Beginning of the Year	32,615,721	1,202,440	33,818,161
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<b>Net Assets End of the Year</b>	<b>\$ 33,413,537</b>	<b>\$ 1,251,465</b>	<b>\$ 34,665,002</b>
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The accompanying notes are an integral part of this statement.

**MONTEZUMA COUNTY, COLORADO**

Balance Sheet  
Governmental Funds

December 31, 2011

	General Fund	Road and Bridge Fund	Social Services Fund	Unallocated Reserve Fund	Jail Fund	Capital Fund	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>								
Cash-unrestricted	\$ 9,766,738	\$ 4,044,112	\$1,549,185		\$1,117,766	\$ 2,029,870	\$ 3,032,486	\$ 21,540,157
Property taxes receivable	6,096,771	1,542,770	766,869					8,406,210
Other receivables	16,230		635,953		47			652,230
Due from other funds						263,442		263,442
Due from state			141,773					141,773
Due from other governments	97,707	119,953	8,184		252			226,096
Inventory		50,000						50,000
<b>Total Assets</b>	<b>\$15,977,446</b>	<b>\$ 5,756,835</b>	<b>\$3,101,764</b>	<b>\$ -</b>	<b>\$1,118,065</b>	<b>\$ 2,293,312</b>	<b>\$ 3,032,486</b>	<b>\$ 31,279,908</b>
<b>Liabilities</b>								
Accounts payable	\$ 360,112	\$ 158,001						\$ 518,113
Trusts payable			\$ 328					328
Payments in arrears			635,953					635,953
Due to other governments			87,112					87,112
Deferred revenue	6,096,771	1,542,770	991,550					8,631,091
<b>Total Liabilities</b>	<b>6,456,883</b>	<b>1,700,771</b>	<b>1,714,943</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9,872,597</b>
<b>Fund Balances</b>								
Restricted								
Reserved for emergencies (TABOR)							\$ 722,119	722,119
Reserved for inventories		50,000						50,000
Reserved for cancer treatments							25,022	25,022
Unrestricted								
Assigned for future year's expenditures	9,520,563	4,006,064	1,386,821		\$1,118,065	\$ 2,293,312	2,285,345	20,610,170
<b>Total Fund Balances</b>	<b>9,520,563</b>	<b>4,056,064</b>	<b>1,386,821</b>	<b>-</b>	<b>1,118,065</b>	<b>2,293,312</b>	<b>3,032,486</b>	<b>21,407,311</b>
<b>Total Liabilities and County Equity</b>	<b>\$15,977,446</b>	<b>\$ 5,756,835</b>	<b>\$3,101,764</b>	<b>\$ -</b>	<b>\$1,118,065</b>	<b>\$ 2,293,312</b>	<b>\$ 3,032,486</b>	<b>\$ 31,279,908</b>

**Reconciliation of the Governmental Funds Balance Sheet with the Statement of Net Assets**

<b>Total Fund Balance Governmental Funds</b>	<b>\$ 21,407,311</b>
Amounts reported for governmental activities in the Statement of Net Assets are different because	
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.	
Capital assets	\$24,273,501
Accumulated depreciation	(11,065,654)
Long term liabilities are not due and payable in the current period and therefore, they are not reported in the governmental funds balance sheet.	13,207,847
Due within one year	(390,000)
Due in more than one year	(811,621)
	(1,201,621)
<b>Total Net Assets Governmental Activities</b>	<b>\$ 33,413,537</b>

The accompanying notes are an integral part of this statement.

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

For the Year Ended December 31, 2011

	General Fund	Road and Bridge Fund	Social Services Fund	Unallocated Reserve Fund	Jail Fund	Capital Fund	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>								
Taxes	\$ 6,440,591	\$ 1,554,514	\$ 771,975	\$	\$ 4,763	\$	\$ 778,153	\$ 9,549,996
Intergovernmental revenues	3,271,654	3,251,414	9,683,306			1,086,221	129,612	17,422,207
Charges for services	518,740	134,320					178,966	832,026
Licenses and permits	31,872							31,872
Fines and forfeitures	18,493							18,493
Earnings on investments	137,894				1,342		6,455	145,691
Fee accounts	1,480,370							1,480,370
Other	613,875	72,979				15,000		701,854
<b>Total Revenues</b>	<b>12,513,489</b>	<b>5,013,227</b>	<b>10,455,281</b>		<b>6,105</b>	<b>1,101,221</b>	<b>1,093,186</b>	<b>30,182,509</b>
<b>Expenditures</b>								
General government	4,039,180					419,737	109,000	4,567,917
Public safety	6,088,785				752,550		141,475	6,982,810
Public works		4,842,056						4,842,056
Public health and welfare	2,375,757		10,511,754					12,887,511
Culture and recreation	685,419							685,419
<b>Total Expenditures</b>	<b>13,189,141</b>	<b>4,842,056</b>	<b>10,511,754</b>		<b>752,550</b>	<b>419,737</b>	<b>250,475</b>	<b>29,965,713</b>
<b>Excess revenues over (under) expenditures</b>	<b>(675,652)</b>	<b>171,171</b>	<b>(56,473)</b>		<b>(746,445)</b>	<b>681,484</b>	<b>842,711</b>	<b>216,796</b>
<b>Other Financing Sources (Uses)</b>								
Transfers in	4,867,660	22,441		\$ (3,000,000)	(357,710)	(492,700)	(1,003,781)	4,890,101
Transfers out		(35,910)						(4,890,101)
<b>Total Other Financing Sources (Uses)</b>	<b>4,867,660</b>	<b>(13,469)</b>	<b>-</b>	<b>(3,000,000)</b>	<b>(357,710)</b>	<b>(492,700)</b>	<b>(1,003,781)</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>4,192,008</b>	<b>157,702</b>	<b>(56,473)</b>	<b>(3,000,000)</b>	<b>(1,104,155)</b>	<b>188,784</b>	<b>(161,070)</b>	<b>216,796</b>
Fund Balances beginning of the year	5,328,555	3,898,362	1,443,294	3,000,000	2,222,220	2,104,528	3,193,556	21,190,515
<b>Fund Balances end of the year</b>	<b>\$ 9,520,563</b>	<b>\$ 4,056,064</b>	<b>\$ 1,386,821</b>	<b>\$ -</b>	<b>\$ 1,118,065</b>	<b>\$ 2,293,312</b>	<b>\$ 3,032,486</b>	<b>\$ 21,407,311</b>

The accompanying notes are an integral part of this statement.

**MONTEZUMA COUNTY, COLORADO**

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

For the Year Ended December 31, 2011

**Net Change in Fund Balances Governmental Funds** **\$ 216,796**

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

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

Capital asset purchases capitalized	\$ 894,368	
Depreciation expense	(870,373)	
		23,995

Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets:

Bond payments	720,000
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Some increases in debt are not reported in the governmental funds but are reflected in the Statement of Activities

Increase in accrued compensated absences	(121,196)
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Governmental funds report assets sales proceeds as revenue. However, in the Statement of Activities gain or loss on disposal is computed.

Loss on asset disposal	(2,387)	
Proceeds from asset disposal	(39,392)	
		(41,779)

<b>Change in Net Assets of Governmental Activities</b>	<b>\$ 797,816</b>
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The accompanying notes are an integral part of this statement.

**MONTEZUMA COUNTY, COLORADO**

Statement of Net Assets  
Proprietary Fund  
Enterprise Fund

December 31, 2011

	<u>Business-type Activities Landfill Fund</u>	
<b>Assets</b>		
<b>Current Assets</b>		
Cash	\$	213,972
<b>Total Current Assets</b>		<u>213,972</u>
<b>Noncurrent Assets</b>		
Capital Assets	\$	3,813,319
Accumulated Depreciation		(1,985,007)
<b>Total Noncurrent Assets</b>		<u>1,828,312</u>
<b>Total Assets</b>	\$	<u><u>2,042,284</u></u>
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Accounts payable	\$	40,939
Due to other funds		263,442
Accrued closure costs		486,438
<b>Total Current Liabilities</b>		<u>790,819</u>
<b>Total Liabilities</b>		790,819
<b>Net Assets</b>		
Invested in capital assets, net of related debt	\$	1,251,465
<b>Total Net Assets</b>		<u>1,251,465</u>
<b>Total Liabilities and Net Assets</b>	\$	<u><u>2,042,284</u></u>

The accompanying notes are an integral part of this statement.

MONTEZUMA COUNTY, COLORADO

Statement of Revenues, Expenses, and Changes in Fund Net Assets  
Proprietary Fund  
Enterprise Fund  
For the Year Ended December 31, 2011

	Business-type Activities Landfill Fund
<b>Operating Revenues</b>	
Landfill fees	\$ 952,058
<b>Total Operating Revenues</b>	<u>952,058</u>
<b>Operating Expenses</b>	
Landfill operations	
Salaries	\$ 274,814
Employee benefits	74,699
Other operating expenses	149,831
Professional fees	71,481
Utilities	44,119
Insurance and bonds	35,994
Repairs and maintenance	56,062
Depreciation	152,577
<b>Total Operating Expenses</b>	<u>(859,577)</u>
Operating income (loss)	<u>92,481</u>
<b>Non-Operating Revenue (Expense)</b>	
Increase in accrued closure costs	(43,456)
<b>Total Non-Operating Revenue</b>	<u>(43,456)</u>
Change in net assets	<u>49,025</u>
Net assets beginning of the year	1,202,440
<b>Net assets end of the year</b>	<u><u>\$ 1,251,465</u></u>

The accompanying notes are an integral part of this statement.

# MONTEZUMA COUNTY, COLORADO

## Statement of Cash Flows Proprietary Fund Enterprise Fund

For the Year Ended December 31, 2011

	Business-type Activities Landfill Fund
<b>Cash Flows from Operating Activities</b>	
Cash received from customers	\$ 952,058
Cash payments to employees for services	(349,513)
Cash payments to suppliers for goods and services	(335,078)
<b>Net Cash Flows provided (used) by Operating Activities</b>	<u>267,467</u>
<b>Cash Flows from Capital and Related Financing Activities</b>	
Purchase of equipment	\$ (81,685)
Repayment of interfund borrowing	(157,279)
<b>Net Cash Flows provided (used) by Capital and Related Financing Activities</b>	<u>(238,964)</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	<u>28,503</u>
Cash and cash equivalents beginning of the year	185,469
<b>Cash and cash equivalents end of the year</b>	<u><u>\$ 213,972</u></u>
<b>Reconciliation of operating income (loss) to Net Cash provided (used) by Operating Activities</b>	
Operating income (loss)	\$ 92,481
Adjustments to reconcile operating income (loss) to net cash provided by operating activities	
Depreciation	\$ 152,577
Increase or (decrease) in Accounts payable	22,409
<b>Total adjustments</b>	<u>174,986</u>
<b>Net Cash Flows provided (used) by Operating Activities</b>	<u><u>\$ 267,467</u></u>

The accompanying notes are an integral part of this statement.



**MONTEZUMA COUNTY, COLORADO**

**Statement of Fiduciary Net Assets**

As of December 31, 2011

	<u>Agency Fund</u>
<b>Assets</b>	
Cash	\$        451,281
<b>Total Assets</b>	<u><u>\$        451,281</u></u>
<b>Liabilities</b>	
Due to agency recipient	\$        451,281
<b>Total Liabilities</b>	<u><u>\$        451,281</u></u>

The accompanying notes are an integral part of this statement.

# MONTEZUMA COUNTY, COLORADO

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2011

**Summary of Significant Accounting Policies** – Montezuma County, Colorado's (the County) financial statements are prepared in accordance with U.S. generally accepted accounting principals (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements of Interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict with or contradict GASB pronouncements. Although the County has to option to apply FASB pronouncements issued after that date to its business-type activities and enterprise funds, the County has chosen not to do so.

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

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

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

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

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

## MONTEZUMA COUNTY, COLORADO

### NOTES TO THE FINANCIAL STATEMENTS

December 31, 2011

**Fund Accounting** – The accounts of the County are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and in the means by which spending activities are controlled. The various funds are grouped into three categories: governmental, proprietary and fiduciary. Each category, in turn, is divided into separate “fund types”.

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

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

#### **Special Revenue Funds-**

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

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

**Unallocated Reserve Fund-** accounts for non-Tabor reserves of the County for future year’s expenditures. This fund was closed and combined with the General Fund in the current year due to the implementation of GASB 54.

#### **Capital Projects Funds-**

**Jail Fund** – is used to account for activities related to the financing and construction of the County’s new jail facility. As required by the bond issuance agreement, this fund also accounts for the collection of the County sales tax and the repayment of the bonds used to finance the facility.

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

**Non-major Funds-** The other governmental funds of the County are Special Revenue Funds. These funds account for revenues derived from earmarked revenue sources. Special revenue

# MONTEZUMA COUNTY, COLORADO

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2011

funds consist of the Conservation Trust Fund, Law Enforcement Authority Fund, Clara Ormiston Fund, Emergency Telephone Service Fund, Sheriff's Forfeiture Fund, Revolving Loan Fund, Lodgers' Tax Fund, Emergency Reserve Fund, and the Contingent Fund.

### ***Proprietary Funds-***

***Enterprise Fund*** – focus on the determination of the changes in net assets, financial position and cash flows and are classified as either enterprise or internal service. The County's major enterprise fund is:

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

***Fiduciary Funds*** – reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into trust funds and agency funds. Trust funds are used to account for assets held by the County under a trust agreement for individuals, private organizations, or other governments and are therefore, not available to support the County's own programs. The County does not have any trust funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results or operations. The County has one agency fund.

### ***Basis of Presentation-***

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

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

The county-wide statement of activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the County and for each function or program of the County's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues, which are

# MONTEZUMA COUNTY, COLORADO

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2011

not classified as program revenues, are presented as general revenues of the County, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the County.

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

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

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

Fiduciary funds are reported using the economic resources measurement focus.

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

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

## MONTEZUMA COUNTY, COLORADO

### NOTES TO THE FINANCIAL STATEMENTS

December 31, 2011

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

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

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

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

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

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

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

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

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

# MONTEZUMA COUNTY, COLORADO

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2011

Public hearings are conducted to obtain comments.

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

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

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

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

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

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

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

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

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

**MONTEZUMA COUNTY, COLORADO**  
**NOTES TO THE FINANCIAL STATEMENTS**

December 31, 2011

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

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

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

**Compensated absences-** Compensated absences arise from policies concerning vacation and sick leave. County employees accrue unlimited sick leave on the basis of one working day per month. Unused accrued sick leave shall not be paid at the time of termination of the employee's service, except in the event the employee terminated voluntarily in good standing after 5 years of service with the County. Such employees will be paid for actual accumulated sick days up to a maximum of 15 days for 5 to 10 years of service, 25 days for the following 5 years, 45 days for 21 to 30 years and 60 days for over 31 years of service. County employees are entitled to paid vacation after completion of six months of service. All full-time employees begin to accumulate vacation at the time of entry into service. The rate of accumulation is 1 day per month for the first five years of employment, 1.25 days per month for the following five years and 1.5 days per month for eleven years of service and over. Vacation is accumulated throughout each calendar year, but the maximum accumulation is 17 days for the first five years of service, 20 days for the following five years and 23 days for eleven years and over. For the Sheriff's department only, vacation time accrued during a given calendar year must be used in the immediately following year, or be forfeited.



# MONTEZUMA COUNTY, COLORADO

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2011

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

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

**Fund Balance Reserves-** The County reserves those portions of fund equity which are legally segregated for a specific future use or which do not represent available expendable resources and therefore are not available for appropriation or expenditure. Unreserved fund balance indicates that portion of fund equity, which is available for appropriation in future periods. Designated unreserved fund balances have been established for future year's expenditures.

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

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

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

# MONTEZUMA COUNTY, COLORADO

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2011

***Extraordinary and Special Items-*** Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the County Commissioners, and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred in this fiscal year.

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

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

Cash on the Combined Balance Sheet consisted of:

Cash on hand	\$ 78,744
Deposits and certificates of deposit	10,673,609
Investments at cost	11,453,057
Total cash and investments	<u>\$ 22,205,410</u>

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

At December 31, the carrying amount of the County's deposits was \$10,673,609 and the bank balance was \$10,851,302. Of the bank balance, \$1,645,523 was covered by federal depository insurance and \$9,205,779 was collateralized with securities held in single financial institution collateral pools as provided by statute. Collateral for uninsured deposits is held by banks in the name of a number of government accounts of which the County is a part.

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

# MONTEZUMA COUNTY, COLORADO

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2011

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

At December 31, the County had invested in a money market fund with Wells Fargo. This account is used to hold money from the sale of government securities until they are reinvested. All funds in this account were reinvested in Federal Government securities and mortgages shortly after year end. The money market account is rated AAA from Standard and Poor's. This investment is not categorized because it is not evidenced by securities that exist in physical or book form.

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

Investment Type	Fair Value	Investment Maturities (in years)			
		Less than 1	1-5	6-10	More than 10
Investment Pools					
COLOTRUST	\$ 8,090,469				
CSAFE	111,077				
	<u>8,201,546</u>				
Wells Fargo Money Market	1,236,998				
Federal Government backed securities and mortgages	2,014,513	<u>\$ 2,014,513</u>			
Total	<u>\$ 11,453,057</u>				

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

**Retirement Plan** – The County is a member of the Colorado County Officials and Employees Retirement Association. All members of the Association are participants in a defined contribution retirement plan which was adopted and is administered to provide income

# MONTEZUMA COUNTY, COLORADO

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2011

after retirement in addition to benefits provided by Federal Social Security. All County employees are required to participate after one year of continuous service. Contributions made by the employee are a minimum of five percent and a maximum of ten percent of gross salary, at the employees' discretion. Employees may make additional voluntary contributions not to exceed twenty five percent of compensation.

The County maintains no control over the plan, other than being a member of the Association. Employees vest at ten percent per year and are fully vested after ten years of participation. The County has no unfunded liability under the plan. The total 2011 County payroll was \$9,308,944. The covered payroll for retirement plan purposes was \$8,322,710. The 2011 employer and employee contributions to the plan were \$416,136 and \$480,768 respectively. There were no County securities or other transactions included in the plan's assets.

### **Capital Assets** – Capital asset activity for the fiscal year ended December 31, 2011:

	Capital Assets Jan 1, 2011	Additions	Deletions/ Transfers	Capital Assets Dec 31, 2011
<b>Governmental Activities</b>				
Capital assets, not being depreciated:				
Land	\$ 1,257,990			\$ 1,257,990
Total capital assets not being depreciated	<u>1,257,990</u>	<u>-</u>	<u>-</u>	<u>1,257,990</u>
Capital assets, being depreciated:				
Buildings	11,096,016	\$ 394,087		11,490,103
Equipment	9,272,468	500,281	\$ (106,546)	9,666,203
Infrastructure	1,859,205			1,859,205
Total capital assets being depreciated	<u>22,227,689</u>	<u>894,368</u>	<u>(106,546)</u>	<u>23,015,511</u>
Less accumulated depreciation for:				
Buildings	(2,960,702)	(279,954)		(3,240,656)
Equipment	(6,275,460)	(537,299)	64,767	(6,747,992)
Infrastructure	(1,023,886)	(53,120)		(1,077,006)
Total accumulated depreciation	<u>(10,260,048)</u>	<u>(870,373)</u>	<u>64,767</u>	<u>(11,065,654)</u>
Total capital assets, being depreciated, net	<u>11,967,641</u>	<u>23,995</u>	<u>(41,779)</u>	<u>11,949,857</u>
Governmental Activities Capital Assets, net	<u>\$ 13,225,631</u>	<u>\$ 23,995</u>	<u>\$ (41,779)</u>	<u>\$ 13,207,847</u>
<b>Business Type Activities</b>				
Equipment and facilities	\$ 3,731,633	\$ 81,686		\$ 3,813,319
Less accumulated depreciation	(1,832,430)	(152,577)		(1,985,007)
Business Type Activities Capital Assets net	<u>\$ 1,899,203</u>	<u>\$ (70,891)</u>	<u>-</u>	<u>\$ 1,828,312</u>

# MONTEZUMA COUNTY, COLORADO

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2011

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

General government	\$ 36,136
Public safety	246,694
Public works	398,492
Public health and welfare	18,767
Culture and recreation	54,370
Unallocated	115,914
Total depreciation government activities	<u>\$ 870,373</u>

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

	<u>Due To (From)</u>
Colorado works	\$ 35,155
Child care	1,454
Child welfare	39,247
County administration	37,225
Core services	19,530
Child support	5,636
L.E.A.P.	4,523
Aid to needy disabled	(5,352)
Home care allowance	(167)
Old age pension	1,499
Food assistance fraud	2,351
Food assistance benefits	(639)
Food assistance job search	284
State incentives	31
Federal incentives	490
Tanf collections retained	541
Medicaid collections	(35)
Net Amount Due From State	<u>\$ 141,773</u>

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

**MONTEZUMA COUNTY, COLORADO**  
**NOTES TO THE FINANCIAL STATEMENTS**

December 31, 2011

**General Long-Term Debt-**

**Bonds Payable-** In 2000 the County issued \$6,260,000 in revenue bonds. The proceeds of the bonds are to be used for the construction of a new jail facility. The bonds were due in semi-annual installments and bore interest at 5.9%. In 2004 the County refinanced the bonds through an advance refunding. The refinancing called for the issuance of \$5,680,000 in revenue refunding bonds. The proceeds were used to advance refund the original bond issue. The refunding bonds are payable in semi-annual installments and bear interest ranging from 2.25% to 3.00%. The advance refunding provided a present value economic gain to the County of \$466,134. The repayment of the bonds is funded by a County sales tax of .45%. The repayment of the bonds is recorded in the Jail Fund.

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

	Balance January 1, 2011	Additions	Deletions	Balance December 31, 2011
Accrued compensation	\$ 690,425	\$ 121,196		\$ 811,621
Revenue refunding bonds	1,110,000		\$ 720,000	390,000
Total	<u>\$ 1,800,425</u>	<u>\$ -</u>	<u>\$ 720,000</u>	<u>\$ 1,201,621</u>

Annual requirements to amortize the revenue bonds is as follows:

<u>Year Ending December 31,</u> 2012	<u>Revenue Refunding Bonds</u>
	\$ 401,700
Total	401,700
Less Interest	<u>(11,700)</u>
Outstanding principal	<u>\$ 390,000</u>

**MONTEZUMA COUNTY, COLORADO**  
**NOTES TO THE FINANCIAL STATEMENTS**

December 31, 2011

**Interfund Receivables and Payables-** consist of the following:

	<u>Due To</u>	<u>Due From</u>
Capital Fund	\$ 263,442	
Landfill		\$ 263,442
Total	<u>\$ 263,442</u>	<u>\$ 263,442</u>

**Interfund Operating Transfers-** consist of the following:

	<u>Transfer In</u>	<u>Transfer out</u>
General Fund	\$ 4,867,660	
Special Revenue Funds		
Conservation Trust		\$ 201,367
Law Enforcement Authority Fund		779,973
Emergency Telephone Fund		22,441
Unallocated Reserve Fund		3,000,000
Road and Bridge Fund	22,441	35,910
Capital Projects Funds		
Capital Fund		492,700
Jail Fund		357,710
	<u>\$ 4,890,101</u>	<u>\$ 4,890,101</u>

**Fund Balance Restrictions and Assignments** – Restricted indicates that a portion of the fund balance can only be spent for specific purposes because of state or federal laws, or externally imposed conditions by grantors or creditors. Assigned indicates amounts that are designated for a specific purpose by the Board of County Commissioners but are not spendable until appropriated. The County uses the following restrictions and assignments:

# MONTEZUMA COUNTY, COLORADO

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2011

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

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

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

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

General Fund	\$ 9,520,563
Special Revenue Funds	
Road and Bridge Fund	4,006,064
Social Services Fund	1,386,821
Contingent Fund	607,789
Emergency Telephone Service Fund	555,521
Sheriff's Forfeiture Fund	322
Conservation Trust Fund	147,734
Law Enforcement Authority Fund	730,094
Revolving Loan Fund	142,618
Lodger's Tax Fund	101,267
Capital Projects Funds	
Capital Fund	2,293,312
Jail Fund	1,118,065
Total	<u>\$ 20,610,170</u>

**Public Trustee** – The County Treasurer holds the office of the County Public Trustee. Public Trustees are named as trustees for Deeds of Trust and perform all the functions and exercise all the powers conferred upon them by the Deeds of Trust. These functions include



**MONTEZUMA COUNTY, COLORADO**  
**NOTES TO THE FINANCIAL STATEMENTS**

December 31, 2011

releasing Deeds of Trust when indebtedness is paid in full, making sales whenever default occurs, issuing Certificates of Purchase and Certificates of Redemption of Trustee's Deeds. Fees for such services are used to cover related expenses and pay the Trustee an annual salary.

The accounts of the County Public Trustee consist of the following as of and for the year ended December 31, 2011:

Cash at January 1, 2011	\$ 55,700
Revenues	
Interest and fees	39,022
Expenditures	(43,549)
Cash at December 31, 2011	<u>\$ 51,173</u>

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

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

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

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

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

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

# MONTEZUMA COUNTY, COLORADO

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2011

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

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

Colorado Counties Casualty and Property Pool – The County is exposed to various risks of loss related to property and casualty losses. The County joined 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 County pays an annual contribution to CAPP for its property and casualty insurance coverage. The intergovernmental formation agreement of CAPP provides that the pool will be financially self-sustaining through member contributions and additional assessments, if necessary, and the pool will purchase excess insurance through commercial companies for members' claims in excess of a specified self-insured retention, which is determined each policy year.

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

**Highway Report** – The supplemental Highway Finance Report on the form provided by the Colorado Department of Highways is included in the audited financial statements. The following is a reconciliation between the highway report and the audited financial statements:

	<u>Report</u>	<u>Difference</u>	<u>Statements</u>
Receipts including transfers in	\$5,035,668		\$5,035,668
Expenditures including transfers out	\$4,877,966		\$4,877,966

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

Currently, the landfill is operating on a cell basis. An average "life to closure" has been estimated at 30 to 40 years for the cells. It is estimated that at December 31, 2011 26.35% of the capacity had been used. Engineer estimates have been obtained for anticipated closure

**MONTEZUMA COUNTY, COLORADO**

**NOTES TO THE FINANCIAL STATEMENTS**

December 31, 2011

and post-closure costs. The County is required to perform certain maintenance and monitoring functions for thirty years after closure. The expense and liability associated with these requirements are reflected in the financial statements of the Landfill Fund.

	Estimated Costs	Estimated Capacity Used	Accrued Closure Costs
Closure	\$ 1,020,752	26.35%	\$ 268,968
Post-closure	495,637	26.35%	130,600
Post-closure Carver Landfill	86,870	100%	86,870
Total	<u>\$ 1,603,259</u>		<u>\$ 486,438</u>

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

**MONTEZUMA COUNTY, COLORADO**

**Required Supplementary Information**

December 31, 2011

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

Such information includes:

**Budgetary Comparison Schedules**

General Fund

Road and Bridge Fund

Social Services Fund

Unallocated Reserve Fund

# MONTEZUMA COUNTY, COLORADO

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

For the Year Ended December 31, 2011

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
<b>Revenues</b>				
Taxes				
General property taxes	\$ 5,620,226	\$ 5,620,226	\$ 5,623,747	\$ 3,521
Specific ownership taxes	500,000	500,000	530,979	30,979
Severance taxes	194,241	194,241	278,419	84,178
Tobacco products taxes	7,000	7,000	7,446	446
Total taxes	6,321,467	6,321,467	6,440,591	119,124
Licenses and permits				
Food service licenses	33,000	33,000	31,872	(1,128)
Total licenses and permits	33,000	33,000	31,872	(1,128)
Intergovernmental revenues				
Payment in lieu of taxes	156,500	156,500	162,291	5,791
Forest service	20,000	20,000	42,968	22,968
Mineral leasing	516,344	516,344	600,000	83,656
Grants				
Community service block grant	29,650	29,650	58,744	29,094
WIC	580,626	580,626	526,131	(54,495)
Donated commodities			40,084	40,084
Bioterrorism	58,123	58,123	40,498	(17,625)
State grants			43,018	43,018
Sherrif grants	324,000	324,000	454,476	130,476
Health department grants	555,952	555,952	522,086	(33,866)
Immunization grants	24,970	24,970	64,081	39,111
Senior nutrition grants	38,238	38,238	45,558	7,320
HCP	15,156	15,156	18,995	3,839
TB control	2,200	2,200	2,235	35
Environmental health contract	16,558	16,558	16,558	-
HCBS	18,000	18,000	28,561	10,561
Single entry point	343,653	343,653	357,461	13,808
Energy impact grant		-	106,919	106,919
Area agency on aging	99,214	99,214	86,851	(12,363)
Transportation grant	57,178	57,178	54,139	(3,039)
Total intergovernmental revenues	2,856,362	2,856,362	3,271,654	415,292
Charges for services				
General government	98,749	98,749	70,806	(27,943)
Health	206,720	206,720	203,394	(3,326)

(continued)

**MONTEZUMA COUNTY, COLORADO**

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

For the Year Ended December 31, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Charges for services (continued)				
Senior nutrition	\$ 132,720	\$ 132,720	\$ 112,046	\$ (20,674)
MCH block grant	53,146	53,146	52,871	(275)
County fair and fairground user fees	80,000	80,000	79,623	(377)
Total charges for services	<u>571,335</u>	<u>571,335</u>	<u>518,740</u>	<u>(52,595)</u>
Fines and forfeitures				
Court fines	16,742	16,742	18,493	1,751
Total fines and forfeitures	<u>16,742</u>	<u>16,742</u>	<u>18,493</u>	<u>1,751</u>
Earnings on investments	<u>70,000</u>	<u>70,000</u>	<u>137,894</u>	<u>67,894</u>
Miscellaneous revenues				
Rents and royalties	200,000	200,000	354,930	154,930
Reimbursements			172,521	172,521
Delinquent tax and interest	100	100	(8,225)	(8,325)
Other			94,649	94,649
Total miscellaneous revenues	<u>200,100</u>	<u>200,100</u>	<u>613,875</u>	<u>413,775</u>
Fee accounts				
Sheriff fees	630,000	630,000	717,620	87,620
Clerk fees	485,000	485,000	514,788	29,788
Treasurers fees	210,000	210,000	210,825	825
Public trustee fees	45,076	45,076	37,137	(7,939)
Total fee accounts	<u>1,370,076</u>	<u>1,370,076</u>	<u>1,480,370</u>	<u>110,294</u>
<b>Total revenues</b>	<u>11,439,082</u>	<u>11,439,082</u>	<u>12,473,405</u>	<u>1,034,323</u>

(continued)

**MONTEZUMA COUNTY, COLORADO**

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

For the Year Ended December 31, 2011

Expenditures	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
General government				
Board of county commissioners	\$ 255,452	\$ 255,452	\$ 228,011	\$ 27,441
Planning department	120,726	120,726	117,319	3,407
Clerk	595,682	599,646	574,592	25,054
Treasurer	257,865	266,665	257,029	9,636
Public trustee	17,507	17,507	15,263	2,244
Assessor	555,219	555,219	525,178	30,041
Attorney	136,842	136,842	132,988	3,854
Grounds and buildings	518,003	624,923	628,217	(3,294)
Administrative assistant	349,860	349,860	282,268	67,592
Elections	52,000	52,000	33,715	18,285
Extention service	75,900	85,137	83,821	1,316
Veteran's office	16,760	16,760	16,580	180
Purchasing	100,000	100,000	67,236	32,764
Computer services and mapping	360,336	401,934	349,428	52,506
Emergency management	68,508	68,508	68,133	375
Miscellaneous	798,229	1,066,636	659,402	407,234
Total general government	4,278,889	4,717,815	4,039,180	678,635
Public safety				
Sheriff administration	2,781,571	3,215,828	3,080,469	135,359
Coroner	69,487	74,398	75,576	(1,178)
District attorney	675,759	683,225	670,705	12,520
Police stations and buildings	2,094,416	2,313,246	2,262,035	51,211
Total public safety	5,621,233	6,286,697	6,088,785	197,912
Health and welfare				
Public health administration	2,001,720	2,001,720	1,914,920	86,800
Senior citizens	453,059	520,101	390,657	129,444
Animal and pest control	70,500	70,500	70,180	320
Total health and welfare	2,525,279	2,592,321	2,375,757	216,564

(continued)

**MONTEZUMA COUNTY, COLORADO**

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

For the Year Ended December 31, 2011

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
Expenditures (continued)				
Culture and recreation				
County fair	\$ 41,600	\$ 41,600	\$ 28,259	\$ 13,341
Fairgrounds	224,418	784,705	657,160	127,545
Total culture and recreation	266,018	826,305	685,419	140,886
<b>Total expenditures</b>	<b>12,691,419</b>	<b>14,423,138</b>	<b>13,149,057</b>	<b>1,274,081</b>
Excess (deficit) of revenues over (under) expenditures	(1,252,337)	(2,984,056)	(675,652)	2,308,404
<b>Other financing sources (uses)</b>				
Operating transfers in	1,051,300	1,051,300	1,867,660	816,360
Residual equity transfer in			3,000,000	(3,000,000)
<b>Total other financing sources (uses)</b>	<b>1,051,300</b>	<b>1,051,300</b>	<b>4,867,660</b>	<b>(2,183,640)</b>
<b>Excess (deficit) of revenues and other financing sources over (under) expenditures and other financing uses</b>	<b>(201,037)</b>	<b>(1,932,756)</b>	<b>4,192,008</b>	<b>124,764</b>
Fund balance, beginning	3,358,794	5,328,555	5,328,555	-
<b>Fund balance, ending</b>	<b>\$ 3,157,757</b>	<b>\$ 3,395,799</b>	<b>\$ 9,520,563</b>	<b>\$ 6,124,764</b>



**MONTEZUMA COUNTY, COLORADO**

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

For the Year Ended December 31, 2011

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
<b>Revenues</b>				
<b>Taxes</b>				
General property taxes	\$ 1,422,181	\$ 1,422,181	\$ 1,423,042	\$ 861
Specific ownership taxes	120,000	120,000	134,488	14,488
Delinquent taxes and interest	100		(3,016)	(3,016)
<b>Total taxes</b>	<u>1,542,281</u>	<u>1,542,181</u>	<u>1,554,514</u>	<u>12,333</u>
<b>Intergovernmental revenues</b>				
<b>Federal shared revenues</b>				
Forest Service	71,128	71,128	60,871	(10,257)
ARRA grant			89,605	89,605
Mineral leasing	516,344	516,344	600,000	83,656
<b>State shared revenues</b>				
Highway user's tax	1,900,000	1,900,000	2,410,296	510,296
Additional motor vehicle registration fee	85,000	85,000	90,642	5,642
<b>Total intergovernmental revenues</b>	<u>2,572,472</u>	<u>2,572,472</u>	<u>3,251,414</u>	<u>678,942</u>
<b>Miscellaneous revenues</b>				
Permits			12,406	12,406
Impact fees			87,299	87,299
Dust abatement			34,615	34,615
Other	82,000	82,000	72,979	(9,021)
<b>Total miscellaneous revenues</b>	<u>82,000</u>	<u>82,000</u>	<u>207,299</u>	<u>125,299</u>
<b>Total revenues</b>	<u>4,196,753</u>	<u>4,196,653</u>	<u>5,013,227</u>	<u>816,574</u>
<b>Expenditures</b>				
<b>Current operating</b>				
<b>Public Works</b>				
Administration	113,948	113,948	113,794	154
Maintenance of condition	3,795,593	4,232,127	3,917,427	314,700
Snow and ice removal	147,026	161,481	152,387	9,094
System preservation	487,003	534,881	504,758	30,123
Payments to cities	152,291	152,291	153,690	(1,399)
<b>Total public works</b>	<u>4,695,861</u>	<u>5,194,728</u>	<u>4,842,056</u>	<u>352,672</u>
<b>Total expenditures</b>	<u>4,695,861</u>	<u>5,194,728</u>	<u>4,842,056</u>	<u>352,672</u>
Excess (deficit) of revenues over (under) expenditures	(499,108)	(998,075)	171,171	1,169,246
Other financing sources (uses)				
Transfers in	22,501	22,501	22,441	(60)
Transfers out		(35,910)	(35,910)	-
<b>Excess (deficit) of other financing sources over (under)   expenditures and other financing uses</b>	<u>(476,607)</u>	<u>(1,011,484)</u>	<u>157,702</u>	<u>1,169,186</u>
Fund balance, beginning	2,357,217	3,898,362	3,898,362	-
<b>Fund balance, ending</b>	<u>\$ 1,880,610</u>	<u>\$ 2,886,878</u>	<u>\$ 4,056,064</u>	<u>\$ 1,169,186</u>

## MONTEZUMA COUNTY, COLORADO

Schedule of Revenue, Expenditures and Changes in  
Fund Balance - Budget and Actual  
Social Services Fund  
For the year Ended December 31, 2011

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
<b>Revenues</b>				
<b>Taxes</b>				
General Property Taxes	\$ 706,742	\$ 706,742	\$ 706,104	\$ (638)
Specific Ownership Taxes	58,598	58,598	65,871	7,273
<b>Total taxes</b>	<b>765,340</b>	<b>765,340</b>	<b>771,975</b>	<b>6,635</b>
<b>Intergovernmental revenues</b>				
Programs settled by CFMS				
Colorado Works	810,539	810,539	843,478	32,939
Child Care	291,343	291,343	189,433	(101,910)
Child Welfare	1,495,539	1,495,539	1,328,898	(166,641)
Administration	553,228	553,228	426,183	(127,045)
Core Services	369,965	369,965	355,858	(14,107)
Child Support	184,722	184,722	142,059	(42,663)
LEAP	894,073	894,073	692,650	(201,423)
Aid to Needy Disabled	120,000	120,000	71,838	(48,162)
Home Care Allowance	40,486	40,486	30,156	(10,330)
Old Age Pension	270,000	270,000	280,004	10,004
Food Assistance Fraud	26,067	26,067	29,308	3,241
Food Assistance	7,553,349	7,521,049	5,165,904	(2,355,145)
Food Assistance Job Search			2,546	2,546
Tanf Collections EBT	(2,991)	(2,991)	(2,517)	474
State and Federal Incentives	18,426	18,426	23,103	4,677
Audit Adjustments			(90,341)	(90,341)
TANF Collections IVD Retained	(32,304)	(32,304)	(51,533)	(19,229)
Medicaid Collections	(699)	(699)	(911)	(212)
<b>Total Programs settled by CFMS</b>	<b>12,591,743</b>	<b>12,559,443</b>	<b>9,435,916</b>	<b>(3,123,527)</b>
Other				
Medicaid Transport	37,159	69,459	56,748	(12,711)
Colorado Works Bonus			27,429	27,429
IV-E Incentives	240,521	240,521	88,204	(152,317)
Integrated Care Management			71,287	71,287
Other	40,000	40,000	3,722	(36,278)
<b>Total Other</b>	<b>317,680</b>	<b>349,980</b>	<b>247,390</b>	<b>(102,590)</b>
<b>Total Intergovernmental revenues</b>	<b>12,909,423</b>	<b>12,909,423</b>	<b>9,683,306</b>	<b>(3,226,117)</b>
<b>Total Revenues</b>	<b>13,674,763</b>	<b>13,674,763</b>	<b>10,455,281</b>	<b>(3,219,482)</b>
<b>Expenditures</b>				
<b>Health and Welfare</b>				
Programs settled by CFMS				
Colorado Works	810,539	810,539	1,039,345	(228,806)
Child Care	351,754	351,754	226,675	125,079
Child Welfare	1,813,552	1,813,552	1,637,282	176,270
Administration	691,535	691,535	527,659	163,876
Core Services	396,355	396,355	378,730	17,625
Child Support	279,882	279,882	246,627	33,255
LEAP	894,073	894,073	692,650	201,423
Aid to Needy Disabled	150,000	150,000	89,797	60,203
Home Care Allowance	42,617	42,617	31,743	10,874
Old Age Pension	270,000	270,000	280,004	(10,004)
Food Assistance Fraud	62,574	62,574	37,943	24,631
Food Assistance	7,553,349	7,521,049	5,165,904	2,355,145
Food Assistance Job Search			4,391	(4,391)
Tanf Collections EBT	(3,887)	(3,887)	(3,146)	(741)
Audit Adjustments			(90,341)	(90,341)
Tanf Collections IVD Retained	(41,724)	(41,724)	(64,417)	22,693
Medicaid Collections	(699)	(699)	(911)	212
<b>Total Programs settled by CFMS</b>	<b>13,269,920</b>	<b>13,237,620</b>	<b>10,199,935</b>	<b>3,037,685</b>
Other				
Medicaid Transport	37,159	69,459	57,068	12,391
IV-E Money	240,521	240,521	88,204	152,317
Integrated Care Management			71,287	(71,287)
Other	122,692	122,692	95,260	27,432
<b>Total Other</b>	<b>400,372</b>	<b>432,672</b>	<b>311,819</b>	<b>120,853</b>
<b>Total expenditures</b>	<b>13,670,292</b>	<b>13,670,292</b>	<b>10,511,754</b>	<b>3,158,538</b>
<b>Excess revenues over (under) expenditures</b>	<b>4,471</b>	<b>4,471</b>	<b>(56,473)</b>	<b>(60,944)</b>
<b>Excess (deficit) of other financing sources over (under) expenditures and other financing uses</b>	<b>4,471</b>	<b>4,471</b>	<b>(56,473)</b>	<b>(60,944)</b>
<b>Fund balance, beginning</b>	<b>1,444,670</b>	<b>1,444,670</b>	<b>1,443,294</b>	<b>(1,376)</b>
<b>Fund balance, ending</b>	<b>\$ 1,449,141</b>	<b>\$ 1,449,141</b>	<b>\$ 1,386,821</b>	<b>\$ (62,320)</b>

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

For the Year Ended December 31, 2011

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
<b>Other financing sources (uses)</b>				
Residual equity transfer out			\$ (3,000,000)	\$ (3,000,000)
<b>Total other financing sources (uses)</b>	-	-	(3,000,000)	(3,000,000)
<b>Excess (deficit) of revenues and other financing sources over (under) expenditures and other financing uses</b>	-	-	(3,000,000)	(3,000,000)
<b>Fund Balances beginning of the year</b>	\$ 3,000,000	\$ 3,000,000	\$ 3,000,000	-
<b>Fund Balances end of the year</b>	\$ 3,000,000	\$ 3,000,000	\$ -	\$ (3,000,000)

**MONTEZUMA COUNTY, COLORADO**

**Other Supplementary Information**

December 31, 2011

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

These statements and schedules include:

Combining Statements- Nonmajor governmental funds

Budgetary Comparison Schedules- Nonmajor governmental funds

Budgetary Comparison Schedule-Capital Fund

Budgetary Comparison Schedule-Jail Fund

Budgetary Comparison Schedule-Enterprise Fund

# **MONTEZUMA COUNTY, COLORADO**

## **Nonmajor Governmental Funds**

December 31, 2011

### **Special Revenue Funds**

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

#### **Conservation Trust Fund**

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

#### **Clara Ormiston Fund**

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

#### **Emergency Telephone Service Fund**

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

#### **Sheriff's Department Forfeiture Fund**

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

#### **Revolving Loan Fund**

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

#### **Lodgers' Tax Fund**

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

#### **Emergency Reserve Fund**

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

#### **Contingent Fund**

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

#### **Law Enforcement Authority**

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

**MONTEZUMA COUNTY**  
Combining Balance Sheet  
Non Major Governmental Funds

December 31, 2011

		Special Revenue Funds									
		Conservation Trust Fund	Clara Orniston Fund	Emergency Telephone Fund	Sheriff's Forfeiture Fund	Revolving Loan Fund	Lodgers Tax Fund	Emergency Reserve Fund	Contingent Fund	Law Enforcement Authority Fund	Total
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Assets</b>											
Cash		147,734	25,022	555,521	322	142,618	101,267	722,119	607,789	730,094	3,032,486
<b>Total Assets</b>		<b>\$ 147,734</b>	<b>\$ 25,022</b>	<b>\$ 555,521</b>	<b>\$ 322</b>	<b>\$ 142,618</b>	<b>\$ 101,267</b>	<b>\$ 722,119</b>	<b>\$ 607,789</b>	<b>\$ 730,094</b>	<b>\$ 3,032,486</b>
<b>Liabilities</b>											
Accounts payable											
Due to other funds											
<b>Total Liabilities</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>County Equity</b>											
Fund Balance			\$ 25,022							\$ 25,022	722,119
Restricted								\$ 722,119			
Reserved for cancer treatments											
Reserved for emergencies (TABOR)											
Unrestricted											
Assigned for future year's expenditures											
<b>Total County Equity</b>		<b>\$ 147,734</b>	<b>\$ 25,022</b>	<b>\$ 555,521</b>	<b>\$ 322</b>	<b>\$ 142,618</b>	<b>\$ 101,267</b>	<b>\$ 722,119</b>	<b>\$ 607,789</b>	<b>\$ 730,094</b>	<b>\$ 3,032,486</b>
<b>Total Liabilities and County Equity</b>		<b>\$ 147,734</b>	<b>\$ 25,022</b>	<b>\$ 555,521</b>	<b>\$ 322</b>	<b>\$ 142,618</b>	<b>\$ 101,267</b>	<b>\$ 722,119</b>	<b>\$ 607,789</b>	<b>\$ 730,094</b>	<b>\$ 3,032,486</b>

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

For the Year Ended December 31, 2011

	Special Revenue Funds										Total
	Conservation Trust Fund	Ormiston Fund	Emergency Telephone Fund	Sheriffs Forfeiture Fund	Revolving Loan Fund	Lodgers Tax Fund	Emergency Reserve Fund	Contingent Fund	Law Enforcement Authority Fund		
<b>Revenues</b>											
Taxes						\$ 103,142			\$	675,011	\$ 778,153
Intergovernmental	\$ 129,612		\$ 178,966								129,612
Charges for services		259 \$ 4,450			\$ 1,746						178,966
Earnings on investments											6,455
<b>Total Revenues</b>	<b>129,871</b>	<b>4,450</b>	<b>178,966</b>	<b>-</b>	<b>1,746</b>	<b>103,142</b>	<b>-</b>	<b>-</b>	<b>675,011</b>		<b>1,093,186</b>
<b>Expenditures</b>											
General government						109,000					109,000
Public safety			141,475								141,475
<b>Total expenditures</b>	<b>-</b>	<b>-</b>	<b>141,475</b>	<b>-</b>	<b>-</b>	<b>109,000</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>250,475</b>
Excess revenues over (under) expenditures	<b>129,871</b>	<b>4,450</b>	<b>37,491</b>	<b>-</b>	<b>1,746</b>	<b>(5,858)</b>	<b>-</b>	<b>-</b>	<b>675,011</b>		<b>842,711</b>
<b>Other financing sources (uses)</b>	<b>(201,367)</b>		<b>(22,441)</b>						<b>(779,973)</b>		<b>(1,003,781)</b>
Operating transfers (out)											
<b>Total other financing sources (uses)</b>	<b>(201,367)</b>	<b>-</b>	<b>(22,441)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(779,973)</b>		<b>(1,003,781)</b>
Excess (deficit) of revenues and other financing sources over (under) expenditures and other financing uses	<b>(71,496)</b>	<b>4,450</b>	<b>15,050</b>	<b>-</b>	<b>1,746</b>	<b>(5,858)</b>	<b>-</b>	<b>-</b>	<b>(104,962)</b>		<b>(161,070)</b>
Fund Balances beginning of the year	219,230	20,572	540,471	322	140,872	107,125	722,119	607,789	835,056		3,193,556
<b>Fund Balances end of the year</b>	<b>\$ 147,734</b>	<b>\$ 25,022</b>	<b>\$ 555,521</b>	<b>\$ 322</b>	<b>\$ 142,618</b>	<b>\$ 101,267</b>	<b>\$ 722,119</b>	<b>\$ 607,789</b>	<b>\$ 730,094</b>	<b>\$</b>	<b>\$ 3,032,486</b>

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

For the Year Ended December 31, 2011

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
<b>Revenues</b>				
Intergovernmental				
Lottery funds	\$ 130,000	\$ 130,000	\$ 129,612	\$ (388)
Total intergovernmental revenues	130,000	130,000	129,612	(388)
Miscellaneous				
Earnings on investments		-	259	259
Total miscellaneous revenues	-	-	259	259
<b>Total Revenues</b>	130,000	130,000	129,871	(129)
<b>Other financing sources (uses)</b>				
Operating transfers out	(60,000)	(201,367)	(201,367)	-
<b>Total other financing sources (uses)</b>	(60,000)	(201,367)	(201,367)	-
<b>Excess (deficit) of revenues and other financing sources over (under) expenditures and other financing uses</b>	70,000	(71,367)	(71,496)	(129)
Fund Balances beginning of the year	245,015	219,230	219,230	-
<b>Fund Balances end of the year</b>	<b>\$ 315,015</b>	<b>\$ 147,863</b>	<b>\$ 147,734</b>	<b>\$ (129)</b>



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

For the Year Ended December 31, 2011

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
<b>Revenues</b>				
Earnings on investments			\$ 4,450	\$ 4,450
<b>Total Revenues</b>	-	-	4,450	4,450
<b>Other financing sources (uses)</b>				
Operating transfers out				-
<b>Total other financing sources (uses)</b>	-	-	-	-
<b>Excess (deficit) of revenues and other financing sources over (under) expenditures and other financing uses</b>	-	-	4,450	4,450
<b>Fund Balances beginning of the year</b>	\$ 17,242	\$ 20,572	20,572	-
<b>Fund Balances end of the year</b>	\$ 17,242	\$ 20,572	\$ 25,022	\$ 4,450

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

For the Year Ended December 31, 2011

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
<b>Revenues</b>				
Charges for services	\$ 180,000	\$ 180,000	\$ 178,966	\$ (1,034)
<b>Total Revenues</b>	<u>180,000</u>	<u>180,000</u>	<u>178,966</u>	<u>(1,034)</u>
<b>Expenditures</b>				
Public safety	250,000	250,000	141,475	108,525
<b>Total Expenditures</b>	<u>250,000</u>	<u>250,000</u>	<u>141,475</u>	<u>108,525</u>
Excess revenues over (under) expenditures	<u>(70,000)</u>	<u>(70,000)</u>	<u>37,491</u>	<u>107,491</u>
<b>Other financing sources (uses)</b>				
Operating transfers out		(22,441)	(22,441)	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>(22,441)</u>	<u>(22,441)</u>	<u>-</u>
<b>Excess (deficit) of revenues and other financing sources over (under) expenditures and other financing uses</b>	<u>(70,000)</u>	<u>(92,441)</u>	<u>15,050</u>	<u>107,491</u>
 Fund Balances beginning of the year	 450,007	 540,471	 540,471	 -
<b>Fund Balances end of the year</b>	<u><u>\$ 380,007</u></u>	<u><u>\$ 448,030</u></u>	<u><u>\$ 555,521</u></u>	<u><u>\$ 107,491</u></u>

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

For the Year Ended December 31, 2011

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
<b>Revenues</b>				
Earnings on investments				\$ -
<b>Total Revenues</b>	-	-	-	-
<b>Expenditures</b>				
Public safety				-
<b>Total expenditures</b>	-	-	-	-
<b>Excess revenues over (under) expenditures</b>	-	-	-	-
Fund Balances beginning of the year	\$ 320	\$ 322	\$ 322	-
<b>Fund Balances end of the year</b>	<b>\$ 320</b>	<b>\$ 322</b>	<b>\$ 322</b>	<b>\$ -</b>

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

For the Year Ended December 31, 2011

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
<b>Revenues</b>				
Earnings on investments			\$ 1,746	\$ 1,746
<b>Total Revenues</b>	-	-	1,746	1,746
<b>Expenditures</b>				-
<b>Excess revenues over (under) expenditures</b>	-	-	1,746	1,746
Fund Balances beginning of the year	\$ 140,705	\$ 140,872	140,872	-
<b>Fund Balances end of the year</b>	<b>\$ 140,705</b>	<b>\$ 140,872</b>	<b>\$ 142,618</b>	<b>\$ 1,746</b>

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

For the Year Ended December 31, 2011

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
<b>Revenues</b>				
Lodgers tax	\$ 41,926	\$ 41,926	\$ 103,142	\$ 61,216
<b>Total Revenues</b>	<u>41,926</u>	<u>41,926</u>	<u>103,142</u>	<u>61,216</u>
<b>Expenditures</b>				
General government		109,000	109,000	-
<b>Total Expenditures</b>	<u>-</u>	<u>109,000</u>	<u>109,000</u>	<u>-</u>
<b>Excess revenues over (under) expenditures</b>	<u>41,926</u>	<u>(67,074)</u>	<u>(5,858)</u>	<u>61,216</u>
Fund Balances beginning of the year	62,665	107,125	107,125	-
<b>Fund Balances end of the year</b>	<u>\$ 104,591</u>	<u>\$ 40,051</u>	<u>\$ 101,267</u>	<u>\$ 61,216</u>

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

For the Year Ended December 31, 2011

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

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

For the Year Ended December 31, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Earnings on investments				
<b>Total Revenues</b>	-	-	-	-
<b>Expenditures</b>				
General government				-
<b>Total Expenditures</b>	-	-	-	-
Excess revenues over (under) expenditures	-	-	-	-
<b>Other financing sources (uses)</b>				
Operating transfers out				-
<b>Total other financing sources (uses)</b>	-	-	-	-
<b>Excess (deficit) of revenues and other financing sources over (under) expenditures and other financing uses</b>	-	-	-	-
Fund Balances beginning of the year	\$ 607,789	\$ 607,789	\$ 607,789	-
<b>Fund Balances end of the year</b>	<b>\$ 607,789</b>	<b>\$ 607,789</b>	<b>\$ 607,789</b>	<b>\$ -</b>

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

For the Year Ended December 31, 2011

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
<b>Revenues</b>				
Taxes				
Property taxes	\$ 619,465	\$ 619,465	\$ 618,374	\$ (1,091)
Specific ownership taxes	48,000		58,823	58,823
Delinquent tax and interest			(2,186)	(2,186)
Total taxes	667,465	619,465	675,011	55,546
<b>Total Revenues</b>	667,465	619,465	675,011	55,546
<b>Other financing sources (uses)</b>				
Operating transfers out	(634,570)	(779,974)	(779,973)	1
<b>Total other financing sources (uses)</b>	(634,570)	(779,974)	(779,973)	1
<b>Excess (deficit) of revenues and other financing sources over (under) expenditures and other financing uses</b>	32,895	(160,509)	(104,962)	55,547
Fund Balances beginning of the year	796,062	835,056	835,056	-
<b>Fund Balances end of the year</b>	<b>\$ 828,957</b>	<b>\$ 674,547</b>	<b>\$ 730,094</b>	<b>\$ 55,547</b>



**MONTEZUMA COUNTY, COLORADO**

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

For the Year Ended December 31, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental revenues				
Mineral leasing			\$ 1,086,221	\$ 1,086,221
Total intergovernmental revenues	-	-	1,086,221	1,086,221
Miscellaneous revenues				
Asset sales		-	15,000	15,000
Total miscellaneous revenues	-	-	15,000	15,000
<b>Total Revenues</b>	-	-	1,101,221	1,101,221
<b>Expenditures</b>				
General government		\$ 419,737	419,737	-
<b>Total expenditures</b>	-	419,737	419,737	-
Excess (deficit) of revenues over (under) expenditures	-	(419,737)	681,484	1,101,221
Other financing sources (uses)				
Transfers (out)		(492,700)	(492,700)	-
<b>Excess (deficit) of other financing sources over (under)     expenditures and other financing uses</b>	-	(912,437)	188,784	1,101,221
Fund balance, beginning	\$ 2,091,051	2,104,528	2,104,528	-
<b>Fund balance, ending</b>	<b>\$ 2,091,051</b>	<b>\$ 1,192,091</b>	<b>\$ 2,293,312</b>	<b>\$ 1,101,221</b>

**MONTEZUMA COUNTY, COLORADO**

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

For the Year Ended December 31, 2011

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
<b>Revenues</b>				
Taxes				
Sales tax			\$ 4,763	\$ 4,763
Total taxes	-	-	4,763	4,763
Miscellaneous revenues				
Earnings on investments			1,342	1,342
Total miscellaneous revenues	-	-	1,342	1,342
<b>Total Revenues</b>	-	-	6,105	6,105
<b>Expenditures</b>				
Public safety				
Debt Service				
Principal	\$ 720,000	\$ 720,000	720,000	-
Interest	32,400	32,400	32,400	-
Other	500	500	150	350
<b>Total expenditures</b>	752,900	752,900	752,550	350
Excess (deficit) of revenues over (under) expenditures	(752,900)	(752,900)	(746,445)	6,455
Other financing sources (uses)				
Transfers (out)	(357,710)	(357,710)	(357,710)	-
<b>Excess (deficit) of other financing sources over (under)   expenditures and other financing uses</b>	(1,110,610)	(1,110,610)	(1,104,155)	6,455
Fund balance, beginning	2,190,669	2,222,220	2,222,220	-
<b>Fund balance, ending</b>	<b>\$ 1,080,059</b>	<b>\$ 1,111,610</b>	<b>\$ 1,118,065</b>	<b>\$ 6,455</b>

**MONTEZUMA COUNTY, COLORADO**

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

For the Year Ended December 31, 2011

	Budgeted Amounts		(Non GAAP Basis)	Variance
	Original	Final	Actual Amounts	Favorable (Unfavorable)
<b>Operating Revenues</b>				
Landfill fees	\$ 971,499	\$ 971,499	\$ 952,058	\$ (19,441)
Total local sources	971,499	971,499	952,058	(19,441)
<b>Operating Expenses</b>				
Landfill operations				
Salaries	304,345	304,345	274,814	29,531
Employee benefits	88,446	88,446	74,699	13,747
Other operating expenses	224,220	224,220	149,831	74,389
Professional fees	89,690	89,690	71,481	18,209
Utilities	47,500	47,500	44,119	3,381
Insurance and bonds	45,795	45,795	35,994	9,801
Repairs and maintenance	64,135	64,135	56,062	8,073
Capital outlay	73,600	73,600	81,685	(8,085)
<b>Total Operating Expenses</b>	937,731	937,731	788,685	149,046
Operating income (loss)	33,768	33,768	163,373	129,605
<b>Non-Operating Revenue (Expense)</b>				
Increase in accrued closure costs	(152,936)	(152,936)	(43,456)	109,480
Asset sales	55,000	55,000		(55,000)
Interfund loan payment	(157,300)	(157,300)	(157,279)	21
<b>Total Non-Operating Revenue</b>	(255,236)	(255,236)	(200,735)	54,501
Change in net assets non GAAP basis	(221,468)	(221,468)	(37,362)	184,106
Add capital outlay			81,685	81,685
Add loan payment			157,279	157,279
Less depreciation expense			(152,577)	(152,577)
Change in net assets	(221,468)	(221,468)	49,025	270,493
Net assets beginning of the year	1,063,480	1,202,440	1,202,440	-
<b>Net assets end of the year</b>	\$ 842,012	\$ 980,972	\$ 1,251,465	\$ 270,493

## INFORMATION REQUIRED BY OVERSIGHT AUTHORITIES

Majors and Haley, P.C.  
Certified Public Accountants

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

Chris L. Majors, CPA, MT

Lori Hasty Haley, CPA

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

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Montezuma County, Colorado as of and for the year ended December 31, 2011 which collectively comprise the Montezuma County, Colorado's basic financial statements and have issued our report thereon dated July 13, 2012. 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.

Internal Control Over Financial Reporting

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

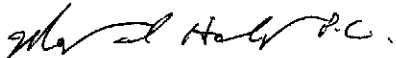
A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

#### Compliance and Other Matters

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

This report is intended solely for the information and use of the Montezuma County Board of County Commissioners, management, Colorado State Auditor, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



Majors and Haley, P.C.  
July 13, 2012

Majors and Haley, P.C.  
Certified Public Accountants

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

Chris L. Majors, CPA, MT

Lori Hasty Haley, CPA

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH  
MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN  
ACCORDANCE WITH OMB CIRCULAR A-133

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

Compliance

We have audited the compliance of Montezuma County, Colorado with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Montezuma County, Colorado's major federal programs for the year ended December 31, 2011. Montezuma County, Colorado's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Montezuma County, Colorado's management. Our responsibility is to express an opinion on Montezuma County, Colorado's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Montezuma County, Colorado's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Montezuma County, Colorado's compliance with those requirements.

In our opinion, Montezuma County, Colorado complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2011.

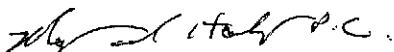
#### Internal Control Over Compliance

The management of Montezuma County, Colorado is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Montezuma County, Colorado's internal control over compliance with requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Montezuma County, Colorado's internal control over compliance.

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

Our consideration of internal control over compliance was for limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended for the information of the Montezuma County, Colorado Board of County Commissioners, management, Colorado State Auditor, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



Majors and Haley, P.C.  
July 13, 2012



**MONTEZUMA COUNTY, COLORADO**

**SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE  
For The Year Ended December 31, 2011**

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Disbursements/ Expenditures
U.S. Department of Agriculture		
Passed through the Colorado Department of Human Services		
Food Distribution	10.569	40,084
Supplemental Nutrition Assistance Program	10.551	5,175,271
SNAP Administration	10.561	<u>151,866</u>
		<u>5,367,221</u>
Passed through the Colorado Department of Public Health and Environment		
Special Supplemental Food-WIC	10.557	<u>523,131</u>
U.S. Department of Health and Human Services		
Passed through the Colorado Department of Public Health and Environment		
Pandemic Flu	93.069	40,196
ARRA Training Grant	93.712	10,941
Maternal and Child Health Services	93.994	15,156
Childhood Immunization Grant	93.268	<u>23,912</u>
		<u>90,205</u>
Passed through the Colorado Department of Human Services		
Title XIX Medicaid	93.778	156,152
Single Entry Point	93.778	
Colorado Works	93.558	865,209
IV-B Child Care	93.645	20,447
Title IV-E Foster Care	93.658	223,665
Title XX Block Grant	93.667	134,459
Title IV-D Administration	93.563	123,507
Low Income Home Energy Assistance (LEAP)	93.568	692,650
Child Care Development Fund	93.596	123,720
Child Care Development Fund-Discretion	93.575	12,132
Title IV-E Adoption	93.659	73,286
Other	93.XXX	<u>(377)</u>
		<u>2,424,850</u>
Passed through the Colorado Department of Health Care Policy and Finance		
Single Entry Point Grant	93.778	<u>178,730</u>
U.S. Department of Justice		
Passed through the Colorado Department of Criminal Justice		
ARRA Law Enforcement	16.810	<u>191,075</u>
Federal Transit Administration		
Passed through the Colorado Department of Transportation		
ARRA Vehicle Grant	20.509	<u>45,558</u>
Other Federal Assistance		
ARRA Forest Service Weed Control	10.668	77,108
ARRA BLM CANM Habitat Restoration	15.230	12,497
Forest Service	10.666	<u>103,839</u>
		<u>193,444</u>
Total		<u>\$ 9,014,214</u>

## **MONTEZUMA COUNTY, COLORADO**

### **NOTES TO THE SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE** **For the Year Ended December 31, 2011**

#### **BASIS OF PRESENTATION**

The accompanying Schedule of Federal Financial Assistance includes the federal grant activity of Montezuma County, Colorado and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations". Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

#### **FOOD DISTRIBUTION**

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

#### **SUBRECIPIENTS**

Montezuma County had no sub-recipients of federal funds for the year ended December 31, 2011.

## **MONTEZUMA COUNTY, COLORADO**

### **SCHEDULE OF FINDINGS AND QUESTIONED COSTS** **For the Year Ended December 31, 2011**

#### **SUMMARY OF AUDIT RESULTS**

1. The auditors' report expresses an unqualified opinion on the (general purpose) financial statements of Montezuma County, Colorado.
2. No instances of noncompliance material to the (general purpose) financial statements of Montezuma County, Colorado were disclosed during the audit.
3. The auditors' report on compliance for the major federal award programs for Montezuma County, Colorado expressed an unqualified opinion on all major programs.
4. No instances of audit findings relating to major programs were disclosed during the audit.
5. The programs tested as major programs included:
  - Supplemental Nutrition Assistance Program Cluster  
CFDA Number 10.551 and 10.561
  - TANF/Colorado Works  
CFDA Number 93.558
  - Low Income Home Energy Assistance (LEAP)  
CFDA Number 93.568
6. The threshold for distinguishing Type A and B programs was \$300,000.
7. Montezuma County, Colorado was determined to be a low-risk auditee.

#### **FINDINGS RELATED TO THE FINANCIAL STATEMENTS**

There were no reportable findings related to the financial statements.

#### **FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**

There were no reportable findings or questioned costs related to federal awards.

**MONTEZUMA COUNTY, COLORADO**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**  
**For the Year Ended December 31, 2011**

There were no findings or questioned costs relative to federal awards in the prior year.

**MONTEZUMA COUNTY, COLORADO**

**SCHEDULE OF CORRECTIVE ACTION PLAN**  
**For the Year Ended December 31, 2011**

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

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

**LOCAL HIGHWAY FINANCE REPORT**City or County:  
County  
YEAR ENDING :  
December 2011This Information From The Records Of (example - City of \_ or County of \_)  
County of Montezuma  
Prepared By: Majors and Haley PC  
Phone: 970-565-9521**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**

ITEM	AMOUNT	III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES	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)	504,758
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	3,953,337
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	
2. General fund appropriations	22,441	b. Snow and ice removal	152,387
3. Other local imposts (from page 2)	1,640,907	c. Other Payments to Towns	153,690
4. Miscellaneous local receipts (from page 2)	120,906	d. Total (a. through c.)	306,077
5. Transfers from toll facilities		4. General administration & miscellaneous	113,794
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	
a. Bonds - Original Issues		6. Total (1 through 5)	4,877,966
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)	1,784,254	b. Redemption	
<b>B. Private Contributions</b>		c. Total (a. + b.)	0
<b>C. Receipts from State government</b>		2. Notes:	
(from page 2)	2,500,938	a. Interest	
<b>D. Receipts from Federal Government</b>		b. Redemption	
(from page 2)	750,476	c. Total (a. + b.)	0
<b>E. Total receipts (A.7 + B + C + D)</b>	5,035,668	3. Total (1.c + 2.c)	0
		<b>C. Payments to State for highways</b>	
		<b>D. Payments to toll facilities</b>	
		<b>E. Total disbursements (A.6 + B.3 + C + D)</b>	4,877,966

**IV. LOCAL HIGHWAY DEBT STATUS**

(Show all entries at par)

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

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

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	3,898,362	5,035,668	4,877,966	4,056,064	0

Notes and Comments:

# LOCAL HIGHWAY FINANCE REPORT

STATE:  
Colorado  
YEAR ENDING (mm/yy):  
December 2011

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

ITEM	AMOUNT	ITEM	AMOUNT
<b>A.3. Other local imposts:</b>		<b>A.4. Miscellaneous local receipts:</b>	
a. Property Taxes and Assessments	1,419,120	a. Interest on investments	906
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes		c. Parking Garage Fees	
2. Infrastructure & Impact Fees	87,299	d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	24,392
4. Licenses		f. Charges for Services	77,016
5. Specific Ownership &/or Other	134,488	g. Other Misc. Receipts	18,592
6. Total (1. through 5.)	221,787	h. Other	
c. Total (a. + b.)	1,640,907	i. Total (a. through h.)	120,906
(Carry forward to page 1)		(Carry forward to page 1)	

ITEM	AMOUNT	ITEM	AMOUNT
<b>C. Receipts from State Government</b>		<b>D. Receipts from Federal Government</b>	
1. Highway-user taxes	2,410,296	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	150,476
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	90,642	d. Federal Transit Admin	
d. Other (Specify) -		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal Mineral Leasing	600,000
f. Total (a. through e.)	90,642	g. Total (a. through f.)	750,476
4. Total (1. + 2. + 3.f)	2,500,938	3. Total (1. + 2.g)	
		(Carry forward to page 1)	

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

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
<b>A.1. Capital outlay:</b>			
a. Right-Of-Way Costs			0
b. Engineering Costs			0
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements			0
(3). System Preservation		504,758	504,758
(4). System Enhancement & Operation			0
(5). Total Construction (1) + (2) + (3) + (4)	0	504,758	504,758
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	504,758	504,758
		(Carry forward to page 1)	

Notes and Comments: