

MONTEZUMA COUNTY, COLORADO

Accountants' Reports
and
Basic Financial Statements

December 31, 2020

MONTEZUMA COUNTY, COLORADO

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INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Montezuma County, Colorado as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Montezuma County, Colorado, as of December 31, 2020, 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.

Other matters

Required Supplementary Information

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

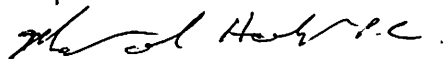
Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Montezuma County, Colorado's basic financial statements. The combining non-major fund financial statements, budgetary comparison schedules, and Local Highway Finance Report are presented for purposes of additional analysis and are not a required part of the financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 8, 2021, on our consideration of the Montezuma County, Colorado's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Montezuma County, Colorado's internal control over financial reporting and compliance.



Majors and Haley, P.C.
July 8, 2021

MONTEZUMA COUNTY, COLORADO

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) For the Year Ended December 31, 2020

FINANCIAL HIGHLIGHTS

Key financial highlights for the County in 2020 are as follows:

- In total, net position decreased by \$1,222,348. Net position of governmental activities decreased by \$1,491,869 which represents a 2.8 percent decrease from 2019. Net position of business type activities increased by \$269,521 or 19.2 percent from 2019.
- General revenues accounted for \$16,044,542 in revenue or 35 percent of all revenues. Program specific revenues in the form of charges for services, grants and contributions accounted for \$29,324,351 or 65 percent of total revenues of \$45,368,893.
- Governmental activities total assets decreased by \$235,200. Total liabilities increased by \$821,221. Deferred inflows of resources increased by \$435,448.
- The County incurred \$45,252,892 in expenses related to government activities. \$27,716,481 of these expenses were offset by program specific charges for services, grants and contributions. General revenues (primarily mineral leasing and property taxes) of \$16,044,542 were adequate to cover all but \$1,491,869 of the costs of these programs.
- Among the major funds, the General Fund had \$15,179,958 in revenues, and \$15,133,803 in expenditures including net transfers. Its fund balance increased by \$46,155 from \$18,243,671 to \$18,289,826.
- Net position of the Enterprise Fund increased from \$1,405,019 to \$1,674,540.

MONTEZUMA COUNTY, COLORADO

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) For the Year Ended December 31, 2020

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

County-wide Statements

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

MONTEZUMA COUNTY, COLORADO

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) For the Year Ended December 31, 2020

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

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

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

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

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

Fund Financial Statements

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

The County uses three types of funds:

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

MONTEZUMA COUNTY, COLORADO

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) For the Year Ended December 31, 2020

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

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

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

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

FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE

Total assets increased by \$105,629. Total liabilities increased by \$892,529. Deferred inflows of resources increased by \$435,448.

The County's combined net position was smaller on December 31, 2020 than it was at December 31, 2019, decreasing by 2.2 percent to \$54,307,551. All of the decrease came from its governmental activities, the net position of which

MONTEZUMA COUNTY, COLORADO

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) For the Year Ended December 31, 2020

decreased \$1,491,869 to \$52,633,011. The net position of the County's business type activities increased \$269,521 to \$1,674,540.

Table 1 provides a summary of the County's net position for 2020 compared to 2019:

Table 1
Condensed Statement of Net Position
(In millions)

	Governmental Activities		Business-type Activities		Total County	
	2020	2019	2020	2019	2020	2019
Assets						
Current assets	\$ 43.406	\$ 44.434	\$ 0.551	\$ 0.847	\$ 43.957	\$ 45.281
Capital assets	22.465	21.673	2.570	1.933	25.035	23.606
Total assets	65.871	66.107	3.121	2.780	68.992	68.887
Liabilities						
Current liabilities	2.338	1.647	1.446	1.375	3.784	3.022
Noncurrent liabilities	0.761	0.631			0.761	0.631
Deferred inflows of resources	10.139	9.704			10.139	9.704
Net Position						
Invested in capital	21.704	21.042	1.675	1.405	23.379	22.447
Nonspendable	0.050	0.050			0.050	0.050
Restricted	7.989	9.615			7.989	9.615
Unrestricted	22.890	23.418			22.890	23.418
Total net position	\$ 52.633	\$ 54.125	\$ 1.675	\$ 1.405	\$ 54.308	\$ 55.530

MONTEZUMA COUNTY, COLORADO

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) For the Year Ended December 31, 2020

Table 2 shows the changes in net position for fiscal year 2020 compared to 2019.

Table 2
Changes in Net Position
(In millions)

	Governmental Activities		Business-type Activities		Total County	
	2020	2019	2020	2019	2020	2019
Revenues						
Program revenues						
Charges for services	\$ 3.688	\$ 3.366	\$ 1.487	\$ 1.503	\$ 5.175	\$ 4.869
Operating grants	24.029	19.603			24.029	19.603
Capital grants			0.121		0.121	-
General revenues						
Property taxes	10.750	10.301			10.750	10.301
Mineral leasing	1.901	1.934			1.901	1.934
Other	3.393	3.740			3.393	3.740
Total revenues	43.761	38.944	1.608	1.503	45.369	40.447
Expenses						
General government	6.311	4.754			6.311	4.754
Public safety	7.459	6.775			7.459	6.775
Public works	10.775	8.625	1.338	1.341	12.113	9.966
Public health and welfare	20.012	15.802			20.012	15.802
Culture and recreation	0.440	0.581			0.440	0.581
Depreciation-unallocated	0.256	0.187			0.256	0.187
Total expenses	45.253	36.724	1.338	1.341	46.591	38.065
Increase (decrease) in net position	\$ (1.492)	\$ 2.220	\$ 0.270	\$ 0.162	\$ (1.222)	\$ 2.382

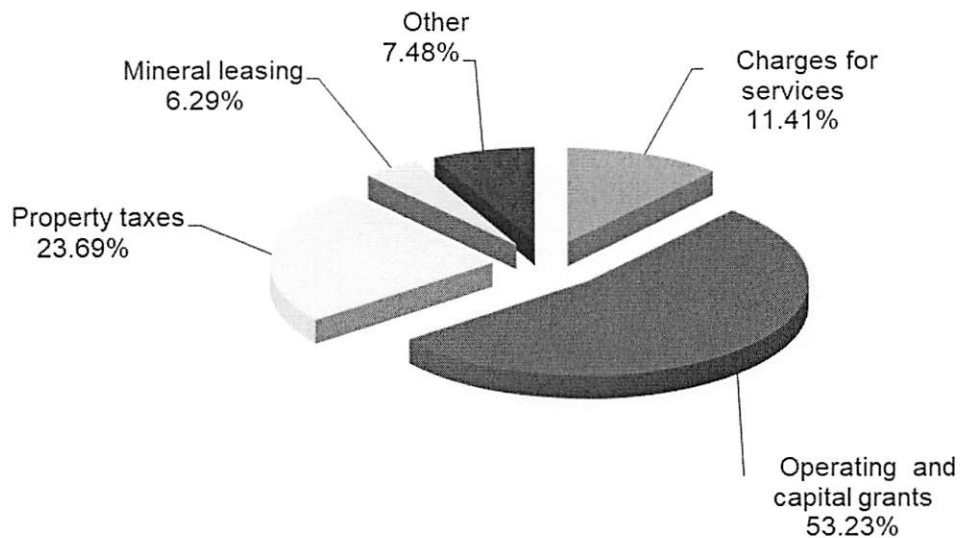
MONTEZUMA COUNTY, COLORADO

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) For the Year Ended December 31, 2020

Operating and capital grants and property taxes accounted for most of the County's total revenue, with each contributing 53.23 percent and 23.69 percent respectively (See Table 3). Another 11.41 percent came from charges for services and the remainder from mineral leasing, and other sources.

The County's expenses are predominately related to public health and welfare, (43 percent), public works (26 percent) and public safety (16 percent) (See Table 4). The County's general government activities accounted for 13.5 percent of total costs.

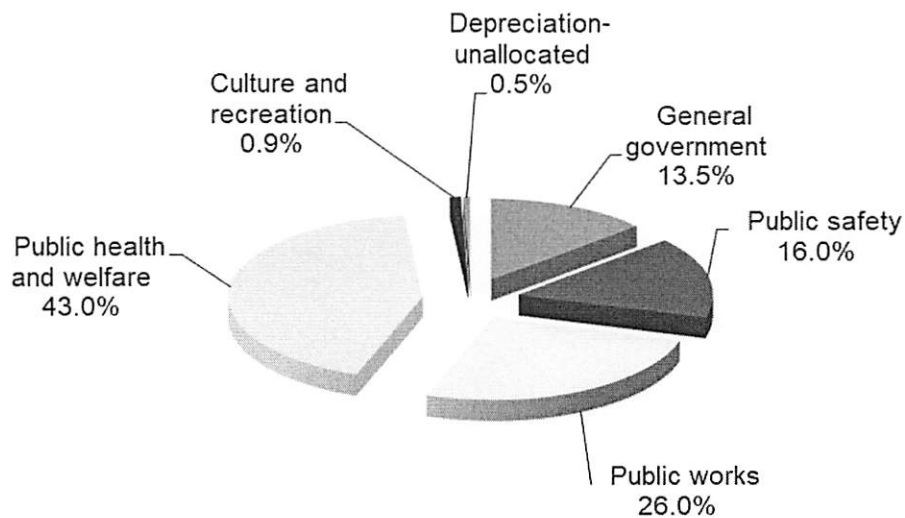
Table 3
Sources of Revenue for Fiscal Year 2020



MONTEZUMA COUNTY, COLORADO

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) For the Year Ended December 31, 2020

Table 4
Expenses for Fiscal Year 2020
Governmental Activities



The primary sources of operating revenue for the County come from operating grants and general property taxes. The County receives approximately 77 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, 2020

Table 5
Government Activities
(In millions)

	Total Cost of Services		Net Cost of Services	
	2020	2019	2020	2019
General government	\$ 6.311	\$ 4.754	\$ 4.043	\$ 3.818
Public safety	7.459	6.775	6.117	5.470
Public works	10.775	8.625	6.559	3.635
Public health and welfare	20.012	15.802	0.437	0.642
Culture and recreation	0.440	0.581	0.124	0.002
Depreciation-unallocated	0.256	0.187	0.256	0.187
Total	<u>\$ 45.253</u>	<u>\$ 36.724</u>	<u>\$ 17.536</u>	<u>\$ 13.754</u>

- The cost of all governmental activities during the year was \$45.253 million.
- Some of the cost was financed by the users of the County's programs (\$3.687 million)
- Federal and state government subsidized certain programs with grants and contributions (\$24.029 million).
- However, \$16.044 million was financed by state and county taxpayers. This portion of governmental activities was financed with \$10.750 million in property taxes, \$1.901 million in mineral leasing and \$3.393 million in other general revenues.

Business-type Activities

Business-type activities are made up of the Landfill Fund. This program had revenues of \$1.608 million and expenses of \$1.338 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, 2020

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 \$43.761 million and expenditures of \$45.914 million.

General Fund Budgetary Highlights

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

Over the course of the year, the County made no revisions to the annual operating budget.

- Actual expenditures were \$851,528 under budget, primarily because the County closely monitored expenditures in an effort to remain below budget levels.

CAPITAL ASSET ADMINISTRATION

By the end of 2020, the County has invested \$45.200 million in land, buildings, and equipment (including vehicles), of this total \$38.868 million was from governmental activities.

Table 6 shows capital assets for 2020 compared to 2019:

MONTEZUMA COUNTY, COLORADO

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) For the Year Ended December 31, 2020

Table 6
Capital Assets at December 31
(In millions)

	Governmental Activities		Business-Type Activities		Total County	
	2020	2019	2020	2019	2020	2019
Land	\$ 1.344	\$ 1.344			\$ 1.344	\$ 1.344
Infrastructure	1.859	1.859			1.859	1.859
Buildings	23.268	22.493			23.268	22.493
Equipment	12.397	11.194	\$ 6.332	\$ 5.461	18.729	16.655
Total	<u>\$ 38.868</u>	<u>\$ 36.890</u>	<u>\$ 6.332</u>	<u>\$ 5.461</u>	<u>\$ 45.200</u>	<u>\$ 42.351</u>

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

FACTORS BEARING ON THE COUNTY'S FUTURE

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

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

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

MONTEZUMA COUNTY, COLORADO

Statement of Net Position

December 31, 2020

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Assets			
Cash	\$ 30,988,553	\$ 386,406	\$ 31,374,959
Property taxes receivable	10,139,374		10,139,374
Due from other funds		43,500	43,500
Other receivables	1,369,560		1,369,560
Due from state	209,921		209,921
Due from other governments	648,975	121,125	770,100
Inventory	50,000		50,000
Capital assets	38,867,696	6,332,070	45,199,766
Accumulated depreciation	(16,402,631)	(3,762,018)	(20,164,649)
Total capital assets, net of depreciation	<u>22,465,065</u>	<u>2,570,052</u>	<u>25,035,117</u>
Total Assets	<u>65,871,448</u>	<u>3,121,083</u>	<u>68,992,531</u>
Liabilities			
Accounts payable	372,576	16,886	389,462
Accrued closure costs		1,429,657	1,429,657
Due to other funds	43,500		43,500
Payments in arrears	1,356,213		1,356,213
Unearned revenue	565,441		565,441
Long-term liabilities			
Due in one year			-
Due in more than one year	761,333		761,333
Total Liabilities	<u>3,099,063</u>	<u>1,446,543</u>	<u>4,545,606</u>
Deferred Inflows of Resources			
Unearned property tax revenue	<u>10,139,374</u>		<u>10,139,374</u>
Net Position			
Net investment in capital assets	21,703,732	1,674,540	23,378,272
Nonspendable			
Inventories	50,000		50,000
Restricted			
Cancer treatments	52,651		52,651
TABOR	772,119		772,119
Roads and bridges	5,588,616		5,588,616
Public health and welfare	1,575,308		1,575,308
Unrestricted	22,890,585		22,890,585
Total Net Position	<u>\$ 52,633,011</u>	<u>\$ 1,674,540</u>	<u>\$ 54,307,551</u>

The accompanying notes are an integral part of this statement.

MONTEZUMA COUNTY, COLORADO
Statement of Activities

For the Year Ended December 31, 2020

		Program Revenues			Net (Expenses) Revenue And Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business- type Activities	Total
Governmental Activities	Expenses						
General government	\$ 6,310,648	\$ 1,026,662	\$ 1,241,242		\$ (4,042,744)		\$ (4,042,744)
Public safety	7,459,414	755,201	586,880		(6,117,333)		(6,117,333)
Public works	10,775,176	1,230,223	2,985,973		(6,558,980)		(6,558,980)
Public health and welfare	20,011,759	550,908	19,023,712		(437,139)		(437,139)
Culture and recreation	440,321	124,688	190,992		(124,641)		(124,641)
Depreciation-unallocated	255,574				(255,574)		(255,574)
Total Governmental Activities	45,252,892	3,687,682	24,028,799	-	(17,536,411)		(17,536,411)
Business-Type Activities							
County landfill	1,338,349	1,486,745		\$ 121,125		\$ 269,521	269,521
Total Business-Type Activities	1,338,349	1,486,745		121,125		269,521	269,521
Total County	\$ 46,591,241	\$ 5,174,427	\$ 24,028,799	\$ 121,125	(17,536,411)	269,521	(17,266,890)

General Revenues			
Property Tax for general purposes	10,749,721		10,749,721
Specific Ownership Tax for general purposes	1,101,505		1,101,505
Delinquent Tax and Interest	499,763		499,763
Lodgers Tax	207,492		207,492
Severance Tax	272,068		272,068
Intergovernmental			
Motor Vehicle License Fees	92,758		92,758
Mineral Leasing	1,901,405		1,901,405
Payment in Lieu of Taxes	198,625		198,625
Tobacco Taxes	6,645		6,645
Earnings on investments	292,547		292,547
Reimbursements	404,319		404,319
Royalties	164,265		164,265
Asset sales	45,169		45,169
Miscellaneous	108,260		108,260
Total General Revenues	16,044,542	-	16,044,542
Changes in Net Position	(1,491,869)	269,521	(1,222,348)
Net Position Beginning of the Year	54,124,880	1,405,019	55,529,899
Net Position End of the Year	\$ 52,633,011	\$ 1,674,540	\$ 54,307,551

The accompanying notes are an integral part of this statement.

MONTEZUMA COUNTY, COLORADO

Balance Sheet Governmental Funds

December 31, 2020

	General Fund	Road and Bridge Fund	Social Services Fund	Capital Fund	Other Governmental Funds	Total Governmental Funds
Assets						
Cash-unrestricted	\$ 18,378,425	\$ 5,472,523	\$ 1,530,782	\$ 847,622	\$ 4,759,201	\$ 30,988,553
Property taxes receivable	7,673,589	1,949,408	516,377			10,139,374
Other receivables	13,283		1,356,213		64	1,369,560
Due from state			209,921			209,921
Due from other governments	408,759	211,360	3,670		25,186	648,975
Inventory		50,000				50,000
Total Assets	\$ 26,474,056	\$ 7,683,291	\$ 3,616,963	\$ 847,622	\$ 4,784,451	\$ 43,406,383
Liabilities						
Accounts payable	\$ 114,265	\$ 95,267		\$ 140,396	\$ 22,648	\$ 372,576
Due to other funds				43,500		43,500
Payments in arrears			\$ 1,356,213			1,356,213
Unearned revenue	396,376		169,065			565,441
Total Liabilities	510,641	95,267	1,525,278	183,896	22,648	2,337,730
Deferred inflows of resources						
Deferred property tax revenues	7,673,589	1,949,408	516,377			10,139,374
Fund Balances						
Nonspendable						
Inventories		50,000				50,000
Restricted						
TABOR	50,000				722,119	772,119
Cancer treatments					52,651	52,651
Roads and bridges		5,588,616				5,588,616
Public health and welfare			1,575,308			1,575,308
Unrestricted						
Assigned for future year's expenditures	18,239,826			663,726	3,987,033	22,890,585
Total Fund Balances	18,289,826	5,638,616	1,575,308	663,726	4,761,803	30,929,279
Total Liabilities, Deferred inflows of resources and Fund Balances	\$ 26,474,056	\$ 7,683,291	\$ 3,616,963	\$ 847,622	\$ 4,784,451	\$ 43,406,383

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

Total Fund Balance Governmental Funds \$ 30,929,279

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

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

Capital assets	\$ 38,867,696
Accumulated depreciation	<u>(16,402,631)</u>

Long term liabilities are not due and payable in the current period and therefore, they they are not reported in the governmental funds balance sheet. 22,465,065

Due in one year	-
Due in more than one year	<u>(761,333)</u>
	(761,333)

Total Net Position Governmental Activities \$ 52,633,011

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, 2020

	General Fund	Road and Bridge Fund	Social Services Fund	Capital Fund	Other Governmental Funds	Total Governmental Funds
Revenues						
Taxes	\$ 9,319,009	\$ 1,676,108	\$ 658,195		\$ 1,183,922	\$ 12,837,234
Intergovernmental revenues	3,094,628	3,712,532	16,220,811	\$ 669,846	2,411,100	26,108,917
Charges for services	352,892	1,045,616			735,509	2,134,017
Fines and forfeitures	43,274					43,274
Earnings on investments	284,901				7,656	292,557
Fee accounts	1,458,597					1,458,597
Other	626,657	246,850		12,920		886,427
Total Revenues	15,179,958	6,681,106	16,879,006	682,766	4,338,187	43,761,023
Expenditures						
General government	5,777,949			639,780	161,600	6,579,329
Public safety	6,728,545			301,835	207,066	7,237,446
Public works		8,010,959		3,157,079		11,168,038
Public health and welfare	677,879		17,178,602	297,039	2,258,811	20,412,331
Culture and recreation	293,627			223,413		517,040
Total Expenditures	13,478,000	8,010,959	17,178,602	4,619,146	2,627,477	45,914,184
Excess revenues over (under) expenditures	1,701,958	(1,329,853)	(299,596)	(3,936,380)	1,710,710	(2,153,161)
Other Financing Sources (Uses)						
Transfers in (out)	(1,655,803)	(950)		2,428,546	(771,793)	-
Total Other Financing Sources (Uses)	(1,655,803)	(950)	-	2,428,546	(771,793)	-
Net Change in Fund Balances	46,155	(1,330,803)	(299,596)	(1,507,834)	938,917	(2,153,161)
Fund Balances beginning of the year	18,243,671	6,969,419	1,874,904	2,171,560	3,822,886	33,082,440
Fund Balances end of the year	\$ 18,289,826	\$ 5,638,616	\$ 1,575,308	\$ 663,726	\$ 4,761,803	\$ 30,929,279

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, 2020

Net Change in Fund Balances Governmental Funds **\$ (2,153,161)**

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	\$ 2,107,721	
Depreciation expense	<u>(1,315,714)</u>	
		792,007

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

Increase in accrued compensated absences	<u>(130,715)</u>	(130,715)
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Change in Net Position of Governmental Activities	<u><u>\$ (1,491,869)</u></u>
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The accompanying notes are an integral part of this statement.

MONTEZUMA COUNTY, COLORADO

**Statement of Net Position
Proprietary Fund**

December 31, 2020

	<u>Landfill Fund Enterprise Fund</u>
Assets	
Current Assets	
Cash	\$ 386,406
Due from other governments	121,125
Due from other funds	43,500
Total Current Assets	<u>551,031</u>
Noncurrent Assets	
Capital Assets	6,332,070
Accumulated Depreciation	(3,762,018)
Total Noncurrent Assets	<u>2,570,052</u>
Total Assets	<u>3,121,083</u>
Liabilities	
Current Liabilities	
Accounts payable	16,886
Due to other funds	
Accrued closure costs	1,429,657
Total Current Liabilities	<u>1,446,543</u>
Net Position	
Net investment in capital assets	1,674,540
Total Net Position	<u>\$ 1,674,540</u>

The accompanying notes are an integral part of this statement.

MONTEZUMA COUNTY, COLORADO

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

For the Year Ended December 31, 2020

	<u>Landfill Fund</u> <u>Enterprise Fund</u>
Operating Revenues	
Landfill fees	\$ 1,486,745
Total Operating Revenues	<u>1,486,745</u>
Operating Expenses	
Salaries	414,823
Employee benefits	132,830
Other operating expenses	148,245
Professional fees	173,289
Utilities	35,147
Insurance and bonds	39,424
Repairs and maintenance	51,484
Depreciation	233,756
Total Operating Expenses	<u>1,228,998</u>
Operating income (loss)	<u>257,747</u>
Non-Operating Revenue (Expense)	
Increase in accrued closure costs	(109,351)
Grant revenue	121,125
Total Non-Operating Revenue (Expense)	<u>11,774</u>
Change in net position	269,521
Net position beginning of the year	1,405,019
Net position end of the year	<u><u>\$ 1,674,540</u></u>

The accompanying notes are an integral part of this statement.

MONTEZUMA COUNTY, COLORADO

**Statement of Cash Flows
Proprietary Fund**

For the Year Ended December 31, 2020

	Landfill Fund Enterprise Fund
Cash Flows from Operating Activities	
Cash received from customers	\$ 1,486,745
Cash payments to employees for services	(414,823)
Cash payments to suppliers for goods and services	(618,462)
Net Cash Flows provided (used) by Operating Activities	<u>453,460</u>
Cash Flows from Capital and Related Financing Activities	
Purchase of equipment and facilities	(870,688)
Net Cash Flows provided (used) by Capital and Related Financing Activities	<u>(870,688)</u>
Net increase (decrease) in cash and cash equivalents	(417,228)
Cash and cash equivalents beginning of the year	803,634
Cash and cash equivalents end of the year	<u><u>\$ 386,406</u></u>
Reconciliation of operating income (loss) to Net Cash provided (used) by Operating Activities	
Operating income (loss)	\$ 257,747
Adjustments to reconcile operating income (loss) to net cash provided by operating activities	
Depreciation	233,756
(Increase) or decrease in Due from other funds	
Increase or (decrease) in Accounts payable	(38,043)
Net Cash Flows provided (used) by Operating Activities	<u><u>\$ 453,460</u></u>

The accompanying notes are an integral part of this statement.

MONTEZUMA COUNTY, COLORADO

Statement of Fiduciary Net Position

As of December 31, 2020

	<u>Custodial Fund</u>
Assets	
Cash	\$ 1,146,806
Total Assets	<u>1,146,806</u>
Liabilities	
Due to other governments	1,146,806
Total Liabilities	<u>1,146,806</u>
Net Position	<u><u>\$ -</u></u>

The accompanying notes are an integral part of this statement.

MONTEZUMA COUNTY, COLORADO

**Statement of Changes in Fiduciary Net Position
For the Year Ended December 31, 2020**

	<u>Custodial Fund</u>
Additions	
Taxes collected for other governments	\$ 34,160,869
Total Additions	<u>34,160,869</u>
Deductions	
Payment of taxes to other governments	34,160,869
Total Deductions	<u>34,160,869</u>
Net increase (decrease) in fiduciary net position	-
Net position beginning	-
Net position ending	<u><u>\$ -</u></u>

The accompanying notes are an integral part of this statement.

MONTEZUMA COUNTY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2020

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

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

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

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

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

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

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

MONTEZUMA COUNTY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2020

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

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

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

Special Revenue Funds-

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

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

Capital Projects Funds-

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

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

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

Enterprise Fund-

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

MONTEZUMA COUNTY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2020

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

Basis of Presentation-

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

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

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

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

MONTEZUMA COUNTY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2020

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

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

Fiduciary funds are reported using the economic resources measurement focus.

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

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

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

MONTEZUMA COUNTY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2020

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

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

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

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

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

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

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

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

Public hearings are conducted to obtain comments.

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

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

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

MONTEZUMA COUNTY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2020

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

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

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

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

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

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

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

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

MONTEZUMA COUNTY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2020

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

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

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

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

MONTEZUMA COUNTY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2020

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

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

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

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

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

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

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

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

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

MONTEZUMA COUNTY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2020

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

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

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

Cash on the Combined Balance Sheet consisted of:

Cash on hand	\$ 71,753
Deposits and certificates of deposit	9,061,776
Market linked certificates of deposit	3,014,000
Investments at cost	20,374,236
Total cash and investments	<u>\$ 32,521,765</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 \$9,061,776 and the bank balance was \$9,259,242. Of the bank balance, \$1,010,033 was covered by federal depository insurance and \$8,249,209 was collateralized with securities held in single financial institution collateral pools as provided by statute. Collateral for uninsured deposits is held by banks in the name of a number of government accounts of which the County is a part. The carrying amount of the County’s market linked certificates of deposit was \$3,014,000 and the bank balance was \$3,014,000. The bank balances were fully insured by federal depository insurance.

MONTEZUMA COUNTY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2020

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

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

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

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

Investment Type	Cost	Investment Maturities (in years)			
		Less than 1	1-5	6-10	More than 10
Investment Pools					
COLOTRUST	\$ 19,303,563				
CSAFE	259,880				
	<u>19,563,443</u>				
Signa Money Market	307,845				
Federal Government backed securities and mortgages	502,948	\$ 502,948			
Total	<u>\$ 20,374,236</u>				

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

MONTEZUMA COUNTY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2020

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

The County maintains no control over the plan, other than being a member of the Association. Employees are fully vested upon participation in the plan. The County has no unfunded liability under the plan. The total 2020 County payroll was \$11,432,356. The covered payroll for retirement plan purposes was \$10,784,815. The 2020 employer and employee contributions to the plan were \$504,611 and \$610,755 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, 2020:

	Capital Assets Jan 1, 2020	Additions	Deletions/ Transfers	Capital Assets Dec 31, 2020
Governmental Activities				
Capital assets, not being depreciated:				
Land	\$ 1,344,190			\$ 1,344,190
Total capital assets not depreciated	1,344,190	-	-	1,344,190
Capital assets, being depreciated:				
Buildings	22,492,154	\$ 775,715		23,267,869
Equipment	11,194,017	1,332,006	\$ (129,591)	12,396,432
Infrastructure	1,859,205			1,859,205
Total capital assets being depreciated	35,545,376	2,107,721	(129,591)	37,523,506
Less accumulated depreciation for:				
Buildings	(5,728,797)	(570,045)		(6,298,842)
Equipment	(7,985,743)	(714,835)	129,591	(8,570,987)
Infrastructure	(1,501,968)	(30,834)		(1,532,802)
Total accumulated depreciation	(15,216,508)	(1,315,714)	129,591	(16,402,631)
Total capital assets, being depreciated, net	20,328,868	792,007	-	21,120,875
Governmental Activities Capital Assets, net	<u>\$ 21,673,058</u>	<u>\$ 792,007</u>	<u>\$ -</u>	<u>\$ 22,465,065</u>
Business Type Activities				
Equipment and facilities	\$ 5,461,382	\$ 870,688		\$ 6,332,070
Less accumulated depreciation	(3,528,262)	(233,756)		(3,762,018)
Business Type Activities Capital Assets net	<u>\$ 1,933,120</u>	<u>\$ 636,932</u>	<u>-</u>	<u>\$ 2,570,052</u>

MONTEZUMA COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2020

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

General government	\$ 3,837
Public safety	523,803
Public works	391,587
Public health and welfare	64,783
Culture and recreation	76,130
Unallocated	255,574
Total depreciation government activities	<u>\$ 1,315,714</u>

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

	<u>Due To (From)</u>
Colorado works	\$ 44,939
Child care	4,763
Child welfare	37,113
County administration	72,772
Core services	15,792
Child support	9,975
Adult protective services	7,584
PSSF Regional	18,887
Aid to needy disabled	(4,394)
Home care allowance	(635)
Old age pension	3,200
Food assistance	(100)
Federal and State incentives	85
Medicaid collections	(60)
Net Amount Due From State	<u>\$ 209,921</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, 2020

Operating Leases –In 2018, the County leased six blades from John Deere Financial with semi-annual payments of \$68,934.

In 2020, the County returned the six blades leased in 2018 in exchange for 6 new blades with semi-annual payments of \$69,082.

The future minimum payments for these leases are as follows:

2021	\$	138,164
2022		69,082

Long-Term Debt-

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

	Balance January 1, 2020	Additions	Deletions	Balance December 31, 2020
Accrued compensation	\$ 630,618	\$ 130,715		\$ 761,333
Total	<u>\$ 630,618</u>	<u>\$ 130,715</u>	<u>\$ -</u>	<u>\$ 761,333</u>

Interfund Operating Transfers- consist of the following:

	Transfer In	Transfer out
General Fund	\$ 812,142	\$ 2,467,946
Special Revenue Funds		
Public Health Fund	39,275	
Emergency Telephone Fund		
Law Enforcement Authority Fund		631,028
Revolving Loan Fund		105,000
Conservation Trust Fund		75,039
Road and Bridge Fund	125	1,075
Capital Fund	2,428,546	
	<u>\$ 3,280,088</u>	<u>\$ 3,280,088</u>

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

MONTEZUMA COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2020

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

Non-spendable

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

Restricted

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

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

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

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

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

MONTEZUMA COUNTY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2020

General Fund	\$ 18,239,826
Special Revenue Funds	
Contingent Fund	595,335
Emergency Telephone Service Fund	496,103
Sheriff's Forfeiture Fund	23,307
Conservation Trust Fund	488,189
Law Enforcement Authority Fund	1,200,144
Revolving Loan Fund	42,228
Lodger's Tax Fund	224,243
Public Health Fund	917,484
Capital Projects Funds	
Capital Fund	663,726
Total	<u><u>\$ 22,890,585</u></u>

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

The accounts of the County Public Trustee consist of the following as of and for the year ended December 31, 2020:

Cash at January 1, 2020	\$ 60,696
Revenues	
Interest and fees	24,310
Expenditures	(17,655)
Cash at December 31, 2020	<u><u>\$ 67,351</u></u>

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

MONTEZUMA COUNTY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2020

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

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

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

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

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

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

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

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

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

MONTEZUMA COUNTY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2020

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, 2020 63.4% of the capacity had been used. Engineer estimates have been obtained for anticipated closure and post-closure costs. The County is required to perform certain maintenance and monitoring functions for thirty years after closure. The expense and liability associated with these requirements are reflected in the financial statements of the Landfill Fund.

	Estimated Costs	Estimated Capacity Used	Accrued Closure Costs
Closure	\$ 1,318,545	63.40%	\$ 835,957
Post-closure	727,886	63.40%	461,480
Post-closure Carver Landfill	132,221	100%	132,220
Total	<u>\$ 2,178,652</u>		<u>\$ 1,429,657</u>

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

Compliance with Laws and Regulations-The County may be in violation of State Statute. Expenditures exceeded appropriations in the Road and Bridge Fund, Social Services Fund, Public Health Fund, Sheriff's Forfeiture Fund, Lodgers Tax Fund, and the Landfill Fund.

MONTEZUMA COUNTY, COLORADO

Required Supplementary Information

December 31, 2020

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

Such information includes:

Budgetary Comparison Schedules

General Fund

Road and Bridge Fund

Social Services Fund

MONTEZUMA COUNTY, COLORADO

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

For the Year Ended December 31, 2020

	<u>Budgeted Amounts</u>			<u>Variance Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Taxes				
General property taxes	\$ 7,920,416	\$ 7,920,416	\$ 7,850,909	\$ (69,507)
Specific ownership taxes	834,415	834,415	803,369	(31,046)
Delinquent tax and interest	12,764	12,764	386,018	373,254
Severance taxes	177,834	177,834	272,068	94,234
Tobacco products taxes	7,735	7,735	6,645	(1,090)
Total taxes	8,953,164	8,953,164	9,319,009	365,845
Intergovernmental revenues				
Payment in lieu of taxes	173,546	173,546	198,625	25,079
Mineral leasing	746,118	746,118	633,802	(112,316)
Grants				
COVID relief grant			1,061,973	1,061,973
Public safety grants	386,501	386,501	474,210	87,709
Senior services and transportation grants	603,739	603,739	546,749	(56,990)
Other grants			179,269	179,269
Total intergovernmental revenues	1,909,904	1,909,904	3,094,628	1,184,724
Charges for services				
General government	41,504	41,504	121,680	80,176
Senior nutrition and transportation		-	106,524	106,524
County fair and fairground user fees	86,697	86,697	124,688	37,991
Total charges for services	128,201	128,201	352,892	224,691
Fines and forfeitures				
Court fines	34,353	34,353	43,274	8,921
Total fines and forfeitures	34,353	34,353	43,274	8,921
Earnings on investments	448,445	448,445	284,901	(163,544)
Miscellaneous revenues				
Rents and royalties	282,394	282,394	164,265	(118,129)
Reimbursements	115,828	115,828	384,167	268,339
Other	342,003	342,003	78,225	(263,778)
Total miscellaneous revenues	740,225	740,225	626,657	(113,568)
Fee accounts				
Sheriff fees	720,422	720,422	553,614	(166,808)
Clerk fees	566,041	566,041	613,577	47,536
Treasurers fees	240,366	240,366	253,541	13,175
Public trustee fees	28,805	28,805	37,865	9,060
Total fee accounts	1,555,634	1,555,634	1,458,597	(97,037)
Total revenues	13,769,926	13,769,926	15,179,958	1,410,032

(continued)

MONTEZUMA COUNTY, COLORADO

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

For the Year Ended December 31, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Expenditures				
General government				
Board of county commissioners	\$ 305,541	\$ 305,541	\$ 292,601	\$ 12,940
Planning department	152,492	152,492	151,562	930
Clerk	596,837	596,837	655,940	(59,103)
Treasurer	284,056	284,056	261,283	22,773
Public trustee	17,846	17,846	17,244	602
Assessor	530,197	530,197	474,851	55,346
Attorney	294,999	294,999	265,360	29,639
Grounds and buildings	730,036	730,036	706,076	23,960
Administration	352,325	352,325	320,359	31,966
Elections	75,000	75,000	122,153	(47,153)
Extention services	126,207	126,207	105,914	20,293
Veteran's office	113,428	113,428	97,821	15,607
Purchasing	61,250	61,250	56,044	5,206
Computer services and mapping	634,649	634,649	656,915	(22,266)
Surveyor	4,703	4,703	5,046	(343)
Natural resources and public lands	85,670	85,670	80,815	4,855
COVID expenditures			1,007,915	(1,007,915)
Miscellaneous	683,556	683,556	500,050	183,506
Total general government	<u>5,048,792</u>	<u>5,048,792</u>	<u>5,777,949</u>	<u>(729,157)</u>
Public safety				
Sheriff administration	4,247,104	4,247,104	3,279,966	967,138
Coroner	140,160	140,160	114,992	25,168
District attorney	914,424	914,424	914,424	-
Jail	2,961,433	2,961,433	2,308,877	652,556
Emergency management	83,243	83,243	110,286	(27,043)
Total public safety	<u>8,346,364</u>	<u>8,346,364</u>	<u>6,728,545</u>	<u>1,617,819</u>
Health and welfare				
Senior services and transportation	492,444	492,444	622,879	(130,435)
Public health services	41,978	41,978		41,978
Animal and pest control	27,500	27,500	55,000	(27,500)
Total health and welfare	<u>561,922</u>	<u>561,922</u>	<u>677,879</u>	<u>(115,957)</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, 2020

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
Expenditures (continued)				
Culture and recreation				
County fair	\$ 71,362	\$ 71,362	\$ 59,979	\$ 11,383
Fairgrounds	204,351	204,351	155,835	48,516
Conservation trust	96,737	96,737	77,813	18,924
Total culture and recreation	372,450	372,450	293,627	78,823
Total expenditures	14,329,528	14,329,528	13,478,000	851,528
Excess (deficit) of revenues over (under) expenditures	(559,602)	(559,602)	1,701,958	2,261,560
Other financing sources (uses)				
Net operating transfers (out)	(4,864,440)	(4,759,440)	(1,655,804)	3,103,636
Total other financing sources (uses)	(4,864,440)	(4,759,440)	(1,655,804)	3,103,636
Excess (deficit) of revenues and other financing sources over (under) expenditures and other financing uses	(5,424,042)	(5,319,042)	46,154	5,365,196
Fund balance, beginning	15,424,042	15,424,042	18,243,671	2,819,629
Fund balance, ending	\$ 10,000,000	\$ 10,105,000	\$ 18,289,825	\$ 8,184,825

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, 2020

	<u>Budgeted Amounts</u>			<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Favorable</u> <u>(Unfavorable)</u>
Revenues				
Taxes				
General property taxes	\$ 1,387,104	\$ 1,387,104	\$ 1,461,142	\$ 74,038
Specific ownership taxes	143,293	143,293	137,330	(5,963)
Delinquent taxes and interest	56,177	56,177	77,636	21,459
Total taxes	<u>1,586,574</u>	<u>1,586,574</u>	<u>1,676,108</u>	<u>89,534</u>
Intergovernmental revenues				
Federal shared revenues				
Forest Service	128,120	128,120	41,292	(86,828)
Mineral leasing	746,118	746,118	633,802	(112,316)
State shared revenues				
Highway user's tax	2,803,700	2,803,700	2,504,849	(298,851)
Additional motor vehicle registration fee	91,450	91,450	92,758	1,308
Grants	259,308	259,308	439,831	180,523
Total intergovernmental revenues	<u>4,028,696</u>	<u>4,028,696</u>	<u>3,712,532</u>	<u>(316,164)</u>
Miscellaneous revenues				
Permits and charges for services	1,134,932	1,134,932	1,045,616	(89,316)
Sale of assets		-	32,249	32,249
Impact fees	101,045	101,045	184,606	83,561
Other	162,739	162,739	29,995	(132,744)
Total miscellaneous revenues	<u>1,398,716</u>	<u>1,398,716</u>	<u>1,292,466</u>	<u>(106,250)</u>
Total revenues	<u>7,013,986</u>	<u>7,013,986</u>	<u>6,681,106</u>	<u>(332,880)</u>
Expenditures				
Current operating				
Public Works				
Administration	175,634	175,634	176,163	(529)
Maintenance of condition	4,755,278	4,922,279	4,545,388	376,891
Snow and ice removal	136,710	136,709	142,921	(6,212)
System preservation	2,264,397	2,264,397	3,034,717	(770,320)
Payments to cities	116,949	116,949	111,770	5,179
Total public works	<u>7,448,968</u>	<u>7,615,968</u>	<u>8,010,959</u>	<u>(394,991)</u>
Total expenditures	<u>7,448,968</u>	<u>7,615,968</u>	<u>8,010,959</u>	<u>(394,991)</u>
Excess (deficit) of revenues				
over (under) expenditures	<u>(434,982)</u>	<u>(601,982)</u>	<u>(1,329,853)</u>	<u>(727,871)</u>
Other financing sources (uses)				
Transfers out			(950)	(950)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(950)</u>	<u>(950)</u>
Excess (deficit) of other financing sources over (under)				
expenditures and other financing uses	<u>(434,982)</u>	<u>(601,982)</u>	<u>(1,330,803)</u>	<u>(728,821)</u>
Fund balance, beginning	3,024,951	3,024,951	6,969,419	3,944,468
Fund balance, ending	<u>\$ 2,589,969</u>	<u>\$ 2,422,969</u>	<u>\$ 5,638,616</u>	<u>\$ 3,215,647</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, 2020

	<u>Budgeted Amounts</u>			<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Favorable</u> <u>(Unfavorable)</u>
Revenues				
Taxes				
General Property Taxes	\$ 513,355	\$ 513,355	\$ 592,299	\$ 78,944
Specific Ownership Taxes	45,503	45,503	65,896	20,393
Total taxes	558,858	558,858	658,195	99,337
Intergovernmental revenues				
Programs settled by CFMS				
Colorado Works	1,240,867	1,240,867	947,752	(293,115)
Child Care	894,694	894,694	739,160	(155,534)
Child Welfare	1,737,359	1,737,359	1,304,456	(432,903)
Administration	1,154,682	1,154,682	962,747	(191,935)
Core Services	397,230	397,230	273,765	(123,465)
Child Support	241,280	241,280	136,438	(104,842)
LEAP	687,115	687,115	846,426	159,311
Adult Protective Services	212,482	212,482	157,286	(55,196)
Aid to Needy Disabled	155,855	155,855	155,293	(562)
Home Care Allowance	170,119	170,119	102,152	(67,967)
Old Age Pension	789,042	789,042	550,915	(238,127)
Food Assistance	7,529,610	7,529,610	9,697,467	2,167,857
Title IV-B PSSF	181,519	181,519	188,896	7,377
Tanf Collections EBT	(3,455)	(3,455)	(4,014)	(559)
State and Federal Incentives	18,426	18,426	65,840	47,414
TANF Collections IVD Retained	(32,304)	(32,304)	(28,243)	4,061
Medicaid Collections	(1,048)	(1,048)	(3,819)	(2,771)
Total Programs settled by CFMS	15,373,473	15,373,473	16,092,517	719,044
Other				
Medicaid Transport	195,569	195,569	87,946	(107,623)
System Care Grant	100,616	100,616		(100,616)
Integrated Care Management	128,248	128,248	40,300	(87,948)
DANSR Grant	10,686			-
Child Support Enforcement		-		-
Other		-	48	48
Total Other	435,119	424,433	128,294	(296,139)
Total Intergovernmental revenues	15,808,592	15,797,906	16,220,811	422,905
Total Revenues	16,367,450	16,356,764	16,879,006	522,242

Continued

MONTEZUMA COUNTY, COLORADO

Schedule of Revenue, Expenditures and Changes in
Fund Balance - Budget and Actual
Social Services Fund
For the year Ended December 31, 2020

	<u>Budgeted Amounts</u>			<u>Variance Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Expenditures				
Health and Welfare				
Programs settled by CFMS				
Colorado Works	\$ 1,240,867	1,240,867	\$ 1,093,205	\$ 147,662
Child Care	894,694	894,694	819,887	74,807
Child Welfare	2,119,345	2,119,345	1,606,443	512,902
Administration	1,266,708	1,266,708	1,143,608	123,100
Core Services	421,447	421,447	301,063	120,384
Child Support	365,576	365,576	203,846	161,730
LEAP	687,115	687,115	846,426	(159,311)
Adult Protective Services	265,603	265,603	196,607	68,996
Aid to Needy Disabled	194,819	194,819	194,116	703
Home Care Allowance	179,072	179,072	107,529	71,543
Old Age Pension	789,042	789,042	550,915	238,127
Food Assistance	7,529,610	7,529,610	9,717,823	(2,188,213)
Title IV-B PSSF	181,519	181,519	188,896	(7,377)
Tanf Collections EBT	(3,455)	(3,455)	(5,018)	1,563
Tanf Collections IVD Retained	(41,724)	(41,724)	(35,304)	(6,420)
Medicaid Collections	(1,048)	(1,048)	(3,819)	2,771
Total Programs settled by CFMS	<u>16,089,190</u>	<u>16,089,190</u>	<u>16,926,223</u>	<u>(837,033)</u>
Other				
Medicaid Transport	195,569	195,569	87,946	107,623
System Care Grant	100,616			-
Integrated Care Management	128,248	128,248	40,300	87,948
DANSR Grant	10,686			-
Other	203,089	203,089	124,133	78,956
Total Other	<u>638,208</u>	<u>526,906</u>	<u>252,379</u>	<u>274,527</u>
Total expenditures	<u>16,727,398</u>	<u>16,616,096</u>	<u>17,178,602</u>	<u>(562,506)</u>
Excess revenues over (under) expenditures	<u>(359,948)</u>	<u>(259,332)</u>	<u>(299,596)</u>	<u>(40,264)</u>
Other financing sources (uses)				
Operating transfers in (out)			-	-
Total other financing sources (uses)			<u>-</u>	<u>-</u>
Excess (deficit) of other financing sources over (under) expenditures and other financing uses	<u>(359,948)</u>	<u>(259,332)</u>	<u>(299,596)</u>	<u>(40,264)</u>
Fund balance, beginning	1,189,696	1,189,696	1,874,904	685,208
Fund balance, ending	<u>\$ 829,748</u>	<u>\$ 930,364</u>	<u>\$ 1,575,308</u>	<u>\$ 644,944</u>

MONTEZUMA COUNTY, COLORADO

Other Supplementary Information

December 31, 2020

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

These statements and schedules include:

Combining Statements- Nonmajor governmental funds

Budgetary Comparison Schedules- Nonmajor governmental funds

Budgetary Comparison Schedule-Capital Fund

Budgetary Comparison Schedule-Enterprise Fund

MONTEZUMA COUNTY, COLORADO

Nonmajor Governmental Funds

December 31, 2020

Special Revenue Funds

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

Public Health Fund

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

Conservation Trust Fund

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

Clara Ormiston Fund

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

Emergency Telephone Service Fund

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

Sheriff's Department Forfeiture Fund

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

Revolving Loan Fund

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

Lodgers' Tax Fund

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

Emergency Reserve Fund

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

Contingent Fund

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

Law Enforcement Authority

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

MONTEZUMA COUNTY
Combining Balance Sheet
Non Major Governmental Funds

December 31, 2020

Special Revenue Funds											
	Public Health Fund	Conservation Trust Fund	Clara Ormiston Fund	Emergency Telephone Fund	Sheriff's Forfeiture Fund	Revolving Loan Fund	Lodgers Tax Fund	Emergency Reserve Fund	Contingent Fund	Law Enforcement Authority Fund	Total
Assets											
Cash	\$ 914,010	\$ 488,132	\$ 52,644	\$ 497,039	\$ 23,307	\$ 42,228	\$ 224,243	\$ 722,119	\$ 595,335	\$ 1,200,144	\$ 4,759,201
Other receivables		57	7								64
Due from other governments	25,186										25,186
Total Assets	\$ 939,196	\$ 488,189	\$ 52,651	\$ 497,039	\$ 23,307	\$ 42,228	\$ 224,243	\$ 722,119	\$ 595,335	\$ 1,200,144	\$ 4,784,451
Liabilities											
Accounts payable	\$ 21,712			\$ 936							\$ 22,648
Total Liabilities	21,712	-	-	936	-	-	-	-	-	-	22,648
Fund Balance											
Restricted											
Cancer treatments			\$ 52,651								52,651
TABOR								\$ 722,119			722,119
Unrestricted											
Assigned for future year's expenditures	917,484	\$ 488,189		496,103	\$ 23,307	\$ 42,228	\$ 224,243		\$ 595,335	\$ 1,200,144	3,987,033
Total Fund Balance	917,484	488,189	52,651	496,103	23,307	42,228	224,243	722,119	595,335	1,200,144	4,761,803
Total Liabilities and Fund Balance	\$ 939,196	\$ 488,189	\$ 52,651	\$ 497,039	\$ 23,307	\$ 42,228	\$ 224,243	\$ 722,119	\$ 595,335	\$ 1,200,144	\$ 4,784,451

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

For the Year Ended December 31, 2020

	Special Revenue Funds										
	Public Health Fund	Conservation Trust Fund	Clara Ormiston Fund	Emergency Telephone Fund	Sheriff's Forfeiture Fund	Revolving Loan Fund	Lodgers Tax Fund	Emergency Reserve Fund	Contingent Fund	Law Enforcement Authority Fund	Total
Revenues											
Taxes							\$ 207,491			\$ 976,431	\$ 1,183,922
Intergovernmental	\$ 2,256,152	\$ 154,948									2,411,100
Charges for services	444,384			\$ 270,983	\$ 20,142						735,509
Earnings on investments		3,438	\$ 4,025		10	\$ 183					7,656
Total Revenues	2,700,536	158,386	4,025	270,983	20,152	183	207,491	-	-	976,431	4,338,187
Expenditures											
General government							161,600				161,600
Public safety				184,461	22,605						207,066
Public Health	2,258,811										2,258,811
Total expenditures	2,258,811	-	-	184,461	22,605	-	161,600	-	-	-	2,627,477
Excess revenues over (under) expenditures	441,725	158,386	4,025	86,522	(2,453)	183	45,891	-	-	976,431	1,710,710
Other financing sources (uses)											
Operating transfers in (out)	39,274	(75,039)				(105,000)				(631,028)	(771,793)
Total other financing sources (uses)	39,274	(75,039)	-	-	-	(105,000)	-	-	-	(631,028)	(771,793)
Excess (deficit) of revenues and other financing sources over (under) expenditures and other financing uses	480,999	83,347	4,025	86,522	(2,453)	(104,817)	45,891	-	-	345,403	938,917
Fund Balances beginning of the year	436,485	404,842	48,626	409,581	25,760	147,045	178,352	\$ 722,119	\$ 595,335	854,741	3,822,886
Fund Balances end of the year	\$ 917,484	\$ 488,189	\$ 52,651	\$ 496,103	\$ 23,307	\$ 42,228	\$ 224,243	\$ 722,119	\$ 595,335	\$ 1,200,144	\$ 4,761,803

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

For the Year Ended December 31, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental revenues				
Operating grants	\$ 1,726,164	\$ 1,726,164	\$ 2,256,152	\$ 529,988
Charges of services	452,650	452,650	444,384	(8,266)
Total Revenues	<u>2,178,814</u>	<u>2,178,814</u>	<u>2,700,536</u>	<u>521,722</u>
Expenditures				
Public health	2,193,191	2,193,191	2,258,811	(65,620)
Total Expenditures	<u>2,193,191</u>	<u>2,193,191</u>	<u>2,258,811</u>	<u>(65,620)</u>
Excess revenues over (under) expenditures	(14,377)	(14,377)	441,725	456,102
Other financing sources (uses)				
Operating transfers in (out)	40,359	40,359	39,274	(1,085)
Total other financing sources (uses)	<u>40,359</u>	<u>40,359</u>	<u>39,274</u>	<u>(1,085)</u>
Excess (deficit) of revenues and other financing sources over (under) expenditures and other financing uses	<u>25,982</u>	<u>25,982</u>	<u>480,999</u>	<u>455,017</u>
Fund Balances beginning of the year	563,516	563,516	436,485	(127,031)
Fund Balances end of the year	<u>\$ 589,498</u>	<u>\$ 589,498</u>	<u>\$ 917,484</u>	<u>\$ 327,986</u>

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

For the Year Ended December 31, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental				
Lottery funds	\$ 145,000	\$ 145,000	\$ 154,948	\$ 9,948
Total intergovernmental revenues	<u>145,000</u>	<u>145,000</u>	<u>154,948</u>	<u>9,948</u>
Miscellaneous				
Earnings on investments	4,000	4,000	3,438	(562)
Total miscellaneous revenues	<u>4,000</u>	<u>4,000</u>	<u>3,438</u>	<u>(562)</u>
Total Revenues	<u>149,000</u>	<u>149,000</u>	<u>158,386</u>	<u>9,386</u>
Other financing sources (uses)				
Operating transfers out	(96,737)	(96,737)	(75,039)	21,698
Total other financing sources (uses)	<u>(96,737)</u>	<u>(96,737)</u>	<u>(75,039)</u>	<u>21,698</u>
Excess (deficit) of revenues and other financing sources over (under) expenditures and other financing uses	<u>52,263</u>	<u>52,263</u>	<u>83,347</u>	<u>31,084</u>
Fund Balances beginning of the year	207,564	207,564	404,842	197,278
Fund Balances end of the year	<u>\$ 259,827</u>	<u>\$ 259,827</u>	<u>\$ 488,189</u>	<u>\$ 228,362</u>

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

For the Year Ended December 31, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Earnings on investments			\$ 4,025	\$ 4,025
Total Revenues	-	-	4,025	4,025
Other financing sources (uses)				
Operating transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Excess (deficit) of revenues and other financing sources over (under) expenditures and other financing uses	-	-	4,025	4,025
Fund Balances beginning of the year	\$ 51,874	\$ 51,874	48,626	(3,248)
Fund Balances end of the year	\$ 51,874	\$ 51,874	\$ 52,651	\$ 777

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

For the Year Ended December 31, 2020

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
Revenues				
Charges for services	\$ 257,500	\$ 257,500	\$ 270,983	\$ 13,483
Total Revenues	<u>257,500</u>	<u>257,500</u>	<u>270,983</u>	<u>13,483</u>
Expenditures				
Public safety	215,352	215,352	184,461	30,891
Total Expenditures	<u>215,352</u>	<u>215,352</u>	<u>184,461</u>	<u>30,891</u>
Excess revenues over (under) expenditures	<u>42,148</u>	<u>42,148</u>	<u>86,522</u>	<u>44,374</u>
Other financing sources (uses)				
Operating transfers out			-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficit) of revenues and other financing sources over (under) expenditures and other financing uses	<u>42,148</u>	<u>42,148</u>	<u>86,522</u>	<u>44,374</u>
Fund Balances beginning of the year	67,114	67,114	409,581	342,467
Fund Balances end of the year	<u>\$ 109,262</u>	<u>\$ 109,262</u>	<u>\$ 496,103</u>	<u>\$ 386,841</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, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Other			\$ 20,152	\$ 20,152
Total Revenues	-	-	20,152	20,152
Expenditures				
Public safety			22,605	(22,605)
Total expenditures	-	-	22,605	(22,605)
Excess revenues over (under) expenditures	-	-	(2,453)	(2,453)
Fund Balances beginning of the year	\$ 25,966	\$ 25,966	25,760	(206)
Fund Balances end of the year	\$ 25,966	\$ 25,966	\$ 23,307	\$ (2,659)

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

For the Year Ended December 31, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Earnings on investments			\$ 183	\$ 183
Total Revenues	-	-	183	183
Expenditures				-
Excess revenues over (under) expenditures	-	-	183	183
Other financing sources (uses)				
Operating transfers out		\$ (105,000)	(105,000)	-
Total other financial sources (uses)		(105,000)	(105,000)	-
Excess (deficit) of revenues and other financing sources over (under) expenditures and other financing uses		(105,000)	(104,817)	183
Fund Balances beginning of the year	\$ 146,524	146,524	147,045	521
Fund Balances end of the year	\$ 146,524	\$ 41,524	\$ 42,228	\$ 704

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

For the Year Ended December 31, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Lodgers tax	\$ 175,000	\$ 175,000	\$ 207,491	\$ 32,491
Total Revenues	<u>175,000</u>	<u>175,000</u>	<u>207,491</u>	<u>32,491</u>
Expenditures				
General government	150,000	150,000	161,600	(11,600)
Total Expenditures	<u>150,000</u>	<u>150,000</u>	<u>161,600</u>	<u>(11,600)</u>
Excess revenues over (under) expenditures	<u>25,000</u>	<u>25,000</u>	<u>45,891</u>	<u>20,891</u>
Fund Balances beginning of the year	197,887	197,887	178,352	(19,535)
Fund Balances end of the year	<u>\$ 222,887</u>	<u>\$ 222,887</u>	<u>\$ 224,243</u>	<u>\$ 1,356</u>

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

For the Year Ended December 31, 2020

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

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

For the Year Ended December 31, 2020

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

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

For the Year Ended December 31, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes				
Property taxes	\$ 705,537	\$ 705,537	\$ 845,371	\$ 139,834
Specific ownership taxes	70,415	70,415	94,910	24,495
Delinquent tax and interest			36,109	36,109
Miscellaneous			41	41
Total Revenues	<u>775,952</u>	<u>775,952</u>	<u>976,431</u>	<u>200,479</u>
Other financing sources (uses)				
Operating transfers out	(716,679)	(716,679)	(631,028)	85,651
Total other financing sources (uses)	<u>(716,679)</u>	<u>(716,679)</u>	<u>(631,028)</u>	<u>85,651</u>
Excess (deficit) of revenues and other financing sources over (under) expenditures and other financing uses	<u>59,273</u>	<u>59,273</u>	<u>345,403</u>	<u>286,130</u>
Fund Balances beginning of the year	1,450,483	1,450,483	854,741	(595,742)
Fund Balances end of the year	<u>\$ 1,509,756</u>	<u>\$ 1,509,756</u>	<u>\$ 1,200,144</u>	<u>\$ (309,612)</u>

MONTEZUMA COUNTY, COLORADO

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

For the Year Ended December 31, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental revenues				
Mineral leasing	\$ 746,118	\$ 746,118	\$ 633,802	\$ (112,316)
Grants			36,044	36,044
Total intergovernmental revenues	<u>746,118</u>	<u>746,118</u>	<u>669,846</u>	<u>(76,272)</u>
Miscellaneous revenues				
Sale of assets	18,000	18,000	12,920	(5,080)
Total miscellaneous revenues	<u>18,000</u>	<u>18,000</u>	<u>12,920</u>	<u>(5,080)</u>
Total Revenues	<u>764,118</u>	<u>764,118</u>	<u>682,766</u>	<u>(81,352)</u>
Expenditures				
General government	2,197,439	2,160,929	639,780	1,521,149
Public works	4,786,958	4,786,958	3,157,079	1,629,879
Public safety	525,000	525,000	301,835	223,165
Culture and recreation	335,000	335,000	223,413	111,587
Public health	251,466	251,466	297,039	(45,573)
Total expenditures	<u>8,095,863</u>	<u>8,059,353</u>	<u>4,619,146</u>	<u>3,440,207</u>
Excess (deficit) of revenues over (under) expenditures	(7,331,745)	(7,295,235)	(3,936,380)	3,358,855
Other financing sources (uses)				
Operating transfers in	<u>5,803,040</u>	<u>5,803,040</u>	<u>2,428,546</u>	<u>(3,374,494)</u>
Total other financing sources (uses)	<u>5,803,040</u>	<u>5,803,040</u>	<u>2,428,546</u>	<u>(3,374,494)</u>
Excess (deficit) of revenues and other financing sources over (under) expenditures and other financing uses	<u>(1,528,705)</u>	<u>(1,492,195)</u>	<u>(1,507,834)</u>	<u>(15,639)</u>
Fund balance, beginning	2,004,646	2,004,646	2,171,560	166,914
Fund balance, ending	<u>\$ 475,941</u>	<u>\$ 512,451</u>	<u>\$ 663,726</u>	<u>\$ 151,275</u>

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

For the Year Ended December 31, 2020

	Budgeted Amounts		(Non GAAP Basis) Actual Amounts	Variance Favorable (Unfavorable)
	Original	Final		
Operating Revenues				
Landfill fees	\$ 1,325,469	\$ 1,325,469	\$ 1,486,745	\$ 161,276
Total local sources	1,325,469	1,325,469	1,486,745	161,276
Operating Expenses				
Landfill operations				
Salaries	399,772	399,772	414,823	(15,051)
Employee benefits	131,722	131,722	132,830	(1,108)
Other operating expenses	156,512	156,512	148,245	8,267
Professional fees	194,035	194,035	173,289	20,746
Utilities	32,788	32,788	35,147	(2,359)
Insurance and bonds	37,164	37,164	39,424	(2,260)
Repairs and maintenance	71,493	71,493	51,484	20,009
Capital outlay	303,294	303,294	870,688	(567,394)
Total Operating Expenses	1,326,780	1,326,780	1,865,930	(539,150)
Operating income (loss)	(1,311)	(1,311)	(379,185)	(377,874)
Non-Operating Revenue (Expense)				
(Increase) Decrease in accrued closure costs	(170,000)	(170,000)	(109,351)	60,649
Grant revenue		-	121,125	121,125
Total Non-Operating Revenue (Expense)	(170,000)	(170,000)	11,774	181,774
Change in net position non GAAP basis	(171,311)	(171,311)	(367,411)	(196,100)
Add capital outlay			870,688	870,688
Less depreciation expense			(233,756)	(233,756)
Change in net position	(171,311)	(171,311)	269,521	440,832
Net position beginning of the year	1,537,761	1,537,761	1,405,019	(132,742)
Net position end of the year	\$ 1,366,450	\$ 1,366,450	\$ 1,674,540	\$ 308,090

INFORMATION REQUIRED BY OVERSIGHT AUTHORITIES

Majors and Haley, P.C.
Certified Public Accountants

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(970) 565-9521
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Chris L. Majors, CPA, MT

Lori Hasty Haley, CPA

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

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

We have audited in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Montezuma County, Colorado as of and for the year ended December 31, 2020 and the related notes to the financial statements, which collectively comprise the Montezuma County, Colorado's basic financial statements and have issued our report thereon dated July 8, 2021.

Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect 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. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less

severe than a material weakness, yet important enough to merit attention by those charges with governance.

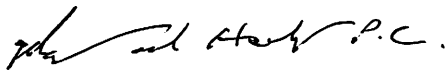
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during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

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*.

Purpose of this Report

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



Majors and Haley, P.C.
July 8, 2021

Majors and Haley, P.C.
Certified Public Accountants

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Lori Hasty Haley, CPA

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

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

Report on Compliance for Each Major Federal Program

We have audited the Montezuma County, Colorado's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Montezuma County, Colorado's major federal programs for the year ended December 31, 2020. The 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.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the Montezuma County, Colorado's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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 the 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 on compliance for each major federal program. However, our audit does not provide a legal determination on the Montezuma County, Colorado's compliance.

Opinion on Each Major Federal Program

In our opinion, the 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, 2020.

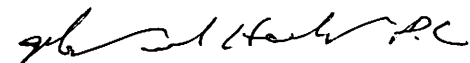
Report on Internal Control Over Compliance

Management of the Montezuma County, Colorado is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Montezuma County, Colorado's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the 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 and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or 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. *A significant deficiency in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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



Majors and Haley, P.C.
July 8, 2021

MONTEZUMA COUNTY, COLORADO
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2020

<i>Federal Grantor/Program or Cluster Title</i>	<i>Federal CFDA Number</i>	<i>Pass-through Grantor</i>	<i>Federal Expenditures(\$)</i>
477 Cluster			
<i>Department of Health and Human Services</i>			
Temporary Assistance for Needy Families (477 Cluster)	93.558	Colorado Department of Human Services	1,017,147
<i>Total Department of Health and Human Services</i>			<u>1,017,147</u>
Total 477 Cluster			<u>1,017,147</u>
CCDF Cluster			
<i>Department of Health and Human Services</i>			
Child Care and Development Block Grant	93.575	Colorado Department of Human Services	453,077
<i>Total Child Care and Development Block Grant</i>			<u>453,077</u>
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	Colorado Department of Human Services	115,494
<i>Total Department of Health and Human Services</i>			<u>568,571</u>
Total CCDF Cluster			<u>568,571</u>
CSBG Cluster			
<i>Department of Health and Human Services</i>			
Community Services Block Grant	93.569	Housing Solutions of the Southwest	31,506
<i>Total Department of Health and Human Services</i>			<u>31,506</u>
Total CSBG Cluster			<u>31,506</u>
Forest Service Schools and Roads Cluster			
<i>United States Department of Agriculture</i>			
Schools and Roads - Grants to Counties	10.666	Direct program	46,240
<i>Total United States Department of Agriculture</i>			<u>46,240</u>
Total Forest Service Schools and Roads Cluster			<u>46,240</u>
Medicaid Cluster			
<i>Department of Health and Human Services</i>			
Medical Assistance Program			
Medical Assistance Program	93.778	Colorado Department of Health Care Policy and Finance	348,078
Medical Assistance Program	93.778	Colorado Department of Health Care Policy and Finance	221,351
<i>Total Medical Assistance Program</i>			<u>569,429</u>
<i>Total Department of Health and Human Services</i>			<u>569,429</u>
Total Medicaid Cluster			<u>569,429</u>
SNAP Cluster			
<i>United States Department of Agriculture</i>			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	Colorado Department of Human Services	269,820
<i>Total United States Department of Agriculture</i>			<u>269,820</u>
Total SNAP Cluster			<u>269,820</u>
Other Programs			
<i>Department of Homeland Security</i>			
Hazard Mitigation Grant	97.039	Colorado Department of Public Services	19,378
BRIC: Building Resilient Infrastructure and Communities	97.047	Colorado Division of Homeland Security	32,250
<i>Total Department of Homeland Security</i>			<u>51,628</u>
<i>Department of Transportation</i>			
Formula Grants for Rural Areas and Tribal Transit Program			
Formula Grants for Rural Areas and Tribal Transit Program	20.509	Colorado Department of Transportation	75,525
<i>Total Department of Transportation</i>			<u>75,525</u>

The accompanying notes are an integral part of this schedule

MONTEZUMA COUNTY, COLORADO
Schedule of Expenditures of Federal Awards (Continued)
For the Year Ended December 31, 2020

<i>Federal Grantor/Program or Cluster Title</i>	<i>Federal CFDA Number</i>	<i>Pass-through Grantor</i>	<i>Federal Expenditures(\$)</i>
<i>Department of Health and Human Services</i>			
Public Health Emergency Preparedness	93.069	Colorado Department of Public Health and Environment	112,303
Guardianship Assistance	93.090	Colorado Department of Human Services	19,406
Injury Prevention and Control Research and State and Community Based Programs	93.136	Colorado Department of Public Health and Environment	56,000
Immunization Cooperative Agreements	93.268	Colorado Department of Public Health and Environment	12,820
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	Colorado Department of Public Health and Environment	88,062
Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	93.354	Colorado Department of Public Health and Environment	47,860
Strengthening Public Health Systems and Services through National Partnerships to Improve and Protect the Nation's Health	93.421	Colorado Department of Public Health and Environment	3,316
MaryLee Allen Promoting Safe and Stable Families Program	93.556	Colorado Department of Human Services	188,895
Child Support Enforcement	93.563	Colorado Department of Human Services	151,040
Low-Income Home Energy Assistance	93.568	Colorado Department of Human Services	9
Stephanie Tubbs Jones Child Welfare Services Program	93.645	Colorado Department of Human Services	10,684
Foster Care Title IV-E	93.658	Colorado Department of Human Services	265,987
Adoption Assistance	93.659	Colorado Department of Human Services	66,576
Social Services Block Grant	93.667	Colorado Department of Human Services	129,122
Maternal and Child Health Services Block Grant to the States	93.994	Colorado Department of Public Health and Environment	38,381
<i>Total Department of Health and Human Services</i>			<u>1,190,461</u>
<i>Department of the Treasury</i>			
Coronavirus Relief Fund	21.019	Colorado Department of Local Affairs	1,061,973
Coronavirus Relief Fund	21.019	Colorado Department of Human Services	45,721
Coronavirus Relief Fund	21.019	Colorado Department of Public Health and Environment	61,838
<i>Total Coronavirus Relief Fund</i>			<u>1,169,532</u>
<i>Total Department of the Treasury</i>			<u>1,169,532</u>
<i>United States Department of Agriculture</i>			
WIC Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	Colorado Department of Public Health and Environment	270,278
WIC Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	Colorado Department of Public Health and Environment	117,678
<i>Total WIC Special Supplemental Nutrition Program for Women, Infants, and Children</i>			<u>387,956</u>
<i>Total United States Department of Agriculture</i>			<u>387,956</u>
<i>Total Other Programs</i>			<u>2,875,102</u>
<i>Total Expenditures of Federal Awards</i>			<u><u>\$ 5,377,815</u></u>

The accompanying notes are an integral part of this schedule

MONTEZUMA COUNTY, COLORADO

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS For the Year Ended December 31, 2020

Organization

The accompanying schedule of expenditures of federal awards presents the activity of all federal award programs of Montezuma County, Colorado for the year ended December 31, 2020. All federal awards received directly from federal agencies as well as federal awards passed through other governmental agencies, are included on the schedule.

Basis Of Presentation

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

Indirect Costs

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

Food Distribution

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

Sub-recipients

Montezuma County had no sub-recipients of federal funds for the year ended December 31, 2020.

MONTEZUMA COUNTY, COLORADO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2020

Section 1- Summary of Auditors' Results

Financial Statements

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

Federal Awards

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

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

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
21.019	Coronavirus Relief Fund

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

Section 2- Findings under Generally Accepted Government Auditing Standards

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

Section 3- Findings and Questioned Costs Under Uniform Guidance

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

MONTEZUMA COUNTY, COLORADO

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the Year Ended December 31, 2020

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

MONTEZUMA COUNTY, COLORADO

SCHEDULE OF CORRECTIVE ACTION PLAN
For the Year Ended December 31, 2020

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 31, 2020
This Information From The Records Of (example - City of _ or County of _) County of Montezuma, Colorado	Prepared By: Majors and Haley P.C. 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
A. Receipts from local sources:	
1. Local highway-user taxes	
a. Motor Fuel (from Item I.A.5.)	
b. Motor Vehicle (from Item I.B.5.)	
c. Total (a.+b.)	
2. General fund appropriations	
3. Other local imposts (from page 2)	1,860,714
4. Miscellaneous local receipts (from page 2)	1,107,860
5. Transfers from toll facilities	
6. Proceeds of sale of bonds and notes:	
a. Bonds - Original Issues	
b. Bonds - Refunding Issues	
c. Notes	
d. Total (a. + b. + c.)	0
7. Total (1 through 6)	2,968,574
B. Private Contributions	
C. Receipts from State government (from page 2)	3,037,438
D. Receipts from Federal Government (from page 2)	675,094
E. Total receipts (A.7 + B + C + D)	6,681,106

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Local highway disbursements:	
1. Capital outlay (from page 2)	3,034,717
2. Maintenance:	4,545,388
3. Road and street services:	
a. Traffic control operations	
b. Snow and ice removal	142,921
c. Other Transfers	112,720
d. Total (a. through c.)	255,641
4. General administration & miscellaneous	176,163
5. Highway law enforcement and safety	
6. Total (1 through 5)	8,011,909
B. Debt service on local obligations:	
1. Bonds:	
a. Interest	
b. Redemption	
c. Total (a. + b.)	0
2. Notes:	
a. Interest	
b. Redemption	
c. Total (a. + b.)	0
3. Total (1.c + 2.c)	0
C. Payments to State for highways	
D. Payments to toll facilities	
E. Total disbursements (A.6 + B.3 + C + D)	8,011,909

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

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

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	6,969,419	6,681,106	8,011,909	5,638,616	0

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT		STATE: Colorado YEAR ENDING (mm/yy): December 31, 2020	
II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL			
ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments	1,538,778	a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes		c. Parking Garage Fees	
2. Infrastructure & Impact Fees	184,606	d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	32,249
4. Licenses		f. Charges for Services	1,045,616
5. Specific Ownership &/or Other	137,330	g. Other Misc. Receipts	29,995
6. Total (1. through 5.)	321,936	h. Other	
c. Total (a. + b.)	1,860,714	i. Total (a. through h.)	1,107,860
	(Carry forward to page 1)		(Carry forward to page 1)
III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL			
ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	2,504,849	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	41,292
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	92,758	d. Federal Transit Admin	
d. Other (Specify) - Grant	439,831	e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal Mineral Leasing	633,802
f. Total (a. through e.)	532,589	g. Total (a. through f.)	675,094
4. Total (1. + 2. + 3.f)	3,037,438	3. Total (1. + 2.g)	
			(Carry forward to page 1)
III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL			
	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs			0
b. Engineering Costs			0
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements			0
(3). System Preservation		3,034,717	3,034,717
(4). System Enhancement & Operation			0
(5). Total Construction (1) + (2) + (3) + (4)	0	3,034,717	3,034,717
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	3,034,717	3,034,717
			(Carry forward to page 1)
Notes and Comments:			