CITY OF CORTEZ, COLORADO
ANNUAL FINANCIAL REPORT
DECEMBER 31, 2018

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ANNUAL FINANCIAL REPORT
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INTRODUCTORY SECTION

CITY OF CORTEZ, COLORADO

LIST OF PRINCIPAL OFFICIALS

CITY COUNCIL

as of December 31, 2018

Karen Sheek, Mayor
Orly Lucero, Mayor Pro-tem
Michael Lacey
Gary Noyes
Sue Betts
Jill Carlson
Ty Keel

CITY STAFF

John Dougherty – City Manager
Roy Lane – Chief of Police
Mike Green – City Attorney
Linda Smith – City Clerk
Kathi Moss – Director of Finance
Dean Palmquist – Director of Parks and Recreation
Sam Proffer – Director of Planning and Building
Phil Johnson – Director of Public Works

as of Report Date

Rachel Medina, Mayor
Arlina Yazzie, Mayor Pro-tem
Lydia DeHaven
David Rainey
Dennis Spruell
Robert Dobry
Matthew Keefauver

CITY STAFF

Drew Sanders – City Manager
Vernon Knuckles – Chief ofPolice
Patrick Coleman – City Attorney
Linda Smith – City Clerk
Kelly Koskie – Director of Finance
Creighton Wright – Director of Parks and Recreation
Rachel Marchbanks– Director of Planning and Community Economic Development
Brian Peckins – Director of Public Works

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

Honorable Mayor and City Council
City of Cortez
Cortez, CO

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 City of Cortez, Colorado (the City), as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the City'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 controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City'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 City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects, in relation to the basic financial statements as a whole.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The Introductory Section and Statistical Section are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 1, 2022 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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 City's internal controls over financial reporting and compliance.

ATLAS CPAs & Advisors PLLC

Phoenix, Arizona
September 1, 2022

CITY OF CORTEZ, COLORADO

MANAGEMENT'S DISCUSSION & ANALYSIS
As of and for the Year Ended December 31, 2018
(Unaudited)

The discussion and analysis of City of Cortez's (the "City") financial performance provides an overall review of the City's financial activities for the year ended December 31, 2018. The management of the City encourages readers to consider the information presented herein in conjunction with the transmittal letter found in the introductory section and the basic financial statements to enhance their understanding of the City's financial performance. Certain comparative information between the current year and the prior is required to be presented in the Management's Discussion and Analysis (the "MD&A").

Financial Highlights

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by $54.6 million (net position).
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of $4.1 million.
- General revenues totaled $10.3 million in revenue. Program specific revenues in the form of charges for services and fees and grants accounted for $1.00 million or 1% of total governmental revenues of $13.8 million.
- The City had $19.1 million in expenses related to government activities.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the City's basic financial statements. The basic financial statements are comprised of three components:

- Government-wide financial statements,
- Fund financial statements, and
- Notes to basic financial statements.

This report also contains other supplementary information in addition to the basic financial statements.

Government-wide financial statements

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business, and are reported using the accrual basis of accounting and economic resources measurement focus.

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

The statement of activities presents information showing how the government's net position changed during the fiscal year being reported. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The government-wide financial statements can be divided into two types of activities: governmental and business-type. Governmental activities present the functions of the City that are principally supported by taxes and

intergovernmental revenues. Business-type activities present the functions that are intended to recover all or a significant portion of their costs through user fees and charges. The City's governmental activities include functions like general government, public safety, public works, library, and recreation. The City's business-type activities include Airport, Recreation, Water, Solid waste collection, Police dispatch, Hydro plant, City community network.

Fund financial statements

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

Governmental funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements and are reported using the modified accrual basis of accounting and current financial resources measurement focus. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources; as well as, on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a City's near-term financing requirements.

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

The City maintains 2 major individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund and the Street improvement fund both of which are considered to be major funds.

The City also maintains 4 non-major Special Revenue Funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for Lodger's Tax Fund, Conservation Trust Fund, Equipment Fund, Emergency Reserve TABOR Fund, and Grant Fund.

Data from the remaining governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining schedules elsewhere in this report. The City adopts an annual budget for each of the major funds listed above. A budgetary comparison statement has been provided for each major fund to demonstrate compliance with this budget.

Proprietary funds

The City maintains two different types of proprietary funds: enterprise and internal service. Enterprise funds are used to report the same functions presented as business type activities in the government–wide financial statements. The City utilizes enterprise funds to account for its Airport, Recreation Center, Water and Solid Waste utility services. The City also uses non-major Enterprise Funds to account for the Hydro Plant, Community Network and Police Dispatch services.

Fiduciary funds

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

Notes to basic financial statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's contributions and net pension asset of the Cortez Old Hire Police Pension Fund; as well as, budget to actual comparisons of the funds. Supplementary schedules include combining and individual fund schedules of all non-major funds and Fiduciary Funds.

Government-Wide Financial Analysis

Table 1
Condensed Statement of Net Position
(in millions of dollars)

	Governmental Activities			*Business-Type Activities*			*Total*		
	2018	*2017*	*Change*	*2018*	*2017*	*Change*	*2018*	*2017*	*Change*
Assets									
Current and other assets	$ 6.4	$ 7.9	-19.0%	$ 7.4	$ 7.5	-1.3%	$ 13.8	$ 15.4	-10.4%
Capital assets	21.5	20.6	4.4%	28.4	29.1	-2.4%	49.9	49.7	0.4%
Total assets	27.9	28.5	-2.1%	35.8	36.6	-2.2%	63.7	65.1	-2.2%
Deferred outflows of resources	0.0	0.0	0.0%	0.0	0.0	0.0%	0.0	0.0	0.0%
Liabilities									
Long-term liabilities	0.5	0.5	0.0%	6.9	7.8	-11.5%	7.4	8.3	-10.8%
Other liabilities	1.2	0.7	71.4%	0.4	0.6	-33.3%	1.6	1.3	23.1%
Total liabilities	1.7	1.2	41.7%	7.3	8.4	-13.1%	9.0	9.6	-6.3%
Deferred inflows of resources	0.1	0.1	0.0%	0.0	0.0	0.0%	0.1	0.1	0.0%
Net position									
Net investment in capital assets	21.5	20.6	4.4%	21.6	21.5	0.5%	43.1	42.1	2.4%
Restricted	0.4	0.4	0.0%	0.7	0.7	0.0%	1.1	1.1	0.0%
Unrestricted	4.2	6.2	-32.3%	6.2	6.0	3.3%	10.4	12.2	-14.8%
Total net position	$ 26.1	$ 27.2	-4.0%	$ 28.5	$ 28.2	1.1%	$ 54.6	$ 55.4	-1.4%

Normal Impacts

There are six basic (normal) transactions that will affect the comparability of the Statement of Net Position summary presentation.

Net results of activities – which will impact (increase/decrease) current assets and unrestricted net position.

Borrowing for capital – which will increase current assets and long-term debt.

Spending borrowed proceeds on new capital – which will: (a) reduce current assets and increase capital assets; and, (b) increase capital assets and long-term debt, which will not change the net investment in capital assets.
Spending of non-borrowed current assets on new capital – which will: (a) reduce current assets and increase capital assets; and, (b) will reduce unrestricted net position and increase net investment in capital assets.

Principal payment on debt – which will: (a) reduce current assets and reduce long-term debt; and, (b) reduce unrestricted net position and increase net investment in capital assets.

Reduction of capital assets through depreciation – which will reduce capital assets and net investment in capital assets.

Current Year Impacts

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The City's total assets and deferred outflows of resources equal $55.6 million. The City's total liabilities and deferred inflows of resources equal $9.1 million.

By far the largest portion of the City's net position is its investment in capital assets. This consists of land, buildings, machinery, equipment and infrastructure less depreciation and any related outstanding debt used to acquire these assets. The City uses these capital assets to provide services to the residents; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

A very small portion of the City's net position (less than 0.5%) represents resources that are subject to external restrictions on how they may be used. All net position categories show positive balances at year end, except for unrestricted net position for governmental activities.

Table 2
Condensed Statement of Activities
(in millions of dollars)

	Governmental Activities			*Business-Type Activities*			*Total*		
	2018	*2017*	*Change*	*2018*	*2017*	*Change*	*2018*	*2017*	*Change*
Revenues									
Program Revenues									
Charges for services	3.5	1.2	191.7%	6.9	6.2	11.3%	10.4	7.4	40.5%
Operating grants and contributions	2.4	2.1	14.3%	0.3	0.7	0.0%	2.7	2.8	-3.6%
Capital grants and contributions	0.0	0.3	-100.0%	0.0	0.0	0.0%	0.0	0.3	-100.0%
General Revenues									
Property and sales taxes	9.8	9.8	0.0%	1.5	1.4	7.1%	11.3	11.2	0.9%
Franchise taxes	0.6	0.6	0.0%	0.0	0.0	0.0%	0.6	0.6	0.0%
Interfund charges	1.5	1.5	0.0%	0.0	0.0	0.0%	1.5	1.5	0.0%
Investment income	0.0	0.0	0.0%	0.0	0.0	0.0%	0.0	0.0	0.0%
Miscellaneous revenue	0.2	0.4	-50.0%	0.0	0.0	0.0%	0.2	0.4	-50.0%
Total revenues	18.0	15.9	13.2%	8.7	8.3	4.8%	26.7	24.2	10.3%
Expenses									
General government	5.6	2.2	154.5%	0.0	0.0	0.0%	5.6	2.2	154.5%
General services	1.5	1.7	-11.8%	0.0	0.0	0.0%	1.5	1.7	-11.8%
Public safety	4.0	4.2	-4.8%	0.0	0.0	0.0%	4.0	4.2	-4.8%
Public works	3.7	4.0	-7.5%	0.0	0.0	0.0%	3.7	4.0	-7.5%
Parks and recreation	2.6	2.7	-3.7%	0.0	0.0	0.0%	2.6	2.7	-3.7%
Capital projects	0.0	0.0	0.0%	0.0	0.0	0.0%	0.0	0.0	0.0%
Internal charges	1.7	1.5	13.3%	0.0	0.0	0.0%	1.7	1.5	13.3%
Airport	0.0	0.0	0.0%	0.5	0.5	0.0%	0.5	0.5	0.0%
Recreation	0.0	0.0	0.0%	2.8	1.6	75.0%	2.8	1.6	75.0%
Water	0.0	0.0	0.0%	2.5	3.0	-16.7%	2.5	3.0	-16.7%
Solid waste collection	0.0	0.0	0.0%	1.2	1.1	9.1%	1.2	1.1	9.1%
Police dispatch	0.0	0.0	0.0%	0.9	0.9	0.0%	0.9	0.9	0.0%
Hydro plant	0.0	0.0	0.0%	0.1	0.1	0.0%	0.1	0.1	0.0%
City community network	0.0	0.0	0.0%	0.5	1.0	-50.0%	0.5	1.0	-50.0%
Total expenses	19.1	16.3	17.2%	8.5	8.2	3.7%	27.6	24.5	12.7%
Transfers - net	0.0	0.0	0.0%	0.0	0.0	0.0%	0.0	0.0	0.0%
Special item - bad debt allowance	0.0	0.0	0.0%	0.0	0.0	0.0%	0.0	0.0	0.0%
Change in net position	-1.1	-0.4	175.0%	0.2	0.1	100.0%	-0.9	-0.3	200.0%
Net position, beginning	27.6	27.6	0.0%	28.2	28.2	0.0%	55.8	55.8	0.0%
Prior period restatement	0.0	0.0	0.0%	0.0	0.0	0.0%	0.0	0.0	0.0%
Net position, beginning (as restated)	27.2	27.6	-1.4%	28.3	28.2	0.4%	55.5	55.8	-0.5%
Net position, ending	$ 26.1	$ 27.2	-4.0%	$ 28.5	$ 28.3	0.7%	$ 54.6	$ 55.5	-1.6%

Table 2 highlights the City's revenues and expenses for the fiscal years ended December 31, 2018 and 2017. These two main components are subtracted to yield the change in net position. This table utilizes the full accrual method.

Normal Impacts

There are eight basic (normal) impacts that will affect the comparability of the revenues and expenses on the Statement of Activities summary presentation.

Revenues

Economic condition – which can reflect a declining, stable or growing economic environment, and has substantial impact on state sales, replacement and hotel/motel tax revenue; as well as, public spending habits for building permits, elective user fees, and volumes of consumption.

Increase/decrease in City approved rates – while certain tax rates are set by statute, the City has significant authority to impose and periodically increase/decrease rates (water, home rule sales tax, etc.).

Changing patterns in intergovernmental and grant revenue (both recurring and non-recurring) – certain recurring revenues (state shared revenues, etc.) may experience significant changes periodically while non-recurring grants are less predictable and often distorting in their impact on year to year comparisons.

Market impacts on investment income – the City's investments may be affected by market conditions causing investment income to increase/decrease.

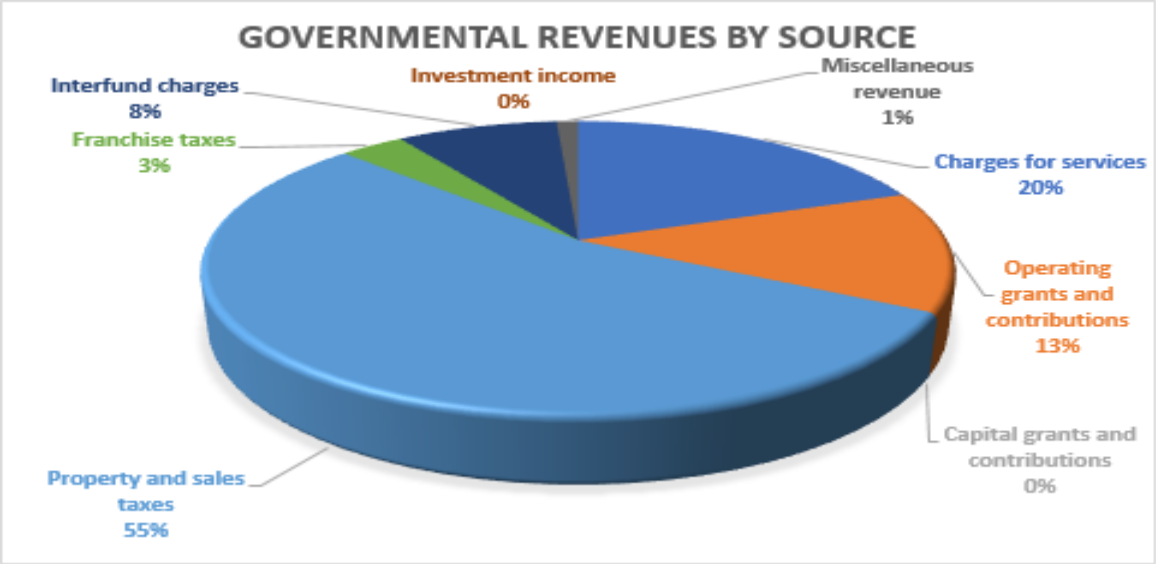
Expenses

Introduction of new programs – within the functional expense categories (general government, public safety, public works, and community development), individual programs may be added or deleted to meet changing community needs.

Change in authorized personnel – changes in service demand may cause the City to increase/decrease authorized staffing. Staffing costs (salary and related benefits) represent the largest operating cost of the City.

Salary increases (annual adjustments and merit) – the ability to attract and retain human and intellectual resources requires the City to strive to approach a competitive salary range position in the marketplace.

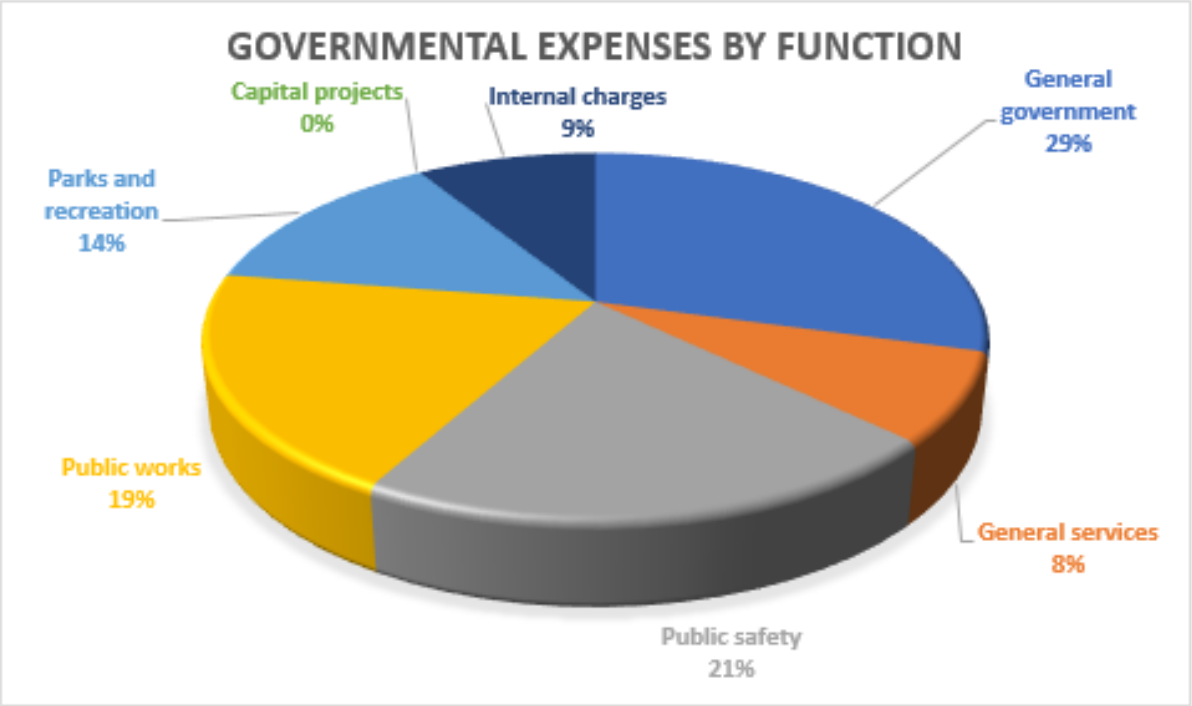
Inflation – while overall inflation appears to be reasonably modest, the City is a major consumer of certain commodities such as supplies, fuel, and parts. Some functions may experience unusual commodity specific increases.



Revenues

The City benefits from a diversified revenue base including Property tax, Sales tax, and Franchise tax. The largest category of revenue for the City is Property and Sales tax.

Total governmental activities' revenue for the current year was $18,028,983.



Expenses

Total government activities' expenditures for the current year was $19,078,148.

Capital Assets and Debt Administration

Capital assets

By the end of 2017, the City had compiled a total investment of $49.9 million ($43.3 million net of accumulated depreciation) in a broad range of capital assets including land, water rights, buildings and improvements, infrastructure, and machinery and equipment. Total depreciation expense for the year was $2.3 million. More detailed information about capital assets can be found in Note 5 of the basic financial statements.

Table 3
Capital Assets (net of depreciation)
(in millions of dollars)

	Governmental Activities			*Business-Type Activities*			*Total*		
	2018	*2017*	*Change*	*2018*	*2017*	*Change*	*2018*	*2017*	*Change*
Land	$ 1.6	$ 1.2	33.3%	$ 0.7	$ 0.7	0.0%	$ 2.3	$ 1.9	21.1%
Water rights	0.0	0.0	0.0%	4.2	4.2	0.0%	4.2	4.2	0.0%
Buildings	9.8	10.1	-3.0%	8.8	9.3	-5.4%	18.6	19.4	-4.1%
Machinery and equipment	1.6	1.4	14.3%	1.2	1.2	0.0%	2.8	2.6	7.7%
Other improvements	1.2	0.2	500.0%	0.5	0.5	0.0%	1.7	0.7	142.9%
Land improvements	0.3	0.3	0.0%	0.0	0.0	0.0%	0.3	0.3	0.0%
Infrastructure	7.0	7.4	-5.4%	13.0	13.2	-1.5%	20.0	20.6	-2.9%
Internal service equipment	0.0	0.0	0.0%	0.0	0.0	0.0%	0.0	0.0	0.0%
Total	$ 21.5	$ 20.6	4.4%	$ 28.4	$ 29.1	-2.4%	$ 49.9	$ 49.7	0.4%

Debt Administration

The table below summaries the City's bonded and similar indebtedness. As of December 31, 2018, the City had a total of $7.4 million of long-term debt outstanding. Of this amount, $6.9 million was in the form of various water, hydro plant, and recreation bonds and loans. More detailed information about debt administration can be found in Note 7 of the basic financial statements.

Table 4
Long-Term Debt
(in millions of dollars)

	Governmental Activities			*Business-Type Activities*			*Total*		
	2018	*2017*	*Change*	*2018*	*2017*	*Change*	*2018*	*2017*	*Change*
2011 Refunding Revenue Bonds	$0.0	$0.0	0.0%	$ 1.7	$ 2.2	-22.7%	$ 1.7	$ 2.2	-22.7%
2011 Premiums	0.0	0.0	0.0%	0.0	0.0	0.0%	0.0	0.0	0.0%
1986 Colorado Water Cons Board	0.0	0.0	0.0%	0.2	0.3	-33.3%	0.2	0.3	-33.3%
1986 Dolores Water Conservancy Dist	0.0	0.0	0.0%	3.0	3.0	0.0%	3.0	3.0	0.0%
2005 DOLA Water Loan	0.0	0.0	0.0%	0.1	0.2	-50.0%	0.1	0.2	-50.0%
2010 CWRPDA Water Loan	0.0	0.0	0.0%	0.3	0.3	0.0%	0.3	0.3	0.0%
2015 Colorado Water Cons Board	0.0	0.0	0.0%	0.7	0.8	-12.5%	0.7	0.8	-12.5%
2009 CWRPDA Hydro Loan	0.0	0.0	0.0%	0.7	0.8	-12.5%	0.7	0.8	-12.5%
Compensated Absences	0.5	0.5	0.0%	0.2	0.2	0.0%	0.7	0.7	0.0%
Total	$0.5	$0.5	0.0%	$6.9	$7.8	-11.5%	$7.4	$8.3	-10.8%

Requests for Information

This financial report is designed to provide the City's citizens, taxpayers, and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact:

Kelly Koskie, Finance Director
City of Cortez
123 Roger Smith Avenue
Cortez, CO, 81321
kkoskie@cortezco.gov

BASIC FINANCIAL STATEMENTS

CITY OF CORTEZ, COLORADO
STATEMENT OF NET POSITION
DECEMBER 31, 2018

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and cash equivalents	$ 3,985,626	$ 3,935,396	$ 7,921,022
Investments	1,700,000	750,000	2,450,000
Property taxes receivable	2,294	-	2,294
Accounts receivable	1,217,632	719,265	1,936,897
Intergovernmental receivable	39,104	-	39,104
Interfund balances	(1,000,000)	1,000,000	-
Prepaid expenses	154,998	7,431	162,429
Inventories	95,367	259,046	354,413
Net pension asset	204,842	-	204,842
Restricted cash	-	676,877	676,877
Capital Assets, Non-depreciable	1,569,905	4,921,300	6,491,205
Capital Assets, Depreciable	19,922,934	23,454,967	43,377,901
Total Assets	$ 27,892,702	$ 35,724,282	$ 63,616,984
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charge on refunding	$ -	$ 54,222	$ 54,222
Deferred outflows related to pensions	10,108	-	10,108
Total Deferred Outflows of Financial Resources	$ 10,108	$ 54,222	$ 64,330
LIABILITIES			
Accounts payable	$ 789,552	$ 85,467	$ 875,019
Accrued liabilities	234,056	92,000	326,056
Accrued interest payable	-	27,568	27,568
Unearned revenue	96,000	148,619	244,619
Deposits	8,567	24,764	33,331
Noncurrent liabilities			
Due within one year	-	855,035	855,035
Due in more than one year	535,327	6,055,098	6,590,425
Total Liabilities	$ 1,663,502	$ 7,288,551	$ 8,952,053
DEFERRED INFLOW OF RESOURCES			
Deferred inflows related to property taxes	$ 156,662	$ -	$ 156,662
Deferred inflows related to pensions	14,794	-	14,794
Total Deferred Inflow of Resources	$ 171,456	$ -	$ 171,456
NET POSITION			
Net investment in capital assets	$ 21,492,839	$ 21,641,622	$ 43,134,461
Restricted for debt service	-	240,413	240,413
Restricted for operations and maintenance	-	400,555	400,555
Restricted for special revenues	366,789	-	366,789
Unrestricted	4,208,224	6,207,363	10,415,587
Total Net Position	$ 26,067,852	$ 28,489,953	$ 54,557,805

The accompanying notes are an integral part of the basic financial statements.

CITY OF CORTEZ, COLORADO
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2018

		Program Revenues		Net (Expense) / Revenue and Changes in Net Position		
Functions / Programs	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Primary Government						
Governmental Activities:						
General government	$ 5,629,775	$2,858,031	$ 1,623,851	$ (1,147,893)	$ -	$ (1,147,893)
General services	1,505,822	71,519	185,739	(1,248,564)	-	(1,248,564)
Public safety	4,003,769	-	-	(4,003,769)	-	(4,003,769)
Public works	3,665,789	152,850	422,877	(3,090,062)	-	(3,090,062)
Parks and recreation	2,574,385	501,836	151,219	(1,921,330)	-	(1,921,330)
Internal charges	1,698,608	-	-	(1,698,608)	-	(1,698,608)
Total Governmental Activities	19,078,148	3,584,236	2,383,686	(13,110,226)	-	(13,110,226)
Business-Type Activities:						
Airport	500,807	250,694	-	-	(250,113)	(250,113)
Recreation	2,803,085	528,361	-	-	(2,274,724)	(2,274,724)
Water	2,508,875	3,221,735	-	-	712,860	712,860
Solid waste collection	1,225,033	1,316,954	-	-	91,921	91,921
Police dispatch	907,017	988,413	-	-	81,396	81,396
Hydro plant	85,717	74,036	-	-	(11,681)	(11,681)
City community network	532,620	526,878	350,436	-	344,694	344,694
Total Business-Type Activities	8,563,154	6,907,071	350,436	-	(1,305,647)	(1,305,647)
Total Primary Government	$ 27,641,302	$ 10,491,307	$ 2,734,122	$ (13,110,226)	$ (1,305,647)	$ (14,415,873)

The accompanying notes are an integral part of the basic financial statements.

CITY OF CORTEZ, COLORADO
STATEMENT OF ACTIVITIES (continued)
FOR THE YEAR ENDED DECEMBER 31, 2018

	Net (Expense) / Revenue and Changes in Net Position		
General Revenues	Governmental Activities	Business-Type Activities	Total
Property and sales taxes	$ 9,762,720	$ 1,495,365	$ 11,258,085
Franchise taxes	575,349	-	575,349
Interfund charges	1,482,608	-	1,482,608
Investment income	52,856	16,972	69,828
Miscellaneous revenue	187,528	-	187,528
Total general revenues	12,061,061	1,512,337	13,573,398
Change in net position	(1,049,165)	206,690	(842,475)
Net Position, Beginning	27,187,647	28,283,263	55,470,910
Prior Period Restatement	(70,630)	-	(70,630)
Net Position, Beginning (As Restated)	27,117,017	28,283,263	55,400,280
Net Position, Ending	$ 26,067,852	$ 28,489,953	$ 54,557,805

The accompanying notes are an integral part of the basic financial statements.

CITY OF CORTEZ, COLORADO
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2018

	General Fund	Street Improvement Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	$ 906,841	$ 1,004,438	$ 1,107,226	$ 3,018,505
Investments	500,000	700,000	500,000	1,700,000
Inventories	57,951	-	-	57,951
Property taxes receivable	2,294	-	-	2,294
Prepaid expenses	82,429	12	72,120	154,561
Accounts receivable	1,074,079	108,530	35,023	1,217,632
Intergovernmental receivable	19,058	-	20,046	39,104
Total Assets	$ 2,642,652	$ 1,812,980	$ 1,734,415	$ 6,190,047
LIABILITIES				
Accounts payable	$ 132,214	$ 422,252	$ 41,094	$ 595,560
Accrued liabilities	211,373	4,241	1,739	217,353
Deposits	8,538	-	-	8,538
Unearned revenue	-	-	96,000	96,000
Interfund payables	1,000,000	-	-	1,000,000
Total Liabilities	$ 1,352,125	$ 426,493	$ 138,833	$ 1,917,451
DEFERRED INFLOWS OF RESOURCES				
Deferred property taxes	$ 56,920	$ 99,742	$ -	$ 156,662
FUND BALANCES				
Nonspendable	$ 140,380	$ 12	$ -	$ 140,392
Restricted	-	-	366,789	366,789
Committed	-	1,2876,733	-	1,286,733
Unassigned	1,093,227	-	1,228,793	2,322,020
Total Fund Balances	$ 1,233,607	$ 1,286,745	$ 1,595,582	$ 4,115,934
Total Liabilities, Deferred Inflows and Fund Balances	$ 2,642,652	$ 1,812,980	$ 1,734,415	$ 6,190,047

The accompanying notes are an integral part of the basic financial statements.

CITY OF CORTEZ, COLORADO
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2018

Total fund balances -governmental funds	$ 4,115,934
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental funds are not financial resources and therefore are not reported in the funds.	21,462,558
Net pension asset related to pensions do not relate to current financial resources and is not reported in the governmental funds.	204,842
Deferred outflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds.	10,108
Deferred inflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds.	(14,794)
Internal service funds are not reported in the statement of net position as governmental activities.	776,156
Some liabilities, including long-term debt, are not due and payable in the current period and therefore, are not reported in the funds:	
Compensated absences	(486,952)
Net position of governmental activities	$ 26,067,852

The accompanying notes are an integral part of the basic financial statements.

CITY OF CORTEZ, COLORADO
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018

	General Fund	Street Improvement Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES				
Property and sales taxes	$ 7,840,336	$ 1,362,490	$ 559,894	$ 9,762,720
Franchise taxes	575,349	-	-	575,349
Licenses, permits and fees	234,053	-	-	234,053
Intergovernmental revenue	1,491,119	-	445,381	1,936,500
Charges for services	579,706	-	-	579,706
Fines and forfeitures	54,564	-	-	54,564
Donations	42,477	-	-	42,477
Investment income	34,051	12,396	6,409	52,856
Grant revenue	404,709	-	-	404,709
Miscellaneous	6,830	166,933	13,765	187,528
Total Revenues	11,263,194	1,541,819	1,025,449	13,830,462
EXPENDITURES				
General government	1,886,520	-	604,718	2,491,238
General services	1,363,175	-	5,163	1,368,338
Public safety	3,675,003	-	-	3,675,003
Public works	1,214,268	1,426,302	-	2,640,570
Parks and recreation	2,344,539	-	40,215	2,384,754
Capital outlay	450,983	1,130,104	403,546	1,984,633
Internal charges	1,688,688	-	-	1,688,688
Total Expenditures	12,623,176	2,556,406	1,053,642	16,233,224
Excess (Deficiency) of Revenues over Expenditures	(1,359,982)	(1,014,587)	(28,193)	(2,402,762)
Other Financing Sources (Uses)				
Transfers In	-	-	7,049	7,049
Transfers (Out)	(7,049)	-	-	(7,049)
Total Other Financing Sources (Uses)	(7,049)	-	7,049	-
Net Changes in Fund Balances	(1,367,031)	(1,014,587)	(21,144)	(2,402,762)
Fund Balance, Beginning	2,600,638	2,301,332	1,687,356	6,589,326
Prior Period Restatement	-	-	(70,630)	(70,630)
Fund Balance, Beginning (As Restated)	2,600,638	2,301,332	1,616,726	6,518,696
Fund Balance, Ending	$ 1,233,607	$ 1,286,745	$ 1,595,582	$ 4,115,934

The accompanying notes are an integral part of the basic financial statements.

CITY OF CORTEZ, COLORADO
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2018

Net change in fund balances -governmental funds	$ (2,402,762)
Amounts reported for governmental activities in the statement of activities are different because:	
Capital outlay is reported as an expenditure in the fund financial statements but is capitalized in the government-wide financial statements	1,984,633
Depreciation is reported in the government-wide financial statements	(1,030,613)
Net book value of assets retired	2,312
Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds:	
Compensated absences	(19,241)
Net pension asset	101,265
Deferred outflows of resources related to pensions	(4,657)
Deferred inflows of resources related to pensions	(14,794)
The change in net position of the internal service fund reported with governmental activities.	334,692
Change in net position of governmental activities	$ (1,049,165)

The accompanying notes are an integral part of the basic financial statements.

CITY OF CORTEZ, COLORADO
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2018

	Business-Type Activities			
	Airport Fund	Recreation Center Fund	Water Fund	Solid Waste Collection Fund
ASSETS				
Current Assets				
Cash	$ 210,702	$ -	$ 2,149,525	$ 827,210
Petty cash	-	1,341	600	-
Investments	-	750,000	-	-
Accounts receivable	7,719	160,533	262,679	186,306
Interfund receivable	-	1,510,000	-	-
Inventories	-	1,614	219,690	-
Prepaid expenses	839	639	3,151	2,543
Total Current Assets	219,260	2,681,057	2,999,733	1,141,059
Non-Current Assets				
Fixed assets:				
Capital assets, non-depreciable	718,874	-	4,202,426	-
Capital assets, depreciable	6,393,244	6,655,016	8,351,212	382,522
Total Capital Assets	7,112,118	6,655,016	12,553,638	382,522
Other assets				
Restricted cash	-	171,000	436,464	-
Total Assets	7,331,378	9,507,073	15,989,835	1,523,581
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charge on refunding	-	54,222	-	-
Total Deferred Outflow of Resources	-	54,222	-	-
LIABILITIES				
Current Liabilities				
Accounts payable	377	14,861	35,456	30,611
Deposits	-	24,764	-	-
Accrued interest payable	-	6,436	6,036	-
Accrued liabilities	4,456	26,769	19,549	19,088
Interfund payables	-	-	-	-
Unearned revenue	-	4,348	144,271	-
Noncurrent liabilities - Due within one year	-	550,000	250,310	-
Total Current Liabilities	4,833	627,178	455,622	49,699
Long-Term Liabilities				
Compensated absences	28,711	33,905	25,381	52,692
Notes and loans payable	-	1,186,375	4,013,978	-
Total Long-Term Liabilities	28,711	1,220,280	4,039,359	52,692
Total Liabilities	33,544	1,847,458	4,494,981	102,391
NET POSITION				
Net investment in capital assets	7,112,118	4,918,641	8,289,350	382,522
Restricted	-	171,000	436,464	-
Unrestricted	185,716	2,624,196	2,769,040	1,038,668
Total Net Position	$ 7,287,834	$ 7,713,837	$ 11,494,854	$ 1,421,190

The accompanying notes are an integral part of the basic financial statements.

CITY OF CORTEZ, COLORADO
STATEMENT OF NET POSITION PROPRIETARY FUNDS
(CONTINUED)
DECEMBER 31, 2018

	Business-Type Activities		Governmental Activities
	Nonmajor Business Type Funds	Total Business Type Funds	Internal Service Funds
ASSETS			
Current Assets			
Cash	$ -	$ 3,187,437	$ 977.174
Petty cash	-	1,941	152
Investments	-	750,000	-
Accounts receivable	102,028	719.265	-
Interfund receivable	-	1,510,000	-
Inventories	37,742	259,046	37,416
Prepaid expenses	259	7,431	437
Total Current Assets	140,029	7.181.138	1.015.179
Non-Current Assets			
Fixed assets:			
Capital assets, non-depreciable	-	4,921,300	-
Capital assets, depreciable	1,672,973	23,454,967	20,076
Total Capital Assets	1,672,973	28,376,267	20,076
Other assets			
Restricted cash	69,413	676,877	-
Total Assets	1,882,415	36,234,282	1,035,255
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charge on refunding	-	54,222	-
Total Deferred Outflow of Resources	-	54,222	-
LIABILITIES			
Current Liabilities			
Accounts payable	4,162	85,467	193,992
Deposits	-	24,764	-
Accrued interest payable	15,096	27,568	-
Accrued liabilities	22,138	92,000	16,732
Interfund payables	510,000	510,000	-
Unearned revenue	-	148,619	-
Noncurrent liabilities - Due within one year	54,725	855,035	-
Total Current Liabilities	606,121	1,743,453	210,724
Long-Term Liabilities			
Compensated absences	34,799	175,488	48,375
Notes and loans payable	679,257	5,879,610	-
Total Long-Term Liabilities	714,056	6,055,098	48,375
Total Liabilities	1,320,177	7,798,551	259,099
NET POSITION			
Net investment in capital assets	938,991	21,641,622	20,076
Restricted	69,413	676,877	-
Unrestricted	(446,166)	6,171,454	756,080
Total Net Position	$ 562,238	$ 28,489,953	$ 776,156

The accompanying notes are an integral part of the basic financial statements.

CITY OF CORTEZ, COLORADO
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018

	Business-Type Activities			
	Airport Fund	Recreation Center Fund	Water Fund	Solid Waste Collection Fund
OPERATING REVENUES				
Charges for services	$ 250,694	$ 520,380	$ 3,207,513	$ 1,316,954
Interfund charges	-	216,000	-	-
Miscellaneous revenue	-	7,981	14,222	-
Total Operating Revenues	250,694	744,361	3,221,735	1,316,954
OPERATING EXPENSES				
Health claims	-	-	-	-
Shop	-	-	-	-
Building overhead	-	-	-	-
Technology	-	-	-	-
Telecommunications	-	-	-	-
Administration	-	-	90,740	6,847
Filtration and treatment	-	-	997,479	-
Transmission and distribution	-	-	549,672	-
Airport operations	238,459	-	-	-
Meter maintenance	-	-	7,878	-
Collection	-	-	-	899,745
Recycling	-	-	-	157,884
Fiber outside plant	-	-	-	-
Fiber administration	-	-	-	-
Fiber inside plant	-	-	-	-
Recreation center	-	2,451,353	-	-
Police support services	-	-	-	-
Depreciation	259,719	253,735	521,008	67,942
Internal charges	2,629	20,460	113,262	91,573
Total Operating Expenses	500,807	2,725,548	2,280,039	1,223,991
Operating Income (Loss)	(250,113)	(1,981,187)	941,696	92,963
Non Operating Revenues (Expenses)				
Property and sales taxes	-	1,495,365	-	-
Investment income	-	14,192	954	1,826
Loss on sale of property and equipment	-	-	-	(1,042)
Interest expense	-	(77,537)	(228,836)	-
Total Nonoperating Revenues (Expenses)	-	1,432,020	(227,882)	784
Capital contributions	-	-	-	-
Transfers in	-	316,820	-	-
Transfers (out)	-	-	(561,610)	-
Net transfers	-	316,820	(561,610)	-
Change in Net Position	(250,113)	(232,347)	152,204	93,747
Net Position, Beginning of Year	7,547,947	7,946,184	11,342,650	1,327,443
Net Position, End of Year	$ 7,297,834	$ 7,713,837	$ 11,494,854	$ 1,421,190

The accompanying notes are an integral part of the basic financial statements.

CITY OF CORTEZ, COLORADO
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION PROPRIETARY FUNDS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2018

	Business-Type Activities		Governmental Activities
	Nonmajor Business Type Funds	Total Business Type Funds	Internal Service Funds
OPERATING REVENUES			
Charges for services	$ 989,717	$ 6,285,258	$ 2,718,447
Interfund charges	261,404	477,404	1,482,608
Miscellaneous revenue	122,206	144,409	154
Total Operating Revenues	1,373,327	6,907,071	4,201,209
OPERATING EXPENSES			
Health claims	-	-	2,312,197
Shop	-	-	714,236
Building overhead	-	-	123,387
Technology	-	-	560,927
Telecommunications	-	-	133,927
Administration	4,607	102,194	-
Filtration and treatment	-	997,479	-
Transmission and distribution	-	549,672	-
Airport operations	-	238,459	-
Meter maintenance	-	7,878	-
Collection	-	899,745	-
Recycling	-	157,884	-
Fiber outside plant	92,070	92,070	-
Fiber administration	68,100	68,100	-
Fiber inside plant	265,382	265,382	-
Recreation center	-	2,451,353	-
Police support services	854,886	854,886	-
Depreciation	195,231	1,297,635	11,923
Internal charges	29,325	257,249	9,920
Total Operating Expenses	1,509,601	8,239,986	3,866,517
Operating Income (Loss)	(136,274)	(1,332,915)	334,692
Non Operating Revenues (Expenses)			
Property and sales taxes	-	1,495,365	-
Investment income	-	16,972	-
Loss on sale of property and equipment	-	(1,042)	
Interest expense	(15,753)	(322,126)	-
Total Nonoperating Revenues (Expenses)	(15,753)	1,189,169	-
Capital contributions	350,436	350,436	-
Transfers in	244,790	561,610	-
Transfers (out)	-	(561,610)	-
Net transfers	244,790	-	-
Change in Net Position	443,199	206,690	334,692
Net Position (Deficit), Beginning of Year	119,039	28,283,263	441,464
Net Position, End of Year	$ 562,238	$ 28,489,953	$ 776,156

The accompanying notes are an integral part of the basic financial statements.

CITY OF CORTEZ, COLORADO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018

	Business-Type Activities						Governmental Activities
	Airport Fund	Recreation Center Fund	Water Fund	Solid Waste Collection Fund	Nonmajor Business Type Funds	Total Business Type Funds	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES							
Receipts from customers	$ 260,232	$ 747,619	$3,285,882	$ 1,369,972	$ 1,400,610	$ 7,064,315	$ 1,485,295
Cash flows from internal activities	-	-	-	-	-	-	2,715,913
Payments to suppliers for goods and services	(86,585)	(1,665,883)	(1,229,103)	(423,011)	(660,049)	(4,064,631)	(943,356)
Payments for claims and loss adjustments	-	-	-	-	-	-	(1,722,009)
Payments to employees	(155,971)	(764,889)	(795,240)	(701,034)	(848,420)	(3,265,554)	(1,207,328)
Net Cash Provided by (Used for) Operating Activities	17,676	(1,683,153)	1,261,539	245,927	(107,859)	(265,870)	328,516
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES							
Tax revenue	-	1,495,365	-	-	-	1,495,365	-
Cash (to) from other funds	-	316,820	(31,172)	-	595,226	880,874	-
Net Cash Provided by (Used For) Noncapital Financing Activities	-	1,812,185	(31,172)	-	595,226	2,376,239	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES							
Capital asset acquisitions	-	-	(22,934)	(141,275)	(417,954)	(582,163)	-
Debt Payments	-	(534,701)	(236,889)	-	(53,652)	(825,242)	-
Interest paid	-	(77,537)	(228,836)	-	(15,753)	(322,126)	-
Net Cash Used for Financing Activities	-	(612,238)	(488,659)	(141,275)	(487,359)	(1,729,531)	-
CASH FLOWS FROM INVESTING ACTIVITIES							
Interest received	-	14,192	58	2,000	-	16,250	-
Sale of investments	-	67,549	-	-	-	67,549	-
Net Cash Provided by Investing Activities	-	81,741	58	2,000	-	83,799	-
Net Increase (Decrease) in cash and cash equivalents	17,676	(401,465)	741,766	106,652	8	464,637	328,516
Cash and Cash Equivalents, Beginning of Year	193,026	573,806	1,844,823	720,558	69,405	3,401,618	648,810
Cash and Cash Equivalents, End of Year	$ 210,702	$ 172,341	$2,586,589	$ 827,210	$ 69,413	$ 3,866,255	$ 977,326

The accompanying notes are an integral part of the basic financial statements.

CITY OF CORTEZ, COLORADO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2018

	Business-Type Activities						Governmental Activities
	Airport Fund	Recreation Center Fund	Water Fund	Solid Waste Collection Fund	Nonmajor Business Type Funds	Total Business Type Funds	Internal Service Funds
Reconciliation of Operating Income (Loss) to Net Cash Flows From Operating Activities							
Operating income (loss)	$(250,113)	$(1,981,187)	$ 941,696	$ 92,963	$(136,274)	$(1,332,915)	$ 334,692
Adjustments to reconcile operating income (loss) to net cash from operating activities:							
Depreciation	259,719	253,735	521,008	67,942	195,231	1,297,656	11,923
Changes in assets and liabilities							
Accounts receivable	8,969	3,258	64,147	53,018	27,282	156,674	-
Intergovernmental receivable	585	-	-	-	357,634	358,219	-
Prepaid expenses	(16)	(106)	1,108	932	66	1,984	(31)
Accounts payable	(939)	5,572	(251,960)	29,500	(548,606)	(766,433)	(33,760)
Accrued liabilities	(529)	8,572	(14,460)	1,572	(3,192)	(8,037)	15,692
Deposits	-	22,738	-	-	-	22,738	-
Deferred revenue	-	4,265	-	-	-	4,265	-
Net Cash Provided by (Used for) Operating Activities	$ 17,676	$(1,683,153)	$1,261,539	$ 245,927	$(107,859)	$ (265,870)	$ 328,516
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES							
Capital contributions	$ -	$ -	$ -	$ -	$ 350,436	$ 350,436	$ -

The accompanying notes are an integral part of the basic financial statements.

CITY OF CORTEZ, COLORADO
STATEMENT OF FIDUCIARY NET POSITION
COURT BOND AGENCY FUND
DECEMBER 31, 2018

ASSETS	
Cash	$ 213
FIDUCIARY NET POSITION	
Net Position	$ 213

The accompanying notes are an integral part of the basic financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Cortez became a home rule City in 1957. At that time, the citizens adopted the Council-Manager form of government. The citizens elect seven council members, non-partisan, at large, for staggered terms. At all general municipal elections there are four elected council persons. The three candidates receiving the highest number of votes serve four-year terms and the candidate receiving the next highest number of votes serves a two-year term.

The Mayor and Mayor Pro-Tempore are selected by and from the City Council for a two-year term of office. Council serves as the legislative and policymaking body of the City. The City Manager, chief administrative officer for the City, is appointed by the Council and is responsible for the general administration of all City business. Accounting policies conform to generally accepted accounting principles applicable to governmental units adopted by the Governmental Accounting Standards Board.

A. REPORTING ENTITY

In accordance with Governmental Accounting Standards, the City has considered the possibility of inclusion of additional entities in its basic financial statements.

The definition of the reporting entity is based primarily on financial accountability. The City is financially accountable for organizations that make up its legal entity. It is also financially accountable for legally separate organizations if City officials appoint a voting majority of the organization's governing body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the City. The City may also be financially accountable for governmental organizations that are fiscally dependent upon it. Based on the application of these criteria, the City is not included any other organization, but does include the Mesa Verde Country Visitor Information Bureau within its reporting entity as a blended component unit reported in the City's Special Revenue Fund. The information regarding the Mesa Verde Country Visitor Information Bureau's financial statements can be obtained by writing to Mesa Verde Country Visitor Information Bureau at 928 East Main, Cortez, Colorado 81321.

The City's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The significant accounting policies established in GAAP and used by the City are described below.

B. BASIS OF PRESENTATION

The government-wide financial statements (i.e., the statement of net position and the statement of activities) present financial information of the City as a whole. The reporting information includes all of the non-fiduciary activities of the City. These statements are to distinguish between the governmental and business-type activities of the City. Governmental activities normally are supported by taxes and intergovernmental revenues, and are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the City and for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include fees and charges paid by the recipients of goods or services offered by the programs, and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues. The effects of interfund activity have been eliminated from the government-wide financial statements.

Fund Financial Statements

The fund financial statements provide information about the City's funds. Separate statements for each fund category, governmental, proprietary, and fiduciary are presented, even though the latter are excluded from the government-wide financial statements. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds would be aggregated and reported as non- major funds.

Governmental Funds

All governmental funds are accounted for on a spending or "financial flow" measurement focus. This means that only current assets and current liabilities are generally included on the balance sheet. Their reported fund balance (net current assets) is considered a measure of "available spendable resources". Governmental fund operating statements present increases (revenue and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

The City reports the following major governmental funds:

- General Fund – The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.
- Special Revenue Funds – Special Revenue Funds are used to account for the collection and disbursement of specific revenue sources. The City's major Special Revenue Fund is the:
  - Street Improvement Fund – This fund accounts for the City's sales tax collections (1/2 cent) that are to be used to improve the City's streets.

The City also reports the following non-major Special Revenue Funds:

- Lodger's Tax Fund – This fund accounts for the use of lodger's tax revenues to promote tourism and commerce in the area.
- Conservation Trust Fund – This fund accounts for State of Colorado lottery fund to be used for parks and recreation maintenance and capital investment.
- Equipment Fund – This fund accounts for the City's sales tax collections that are to be used to update and improve the City's equipment.
- Emergency Reserve- TABOR Fund – These funds were set aside by the City to fund the required TABOR emergency reserve requirement as described in Note 11.
- Grants Fund – This fund accounts for grant revenues and pass-through grant expenditures.

Mesa Verde Country® Visitor Information Bureau – This is the blended component unit described above.

PROPRIETARY FUNDS

Enterprise Funds – Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The City's major enterprise funds are as follows:

- Airport Fund – This fund accounts for the operations of the City's airport.
- Recreation Center Fund – This fund accounts for the construction, repayment of bonds and operations of the recreation center.
- Water Fund – This fund accounts for the operation and maintenance of the City's water treatment and distribution system.
- Solid Waste Collection Fund – This fund accounts for the collection and disposal of the City's solid waste refuse.

The City also reports the following non-major Enterprise Funds:

- Hydro Plant Fund – This fund accounts for the operations of the City's hydroelectric powerplant.
- City Community Network Fund – This fund accounts for the operations and maintenance of the City's fiber network.
- Police Dispatch Fund – This fund accounts for the City provided county-wide dispatch services.

The City reports the following Internal Service Funds:

- Shop Fund - This fund accounts for the operation of the maintenance shop which provides repair and maintenance to the City's equipment and vehicles.
- Technology Fund – This fund accounts for the City-wide computer information system operations.
- Self-Insured Health Insurance Fund – This fund accounts for the self-insured portion of the City's health insurance plan.

FIDUCIARY FUND

The City reports the following fiduciary fund:

- Court Bond Agency Fund – This fund accounts for those amounts collected and held on behalf of those remitting court bonds.

C. MEASUREMENT OF FOCUS AND BASIS OF ACCOUNTING

Government-Wide and Proprietary Fund Financial Statements

The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions in which the City gives (or receives) value without directly receiving (or giving) equal value in exchange, include grants and donations. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Governmental Fund Financial Statements

Governmental Funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The City considers all revenues reported in the governmental funds to be available. These revenues could include certain property, sales and other tax collections, federal, state, and county grants, and some charges for services. Grants are only recognized to the extent allowable expenditures have been incurred. The City generally considers funds received within 60 days subsequent to the end of the fiscal year to be measurable and available.

Expenditures are recorded when the related fund liability is incurred, except for claims and judgments and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Acquisitions under capital leases are reported as other financing sources.

D. CASH AND CASH EQUIVALENTS

Cash and cash equivalents includes short term, highly liquid investments with original maturities of three months or less. For purposes of proprietary fund statement of cash flows presentation, cash and cash equivalents totaled $3,935,396 at December 31, 2018.

E. INVESTMENTS

Investments are stated at fair value. Cash deposits are reported at carrying value which reasonably estimates fair value.

F. PROPERTY TAXES RECEIVABLE

Property taxes for the City are levied by the City Council and certified for collection to Montezuma County by December 15 of each year. These taxes become due January 1 of the succeeding year and are payable in full by April 30 or in two installments by June 15 in the year of collection. Property taxes levied in the current year for collection in the subsequent year by the General Fund are included in receivables and deferred inflows at year end. These taxes are classified as deferred inflows since they were levied for and are not available to the City until the subsequent year.

G. RECEIVABLES

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

Bad debts under the Proprietary Fund (Enterprise Funds) are accounted for by the allowance reserve method in recognizing bad debt expense. This method better matches the cost of operating the fund with revenues of the fund and is consistent with generally accepted accounting principles.

H. PREPAIDS

Prepaid balances are for insurance payments made by the City in the current year to provide coverage occurring in the subsequent fiscal year.

I. INVENTORIES

Inventory is valued at cost using the first-in, first-out method (FIFO).

J.INTERFUND RECEIVABLES AND PAYABLES

Interfund receivables and payables arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed. Interfund receivables and payables are eliminated in the government-wide statement of net position.

K. RESTRICTED ASSETS

Certain cash, cash equivalents and investments are restricted by various legal and contractual obligations.

Enterprise Funds are required to establish and maintain prescribed amounts of resources (consisting of cash and temporary investments) that can be used only for water, sewer, and recreation renovations. The General Fund is required to establish and maintain prescribed amounts of resources (consisting of cash and temporary investments) that can be used only for specific purposes.

L. CAPITAL ASSETS

Property and equipment acquisitions made by the governmental funds are accounted for as expenditures of the fund, and are then capitalized in the government-wide financial statements. All purchased property and equipment are valued at cost, while donated assets are valued at their estimated fair market value as of the date received as a donation. The City capitalizes assets with a useful life in excess of five years and a cost of $5,000 or greater. Public domain ("infrastructure") capital assets consisting of roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems are capitalized as governmental activities in the government-wide financial statements.

Depreciation is provided on all capital assets shown in the government-wide presentation and is computed using the straight-line method over the following estimated useful lives of the assets:

Buildings and improvements	5-100 years
Infrastructure	15-25 years
Collection and distribution systems	30-50 years
Machinery and equipment	5-15 years

The City capitalizes interest costs during construction; however, none of the interest paid met the capitalization requirements during 2018.

M. COMPENSATED ABSENCES

Employees of the City are allowed to accumulate unused vacation time up to 240 hours or 384 hours based on employment position and unused sick time up to 480 hours. Regular, full-time employees hired on, or before February 14, 1990, after completing twenty years of service, will be compensated for sick leave earned at a maximum of 480 hours upon separation.

Accumulated unpaid vacation pay is accrued when earned. In the government-wide presentation, accumulated compensated absences not expected to be paid within current available resources are reported as long-term liabilities. Governmental activities compensated absences have normally been liquidated by the General Fund.

N. DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES

In addition to assets, the statement of financial position reports a separate section for deferred outflows of resources. This element represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has two items that qualify for reporting in this category, deferred charge on refunding and pension related items.

In addition to liabilities, the statement of net position also reports a separate section for deferred inflows of resources. This element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has only one type of item, which arises both under the full accrual and modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported in both the governmental activities statement of net position and in the governmental funds balance sheet.

The governmental funds report unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. Since property tax revenues are collected in arrears during the succeeding year, a receivable and corresponding deferred inflow is recorded at December 31. As the tax is collected in the succeeding year, the deferred inflow is recognized as revenue and the receivable is reduced.

O. NET POSITION/FUND BALANCES

In the government-wide financial statements and proprietary fund types in the fund financial statements, net position are either shown as net investment in capital assets, with these assets essentially being nonexpendable; restricted when constraints placed on the net position are externally imposed; or unrestricted.

Government-wide Statements: The government wide net position is classified into the following four categories:

- *Net investment in capital assets* - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- *Restricted net position* - Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- *Unrestricted net position* - All other net assets that do not meet the definition of "restricted" or 'net investment in capital assets", or non-spendable."

Fund Statements: The governmental fund balances are classified as *nonspendable*, *restricted*, and *unrestricted*, which includes *committed*, *assigned*, and *unassigned* fund balance classifications.

- The *nonspendable* fund balance classification includes amounts that cannot be spent because they are either not in spendable form, such as inventories, or are legally or contractually required to be maintained intact. *Restricted* fund balances are those that have externally imposed restrictions on their usage by creditors (such as through debt covenants), grantors, contributors, or laws and regulations.
- The *restricted* fund balance category includes amounts that are restricted to specific purposes because of state or federal laws or externally imposed conditions by grantors or creditors.
- The *unrestricted* fund balance category is composed of *committed*, *assigned*, and *unassigned* resources.
- *Committed* fund balances are self-imposed limitations that the City's Council approved, which is the highest level of decision-making authority within the City. Only the Council can remove or change the constraints placed on committed fund balances.
- *Assigned* fund balances are resources constrained by the City's intent to be used for specific purposes, but that are neither restricted nor committed.
- The *unassigned* fund balance is the residual classification for the general fund and includes all spendable amounts not reported in the other classifications. Also, deficits in fund balances of the other governmental funds are reported as *unassigned*.

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance, if allowed under the terms of the restriction. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

P. USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows, liabilities and deferred inflows and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 — STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. DEFICIT BALANCE

Generally accepted accounting principles require disclosure of individual funds that have deficit balances at year-end.

As of December 31, 2018, the following individual fund had a deficit balance:

Fund		Amount
Conservation Trust	$	(7,314)
Mesa Verde Country Visitor Information Bureau	$	(24,425)

These fund deficits will be funded with future tax or grant revenues.

B. EXCESS EXPENDITURES OVER BUDGET

Funds	Budgeted Expenditures	Actual Expenditures	Excess Expenditures Over Budget
Street Improvement	2,140,276	2,556,406	416,130
Police Dispatch	902,764	907,017	4,253

The City controls expenditures at the department level. Some individual departments experienced expenditures which exceeded budget. The detail of those items can be found in the City's year-end budget to actual report.

NOTE 3 — DEPOSITS AND INVESTMENTS

A summary of cash and investments as of December 31, 2018:

	Carrying Value	Bank Balances	Associated Risks
Petty cash	$ 6,247	$ 6,247	N/A
Deposits	8,591,652	7,191,735	Custodial credit risk
Negotiable CD's	250,000	250,000	Credit risk, custodial credit risk, concentration of credit risk, interest rate risk
U.S. Agency Obligations – Implicitly Guaranteed	2,200,000	2,200,000	Credit risk, custodial credit risk, concentration of credit risk, interest rate risk
Total	$ 11,047,899	$ 9,647,982	

Reconciliation to financial statements:

Per statement of net position	
Cash and cash equivalents	$ 7,921,022
Investments	2,450,000
Restricted cash	676,877
Per statement of fiduciary net position - fiduciary funds	
Cash and cash equivalents	213
Total Deposits and Investments	$ 11,048,112

A. Deposits

Custodial Credit Risk - Deposits: Custodial credit risk is the risk that, in the event of a bank failure, the City's deposits might not be returned to it. The City requires all amounts deposited or invested with financial institutions in excess of any insurance limit shall be protected by collateralization with securities eligible for City investment or any other high-quality, interest bearing security. The market value of the pledged securities shall equal or exceed the portion of the deposit requiring collateralization.

The City's deposit policy is in accordance with CRS 11-10.5-101, The Colorado Public Deposit Protection Act (PDPA), which governs the investment of public funds. PDPA requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. The financial institution is allowed to create a single collateral pool for all public funds held. The pool is to be maintained by another institution, or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. The institution's internal records identify collateral by depositor and as such, these deposits are considered uninsured but collateralized. The State Regulatory Commissions for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

At December 31, 2018, the carrying amount of the City's deposits with financial institutions, which includes demand deposits, savings accounts, and certificates of deposit. As of December 31, 2018, none of the City's bank balances (certificates of deposit, checking, and savings accounts) were exposed to custodial credit risk.

B. Investments

As of December 31, 2018, the City, had the following investments and maturities:

		Investment Maturities (In Years)				
Investment Type	Fair Value	Less Than 1	1-5	6-10	More Than 10	Moody's Rating
Negotiable CD's	$ 250,000	$ 250,000	$ -	$ -	$ -	AA+
U.S. Agency obligations	2,200,000	-	2,200,000	-	-	N/A
Total	$ 2,450,000	$ 250,000	$ 2,200,000	$ -	$ -	

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

As of December 31, 2018, the City's investments were measure using the valuation inputs as follows:

	December 31,2018			
Investment Type	Level 1	Level 2	Level 3	Total
Negotiable CD's	$ -	$ 250,000	$ -	$ 250,000
U.S. Agency obligations	-	2,200,000	-	2,200,000
Total	$ -	$ 2,450,000	$ -	$ 2,450,000

Investment Type	Fair Value	Weighted Avg Maturity in Years	% of Portfolio
Negotiable CD's	$ 250,000	0.6	10
U.S. Agency obligations	2,200,000	3.0	90
Total Investments	$ 2,450,000	3.6	100

During the year ended December 31, 2018, the City invested funds in Colotrust. As an investment pool, it operates under the Colorado Revised Statutes (24-75-701) and is overseen by the Colorado Securities Commissioner. They invest in securities that are specified by Colorado Revised Statutes (24-75-601). Authorized securities include U.S. Treasuries, U.S. Agencies, commercial paper (rated A1 or better) and bank deposits (collateralized through PDPA). The pool operates similar to a 2a-7-like money market fund with a share value equal to $1.00 and a maximum weighted average maturity of 60 days. This fund is rated AAAm by the Standard and Poor's Corporation.

Interest rate risk: The City manages its interest rate risk by setting a maximum maturity date no more than five years from the date of purchase unless otherwise authorized by the City Council.

Custodial credit risk: Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment.

As of December 31, 2018, the City's U.S. Treasury and securities were held by Gill Capital Partners in the name of the City.

Concentration of Credit Risk: The City places no limit on the amount that may be invested in any one issuer. More than 5 percent of the City's investments are in FHLMC securities. These investments are 90% of the City's total investments, respectively.

NOTE 4 — RESTRICTED CASH

The City has restricted a portion of its cash and investment balances to meet debt covenant requirements as follows:

	Recreation Center	Water	Hydro Plant	Total
Restricted for Debt Service	$ 171,000	$ -	$ 69,413	$ 240,413
Restricted for O&M Reserve	-	436,464	-	436,464
Total	$ 171,000	$ 436,464	$ 69,413	$ 676,877

NOTE 5 — CAPITAL ASSETS

A summary of changes in the governmental capital assets at December 31, 2018 is as follows:

Governmental activities:	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	$ 1,162,788	$ 407,117	$ -	$ 1,569,905
Total capital assets not being depreciated	1,162,788	407,117	-	1,569,905
Capital assets being depreciated:				
Buildings	13,428,648	-	41,993	13,386,655
Machinery and equipment	8,428,388	453,766	2,296,008	6,586,146
Other improvements	4,645,910	1,123,750	174,490	5,595,170
Land improvements	602,358	-	-	602,358
Infrastructure	10,440,504	-	-	10,440,504
Internal service equipment	226,748	-	103,477	123,271
Total capital assets being depreciated	37,772,556	1,577,516	2,615,968	36,734,104
Less accumulated depreciation for:				
Buildings	3,319,119	278,817	41,993	3,555,943
Machinery and equipment	7,074,245	182,397	2,296,008	4,960,634
Other improvements	4,449,130	132,030	174,490	4,406,670
Land improvements	318,741	35,458	-	354,199
Infrastructure	3,028,618	401,911	-	3,430,529
Internal service equipment	194,749	11,923	103,477	103,195
Total accumulated depreciation	18,384,602	1,042,536	2,615,968	16,811,170
Governmental activities capital assets, net+	$ 20,550,742	$ 942,097	$ -	$ 21,492,839

Depreciation has been allocated for the statement of activities as follows:

General Government	$ 184,453
General Services	137,479
Public Safety	328,766
Public Works	190,284
Parks and Recreation	189,631
Internal Service Fund	11,923
Total	$ 1,042,536

Business-type activities:	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	$ 718,874	$ -	$ -	$ 718,874
Water rights	4,202,426	-	-	4,202,426
Total capital assets not being depreciated	4,921,300	-	-	4,921,300
Capital assets being depreciated:				
Buildings	15,444,133	-	-	15,444,133
Machinery and equipment	3,736,042	168,633	433,648	3,471,027
Other improvements	1,045,642	-	123,021	922,621
Infrastructure	19,919,422	417,955	24,074	20,313,303
Total capital assets being depreciated	40,145,239	586,588	580,743	40,151,085
Less accumulated depreciation for:				
Buildings	6,145,698	507,738	-	6,653,436
Machinery and equipment	2,550,672	200,289	433,648	2,317,313
Other improvements	512,406	47,613	123,021	436,998
Infrastructure	6,764,786	541,995	24,074	7,282,707
Total accumulated depreciation	15,973,562	1,297,635	580,743	16,696,117
Business-type activities capital assets, net	$ 29,092,978	$ (711,047)	$ -	$ 28,376,267

Depreciation expense was allocated to the funds as follows:

Airport	$ 259,719
Police Dispatch	27,467
Recreation Center	253,735
Water	521,008
Hydro Plant	65,357
Community Network	102,407
Solid Waste Collection	67,942
Total	$ 1,297,635

NOTE 6 — INTERFUND RECEIVABLES/PAYABLES AND TRANSFERS

The following is a schedule of interfund receivables and payables including any overdrafts on pooled cash and investment accounts:

Interfund Balances	Amount
General Fund	$ (1,000,000)
City Community Network Fund	(510,000)
Recreation Center Fund	1,510,000
Total Internal Balances - Government-Wide Statement of Net Position	$ -

All amounts are due within one year.

The City has recorded the following routine transfers for the year ended December 31, 2018:

Transfers	Amount
General Fund	$ (7,049)
Conservation Trust Fund	7,049
Water Fund	(561,610)
Recreation Center Fund	316,820
Hydro Plant Fund	27,914
City Community Network Fund	206,493
Police Dispatch Fund	10,383
Total	$ -

NOTE 7 — LONG-TERM DEBT

The following is a summary of long-term debt transactions of the City for the year ended December 31, 2018:

Governmental-type activities	Beginning Balance	Additions	Payments	Ending Balance	Due within One Year
Compensated Absences	$ 502,117	$ 33,210	$ -	$ 535,327	$ -
Total	$ 502,117	$ -	$ -	$ 535,327	$ -

The following is a summary of other contractual liability transactions for business-type activities of the City for the year ended December 31, 2018:

Business-type activities	Beginning Balance	Additions	Payments	Ending Balance	Due within One Year
2011 Refunding Revenue Bonds - Rec	$ 2,245,000	$ -	$ 535,000	$ 1,710,000	$ 550,000
2011 Premiums	31,929	-	5,554	26,375	-
1986 Colorado Water Cons Board	261,429	-	59,435	201,994	62,407
1986 Dolores Water Conservancy Dist	3,003,563	-	60,360	2,943,203	67,901
2005 DOLA Water Loan	153,643	-	16,090	137,553	16,894
2010 CWRPDA Water Loan	310,550	-	21,141	289,409	21,568
2015 Colorado Water Cons Board	771,992	-	79,863	692,129	81,540
2009 CWRPDA Hydro Loan	787,634	-	53,652	733,982	54,725
Compensated Absences	194,611	-	19,123	175,488	-
Total	$ 7,760,348	$ -	$ 850,218	$ 6,910,133	$ 855,035

In 2002, the City issued $8,915,000 in Sales Tax Revenue Recreation Bonds, Series 2002, with an interest rate ranging from 2.1 percent to 5.0 percent, and an average interest rate of 4.75 percent. The net proceeds of $8,170,313 (after accrued interest receipts of $12,714 and payments of $454,355 to fund the replacement reserve, $303,046 in underwriting fees, insurance, and other issuance costs) are to be used for the Recreation Center. Bonds payable at December 31, 2018, is comprised of the following:

$5,215,000, Series 2011 Refunding Revenue Bonds - Recreation Center, due in semi-annual installments ranging from $25,000 to $590,000 through December 1, 2021; interest rate is variable from $2.10% to 5.00%.	
	$ 1,710,000
Less: current portion	(550,000)
Net Enterprise Funds Bonds Payable	$ 1,160,000

Fiscal Year	Principal	Interest	Total
2019	$ 550,000	$ 59,850	$ 609,850
2020	570,000	40,600	610,600
2021	590,000	20,650	610,650
Total	$ 1,710,000	$ 121,100	$ 1,831,100

Enterprise Fund notes/loan payable at December 31, 2018, are comprised of the following:

$1,456,891, 2009 CWRPDA Hydro Loan, due in annual installments ranging from $69,405 to $87,520 through January 1, 2030; interest rate of 2.00%	$ 733,982
$858,500, 2015 Colorado Water Cons Board, due in annual installments ranging from $8,288 to $96,075 through December 1, 2026; interest rate is 2.10%	692,129
$525,000, 2010 CWRPDA Water Loan, due in semi-annual installments of $13,623 through November 1, 2030; interest rate of 2.00%	289,409
$300,000, 2005 DOLA Water Loan, due in annual installments of $23,772 through September 1, 2025; interest rate of 5%	137,553
$5,336,000, 1986 Dolores Water Conservancy Dist, due in annual installments of $246,125 through December 31, 2046; interest rate of 5.623%	2,943,203
$1,244,142, 1986 Colorado Water Cons Board, due in annual installments range from $5,520 to $145,013 through December 1, 2022; interest rate of 5.00%	201,994
Total	$ 4,998,270

Debt service requirements to maturity are as follows:

Fiscal Year	Principal	Interest	Total
2019	$ 305,035	$ 230,105	$ 535,140
2020	316,354	218,784	535,138
2021	328,192	206,948	535,140
2022	273,582	194,562	468,144
2023	277,658	184,977	462,635
2024-2028	1,263,968	775,556	2,039,524
2029-2033	878,333	545,614	1,423,947
2034-2038	707,653	316,694	1,024,347
2039-2043	487,608	123,144	610,752
2044-2045	159,887	14,344	174,231
Totals	$ 4,998,270	$ 2,810,728	$ 7,808,998

NOTE 8 — RETIREMENT

City Employee's Defined Contribution Plan

Effective June 25, 1996, the City of Cortez Pension Plan, a single-employer defined benefit plan, was converted to the City of Cortez Money Purchase Plan, a single employer defined contribution plan. Assets of $169,344 were transferred to the new money accumulation pension plan and then to the respective employee accounts. The plan is administered by the ICMA Retirement Corporation. All permanent employees, including those covered by other City employee plans are required to participate in the plan. The plan provisions can be modified by the City Council. Contributions of 5% of gross salary are required from all participants and a matching contribution of 5% is made by the City to the plan. Contributions totaled $327,234, $344,607 and $306,808 in 2018, 2017 and 2016, respectively.

Police Officer Death and Disability Plan

The police officer death and disability plan is administered through the Fire and Police Pension Association (FPPA). This plan is a non-contributory plan. All full-time, paid police officers of the City are members of the Statewide Death and Disability Plan. Title 31, Article 30 of the Colorado Revised Statutes (CRS), as amended, assigns the authority to establish benefit provisions to the state legislature. The City's current contribution to the plan for 2018, 2017, and 2016 was $37,915, $37,915 and $26,138, respectively. FPPA issues a publicly available financial report that includes financial statements and required supplementary information for the Statewide Death and Disability Plan.

Police Pension Defined Contribution Plan

Effective January 1, 1986, the City of Cortez Police Pension Plan, was adopted as a single-employer defined contribution plan, IRS Code Section 401(A). All certified police officer employees are required to participate in the Plan. This Plan is a defined contribution money purchase plan. The City has no future liability to this Plan. Contributions of 8% of gross salary are required from all participants and a matching contribution of 8% is made by the City to the Plan. The City's contribution amount for 2018, 2017, and 2016 was $231,947, $238,378, and $229,024,respectively.

Deferred Compensation Plan

Pursuant to Governmental Accounting Standards Board Statement No. 32: *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans,* the City established a trust to hold the assets of its Deferred Compensation Plan, and modified the plan document to state that the plan is "held in trust for the exclusive benefit of participants and their beneficiaries." As such the plan's assets are no longer the property and rights of the City, and are not reflected in the financial statements of the City.

Cortez Old Hire Police Pension Plan

Plan Description: The Cortez Old Hire Pension Fund is a defined benefit, agent multiple-employer plan affiliated with the Colorado Fire and Police Pension Association (FPPA). Assets of the Plan are commingled for investment purposes in the Fire and Police Member's Benefit Fund, an agent multiple-employer defined benefit pension Plan administered by FPPA.

Description of Benefits: The Plan provides retirement benefits for Members and beneficiaries according to Plan provisions as enacted and governed by the City Council.

Any officer who elects to retire on or after his normal retirement date (20 years of service and 55 years of age or upon completion of 25 years of service) shall be eligible for a monthly pension equal to one-half of his average monthly salary received one year before his retirement. The plan also provides for cost of living adjustments and post-retirement death benefits. FPPA issues independent annual reports that may be obtained by calling FPPA at (303) 770-3772 in the Denver metro area and 1-800-332-FPPA (3772) from outside the metro area.

Contributions: The City funds the Plan per provisions in the Plan document and Colorado statutes. The City shall contribute amounts required to fund the benefits provided by the Plan on a sound actuarial basis. The City contributes to the Cortez Old Hire Pension Fund at a rate determined in the following manner: at least every three (3) years, the Cortez Old Hire Pension Fund shall have an actuarial study prepared to determine the funds required. The required funds will be paid annually from general revenues of the City into the Cortez Old Hire Pension Fund.

The Plan is administered by the City Council.

The financial statements of the Old Hire Plan are prepared using the accrual basis of accounting. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan. The investments are presented at fair value except for short-term investments that are recorded at cost, which approximates fair value.

Administrative costs of the Plan are paid from the pension fund (CRS 31-30.5-204(3)). There are no investments in, loans to, or leases with parties related to the Plan.

Employees Covered by Benefit Terms:

As of December 31, 2017, the following employees were covered by the benefit terms:

Retirees and beneficiaries currently receiving benefits	1
Inactive plan members entitled to but not yet receiving benefits	-
Active plan members	-
Total	1

Actuarial Assumptions: The January 1, 2016 actuarial valuation was used to determine the Actuarially Determined Contribution for the fiscal year ended December 31, 2017 and 2018. The valuation used the following actuarial assumptions:

Methods and Assumptions Used to Determine Total Pension Liability and Contribution Rates	
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar
Amortization Period	14 years
Asset Valuation Method	5-Year smoothed fair value
Inflation Rate	2.50%
Salary Increases	N/A
Investment Rate of Return	7.50% per year
Retirement Age	Any remaining actives are assumed to retire immediately
Mortality	Post-retirement. RP-2014 for Blue Collar Employees. RP-2014 Mortality Tables for Blue Collar Health Annuitants. Disabled (pre-1980): RP-2014 Disabled Mortality Table

All tables projected with Scale BB with a minimum 3% rate for males and 2% rate for females.

There were no changes in benefit terms, assumptions, or other inputs during the fiscal year.

Long-term Expected Rate of Return: The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset class	Target allocation	Long-term expected arithmetic real rate of return
Global Equity	37%	8.33%
Fixed Income	15%	3.00%
Managed Futures	4%	6.85%
Absolute Return	9%	6.46%
Long Short	9%	7.15%
Private Capital	24%	9.70%
Cash	2%	2.26%
Total	100%	

Single Discount Rate: A Single Discount Rate of 7.50% was used to measure the total pension liability. The projection of cash flow used to determine this single discount rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

1. The long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits),and
2. The tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.50%, the municipal bond rate is 3.31%, and the resulting single discount rate is 7.50%

Changes in the Net Pension Asset:

	Total pension liability (a)	Plan fiduciary net position (b)	Net pension (asset) (a) – (b)
Balances at December 31, 2017	$ 165,194	$ 266,459	$ (101,265)
Changes for the year:			
Interest on the total pension liability	11,847	-	11,847
Difference between expected and actual experience	(78,204)		(78,204)
Net investment income	-	37,909	(37,909)
Benefit payments, including refunds of employee contributions	(14,721)	(14,721)	-
Administrative expense	-	(689)	689
Balances at December 31, 2018	$ 84,116	$ 288,958	$ (204,842)

Sensitivity of the Net Pension (Asset) to Changes in the Discount Rate: The following presents the plans net pension (asset), calculated using a Single Discount Rate of 7.50%, as well as what the plan's net pension asset would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher:

	1% Decrease (6.50%)	Discount Rate (7.50%)	1% Increase (8.50%)
Net Pension Asset	(199,965)	(204,842)	(209,256)

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions: For the year ended December 31, 2018, the City did not recognize any pension expense. At December 31, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred outflows of resources	Deferred inflows of resources
Net difference between projected and actual earnings on pension plan investments	$ 10,108	$ 14,794
Total	$ 10,108	$ 14,794

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

Year Ending	
2019	$ 958
2020	604
2021	(2,548)
2022	(3,700)
Total	$ (4,686)

NOTE 9 — RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; and natural disasters. For these risks of loss, the City is involved with the Colorado Intergovernmental Risk Sharing Agency (CIRSA), a separate and independent governmental and legal entity formed by intergovernmental agreement by member municipalities pursuant to the provision of 24-10-115.5, Colorado Revised Statutes (1982 Replacement Volume) and Colorado Constitution, Article XIV, Section 18(2).

The purposes of CIRSA are to provide members defined liability, property, and worker's compensation coverage and to assist members in preventing and reducing losses and injuries to municipal property and to persons or property which might result in claims being made against members of CIRSA, their employees and officers.

It is the intent of the members of CIRSA to create an entity in perpetuity which will administer and use funds contributed by the members to defend and indemnify, in accordance with the bylaws, any member of CIRSA against stated liability of loss, to the limit of the financial resources of CIRSA. It is also the intent of the members to have CIRSA provide continuing stability and availability of needed coverage at reasonable costs. All income and assets of CIRSA shall be at all times dedicated to the exclusive benefit of its members. CIRSA is a separate legal entity and the City does not approve budgets nor does it have the ability to significantly affect the operations of the unit.

The amounts of settlements have not exceeded insurance coverage, nor were there any significant changes in insurance coverage. The City carries commercial insurance for worker's compensation coverage.

NOTE 10 — SELF INSURANCE

The City self-insures its medical insurance claims and is fully self-insured for health insurance compensation. A summary of the City's self-insured claims and liability is as follows:

IBNR Claim Liability	Beginning Balance	Claims Incurred	Claims Paid	Ending Balance
12/31/2016	$ 352,128	$ 2,560,853	$ 2,673,460	$ 239,521
12/31/2017	$ 239,521	$ 1,560,083	$ 1,593,561	$ 206,043
12/31/2018	$ 206,043	$ 2,312,197	$ 2,333,658	$ 184,582

NOTE 11 — COMMITMENTS AND CONTINGENCIES

Tabor Amendment – 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 government. In 1996, voters within the City approved the collection, retention and expenditure of the full revenues generated by the City in 1995 and subsequent years, notwithstanding the provisions of the Amendment.

The City has established an emergency reserve, representing 3% of qualifying expenditures, as required by the Amendment. At December 31, 2018, the emergency reserve of $366,786 was recorded in the Emergency Reserve - Tabor Fund.

NOTE 12 — PRIOR PERIOD RESTATEMENT

During the 2018 audit process of the blended component unit, it was noted that $35,515 received from the City was recorded as a receivable when it should have been recorded as deferred revenue. This overfunding has been restated to be included in 2017 net assets. The beginning Net Assets are shown below:

	Mesa Verde Country Visitor Information Bureau	Government-Wide
Beginning Fund Balance /Net Assets	$ 48,326	$ 27,187,647
Reverse 2017 City of Cortez Funding	(70,630)	(70,630)
Beginning Fund Balance / Net Assets (as restated)	$ (22,304)	$ 27,117,017

NOTE 13 — FRAUD DISCLOSURE

During 2016, the City upgraded its automated accounting software to an improved, integrated system for governmental accounting and financial reporting. As a result, the City identified embezzlement of cash that had existed for several years. This situation and its investigation caused the 2018 financial statements to be substantially delayed. Appropriate prosecution of the embezzler and extensive investigations by the City's insurance company and by the Colorado Bureau of Investigation took place between 2016 and 2020. All but $5,158 of the loss found by the City's insurance company was covered by the City's insurance policy. The 2016 accounting software upgrade along with internal controls are expected to prevent a recurrence of such fraud.

NOTE 14 — EFFECT OF NEW ACCOUNTING STANDARDS ON CURRENT-PERIOD FINANCIAL STATEMENTS

The Governmental Accounting Standards Board (GASB) has approved the following:

- Statement No. 83, *Certain Asset Retirement Obligations*
- Statement No. 84, *Fiduciary Activities*
- Statement No. 87, *Leases*
- Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*
- Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*
- Statement No. 90, *Majority Equity Interests – an amendment of GASB Statements No. 14 and No. 61*

When they become effective, application of these standards may restate portions of these financial statements.

NOTE 15 — SUBSEQUENT EVENTS

In preparing the financial statements, the City has evaluated events and transactions for potential disclosure through July 26, 2022, the date the financial statements were available to be issued. No events occurred subsequent to December 31 2018 that would require disclosure except those noted below.

On January 3, 2020, the World Health Organization declared the coronavirus outbreak a “Public Health Emergency of International Concern” and on March 11, 2020, declared it to be a pandemic. On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) was enacted to amongst other provisions, provide emergency assistance for individuals, families and businesses affected by the coronavirus pandemic. The City may be adversely affected through governmental and business closures resulting in a reduction of labor demand or supplies shortages. The City will continue to monitor the situation surrounding COVID-19 and evaluate the impact it will have on future operations.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF CORTEZ, COLORADO
SCHEDULE OF CHANGES IN THE CITY'S NET PENSION (ASSET) LIABILITY
CORTEZ OLD HIRE POLICE PENSION FUND
LAST 10 FISCAL YEARS (1)

	12/31/2018	12/31/2017	12/31/2016
Total Pension Liability			
Interest	$ 11,847	$ 12,242	$ 10,885
Differences between expected and actual experience	(78,204)	-	11,802
Changes of assumptions	-	-	15,275
Benefit payments	(14,721)	(20,177)	(19,589
Net changes in total pension liability	(81,078)	(7,935)	18,373
Total Pension Liability - beginning	165,194	173,129	154,756
Total Pension Liability - ending (a)	$ 84,116	$ 165,194	$ 173,129
Plan Fiduciary Net Position			
Net investment Income	37,909	14,047	$ 5,235
Benefit payments, including refunds of employee contributions	(14,721)	(20,177)	(19,589
Administrative expense	(689)	(2,297)	(772
Net change in plan fiduciary net position	22,499	(8,427)	(15,126
Plan fiduciary net position - beginning	266,459	274,886	290,012
Plan fiduciary net position - ending (b)	$ 288,958	$ 266,459	$ 274,886
City's net pension (asset) - ending (a)-(b)	$ (204,842)	$ (101,265)	$ (101,757)

Note: There were no factors that significantly affected trends in the amounts reported.

(1) - Additional years will be added to this schedule as they become available.

See the accompanying notes to required supplementary information.

CITY OF CORTEZ, COLORADO
SCHEDULE OF THE CITY'S NET PENSION (ASSET)LIABILITY AND RELATED RATIOS CORTEZ OLD HIRE POLICE PENSION FUND
LAST 10 FISCAL YEARS(1)

	12/31/2018	12/31/2017	12/31/2016	12/31/2015
Total Pension Liability	$ 84,116	$ 165,194	$ 173,129	$ 162,303
Plan's Fiduciary Net Position	(288,958)	(266,459)	(274,886)	(292,988)
Net Pension (Asset) Liability	$ (204,842)	$ (101,265)	$ (101,757)	$ (130,685)
Plan's Fiduciary Net Position as % of Total Pension Liability	343.52%	161.30%	158.78%	180.52%
Covered-Employee Payroll	$ -	$ -	$ -	$ -
Net Pension Liability as a % of Covered-employee Payroll	N/A	N/A	N/A	N/A

Note: There were no factors that significantly affected trends in the amounts reported.

(1) - Additional years will be added to this schedule as they become available.

See the accompanying notes to required supplementary information.

CITY OF CORTEZ, COLORADO
SCHEDULE OF ACTUARIAL DETERMINED AND ACTUAL CONTRIBUTIONS
CORTEZ OLD HIRE POLICE PENSION FUND
LAST 10 FISCAL YEARS[1]

	12/31/2015	12/31/2016	12/31/2017	12/31/2018
Actuarially determined contributions	$ -	$ -	$ -	$ -
Actual contributions	-	-	-	-
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
City's covered-employee payroll	$ -	$ -	$ -	$ -
Contributions as a percentage of covered-employee payroll	N/A	N/A	N/A	N/A

Note: See Note 8 of the Basic Financial Statements for significant methods and assumptions used in calculating the actuarially determined calculations. There were no factors that significantly affected trends in the amounts reported.

[1] - Additional years will be added to this schedule as they become available.

See the accompanying notes to required supplementary information.

CITY OF CORTEZ, COLORADO
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2018

	Budgeted Amounts			
	Original	Final	Actual GAAP Basis	Variance with Final Budget
Revenues				
Property and Sales Taxes	$ 8,803,106	$ 8,803,106	$ 7,840,336	$ (962,770)
Franchise Taxes	616,890	616,890	575,349	(41,541)
Licenses, Permits and Fees	429,790	429,790	234,053	(195,737)
Intergovernmental Revenue	1,554,826	1,554,826	1,491,119	(63,707)
Charges for Services	600,117	600,117	579,706	(20,411)
Interfund Charges	167,124	167,124	-	(167,124)
Fines and Forfeitures	79,000	79,000	54,564	(24,436)
Donations	43,695	43,695	42,477	(1,218)
Investment Income	26,593	26,593	34,051	7,458
Grant Revenue	614,021	614,021	404,709	(209,312)
Miscellaneous	87,974	87,974	6,830	(81,144)
Total Revenues	13,023,136	13,023,136	11,263,194	(1,759,942)
Expenditures				
General Government				
City Council	424,667	424,667	357,656	(67,011)
City Attorney	-	-	27,219	27,219
Human Resources	217,040	217,040	203,551	(13,489)
Municipal Court	172,748	172,748	171,145	(1,603)
City Manager	353,410	353,410	396,455	43,045
Finance Department	483,185	483,185	423,295	(59,890)
Passthrough Grants	10,500	10,500	201	(10,299)
City Clerk	156,562	156,562	162,130	5,568
Grants Administrator	20,247	20,247	22,700	2,453
Special Events	122,372	122,372	122,168	(204)
Total General Government	1,960,731	1,960,731	1,886,520	(74,211)
General Services				
Administration	133,376	133,376	393,575	260,199
Building Maintenance	235,063	235,063	227,790	(7,273)
City Hall Operations	159,820	159,820	133,027	(26,793)
Welcome Center	151,653	151,653	134,954	(16,699)
Planning and Building	513,286	513,286	473,829	(39,457)
Total General Services	1,193,198	1,193,198	1,363,175	169,977
Public Safety				
Police Administration	442,353	442,353	426,101	(16,252)
Patrol	2,245,842	2,245,842	2,089,376	(156,466)
Police Support Services	212,010	212,010	186,679	(25,331)
Police Investigation	531,474	531,474	508,588	(22,886)
Police Corrections	140,500	140,500	104,189	(36,311)
Building Operations	144,755	144,755	141,621	(3,134)
Kennel Operations	235,927	235,927	218,449	(17,478)
Total Public Safety	3,952,861	3,952,861	3,675,003	(277,858)

See the accompanying notes to required supplementary information.

CITY OF CORTEZ, COLORADO
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2018

	Budgeted Amounts			
	Original	Final	Actual GAAP Basis	Variance with Final Budget
Public Works				
P.W. Administration	$ 339,437	$ 339,437	$ 369,651	$ 30,214
Streets & Utilities	503,571	503,571	495,058	(8,513)
Traffic Services	172,500	172,500	162,832	(9,668)
Snow and Ice Removal	42,230	42,230	17,212	(25,018)
Street Cleaning	164,143	164,143	169,515	5,372
Total Public Works	1,221,881	1,221,881	1,214,268	(7,613)
Parks and Recreation				
Administration	129,091	129,091	120,857	(8,234)
Aquatics	203,086	203,086	198,558	(4,528)
Golf Course Administration	63,106	63,106	69,431	6,325
Golf Course Maintenance	380,153	380,153	376,496	(3,657)
City Parks	688,932	688,932	688,448	(484)
Recreation	163,596	163,596	156,986	(6,610)
Library	640,787	640,787	641,005	218
Total Parks and Recreation	2,356,432	2,356,432	2,344,539	(11,893)
Capital Outlay	1,043,646	1,043,646	450,983	(592,663)
Internal Charges	1,737,432	1,737,432	1,688,688	(48,744)
Total Expenditures	13,466,181	13,466,181	12,623,176	(843,005)
Revenues in Excess (Deficiency) of Expenditures	(443,045)	(443,045)	(1,359,92)	(916,937)
Other Financing Sources (Uses)				
Transfers In	38,000	38,000	-	38,000
Transfers (Out)	(35,000)	(35,000)	(7,049)	(27,951)
Net Other Financing Sources (Uses)	3,000	3,000	(7,049)	10,049
Change in Fund Balance	$ (440,045)	$ (440,045)	(1,367,031)	$ (906,888)
Fund Balance, Beginning			2,600,638	
Fund Balance, Ending			$ 1,233,607	

See the accompanying notes to required supplementary information.

CITY OF CORTEZ, COLORADO
STREET IMPROVEMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2018

	Budgeted Amounts			
	Original	Final	Actual GAAP Basis	Variance with Final Budget
Revenues				
Property and Sales Taxes	$ 1,310,617	$ 1,310,617	$ 1,362,490	$ 51,873
Investment Income	5,550	5,550	12,396	6,846
Miscellaneous	509,500	509,500	166,933	(342,567)
Total Revenues	1,825,667	1,825,617	1,541,819	(283,848)
Expenditures				
Public Works	970,276	970,276	1,426,302	456,026
Capital Outlay	1,170,000	1,170,000	1,130,104	(39,896)
Total Expenditures	2,140,276	2,140,276	2,556,406	416,130
Revenues in Excess (Deficiency) of Expenditures	(314,659)	(314,659)	(1,014,587)	(699,928)
Fund Balance, Beginning			2,301,332	
Fund Balance, Ending			$ 1,286,745	

See the accompanying notes to required supplementary information.

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

- On or before the first Monday in November of each year, the City Manager shall submit to the Council a proposed budget for the next ensuing budget year with an explanatory message. The proposed budget provides a complete financial plan for the City and includes the proposed expenditures for each office, department and agency for the ensuing year; debt service requirements for the ensuing fiscal year; an estimate of the amount of anticipated income from all sources other than taxes on property during the ensuing fiscal year, including estimated surplus cash at the end of the current year.
- The budget is required to be in sufficient detail to show each fund's estimated revenues by source and estimated expenditures. The budget shall be arranged to show comparative figures for receipts and expenditures for the last completed fiscal year, estimates for the current year, and the City Manager's recommendations for the ensuing fiscal year.
- A public hearing is conducted to obtain taxpayer comments.
- No later than the last day of December, the budget is legally adopted and appropriations are enacted by Ordinance.
- The City Manager is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by City Council.
- The level on which expenditures may not legally exceed appropriations is the legally adopted annual operating budget for the fund in total.
- The City Council may legally amend the budget by Ordinance once it has been approved. Budgeted amounts are shown as adopted by the City Council, including all amendments.
- All appropriations lapse at year end.
- Budgets are legally adopted for all non-fiduciary funds of the City. Budgets for the General and Special Revenue Funds are adopted on a basis consistent with generally accepted accounting principles (GAAO). Budgetary comparisons presented for the Enterprise and Internal Service Funds are presented on a non-GAAP budgetary basis. Tap fees, grant revenues and debt proceeds are recognized as revenue for budget purposes. Capital outlay is budgeted as an expenditure.

SUPPLEMENTARY INFORMATION

CITY OF CORTEZ, COLORADO
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2018

	Lodger's Tax Fund	Conservation Trust Fund	Emergency Reserve - TABOR Fund	Equipment Fund	Mesa Verde Country Visitor Information Bureau	Grant Fund	Total
ASSETS							
Cash	$ 346	$ -	$ 366,786	$ 677,065	$ 63,026	$ 3	$ 1,107,226
Investments	-	-	-	500,000	-	-	500,000
Prepaid expenses	51,750	-	-	-	20,370	-	72,120
Accounts receivable	-	20,046	-	31,901	3,122	-	55,062
Total Assets	52,096	20,046	366,786	1,208,966	86,518	3	1,734,415
LIABILITIES							
Accounts payable	6	27,360	-	524	13,204	-	41,094
Unearned revenue	-	-	-	-	96,000	-	96,000
Accrued liabilities	-	-	-	-	1,739	-	1,739
Total Liabilities	6	27,360	-	524	110,943	-	138,833
FUND BALANCE							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	-	366,786	-	-	3	366,789
Unassigned	52,090	(7,314)	-	1,208,442	(24,425)	-	1,228,793
Total Fund Balance	52,090	(7,314)	366,786	1,208,442	(24,425)	3	1,595,582
Total Liabilities and Fund Balance	$ 52,096	$ 20,046	$ 366,786	$ 1,208,966	$ 86,518	$ 3	$ 1,734,415

CITY OF CORTEZ, COLORADO
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2018

	Lodger's Tax Fund	Conservation Trust Fund	Emergency Reserve - TABOR Fund	Equipment Fund	Mesa Verde Country Visitor Information Bureau	Grant Fund	Total
OPERATING REVENUES							
Property and sales taxes	$ 223,306	$ -	$ -	$ 336,588	$ -	$ -	$ 559,894
Intergovernmental revenue	-	20,047	-	-	425,334	-	445,381
Investment income	-	-	-	6,409	-	-	6,409
Miscellaneous	-	-	-	13,562	203	-	13,765
Total Revenues	223,306	20,047	-	356,559	425,537	-	1,025,449
EXPENDITURES							
General government	177,060	-	-	-	427,658	-	604,718
General services	-	-	-	366	-	4,797	5,163
Parks and recreation	-	40,215	-	-	-	-	40,215
Capital outlay	-	-	-	403,546	-	-	403,546
Total Expenditures	177,060	40,215	-	403,912	427,658	4,797	1,053,642
Excess (Deficiency) of Revenues over Expenditures	46,246	(20,168)	-	(47,353)	(2,121)	(4,797)	(28,193)
Other Financing Uses							
Transfers In	-	7,049	-	-	-	-	7,049
Total Other Financing Uses	-	7,049	-	-	-	-	7,049
Change in Fund Balance	46,246	(13,119)	-	(47,353)	(2,121)	(4,797)	(21,144)
Fund Balance (Deficit), Beginning	5,844	5,805	366,786	1,255,795	48,326	4,800	1,687,356
Prior Period Restatement	-	-	-	-	(70,630)	-	(70,630)
Fund Balance (Deficit), Beginning (As Restated)	5,844	5,805	366,786	1,255,795	(22,304)	-	1,616,726
Fund Balance, Ending	$ 52,090	$ (7,314)	$ 366,786	$ 1,208,442	$ (24,425)	$ 3	$ 1,595,582

CITY OF CORTEZ, COLORADO
LODGER'S TAX FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2018

	Budgeted Amounts			
	Original	Final	Actual GAAP Basis	Variance with Final Budget
Revenues				
Property and Sales Taxes	$ 215,011	$ 215,011	$ 223,306	$ 8,295
Total Revenues	215,011	215,011	223,306	8,295
Expenditures				
General Government				
City Council	177,210	177,210	177,060	(150)
Revenues in Excess (Deficiency) of Expenditures	37,801	37,801	46,246	8,445
Other Financing Sources (Uses)				
Transfers (Out)	(35,411)	(35,411)	-	(35,411)
Change in Fund Balance	$ 2,390	$ 2,390	46,246	$ (26,966)
Fund Balance, Beginning			5,844	
Fund Balance, Ending			$ 52,090	

CITY OF CORTEZ, COLORADO
CONSERVATION TRUST FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2018

	Budgeted Amounts			
	Original	Final	Actual GAAP Basis	Variance with Final Budget
Revenues				
Intergovernmental Revenue	$ 85,000	$ 85,000	$ 20,047	$ (64,953)
Investment Income	15	15	-	(15)
Total Revenues	85,015	85,015	20,047	(64,968)
Expenditures				
CFT Recreation Center	59,010	59,010	40,215	(18,795)
Other Financing Sources				
Transfers in	-	-	7,049	(7,049)
Change in Fund Balance	$ 26,005	$ 26,005	(13,119)	$ (53,222)
Fund Balance, Beginning			5,805	
Fund Balance, Ending (Deficit)			$ (7,314)	

CITY OF CORTEZ, COLORADO
EMERGENCY RESERVE - TABOR FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2018

	Budgeted Amounts			
	Original	Final	Actual GAAP Basis	Variance with Final Budget
Revenues				
Investment Income	$ -	$ -	$ -	$ -
Total Revenues	-	-	-	-
Change in Fund Balance	$ -	$ -	-	$ -
Fund Balance, Beginning			366,786	
Fund Balance, Ending			$ 366,786	

CITY OF CORTEZ, COLORADO
EQUIPMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2018

	Budgeted Amounts			
	Original	Final	Actual GAAP Basis	Variance with Final Budget
Revenues				
Property and Sales Taxes	$ 325,534	$ 325,534	$ 336,588	$ 11,054
Investment Income	9,300	9,300	6,409	(2,891)
Miscellaneous	5,000	5,000	13,562	8,562
Total Revenues	339,834	339,834	356,559	16,725
Expenditures				
General Services				
Equipment	250	250	366	116
Capital Outlay	425,000	425,000	403,546	(21,454)
Change in Fund Balance	$ (85,416)	$ (85,416)	(47,353)	$ 38,063
Fund Balance, Beginning			1,255,795	
Fund Balance, Ending			$ 1,208,442	

CITY OF CORTEZ, COLORADO
COMBINING STATEMENT OF NET POSITION - NONMAJOR ENTERPRISE FUNDS
DECEMBER 31, 2018

	Hydro Plant Fund	City Community Network Fund	Police Dispatch Fund	Total Nonmajor Enterprise Funds
ASSETS				
Current Assets				
Accounts receivable	$ 5,890	$ 84,005	$ 12,133	$ 102,028
Inventories	-	37,742	-	37,742
Prepaid expenses	-	148	111	259
Total Current Assets	5,890	121,895	12,244	140,029
Capital assets, depreciable, net	749,641	710,147	213,185	1,672,973
Restricted cash	69,413	-	-	69,413
Total Assets	824,944	832,042	225,429	1,882,415
LIABILITIES				
Current Liabilities				
Accounts payable	-	2,158	2,004	4,162
Accrued interest payable	15,096	-	-	15,096
Accrued liabilities	-	2,291	19,847	22,138
Interfund payables	-	510,000	-	510,000
Notes and loans payable, current portion	54,725	-	-	54,725
Total Current Liabilities	69,821	514,449	21,851	606,121
Long-Term Liabilities				
Compensated absences	-	8,424	26,375	34,799
Notes and loans payable, less current portion	679,257	-	-	679,257
Total Long-Term Liabilities	679,257	8,424	26,375	714,056
Total Liabilities	749,078	522,873	48,226	1,320,177
NET POSITION				
Net investment in capital assets	15,659	710,147	213,185	938,991
Restricted	69,413	-	-	69,413
Unrestricted	(9,206)	(400,978)	(35,982)	(446,166)
TOTAL NET POSITION	$ 75,866	$ 300,169	$ 177,203	$ 562,238

CITY OF CORTEZ, COLORADO
COMBINING STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION - NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018

	Hydro Plant Fund	City Community Network Fund	Police Dispatch Fund	Total Nonmajor Enterprise Funds
OPERATING REVENUES				
Charges for services	$ 74,036	$ 526,878	$ 388,803	$ 989,717
Miscellaneous revenue	-	-	122,206	122,206
Interfund charges	-	-	261,404	261,404
Total Operating Revenues	74,036	526,878	772,413	1,373,327
EXPENDITURES				
Administration	4,607	-	-	4,607
Fiber outside plant	-	92,070	-	92,070
Fiber administration	-	68,100	-	68,100
Fiber inside plant	-	265,382	-	265,382
Police support services	-	-	854,886	854,886
Depreciation	65,357	102,407	27,467	195,231
Internal charges	-	4,661	24,664	29,325
Total Operating Expenses	69,964	532,620	907,017	1,509,601
Excess (Deficiency) of Revenues over Expenditures	4,072	(5,742)	(134,604)	(136,274)
NON-OPERATING (EXPENSES)				
Interest expense	(15,753)	-	-	(15,753)
Total Non-Operating Expenses	(15,753)	-	-	(15,753)
TRANSFERS				
Transfers in	27,914	206,493	10,383	244,790
CAPITAL CONTRIBUTIONS	-	350,436	-	350,436
Change in Net Position	16,233	551,187	(124,221)	443,199
Net Position (Deficit), Beginning of Year	59,633	(242,018)	301,424	119,039
Net Position, End of Year	$ 75,866	$ 309,169	$ 177,203	$ 562,238

CITY OF CORTEZ, COLORADO
COMBINING STATEMENT OF CASH FLOWS - NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018

	Hydro Plant Fund	City Community Network Fund	Police Dispatch Fund	Total Nonmajor Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	$ 71,331	$ 444,909	$ 884,370	$ 1,400,610
Payments to suppliers for goods and services	(29,832)	(501,172)	(129,045)	(660,049)
Payments to employees	-	(82,712)	(765,708)	(848,420)
Net Cash Provided by (Used for) Operating Activities	41,499	(138,975)	(10,383)	(107,859)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Cash from other funds	27,914	556,929	10,383	595,226
Net Cash Provided by Noncapital Financing Activities	27,914	556,929	-	595,226
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Capital asset acquisitions	-	(417,954)	-	(417,954)
Debt Payments	(53,652)	-	-	(53,652)
Interest paid	(15,753)	-	-	(15,753)
Net Cash Used for Financing Activities	(69,405)	(417,954)	-	(487,359)
Net Change in Cash	8	-	-	8
Cash and Cash Equivalents - Beginning of Year	69,405	-	-	69,405
Cash and Cash Equivalents - End of Year	$ 69,413	$ -	$ -	$ 69,413

CITY OF CORTEZ, COLORADO
COMBINING STATEMENT OF CASH FLOWS - NONMAJOR ENTERPRISE FUNDS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2018

	Hydro Plant Fund	City Community Network Fund	Police Dispatch Fund	Total Nonmajor Enterprise Funds
Reconciliation of Operating Income (Loss) to Net Cash Flows From Operating Activities				
Operating income (loss)	$ 4,072	$ (5,742)	$ (134,604)	$ (136,274)
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:				
Depreciation	65,357	102,407	27,467	195,231
Changes in assets and liabilities				
Accounts receivable	(2,706)	(81,969)	111,957	27,282
Intergovernmental receivable	-	357,634	-	357,634
Prepaid expenses	-	98	(32)	66
Accounts payable	(25,224)	(510,637)	(12,745)	(548,606)
Accrued payroll	-	(766)	(2,426)	(3,192)
Net Cash Provided by Operating Activities	$ 41,499	$ (138,975))	$ (10,383)	$ (107,859)
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES				
Capital contributions	$ -	$ 350,436	$ -	$ 350,436

CITY OF CORTEZ, COLORADO
AIRPORT FUND
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2018

	Budgeted Amounts			
	Original	Final	Actual Budgetary Basis	Variance with Final Budget
Operating Revenues				
Charges for services	$ 241,566	$ 241,566	$ 250,694	$ 9,128
Total Operating Revenues	241,566	241,566	250,694	9,128
Operating Expenses				
Airport operations	202,592	202,592	198,217	(4,375)
Capital outlay	63,325	63,325	40,242	(23,083)
Depreciation	275,000	275,000	259,719	(15,281)
Internal charges	3,700	3,700	2,629	(1,071)
Total Operating Expenses	544,617	544,617	500,807	(43,810)
Operating Income (Loss)	(303,051)	(303,051)	(250,113)	52,938
Change in Net Position - Budget Basis	$ (303,051)	$ (303,051)	(250,113)	$ 52,938
Change in Net Position - GAAP Basis			(250,113)	
Net Position, Beginning			7,547,947	
Net Position, Ending			$ 7,297,834	

CITY OF CORTEZ, COLORADO
RECREATION CENTER FUND
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2018

	Budgeted Amounts			
	Original	Final	Actual Budgetary Basis	Variance with Final Budget
Operating Revenues				
Charges for services	$ 512,400	$ 512,400	$ 520,380	$ 7,980
Interfund charges	216,000	216,000	216,000	-
Miscellaneous revenue	1,500	1,500	7,981	6,481
Total Operating Revenues	729,900	729,900	744,361	14,461
Operating Expenses				
Recreation center	1,212,670	1,212,670	1,095,969	(116,701)
Capital outlay	1,381,731	1,381,731	1,355,384	(26,347)
Depreciation	252,000	252,000	253,735	1,735
Internal charges	20,460	20,460	20,460	-
Total Operating Expenses	2,866,861	2,866,861	2,725,548	(141,313)
Operating Income (Loss)	(2,136,961)	(2,136,961)	(1,981,187)	155,774
Non-Operating Revenues (Expenses)				
Property and sales taxes	1,439,983	1,439,983	1,495,365	(55,382)
Investment income	5,000	5,000	14,192	(9,192)
Interest expense	(77,238)	(77,238)	(77,537)	299
Debt retirement	(535,000)	(535,000)	(555,554)	20,554
Transfers in	-	-	316,820	(316,820)
Total Non-Operating Revenues	832,745	832,745	1,193,286	(360,541)
Change in Net Position - Budget Basis	$ (1,304,216)	$ (1,304,216)	(787,901)	$ (204,767)
GAAP Basis Adjustments				
Debt service principal			555,554	
Change in Net Position - GAAP Basis			(232,347)	
Net Position, Beginning			7,946,184	
Net Position, Ending			$ 7,713,837	

CITY OF CORTEZ, COLORADO
WATER FUND
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2018

	Budgeted Amounts			
	Original	Final	Actual Budgetary Basis	Variance with Final Budget
Operating Revenues				
Charges for services	$ 3,290,425	$ 3,290,425	$ 3,207,513	$ (82,912)
Miscellaneous revenue	14,375	14,375	14,222	(153)
Total Operating Revenues	3,304,800	3,304,800	3,221,735	(83,065)
Operating Expenses				
Administration	109,320	109,320	90,740	(18,580)
Filtration and Treatment	639,863	639,863	602,526	(37,337)
Transmission and distribution	545,448	545,448	535,573	(9,875)
Meter maintenance	8,040	8,040	7,878	(162)
Capital outlay	813,345	813,345	409,052	(404,293)
Depreciation	381,332	381,332	521,008	139,676
Internal charges	306,735	306,735	113,262	(193,473)
Total Operating Expenses	2,804,083	2,804,083	2,280,039	(524,044)
Operating Income (Loss)	500,717	500,717	941,696	440,979
Non-Operating Revenues (Expenses)				
Investment income	1,500	1,500	954	546
Interest expense	(298,241)	(298,241)	(228,836)	(69,405)
Debt retirement	(236,889)	(236,889)	(236,889)	-
Transfers out	-	-	(561,610)	561,610
Total Non-Operating Expenses	(533,630)	(533,630)	(1,026,381)	492,751
Change in Net Position - Budget Basis	$ (32,913)	$ (32,913	(84,685)	$ 933,730
GAAP Basis Adjustments				
Debt service principal			236,889	
Change in Net Position - GAAP Basis			152,204	
Net Position, Beginning			11,342,650	
Net Position, Ending			$ 11,494,854	

CITY OF CORTEZ, COLORADO
SOLID WASTE COLLECTION FUND
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2018

	Budgeted Amounts			
	Original	Final	Actual Budgetary Basis	Variance with Final Budget
Operating Revenues				
Charges for services	$ 1,362,728	$ 1,362,728	$ 1,316,954	$ (45,774)
Total Operating Revenues	1,362,728	1,362,728	1,316,954	(45,774)
Operating Expenses				
Administration	11,700	11,700	6,847	(4,853)
Collection	874,467	874,467	899,745	25,278
Recycling	249,456	249,456	157,884	(91,572)
Depreciation	40,000	40,000	67,942	27,942
Internal charges	170,696	170,696	91,573	(79,123)
Total Operating Expenses	1,346,319	1,346,319	1,223,991	(122,328)
Operating Income (Loss)	16,409	16,409	92,963	76,554
Non-Operating Revenues (Expenses)				
Investment income	1,800	1,800	1,826	1,042
Loss on sale of property and equipment	-	-	(1,042)	(26)
Transfers out	(4,000)	(4,000)	-	(4,000)
Total Non-Operating Expenses	(2,200)	(2,200)	784	(2,984)
Change in Net Position - Budget Basis	$ 14,209	$ 14,209	93,747	$ 75,570
Change in Net Position - GAAP Basis			93,747	
Net Position, Beginning			1,327,443	
Net Position, Ending			$ 1,421,190	

CITY OF CORTEZ, COLORADO
HYDRO PLANT FUND
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2018

	Budgeted Amounts			
	Original	Final	Actual Budgetary Basis	Variance with Final Budget
Operating Revenues				
Charges for services	$ 72,000	$ 72,000	$ 74,036	$ 2,036
Total Operating Revenues	72,000	72,000	74,036	2,036
Operating Expenses				
Administration	7,925	7,925	4,607	(3,318)
Depreciation	65,802	65,802	65,357	(445)
Total Operating Expenses	73,727	73,727	69,964	(3,763)
Operating Income (Loss)	(1,727)	(1,727)	4,072	5,799
Non-Operating Revenues (Expenses)				
Interest expense	(15,753)	(15,753)	(15,753)	-
Debt retirement	(53,652)	(53,652)	(53,652)	-
Transfers (out)	-	-	27,914	(27,914)
Total Non-Operating Expenses	(69,405)	(69,405)	(41,491)	(27,914)
Change in Net Position - Budget Basis	$ (71,132)	$ (71,132)	(37,419)	$ (22,115)
GAAP Basis Adjustments				
Debt service principal			53,652	
Change in Net Position - GAAP Basis			16,233	
Net Position, Beginning			59,633	
Net Position, Ending			$ 75,866	

CITY OF CORTEZ, COLORADO
CITY COMMUNITY NETWORK FUND
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2018

	Budgeted Amounts			
	Original	Final	Actual Budgetary Basis	Variance with Final Budget
Operating Revenues				
Charges for services	$ 634,675	$ 634,675	$ 526,878	$ (107,797)
Total Operating Revenues	634,675	634,675	526,878	(107,797)
Operating Expenses				
Fiber outside plant	147,294	147,294	92,070	(55,224)
Fiber administration	67,650	67,650	68,100	450
Fiber inside plant	111,900	111,900	128,451	16,551
Capital outlay	541,000	541,000	554,886	13,886
Depreciation	90,000	90,000	102,407	12,407
Internal charges	3,051	3,051	4,661	1,610
Total Operating Expenses	960,895	960,895	950,575	(10,320)
Operating Income (Loss)	(326,220)	(326,220)	(423,697)	(97,477)
Non-Operating Revenues				
Capital contributions	-	-	350,436	(350,436)
Transfers in	300,000	300,000	206,493	93,507
Total Non-Operating Revenues	300,000	300,000	556,929	(256,929)
Change in Net Position - Budget Basis	$ (26,220)	$ (26,220)	133,232	$ (354,406)
GAAP Basis Adjustments				
Capital outlay			417,955	
Change in Net Position - GAAP Basis			551,187	
Net Position (Deficit), Beginning			(242,018)	
Net Position, Ending			$ 309,169	

CITY OF CORTEZ, COLORADO
POLICE DISPATCH FUND
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2018

	Budgeted Amounts			
	Original	Final	Actual Budgetary Basis	Variance with Final Budget
Operating Revenues				
Charges for services	$ 392,468	$ 392,468	$ 388,803	$ (3,665)
Interfund charges	283,620	283,620	261,404	(22,216)
Miscellaneous revenue	122,206	122,206	122,206	-
Total Operating Revenues	798,294	798,294	772,413	(25,881)
Operating Expenses				
Police support services	855,900	855,900	847,915	(7,985)
Capital outlay	6,900	6,900	6,971	71
Depreciation	15,300	15,300	27,467	12,167
Internal charges	24,664	24,664	24,664	-
Total Operating Expenses	902,764	902,764	907,017	4,253
Operating Loss	(104,470)	(104,470)	(134,604)	(30,134)
Non-Operating Revenues				
Transfers in	-	-	10,383	(10,383)
Change in Net Position - Budget Basis	$ (104,470)	$ (104,470)	(124,221)	$ (40,517)
Change in Net Position - GAAP Basis			(124,221)	
Net Position, Beginning			301,424	
Net Position, Ending			$ 177,203	

CITY OF CORTEZ, COLORADO
COMBINING STATEMENT OF NET POSITION - INTERNAL SERVICE FUNDS
AS OF DECEMBER 31, 2018

	Shop Fund	Technology Fund	Self-Insured Health Insurance Fund	Total Internal Service Funds
ASSETS				
Cash	$ 251,108	$ 830	$ 725,236	$ 977,174
Petty cash	152	-	-	152
Inventories	37,416	-	-	37,416
Prepaid expenses	406	31	-	437
Total Current Assets	289,082	861	725,236	1,015,179
Capital assets, depreciable	-	20,076	-	20,076
Total Assets	289,082	20,937	725,236	1,035,255
LIABILITIES				
Current Liabilities				
Accounts payable	6,640	2,770	184,582	193,992
Accrued liabilities	10,392	6,340	-	16,732
Total Current Liabilities	17,032	9,110	184,582	210,724
Long-Term Liabilities				
Compensated absences	38,211	10,164	-	48,375
NET POSITION				
Net investment in capital assets	-	20,076	-	20,076
Unrestricted	233,839	(18,413)	540,654	756,080
Total Net Position	$ 233,839	$ 1,663	$ 540,654	$ 776,156

CITY OF CORTEZ, COLORADO
COMBINING STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION - INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018

	Shop Fund	Technology Fund	Self-Insured Health Insurance Fund	Total Internal Service Funds
OPERATING REVENUES				
Charges for services	$ 2,534	$ -	$ 2,715,913	$ 2,718,447
Interfund charges	876,397	606,211	-	1,482,608
Miscellaneous revenue	154	-	-	154
Total Operating Revenues	879,085	606,211	2,715,913	4,201,209
OPERATING EXPENSES				
Health claims	-	-	2,312,197	2,312,197
Shop	714,236	-	-	714,236
Building overhead	123,387	-	-	123,387
Technology	-	560,927	-	560,927
Telecommunications	-	133,927	-	133,927
Depreciation	-	11,923	-	11,923
Internal charges	9,920	-	-	9,920
Total Operating Expenses	847,543	706,777	2,312,197	3,866,517
Change in Net Position	31,542	(100,566)	403,716	334,692
Net Position, Beginning	202,297	102,229	136,938	441,464
Net Position, Ending	$ 233,839	$ 1,663	$ 540,654	$ 776,156

CITY OF CORTEZ, COLORADO
COMBINING STATEMENT OF CASH FLOWS - INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018

	Shop Fund	Technology Fund	Self-Insured Health Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	$ 879,085	$ 606,211	$ -	$ 1,485,296
Cash flows from internal activities	-	-	2,715,913	2,715,913
Payments to suppliers for goods and services	(464,005)	(479,351)	-	(943,356)
Payments for claims and loss adjustments	-	-	(1,722,009)	(1,722,009)
Payments to employees	(364,659)	(231,020)	(611,649)	(1,207,328)
Net Cash Provided by (Used for) Operating Activities	50,421	(104,160)	382,255	328,516
Net Change in Cash	50,421	(104,160)	382,255	328,516
Cash and Cash Equivalents - Beginning of Year	200,839	104,990	342,981	648,810
Cash and Cash Equivalents - End of Year	$ 251,260	$ 830	$ 725,236	$ 977,326
Reconciliation of Operating Income (Loss) to Net Cash Flows From Operating Activities				
Operating income (loss)	$ 31,542	$ (100,566)	$ 403,716	$ 334,692
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:				
Depreciation	-	11,923	-	11,923
Changes in assets and liabilities				
Prepaid expenses	(33)	2	-	(31)
Accounts payable	5,949	(18,248)	(21,461)	(33,760)
Accrued payroll	1,114	609	-	1,723
Accrued compensated absences	11,849	2,120	-	13,969
Net Cash Provided by (Used for) Operating Activities	$ 50,421	$ (104,160)	$ 382,255	$ 328,516

CITY OF CORTEZ, COLORADO
SHOP FUND
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2018

	Budgeted Amounts			
	Original	Final	Actual Budgetary Basis	Variance with Final Budget
Operating Revenues				
Charges for services	$ 500	$ 500	$ 2,534	$ 2,034
Interfund charges	949,807	949,807	876,397	(73,410)
Miscellaneous revenue	28	28	154	126
Total Operating Revenues	950,335	950,335	879,085	(71,250)
Operating Expenses				
Shop	714,782	714,782	700,546	(14,236)
Building overhead	154,100	154,100	123,387	(30,713)
Capital outlay	16,500	16,500	13,690	(2,810)
Internal charges	9,920	9,920	9,920	-
Total Operating Expenses	895,302	895,302	847,543	(47,759)
Operating Income (Loss)	55,033	55,033	31,542	(23,491)
Change in Net Position - Budget Basis	$ 55,033	$ 55,033	31,542	$ (23,491)
Net Position, Beginning			202,297	
Net Position, Ending			$ 233,839	

CITY OF CORTEZ, COLORADO
TECHNOLOGY FUND
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2018

	Budgeted Amounts			
	Original	Final	Actual Budgetary Basis	Variance with Final Budget
Operating Revenues				
Interfund charges	$ 743,492	$ 743,492	$ 606,211	$ (137,281)
Miscellaneous revenue	1,538	1,538	-	(1,538)
Total Operating Revenues	745,030	745,030	606,211	(138,819)
Operating Expenses				
Technology	441,055	441,055	410,963	(30,092)
Telecommunications	64,000	64,000	8,712	(55,288)
Capital outlay	237,692	237,692	275,179	37,487
Depreciation	7,825	7,825	11,923	4,098
Internal charges	3,600	3,600	-	(3,600)
Total Operating Expenses	754,172	754,172	706,777	(47,395)
Operating Income (Loss)	(9,142)	(9,142)	(100,566)	(91,424)
Change in Net Position - Budget Basis	$ (9,142)	$ (9,142)	(100,566)	$ (91,424)
Net Position, Beginning			102,229	
Net Position, Ending			$ 1,663	

CITY OF CORTEZ, COLORADO
SELF-INSURED HEALTH FUND
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2018

	Budgeted Amounts			
	Original	Final	Actual Budgetary Basis	Variance with Final Budget
Operating Revenues				
Charges for services	$ 2,961,391	$ 2,961,391	$ 2,715,913	$ (245,478)
Total Operating Revenues	2,961,391	2,961,391	2,715,913	(245,478)
Operating Expenses				
Health claims	2,793,991	2,793,991	2,312,197	(481,794)
Total Operating Expenses	2,793,991	2,793,991	2,312,197	(481,794)
Operating Income (Loss)	167,400	167,400	403,716	236,316
Change in Net Position - Budget Basis	$ 167,400	$ 167,400	403,716	$ 236,316
Net Position, Beginning			136,938	
Net Position, Ending			$ 540,654	

STATISTICAL SECTION

CITY OF CORTEZ,COLORADO
SALES TAX REVENUE REFUNDING BONDS, SERIES 2011 (CO)
CUSIP: 220538
HISTORICAL GENERAL FUND OPERATIONS
(unaudited)

	2011	2012	2013	2014	2015	2016	2017	2018
REVENUES:								
Taxes-Assessments	$ 6,878,903	$ 7,383,659	$ 7,442,377	$ 7,692,052	$ 8,030,460	$ 8,182,679	$ 8,497,299	$ 8,415,685
Licenses and Permits	83,755	197,714	82,312	339,138	129,901	270,637	419,464	234,053
Intergovernmental	3,141,052	1,435,485	1,410,143	1,620,172	1,554,174	1,504,600	1,615,350	1,491,119
Charges for Services	533,547	529,043	526,636	563,625	690,829	547,762	656,035	579,706
Fine and Forefeits	85,317	90,220	80,419	83,951	76,981	81,673	74,130	54,564
Investment Income	30,906	14,375	14,334	14,765	18,530	9,725	15,710	34,051
Miscellaneous	164,514	22,210	33,074	105,705	24,630	82,432	301,471	6,830
Donation	-	37,093	63,086	47,877	49,001	18,057	10,645	42,477
Grant Revenue	-	154,304	160,334	148,242	134,978	1,938,709	425,244	404,709
TOTAL REVENUES	10,917,994	9,864,103	9,812,715	10,615,527	10,709,484	12,636,274	12,015,348	11,263,194
EXPENDITURES:								
General Government	4,177,628	1,978,455	3,088,766	3,156,388	6,497,446	2,773,528	2,935,708	3,249,695
Public Safety	3,099,140	4,070,047	3,439,521	3,654,284	3,811,407	3,706,404	3,760,147	3,675,003
Public Works	1,063,726	1,102,022	928,184	960,435	994,693	1,046,749	1,168,092	1,214,268
Parks & Recreation	2,202,447	1,795,989	1,827,213	1,793,906	1,893,506	2,099,844	2,078,227	2,344,539
Internal Charges	-	-	1,018,625	-	-	1,340,665	1,494,734	1,688,688
Capital Outlay	102,835	-	-	-	-	-	1,399,039	450,983
TOTAL EXPENDITURES	10,645,776	8,946,513	10,302,309	9,565,013	13,197,052	10,967,190	12,835,947	12,623,176
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	272,218	917,590	(489,594)	1,050,514	(2,487,568)	1,669,084	(820,599)	(1,359,982)
OTHER FINANCING SOURCES/USES								
Transfer In	123,228	127,543	90,472	39,600	44,831	43,327	46,239	-
Transfer Out	(1,027,757)	(208,600)	(163,600)	(163,600)	(163,600)	(1,667,155)	-	(7,049)
TOTAL	(904,529)	(81,057)	(73,128)	(124,000)	(118,769)	(1,623,828)	46,239	(7,049)
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES AND OTHER USERS	(632,311)	836,533	(562,722)	926,514	(2,606,337)	45,256	(774,360)	(1,367,031)
FUND BALANCE								
Beginning	5,293,029	4,660,718	5,572,287	5,009,565	5,936,079	3,329,742	3,374,998	2,600,638
Prior Period Restatement	-	75,036	-	-	-	-	-	-
FUND BALANCE								
Ending	$ 4,660,718	$ 5,572,287	$ 5,009,565	$ 5,936,079	$ 3,329,742	$ 3,374,998	$ 2,600,638	$ 1,233,607

CITY OF CORTEZ, COLORADO
WATER FUND HISTORICAL OPERATIONS
(unaudited)

	2011	2012	2013	2014	2015	2016	2017	2018
OPERATING REVENUES:								
Charges for services	$ 1,726,480	$ 2,159,301	$ 2,056,461	$ 2,322,139	$ 2,258,839	$ 2,885,522	$ 2,870,993	$ 3,207,513
Other	151,885	(6,402)	9,998	10,770	-	(829)	19,375	14,222
Total Operating Revenues	1,878,365	2,152,899	2,066,459	2,332,909	2,258,839	2,884,693	2,890,368	3,221,735
OPERATING EXPENSES:								
Operations & Services	1,137,501	980,543	1,172,140	1,629,441	2,082,748	1,859,561	1,959,933	1,870,987
Capital Outlay	60,076	179,389	488,647	50,586	1,361,134	876,339	883,756	409,052
Total Operating Expenses	1,197,577	1,159,932	1,660,787	1,680,027	3,443,882	2,735,900	2,843,689	2,280,039
Operating Income/(Loss)	680,788	992,967	405,672	652,882	(1,185,043)	148,793	46,679	941,696
OTHER REVENUES (EXPENSES)								
Grant Revenue	-	-	-	-	231,033	19,180	76,817	-
Interest Income	2,427	2,697	2,979	1,861	6,577	2,452	1,600	954
Debt Service - Interest	(256,167)	-	-	-	-	-	(232,728)	(228,836)
Debt Service - Principal	(107,210)	(369,206)	(369,185)	(369,162)	(369,141)	(405,164)	(231,229)	(236,889)
NET INCOME(LOSS) before transfers	319,838	626,458	39,466	285,581	(1,316,574)	(234,739)	(338,861)	476,925
TRANSFERS								
Transfers In	-	25,000	-	-	-	4,000	-	-
Transfers Out	-	(64,419)	-	-	-	-	-	(561,610)
Net Transfers	-	(39,419)	-	-	-	4,000	-	(561,610)
Change in Net Position - Budget Basis	319,838	587,039	39,466	285,581	(1,316,574)	(230,739)	(338,861)	(84,685)
GAAP BASIS ADJUSTMENTS								
Capital Outlay	-	18,908	32,111	27,223	1,340,165	729,226	35,281	-
Depreciation	(446,891)	(442,131)	(433,635)	-	-	-	-	-
Debt Service Principal	107,210	120,091	126,013	132,246	138,814	161,474	231,229	236,889
NET INCOME	(19,843)	283,907	(236,045)	445,050	162,405	659,961	(72,351)	152,204
NET POSITION, Beginning	10,922,928	10,085,947	10,369,854	10,133,809	10,502,509	10,664,914	11,415,001	11,342,650
Prior Period Adjustment	(817,138)	-	-	-	-	90,126	-	-
Net Position, Beginning (As Restated)	10,105,790	10,085,947	10,369,854	10,133,809	10,502,509	10,755,040	11,415,001	11,342,650
Net Position, Ending	$ 10,085,947	$ 10,369,854	$ 10,133,809	$ 10,578,859	$ 10,664,914	$ 11,415,001	$ 11,342,650	$ 11,494,854

CITY OF CORTEZ, COLORADO
WATER FUND HISTORICAL OPERATIONS
WATER FUND DEBT RATIO
(unaudited)

	2011	2012	2013	2014	2015	2016	2017	2018
Revenues:								
Water Charges	$ 1,703,868	$ 2,041,578	$ 1,920,994	$ 2,188,896	$ 2,153,447	$ 2,697,338	$ 2,779,797	$ 3,105,843
Water Developmment Fees	118,280	25,410	16,595	97,515	70,537	169,820	34,799	53,027
Penalties, Connection & Other Charges	56,217	110,904	128,872	46,499	265,888	18,364	56,397	48,643
Investment Income	2,427	2,697	2,979	1,860	6,577	2,453	19,375	14,222
Total Revenues	1,880,792	2,180,589	2,069,440	2,334,770	2,496,449	2,887,975	2,890,368	3,221,735
Total Expenses	1,900,634	1,896,683	2,305,483	1,902,939	3,813,023	3,141,064	2,808,408	2,280,039
Less: Depreciation	(446,891)	(442,131)	(433,635)	(405,520)	(442,697)	(500,882)	(521,346)	(521,008)
Less: Capital Outlay	(51,443)	(160,303)	(468,149)	(23,395)	(1,340,165)	(876,339)	(848,475)	-
Less: Debt Service	(107,210)	(249,115)	(243,172)	(236,916)	(369,141)	(405,164)	(231,229)	(236,889)
Operating Expenses (int including depreciation)	1,295,090	1,045,134	1,160,527	1,237,108	1,661,020	1,358,679	1,207,358	1,522,142
Net Revenues	585,702	1,135,455	908,913	1,097,662	835,429	1,529,296	1,683,010	1,699,593
Annual Debt Service Requirement:								
2010 Colo Water Res & Power Dev Loan	$ 27,247	$ 27,247	$ 27,247	$ 27,247	$ 27,247	$ 27,247	$ 27,247	$ 27,247
1986 Colorado Water Conservation Board	72,506	72,506	72,506	72,506	72,506	72,506	72,506	72,506
2005 CO Dept of Local Affairs Water Loan	23,772	23,772	23,772	23,772	23,772	23,772	23,772	23,772
1986 Dolores Water Conservancy Board	246,125	246,125	246,125	246,125	246,125	246,125	246,125	246,125
Total Annual Debt Service Requirement	369,650	369,650	369,650	369,650	369,650	369,650	369,650	369,650
Reserve Funding Requirements:								
2010 Colo Water Res & Power Dev Loan	41,127	41,127	41,127	41,127	41,127	41,127	41,127	41,127
Total Annual Debt Service Requirement	**410,777**	**410,777**	**410,777**	**410,777**	**410,777**	**410,777**	**410,777**	**410,777**
Debt Coverage Ratio	1	3	2	3	2	4	4	4

CITY OF CORTEZ, COLORADO
HISTORICAL HYDRO-PLANT FUND OPERATIONS
HYDRO-PRODUCTION FUND DEBT RATIO
(unaudited)

	2011	2012	2013	2014	2015	2016	2017	2018
Revenues:								
Hydro-Production Credits	$ 51,364	$ 51,040	$ 49,472	$ 55,084	$ 60,275	$ 75,540	$ 72,401	$ 74,036
Energy Credits	59,455	37,321	17,174	-	-	-	-	-
Total Revenues	$ 110,819	$ 88,361	$ 66,646	$ 55,084	$ 60,275	$ 75,540	$ 72,401	$ 74,036
Total Expenses	$ 165,183	$ 124,876	$ 89,809	$ 88,682	$ 88,631	$ 146,392	$ 69,167	$ 69,964
Less Depreciation	(52,125)	(75,828)	(65,802)	(65,802)	(65,802)	(65,357)	(65,357)	(65,357)
Less Debt Service	(21,550)	(20,850)	(19,879)	(18,888)	(68,435)	(69,443)	(69,405)	(53,652)
Operating Expenses	91,508	28,198	4,128	3,992	(45,606)	11,592	(65,595)	(49,045)
Net Revenues	$ 19,311	$ 60,163	$ 62,518	$ 51,092	$ 105,881	$ 63,948	$ 137,996	$ 123,081
Aannual Debt Service Requirement								
2009 CWRPDA Hydro Loan	$ 69,405	$ 69,405	$ 69,405	$ 69,405	$ 68,435	$ 68,435	$ 68,435	$ 69,413
Total Annual Debt Service	$ 69,405	$ 69,405	$ 69,405	$ 69,405	$ 68,435	$ 68,435	$ 68,435	$ 69,413
Debt Ratio Coverage	27.82%	86.68%	90.08%	73.61%	154.72%	93.44%	201.65%	177.32%

CITY OF CORTEZ, COLORADO
HISTORICAL HYDRO-PLANT FUND OPERATIONS
(unaudited)

	2011	2012	2013	2014	2015	2016	2017	2018
OPERATING REVENUES:								
Hydro-Production Credits	$ 51,364	$ 51,040	$ 49,472	$ 55,083	$ 60,275	$ 75,540	$ 72,401	$ 74,036
Energy Credits	59,455	37,320	17,177	-	-	-	-	-
Total Operating Revenues	110,819	88,360	66,649	55,083	60,275	75,540	72,401	74,036
Operating Expenditures:								
Operations and Services	2,509	3,199	4,128	3,992	4,951	11,592	3,810	2,367
Other Revenues(Expenses)								
Debt Service Interest	(21,550)	(20,850)	(68,473)	(68,455)	(68,435)	(69,443)	(68,390)	(71,645)
Net Income/(Loss) before transfers	86,760	64,311	(5,952)	(17,364)	(13,111)	(5,495)	201	24
Transfers								
Transfers In	-	-	-	76,350	-	-	-	27,914
Transfers Out	(89,000)	(25,000)	-	-	-	-	-	-
Net Transfers	(89,000)	(25,000)	-	76,350	-	-	-	27,914
GAAP BASIS ADJUSTMENTS								
Debt Service Principal	-	-	48,594	49,567	50,557	52,600	52,600	53,652
Depreciation	(52,125)	(75,828)	(65,802)	(65,802)	(65,802)	(65,357)	(65,357)	(65,357)
Net Income	(54,365)	(36,517)	(23,160)	42,751	(28,356)	(18,252)	(12,556)	16,233
Net Position, Beginning	226,152	171,787	107,619	84,459	127,210	98,854	72,189	59,633
Prior Perid Restatement	-	(27,651)	-	-	-	(8,413)	-	-
Net Position, Ending	$ 171,787	$ 107,619	$ 84,459	$ 127,210	$ 98,854	$ 72,189	$ 59,633	$ 75,866