

GRAND COUNTY COLORADO



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2016 COMPREHENSIVE ANNUAL FINANCIAL REPORT

Grand County, Colorado

Comprehensive Annual Financial Report

***For The Fiscal Year
Ended December 31, 2016***

Prepared By

Curtis Lange, Grand County Finance Director

Special Thanks to:

***Tom Weydert and Dan Korkowski
Office of the Grand County Assessor***

&

***Connie Davis
Grand County Social Services***

&

***Cathy Henderson, and Corinne Lively
Grand County Accounting & Finance***

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About our cover artist:

Corinne Lively shot this photo on the trail beyond Adams Falls in Rocky Mountain National Park.
Corinne is one of our Accountants in the Finance Department.

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Introductory Section



BOARD OF COMMISSIONERS

RICHARD D. CIMINO

District I, Fraser

MERRIT S. LINKE

District II, Granby

KRISTEN MANGUSO

District III, Kremmling

Fax: 970/725-0565

E-Mail: grndctv1@co.grand.co.us

PHONE: 970/725-3100

Fax: 970/725-0565

LEE STAAB

County Manager

ALAN N. HASSLER

County Attorney

Date: June 30, 2017

To: The Citizens and Board of County Commissioners of Grand County, Colorado

LETTER OF FORMAL TRANSMITTAL

The **Comprehensive Annual Financial Report (CAFR)** of Grand County, Colorado, for the fiscal year ended December 31, 2016, is submitted herewith.

RESPONSIBILITY FOR CAFR - This report was prepared by and under the direction of the County's Finance Director. Responsibility for the completeness and accuracy of the report rests with the County. The data presented is accurate in all material aspects and is presented in a manner designed to fairly set forth the financial position, results of operations and cash flows of the County as measured by the financial activity of its various funds; that the statements and underlying financial data have been prepared in conformity with generally accepted accounting principles (GAAP) and; that all disclosures necessary to enable the reader to gain the maximum understanding of the County's financial affairs have been included.

INTERNAL CONTROL - In developing and evaluating the County's accounting system, consideration is given to the adequacy of the internal control structure. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding the safeguarding of assets against loss from unauthorized use or disposition, the reliability of financial statements, and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of control should not exceed the benefits likely to be derived; and the evaluation of costs and benefits requires estimates and judgments by the Board of County Commissioners. Current internal control evaluations have occurred within the above framework and are found to be appropriate by the Finance Director.

INDEPENDENT AUDIT - State law requires annual audits of the accounting records by independent certified public accountants selected by the Grand County Board of County Commissioners. This requirement has been complied with and the auditor's opinion has been

included in this report starting at page B-1. The goal of the independent audit is to provide reasonable assurance that the financial statements are free of material misstatement. The audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management and evaluating the overall financial presentation. The auditor's examination encompassed the basic financial statements for the fiscal year ended December 31, 2016. In addition to meeting the requirements set forth in state statutes, the audit was designed to meet the requirements of the Federal Single Audit Amendments of 1996 and OMB Uniform Guidance. Grand County received an unmodified opinion from the auditors for the 2016 financial statements.

LEGAL REQUIREMENTS - As a recipient of federal and state financial awards, Grand County is also responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is subject to periodic evaluation by the Board of County Commissioners, County Manager and Finance Director. As a part of Grand County's single audit, tests are made to determine the adequacy of the internal control structure, including that portion related to federal awards, as well as to determine that the County has complied with applicable laws and regulations.

FINANCIAL POLICIES WITH A SIGNIFICANT IMPACT ON THE CURRENT PERIOD FINANCIAL STATEMENTS - The County's accounting records for general governmental operations are maintained on a cash basis and at year end adjusted to a modified accrual basis and reported on the same basis at the fund financial reporting level as required under Generally Accepted Accounting Principles (GAAP). However, at the government-wide financial reporting level, GAAP requires these activities to be presented on the accrual basis, the primary difference being the inclusion of long-term assets and liabilities. The County budgets are prepared annually on a cash basis.

The proprietary funds account for the cost of services using an "economic resources" measurement focus. This means that all assets and liabilities (whether current or non-current) associated with the funds are included on their balance sheets. Their operating statements present increases (revenues) and decreases (expenses) in net total assets. The accrual basis of accounting is used for the proprietary funds.

The fiduciary fund type includes agency funds which are custodial in nature (assets equal liabilities) and do not involve measurement of operations. The agency funds included are the County's Treasurer, Clerk, Sheriff's, and the Colorado State Highway 9 Funds.

The County Treasurer is by law vested with the responsibility of the cash management and the investment of available funds. The County operates under a pooled cash procedure which makes available the maximum amount of cash for investment purposes without impairing the County's ability to carry on routine operations. The Treasurer and Finance Director work closely together so the Treasurer is fully advised of major cash expenditures affecting the availability of cash for investing purposes.

The County has joined with other counties in the State of Colorado as a member of the County Technical Services Inc. (CTSI), Casualty and Property Pool and the Workers' Compensation Pool. The intergovernmental agreements for both of these pools provide that the pools will be financially self-sustaining through member contributions and additional assessments, if necessary, and the pools will purchase excess insurance through commercial companies for members' claims in excess of a specific self-insured retention, which is determined each policy year.

Grand County self-insures its employee health insurance program. The plan provides for re-insurance above a specific claim level and an aggregate claim level up to a maximum claim limit. The cash balance in the Employee Insurance Fund as of December 31, 2016 is \$1.7 million. This cash balance plus monthly contributions by the County and its employees are expected to cover any anticipated claims during the coming year.

MANAGEMENT’S DISCUSSION AND ANALYSIS (MD&A) - County management’s narrative on the financial activities of the County for the calendar year ended December 31, 2016, is included in the Management’s Discussion and Analysis (MD&A) in the “B” section of this report, immediately following the independent auditor’s report. This Letter of Formal Transmittal is written to complement the MD&A and the financial statements, and should be read from that perspective and in conjunction with all other CAFR sections.

PROFILE OF GRAND COUNTY - Grand County is the 21st largest of the 64 counties of the State of Colorado and larger by half than the state of Rhode Island. The county seat is Hot Sulphur Springs.



When Grand County was created February 2, 1874 it was carved out of Summit County and stretched to the western and northern borders of the state. In 1877, Moffat and Routt Counties were created from the western part of Grand County. When valuable minerals were found in North Park, it took a decision by the Colorado Supreme Court in 1886 to declare North Park part of

Larimer County. In 1909 Grand County's current boundaries were established when Jackson County, Grand County's northern neighbor, was separated from Larimer County.

The estimated full-time population of Grand County is 15,008. The County population can double with visitors and part-time residents during the summer and winter recreation seasons.

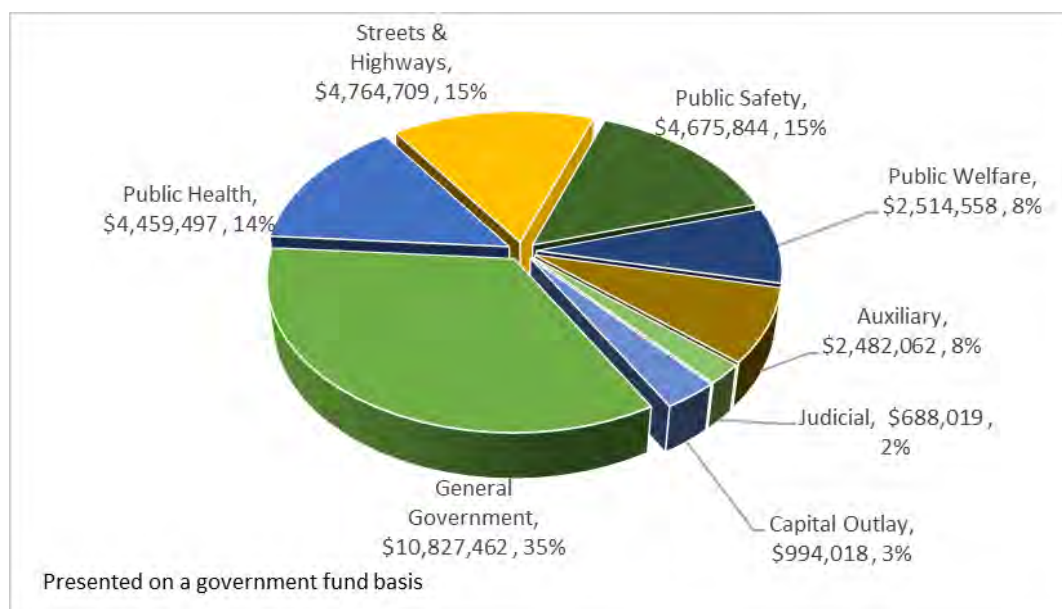
In addition to being a spectacular place for year-round recreation, Grand County is a delightful place to work and live. The mountain climate, a well-educated population, easy access to the Front Range urban corridor and unlimited opportunities for community involvement make Grand County the ideal place for those seeking a rural residence with 21st century amenities.

GOVERNMENT - The County is governed by a three-member elected Board of County Commissioners. The County is also served by six other elected officials: the Assessor, Clerk & Recorder, Coroner, Sheriff, Surveyor and combined Treasurer and Public Trustee. The elected positions are all required by state statute. The District Attorney, also an elected official, serves the 14th Judicial District which includes Grand, Routt and Moffat counties.

The Board of County Commissioners appoints the County Manager, the County Attorney, and Boards and Commissions as needed. The County Manager, working with the Assistant County Manager, is responsible for guiding the work of the appointed principal officials. These positions include Public/Home Health Director, Community Development Director, Emergency Medical Services Chief/Office of Emergency Management Director, Road and Bridge Superintendent, Social/Human Services Director, County CSU Extension Agent, Veteran's Service Officer, Finance Director, Juvenile Services Director, and the Information Systems Director. The positions are reflected on the County organization chart on page A-12 and current office holders are listed on page A-14.

The County Manager also oversees the operation of the water quality, airport improvement and operations, fairgrounds, and maintenance functions of the County, and the County's one-third interest in the Tabernash wastewater treatment facility and community sewer system.

2016 Grand County Functional Expenditures



In addition to the **General Government** function, which includes the **Statutory** activities (offices of the elected officials) and **Administrative** activities (offices of the appointed officials), the County's primary public service functions are divided into the following;

Public Health, including Public Health Nursing; Home Care; Senior Nutrition Services; and building and sanitation inspection services;

Streets and Highways, including the construction and maintenance of the County road and bridge infrastructure (spending almost \$1 million annually for snow removal alone), the County fuel system, and the maintenance of the County vehicle and heavy equipment fleet;

Public Safety, including the Sheriff's office which serves the county and provides policing services for the towns of Grand Lake and Hot Sulphur Springs, operation of the County jail, coordination for the all-volunteer Search & Rescue team, Juvenile Services including the Senate Bill 94 Program; the Office of Emergency Management; and Coroner services;

Public Welfare Services includes the Department of Social Services;

Auxiliary Services, including the Department of Natural Resources, the Middle Park Fair & Rodeo, the Granby Flying Heels Arena, Colorado State University (CSU) Extension Service, Grand County Veterans Officer, the County Lodging Tax Tourism Fund, Grand County Housing Authority Administration Fund, and the Granby and Kremmling airports and;

Judicial Services, including the Grand County Judicial Center operation and maintenance costs, court security costs staffed by the Sheriff, and the County's one third share of the Judicial District's operating costs.

COMPONENT UNITS - This report includes information for two blended component units: the Pole Creek Meadows Grand County, Colorado Public Improvement District and the Grand County Housing Authority, both separate legal entities, for which the County Board of Commissioners serves as the Board of Directors. The Pole Creek Meadows Grand County, Colorado Public Improvement District and the Grand County Housing Authority's Administrative Fund are reported as non-major special revenue funds. The Housing Authority's facilities are reported as proprietary enterprise funds. In 2016, the Housing Authority received \$45,000 operating expense support, office space, and in-kind legal and accounting services from the County.

The Grand County Emergency Telephone Service Authority is reported as non-major governmental fund. The Authority's board is appointed by the Commissioners, is not a separate legal entity, collects 911 telephone surcharges and is the main funder and assists in the management of the County Dispatch Services Fund.

The County is part of the 14th Judicial District, which encompasses Grand, Routt and Moffat counties. The Judicial District does not meet the established criteria for inclusion in the County as a component unit and accordingly is not included in this report as a component unit.

PROPRIETARY ENTERPRISE FUNDS - Proprietary enterprise funds include the Colorado Sewer Enterprise Fund, which represents a one-third ownership in the waste water facility and full ownership of the waste water collection system for the unincorporated community of Tabernash. As mentioned above, the Grand County Housing Authority's facilities are also reported as proprietary enterprise funds. These include Silver Spruce Senior Apartments and Cliffview Assisted Living Center located in Kremmling, and Grand Living Senior Homes located in Granby.

LEGAL LEVEL OF BUDGETARY CONTROL - The County legally adopts an annual budget, as required by Colorado Revised Statutes, for each of its governmental and business-type proprietary funds in December of each year for the subsequent calendar year. This annual budget serves as the foundation for Grand County's financial planning and control. Fund expenditures may not exceed appropriations without a supplemental appropriation. These budgets are created, managed and accounted for at the department head level. Department heads may adjust allocations among line items but may not amend the department budgets without seeking the approval of the Board of County Commissioners. In 2016 the Board of County Commissioners adopted supplemental appropriations for eleven County funds and the Grand County Housing Authority to accommodate new grants and changes in services. All annual appropriations lapse at year end.

TABOR - Grand County, with all Colorado government institutions, was affected by the 1992 Constitutional Amendment Article X, Section 20 - Taxpayers Bill of Rights. The amendment prevented tax increases and required governments to limit spending to current levels. Grand County had a "de-Brucing" ballot issue pass at the November 1996 election. The ballot question stated, "Shall Grand County, without any increase in the property tax mill levy or sales tax rates, be authorized to collect, retain and expend all revenues and other funds collected from any source during 1997 and each subsequent year, notwithstanding the limitations of Article X, Section 20 of the Colorado Constitution, or any other law." With the passage of this ballot issue, the County may exceed TABOR's revenue limits.

COUNTY FUNDS - The County funds represented in this report are of six types:

MAJOR FUNDS

- ❖ *General
 - Affordable Housing
 - Retirement
 - Water Quality
 - Employee Health Insurance
- ❖ *Road and Bridge
 - Payment in Lieu of Taxes
- ❖ Emergency Medical Services

CAPITAL IMPROVEMENT FUNDS

- ❖ Major Capital Improvements
- ❖ Sales Tax Fund

FIDUCIARY (AGENCY) FUNDS

- ❖ Clerk's
- ❖ Colorado State Highway 9
- ❖ Sheriff's
- ❖ Treasurer's

NON-MAJOR SPECIAL REVENUE FUNDS

- ❖ Airport Improvement
- ❖ Conservation Trust
- ❖ County Lodging Tax Tourism
- ❖ Dispatch Services
- ❖ Grand County Emergency Telephone Service Authority
- ❖ Grand County Housing Authority Administrative
- ❖ Pole Creek Meadows, Grand County, Colorado, Public Improvement
- ❖ Social Services

PROPRIETARY ENTERPRISE FUNDS

- ❖ Colorado Sewer Enterprise
- ❖ †Cliffview Assisted Living
- ❖ †Grand Living Senior Homes
- ❖ †Silver Spruce Apartments

*The Government Accounting Standards Board ruling 54 requires that certain small funds be budgeted independently but reported in combination with major funds.

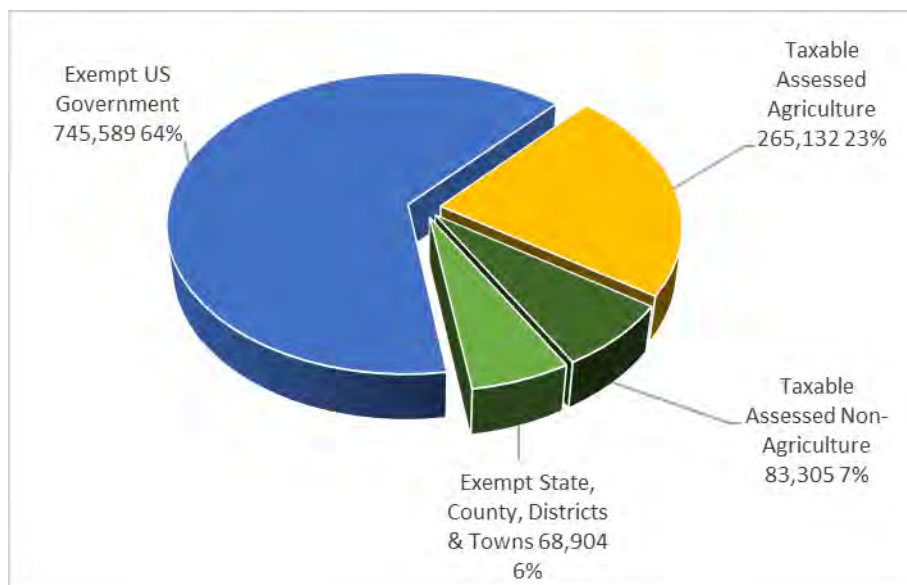
†These proprietary enterprise funds are funds of the Grand County Housing Authority.

REAL PROPERTY - Grand County encompasses approximately 1,817 square miles with 70% publicly owned and exempt from property taxes. The County is empowered to levy a property tax on real property located within its boundaries. The United States Government, which is exempt from property tax, is the largest property owner with 64% of all property including the National Forests and Recreation Area, Bureau of Land Management, and Rocky Mountain National Park. Through the Secure Rural Schools and Roads program, in 2016 the United States Government agreed to provide the County \$1,103,000 in support of the County's roads and schools. The Board of County Commissioners directed that 100% of the current payment would go to schools. The Payment in Lieu of Taxes (PILT) is another federal program which supports counties with federal lands by providing revenues to help offset the cost of providing essential services. During 2016, \$1,454,000 was received in PILT revenue. In addition to the federal lands, the State of Colorado owns 50,000 acres, Grand County owns 1,800 acres, and the towns and other government entities own 16,000 acres of exempt property.

Property tax levies are based on the assessed values of real and personal property. Property is re-appraised in every odd numbered year, allowing values to increase or decrease based on market conditions. Only one third of the County's 1.2 million acres is privately owned.

Of the 348,000 acres of taxable assessed property in private ownership, 76% is classified as agricultural which under Colorado law is afforded a reduced property tax rate. The remaining 24% of taxable acreage and its residential and commercial development carries the majority of County property tax burden. Real property values are presented in the statistical section of this report, starting on page H-10. Property tax generated per taxable acre in Grand County is \$28.50, the PILT support received per federal acre is \$1.95, and the Secure Rural Schools program payment per federal acre is \$1.48.

2016 Grand County Real Property Ownership (acres)

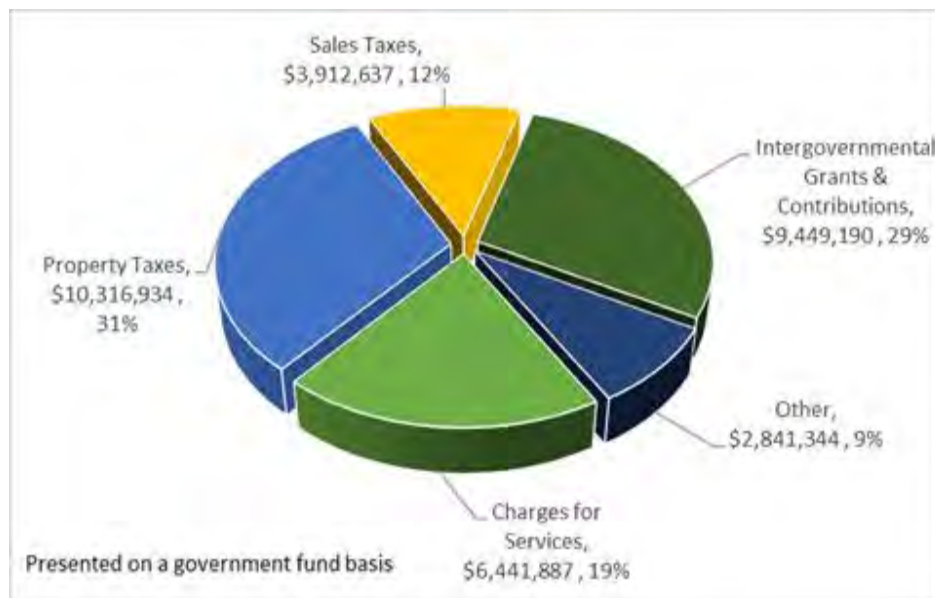


The county taxable assessed valuation peaked in 2010 at \$924 million. In subsequent years, the valuation decreased steadily to \$641 million in the 2014 (collected in 2015) valuation. Assessed valuation is slowly increasing as housing assessed values increase enough to offset the sharp decline in industrial and resource values Grand County continues to experience.

As has been the case for many years, the Henderson Mill is the top County property tax source. The assessed value for the current owner, Freeport-McMoRan Copper and Gold, Inc., represents 11% of the 2016 assessed values. The assessed value of the mill is made up of real property, personal property and production value. For 2016 the assessed value of the Henderson Mill was \$72 million, down from \$96 million in 2015 and \$115 million in 2014. These changes reflect fluctuations in the worldwide demand for molybdenum and Freeport-McMoRan's decision to reduce operations.

OTHER SOURCES OF REVENUE - The County's primary sources of revenue are property tax (31%) and intergovernmental operating grants and contributions (29%). Charges for services (19%) and the County sales tax (12%) make up the remaining major revenue sources. Other sources (9%) include other taxes, investment earnings, special assessments, fees for licenses and permits and other miscellaneous revenues. Charts showing revenue trends are in the statistical section, starting on page H-1.

2016 Grand County Revenue Sources



Intergovernmental support, primarily operating grants and contributions, originates from local, state and federal governments whose sources of revenue include property and other taxes. This support provides the primary funding for the Streets and Highways, Public Health, Public Welfare, and Public Safety functions.

Charges for services support is vital to several County functions, including Public Health (emergency medical and ambulance service), General Government (building permits, recording, treasurer, public trustee and development fees); Streets and Highways (fueling services for state

and local governments); and Auxiliary Services (airport hangar rentals, aviation fuel sales, fairgrounds and natural resource charges).

ECONOMIC OUTLOOK – Grand County’s 2017 total budgeted expenditures across all funds total \$37.6 million. The biggest funding challenges looking forward include the decrease in revenues from some sources and the continuing uncertainty of state and federal funding, especially for public health and social services programs. The Board of County Commissioners have worked continuously on strategies to balance the budget in 2017. The 2015 reassessment resulted in lower assessed property values. Valuations in Grand County declined overall by 1 percent, leaving values close to the 2006 total assessed value level. In reviewing current market activity, the Commissioners conservatively anticipate no significant change for 2017. Property tax revenues for 2017 are budgeted to be 3% lower than 2016.

The County strives to maintain the high level of service expected by the public despite decreasing funding. Both existing and new businesses require safe and well-maintained roads, public health care emergency medical services, and telecommunications that meet 21st century standards. The County continues to take a leading role in improving infrastructure and protecting natural resources vital to outdoor recreation and tourism.

There has not been a mill levy increase since 2003, when the taxpayers approved a ballot issue allowing an additional two mills to be collected to support the Grand County Emergency Medical Services operation. Currently, 15.155 mills are levied for County operations.

Sales tax revenues, which are highly indicative of year-round retail activity, increased 17% in 2016 to \$3.9 million from \$3.3 million. In 2009, sales tax revenues dropped 16% signaling the onset of the national, state and county recession. 2016 sales tax collections are the highest the County has experienced, primarily due to increases in tourism.

The major industries in the County are outdoor recreation and tourism, real estate sales, development and construction, and mining and timber products. An overview and update of these major factors in our economy follows.

Outdoor Recreation and Tourism – Overall, the County saw its busiest two summers ever in 2015 and 2016 as warm-weather tourism in Grand County grows. Lodging tax for 2016 was up 30% to \$825,065. The County’s 1.8% lodging tax, collected by retail lodging establishments outside of Winter Park for the benefit of marketing Grand County tourism, is a good measure of the change in the volume and pricing of County tourism. Winter Park, as a Home Rule entity, collects its own lodging tax.

Colorado Ski Country USA reported a 8% increase in skier visits for opening day through February 28, 2017 over the five-year average.

Real Estate Sales, Development and Construction –Real estate activity is increasing as the brisk Front Range market activity starts to spill over into Grand County, especially on the east side of the County. Although the number of building permits issued is only up 6% over 2015, the value per permit is up 19%. Construction permit data is available on page H-28. Several communities within Grand County issue their own building permits, therefore the County permit counts do not represent all building projects within the county. County real estate sales, development and construction focus on the second home market and follow the fluctuating tourist economy as well as the broader housing market.

Mining Products - Located in the southern part of the County, the Henderson Mill (a subsidiary of Freeport-McMoRan Copper and Gold, Inc.) was the largest primary producer of molybdenum

in the world. Most of the molybdenum concentrate is shipped from the Henderson Mill to Freeport-McMoRan's refining facility in Fort Madison, Iowa. The remainder is shipped to facilities worldwide where it is processed into chemical and metallurgical products. Due to a continued deterioration in the molybdenum market, Henderson has announced it would be curtailing production from 27 million pounds annually to 10 million pounds early in 2016. Property tax revenues from the Henderson Mill have been a significant backstop to County finances during the recent recession. A large part of the property's assessed valuation is the value of the resource in the ground, and it is anticipated that the County's property tax revenues will be impacted for years to come.

Timber Products - The pine beetle epidemic has provided the material for a significant increase in timber product activity. Historically a producer of railroad ties, Grand County is now home to cutting, hauling and processing businesses which help remove a significant fire hazard from our forests. In February 2013, Confluence Energy, the largest pellet manufacturer in the western United States and headquartered in Kremmling, announced a \$4.75 million ten-year agreement had been reached with the U.S. Forest Service to annually remove 1,000 acres of beetle-killed trees in Medicine Bow-Routt National Forest. In May 2013 Confluence announced they had developed a new beetle kill product to clean up oil, gas and solvent spills better and cheaper than the widely used clay-based product. Additionally, the new product contains microorganisms which consume the hydrocarbons and can be left on site as inert material, rather than having to be hauled off for disposal. Whereas the pellet production uses only the tree trunks, the new biodegradable absorbent uses every twig and piece of bark. In June 2015 Confluence announced another new product, TrueChar. A wood-based product similar to charcoal with 55 different applications in agriculture and animal husbandry, TrueChar is also being looked at for possible uses related to carbon sequestration, or the capturing and storing of carbon produced from other sources. Confluence has developed a cost-effective and scalable way to produce TrueChar, and the product is currently in the patent process.

LONG-TERM FINANCIAL PLANNING AND MAJOR INITIATIVES – After several years of backfilling deficit budgets with fund reserves, Grand County is now committed to attaining balanced operating budgets. As part of this commitment, personnel budgets are being reduced through attrition, and operating expenditure budgets are being reduced through careful examination of programs and needs by all elected and appointed officials. Capital projects have been significantly reduced other than necessary county road projects.

Unrestricted fund balance (the total of the assigned and unassigned components of fund balance) in the General Fund at 2016 year end was \$3,541,414, compared to a 2015 year end balance of \$4,977,484. The 2016 balance represents 23% of General Fund revenues (vs. 27% in 2015) and 22% of General Fund expenditures (vs. 26% in 2015). The Government Finance Officers Association suggests two months, or 17% of General Fund annual expenditures to be lowest acceptable minimum unrestricted fund balance. The possibility of a catastrophic wild fire is a perceived risk in Grand County. We anticipate the costs to be in excess of \$100,000 per incident for wild fires. Settlements with various responding agencies and the State historically have taken years to process. The County is preparing for this eventuality both by building the County fund balance, increasing the capacities of our emergency preparedness teams to have the training and resources required to mitigate such a disaster, and participation in the Colorado Emergency Fire Fund. With the exception of necessary County road projects and airport pavement maintenance, the Board of County Commissioners has limited future commitments to maintain balanced operating budgets.

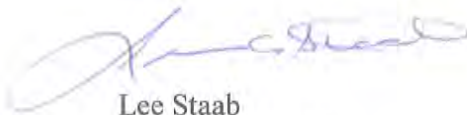
AWARDS AND ACKNOWLEDGMENTS - The Government Finance Officers Association of

the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Grand County, Colorado for its comprehensive annual financial report for the fiscal year ended December 31, 2015.

This was the twenty-fifth consecutive year that the County government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for continuing certification.

We wish to express our gratitude and appreciation to the Grand County Board of County Commissioners. Their active involvement and oversight in the financial affairs of the County has not only fulfilled their obligations to the public, but has maintained services the public demands. We acknowledge the effort of the Grand County Accounting Department staff in the preparation of this annual report as well as the guidance and technical support provided by our independent auditors, McMahan and Associates, L.L.C.

Respectfully submitted,



Lee Staab
County Manager



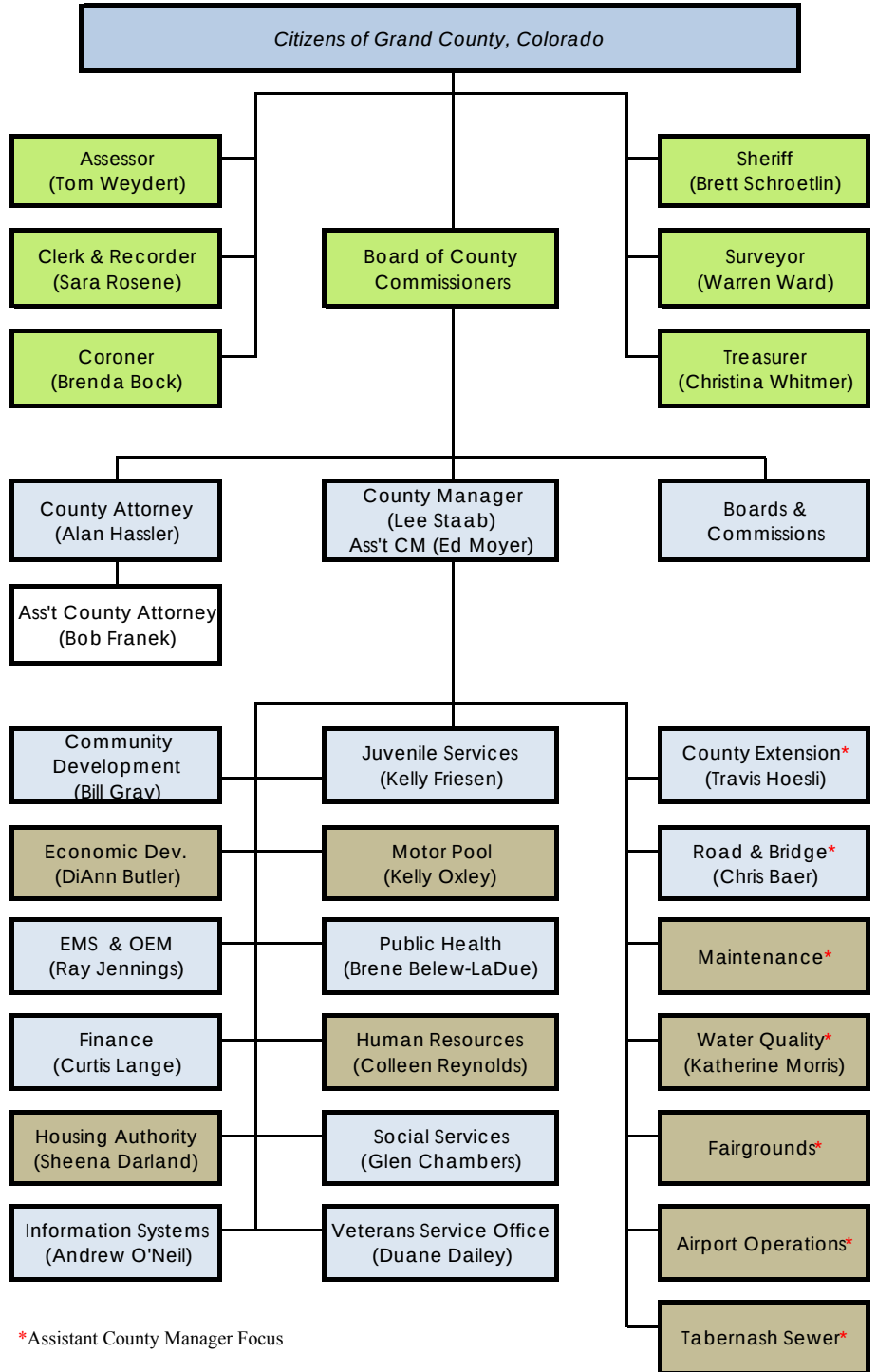
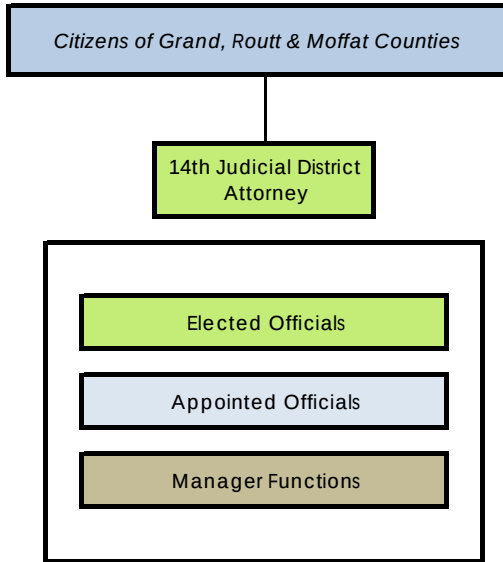
Curtis Lange
Finance Director



GRAND COUNTY

Organizational Chart

4 October 2016



*Assistant County Manager Focus

Grand County, Colorado

List of Elected Officials

December 31, 2016

<u>Name</u>	<u>Position</u>	<u>In Office Since</u>	<u>Current Term Expires January</u>
Brenda L. Bock	Coroner	January, 2008	2019
Merrit Linke, Chairman	Commissioner - District 2	January, 2013	2017
Brett Schroetlin	Sheriff	January, 2015	2019
E. Jane Tollett	Commissioner - District 1	December, 2015	2017
Brett Barkey	14 th Judicial District Attorney	January, 2009	2017
Sara L. Rosene	Clerk & Recorder	January, 1991	2019
Kristen Manguso	Commissioner - District 3	January, 2015	2019
Warren D. Ward	Surveyor	January, 1991	2019
Thomas Weydert	Assessor	January, 2008	2019
Christina M. Whitmer	Treasurer & Public Trustee	January, 1993	2019

Grand County, Colorado

List of Appointed Principal Officials

December 31, 2016

<u>Name</u>	<u>Position</u>	<u>Length of Service</u>
E. Brene Belew-LaDue	Public / Home Health Director	14 years
Curtis Lange	Finance Director	1 year
Glen D. Chambers	Social / Human Services Director	23 years
Lee Staab	County Manager	Newly Appointed
Duane E. Dailey	Veterans Officer	17 years
Alan Hassler	County Attorney	2 years
Chris Baer	Road & Bridge Superintendent	20 years
Travis Hoesli	County CSU Extension Agent	5 years
Ray K. Jennings, Jr.	Emergency Medical Services Chief Office of Emergency Management	14 years
Kelly L. Curran Friesen	Juvenile Services Director Senate Bill 94 Coordinator	21 years
William Gray	Community Development Director	2 years
Andrew O'Neil	Interim Information Systems Director	2 years

Note - Length of Service calculations from original hire date.



Government Finance Officers Association

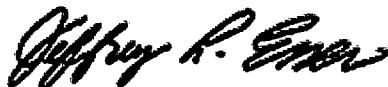
**Certificate of
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Colorado**

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for the Fiscal Year Ended

December 31, 2015

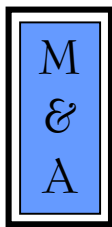


Executive Director/CEO

Financial Section

Financial Section

Independent Auditors' Report



McMAHAN AND ASSOCIATES, L.L.C.

Certified Public Accountants and Consultants

CHAPEL SQUARE, BLDG C
245 CHAPEL PLACE, SUITE 300
P.O. Box 5850, AVON, CO 81620

WEB SITE: WWW.MCMAHANCPA.COM
MAIN OFFICE: (970) 845-8800
FACSIMILE: (970) 845-8108
E-MAIL: MCMAHAN@MCMAHANCPA.COM

INDEPENDENT AUDITOR'S REPORT

**To the Board of County Commissioners
Grand County, Colorado**

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit includes 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 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 County's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluation of the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall financial statement presentation.

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

Member: American Institute of Certified Public Accountants

PAUL J. BACKES, CPA, CGMA
MICHAEL N. JENKINS, CA, CPA, CGMA
DANIEL R. CUDAHY, CPA, CGMA

AVON: (970) 845-8800
ASPEN: (970) 544-3996
FRISCO: (970) 668-3481

**INDEPENDENT AUDITOR'S REPORT
To the Board of County Commissioners
Grand County, Colorado**

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 Grand County, Colorado as of December 31, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages B-4 through B-14 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.

The budgetary comparison schedules in section E are not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. These budgetary comparison schedules have been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's financial statements taken as a whole. The Introductory Section, the combining and individual fund financial statements and individual fund budgetary schedules in section F, the Local Highway Finance Report in section G, and the Statistical Section, as listed in the accompanying Table of Contents, are presented for purposes of additional analysis and are not a required part of the County's financial statements. The combining and individual fund financial statements and individual fund budgetary schedules in section F, and the Local Highway Finance Report in section G are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole. The Introductory and Statistical sections have not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

INDEPENDENT AUDITOR'S REPORT
To the Board of County Commissioners
Grand County, Colorado

Other Matters (continued)

Additionally, the Schedule of Expenditures of Federal Awards is presented for the purpose of additional analysis, as required by Title 2, U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the "Uniform Guidance") and is not a required part of the County's financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2017 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

McMahan and Associates, L.L.C.

McMahan and Associates, L.L.C.
June 30, 2017

Financial Section

Management's Discussion and Analysis (Unaudited)

MANAGEMENT'S DISCUSSION AND ANALYSIS

Within this section of the Grand County, Colorado (the County) annual financial report, the County's management is pleased to provide this introduction, overview, and analysis of the basic financial statements for the calendar year ended December 31, 2016. The County's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section.

Financial Highlights -

- Total assets and deferred outflows of resources on Grand County's Government-wide Statement of Net Position for primary government were greater than its total liabilities at the close of the fiscal year by \$64.5 million (*net position*).
- Total net positions from governmental activities, decreased \$2.0 million (-3%) from the previous year as the County continues to spend down fund balances. The County has experienced a 30% reduction of assessed property values in 2011 and related property tax revenue has not yet returned to 2008 levels.
- Governmental activities have a healthy current ratio of 9.8 with current assets of \$31.7 million covering current liabilities of \$3.2 million. Business-type activities have a current ratio of 1.7 with current assets of \$315 thousand covering \$187 thousand of current liabilities.
- As of the end of the current fiscal year, governmental activities reported an ending net position of \$64.4 million. Approximately 4 percent is restricted (\$2.8 million) and 77 percent is net investment in capital assets (\$49.6 million). Unrestricted net position increased to \$12.1 million, and was 18 percent of net position. The increase in net position was the result of reduced expenditures due to close monitoring while reducing some services and their related expenditures.
- Governmental activities capital expenditures was \$994 thousand in the current year, \$352 thousand of which was primarily or partially financed with grant funding and donations. Capital investment provides long term benefits. Supporting and improving infrastructure is essential to economic growth. All capital expenditures continue to be closely monitored.
- As of the end of the current fiscal year, the County's business-type activities, (Colorado Sewer Enterprise Fund and Grand County Housing Authority), reported an ending net surplus (\$62 thousand). The business-type activities current year operations reflected a \$75 thousand decrease in net position. Two of the three Grand County Housing Authority properties have net deficits primarily from depreciation charges. These senior housing projects have positive cash flow and are considered viable. The Colorado Sewer Enterprise Fund experienced a \$1 thousand (-1%) decline in net position in 2016. On a long-term view the County's business type funds will continue to realize challenging operations. Housing Authority projects are heavily dependent on federal capital funding and Medicaid rent subsidies.
- Overall, the County continues to maintain a strong financial position through maintaining fund balances for future needs. Maintaining adequate fund balances ensures the County is in a position to address major issues and accomplish major projects without burdening the community with requests for additional taxes.

The above financial highlights are explained in more detail in the "financial analysis" section of this document.

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Discussion of the Basic Financial Statements –

This discussion and analysis introduces the County's basic financial statements. The basic financial statements include three components: (1) government-wide financial statements; (2) fund financial statements; and (3) notes to the basic financial statements. The County also includes in this report additional information to supplement the basic financial statements. Comparative data is presented when available. The County has component units, the Housing Authority of the County of Grand, Colorado dba the Grand County Housing Authority, and the Pole Creek Meadows Grand County Public Improvement District. Both entities are treated as blended component units, meaning their funds are reported as funds of the County, because their Boards are the same as the Board of County Commissioners.

Government-wide Financial Statements –

The County's annual report includes two government-wide financial statements. The government-wide financial statements provide both long-term and short-term information about the County's overall financial status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in accrual accounting and elimination or reclassification of activities between funds.

The first of these government-wide statements is the Statement of Net Position which includes all of the County's assets and liabilities, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County as a whole is improving or deteriorating. Evaluation of the overall health of the County would extend to other non-financial factors such as diversification of the taxpayer base or the condition of County infrastructure, in addition to the financial information provided in this report.

The second government-wide statement is the Statement of Activities which reports how the County's net position changed during the current calendar year. It includes all current year revenues and expenses, regardless of when cash is received or paid. Thus, revenues and expenses are reported in the statement for some items that will only result in cash flow in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave). An important purpose of the design of the Statement of Activities is to show the financial reliance of the County's distinct activities or functions on revenues provided by the County's taxpayers.

The government-wide financial statements distinguish *governmental activities* of the County, that are principally supported by taxes and intergovernmental revenues, from *business-type activities*, that are intended to recover all or a significant portion of their costs through user fees and charges. Governmental activities include general government, public health, streets and highways, public safety, public welfare, auxiliary services and judicial functions.

Business-type activities include the Colorado Sewer Enterprise Fund accounting for the operation of a one-third interest of facilities in connection with the collection and treatment of sewage in the County's unincorporated area called Tabernash, and the operation of senior housing facilities of the Housing Authority of the County of Grand, Colorado (dba Grand County Housing Authority).

The government-wide financial statements can be found on pages C-1 and C-2 of this report.

Fund Financial Statements –

A fund is the grouping of related accounts used to maintain control over resources segregated for specific activities or objectives. The County, like all local governments, uses funds to ensure and demonstrate compliance with finance related laws and regulations. Within the basic financial statements, fund financial statements focus on the County's most significant funds rather than the County as a whole. Major funds are separately reported while all others are combined into a single, aggregated presentation. Individual fund data for non-major funds is provided in a later section of this report. The County has three kinds of funds; governmental funds, proprietary funds, and fiduciary funds.

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Governmental Funds –

The Governmental Funds are reported in the fund financial statements and encompass the same functions reported as governmental activities in the government-wide financial statements. However, the focus is very different with fund statements providing a distinctive view of the County's governmental funds. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the fiscal year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near-term.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund operating statement provide a reconciliation to assist in understanding the differences between these two perspectives.

The basic governmental fund financial statements and reconciliations are presented on pages C-3 through C-6 of this report.

Proprietary Funds –

The Proprietary Funds are reported in the fund financial statements and reflect services for which the County charges customers a fee. The County's proprietary funds are all classified as enterprise funds. Enterprise funds essentially encompass the same functions reported as business-type activities in the government-wide statements.

The Colorado Sewer Enterprise Fund accounts for providing services to customer's external to the County organization for sewerage services as described above. Operations are reported on page F-26 of this report.

The Grand County Housing Authority is reported in multiple funds in this report. The administrative functions of the operation are reported as a non-major revenue fund in governmental financials and the three property operating functions are reported by individual property as proprietary funds. Individual property operations are reported on pages F-27 through F-29

The basic proprietary enterprise funds financial statements are presented on pages C-7 through C-9 of this report.

Fiduciary Funds-

The Fiduciary Funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs.

The accounting used for fiduciary funds is much like that used for proprietary funds. The fiduciary funds used by the County account for the County Treasurer and Public Trustee, the County Clerk and Recorder and the County Sheriff, all of whom collect and hold assets on behalf of other individuals and governments. The Colorado State Highway 9 Fund holds assets from a private contributor for highway improvements scheduled to be completed in two years.

The Fiduciary Funds basic financial statement is presented on page C-10 of this report. Individual funds activity is reported on page F-31 of this report.

Notes to the Basic Financial Statements –

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements.

The notes to the basic financial statements are presented in the "D" section of this report with an index on page D-1.

Condensed Government-wide Comparative Financial Data for the Current and Prior Fiscal Periods

Assets, Liabilities and Net Position for the Current and Prior Fiscal Periods –

	Summary of Government-wide Statement of Net Position					
	Governmental Activities		Business Activities		Total	
	2016	2015	2016	2015	2016	2015
Assets						
Current assets	\$ 31,732,030	\$ 31,433,713	\$ 283,879	\$ 343,114	\$ 32,015,909	\$ 31,776,827
Internal balances	(31,150)	(1,207)	31,150	1,207	-	-
Non-current assets	415,168	374,410	284,054	265,712	699,222	640,122
Capital assets	49,600,323	52,217,265	1,954,792	2,069,483	51,555,115	54,286,748
Total assets	81,716,371	84,024,181	2,553,875	2,679,516	84,270,246	86,703,697
Liabilities						
Current liabilities	3,233,926	3,786,350	187,417	176,454	3,421,343	3,962,804
Non-current liabilities	3,811,485	3,251,198	2,294,816	2,365,739	6,106,301	5,616,937
Deferred inflows of resources	10,237,760	10,549,049	9,295	(119)	10,247,055	10,548,930
Total liabilities and deferred inflows	17,283,171	17,586,597	2,491,528	2,542,074	19,774,699	20,128,671
Net position						
Net investment in capital assets	49,600,323	52,217,265	(374,921)	(328,477)	49,225,402	51,888,788
Net position - restricted	2,752,621	2,623,184	260,051	250,578	3,012,672	2,873,762
Net position - unrestricted	12,080,256	11,597,135	177,217	215,341	12,257,473	11,812,476
Total net position	\$ 64,433,200	\$ 66,437,584	\$ 62,347	\$ 137,442	\$ 64,495,547	\$ 66,575,026

Total Government-wide assets (\$84.3 million) decreased \$2.4 million (-3%). Total liabilities and deferred inflows of resources (\$19.8 million) decreased \$360 thousand (-2%), from the prior year. As a result, total net position (\$64.5 million), decreased \$2.1 million (-3%) in the current fiscal year from 2015. By far the largest portion of the County's net position (76%) reflects its investment in capital assets (e.g. land, buildings, machinery, equipment and infrastructure). The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

Total Government-wide current assets (\$32 million) increased by \$211 thousand (1%), and current liabilities (\$3.4 million) decreased \$541 thousand (-14%) in the current year. At the end of the fiscal year current assets were 10 times current liabilities, indicating the County continues to maintain a strong liquid position assuring its ability to meet its current obligations. More importantly, the unrestricted net position (\$12.3 million) was 3.6 times current liabilities.

The Board of County Commissioners have over the past several years stressed the importance of maintaining a strong financial position in anticipation of the continuation of reduced tax revenues.

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Statements of Activities and Changes in Net Position for the Current and Prior Fiscal Periods –

The Statement of Net Position shows the County-wide overall financial position decreased 3% during 2016, and the Statement of Activities shows a similar end result.

Summary of Government-wide Statement of Activities and Changes in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Revenues:						
Program:						
Charges for services	\$ 4,429,835	\$ 6,263,165	\$ 1,271,612	\$ 1,293,719	\$ 5,701,447	\$ 7,556,884
Operating grants	9,604,432	9,512,700	1,527	1,527	9,605,959	9,514,227
Capital grants & contributions	89,031	595,943	28,880	7,880	117,911	603,823
General:						
Property Taxes	9,985,798	10,404,966	-	-	9,985,798	10,404,966
Sales Taxes	3,912,637	3,673,216	-	-	3,912,637	3,673,216
Other Taxes	1,430,875	1,306,541	-	-	1,430,875	1,306,541
Investment Earnings	203,979	148,132	1,571	1,207	205,550	149,339
Miscellaneous	490,578	944,986	20,249	13,882	510,827	958,868
Total revenues	30,147,165	32,849,649	1,323,839	1,318,215	31,471,004	34,167,864
Program Expenses:						
General government	11,391,607	12,030,809	-	-	11,391,607	12,030,809
Public health	4,017,355	6,842,207	-	-	4,017,355	6,842,207
Streets & highways	5,402,084	6,731,585	-	-	5,402,084	6,731,585
Public safety	4,951,708	5,067,135	-	-	4,951,708	5,067,135
Public welfare	2,214,398	2,726,515	-	-	2,214,398	2,726,515
Auxiliary services	2,948,243	2,811,084	-	-	2,948,243	2,811,084
Judicial	894,989	1,035,339	-	-	894,989	1,035,339
Colorado Sewer Enterprise Fund	-	-	174,789	185,759	174,789	185,759
Grand County Housing Authority	-	-	1,246,913	1,152,117	1,246,913	1,152,117
Total expenses	31,820,384	37,244,674	1,421,702	1,337,876	33,242,086	38,582,550
Change in net position before transfers	(1,673,219)	(4,395,025)	(97,863)	(19,661)	(1,771,082)	(4,414,686)
Transfers	(22,767)	(182,823)	182,823	182,823	160,056	-
Change in net position	(1,695,986)	(4,577,848)	84,960	163,162	(1,611,026)	(4,414,686)
Beginning net position (deficit)-Restated*	66,129,001	71,015,432	(25,720)	(25,720)	66,103,281	70,989,712
Ending net position (deficit)	\$ 64,433,015	\$ 66,437,584	\$ 59,240	\$ 137,442	\$ 64,492,255	\$ 66,575,026

*2016 beginning net position for governmental activities reflects the addition of the Grand County Severance and sick portion of Employee Benefits not included in 2015

The 8% decrease in total revenues of \$2.7 million primarily relates to decreases in grants and charges for services.

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Governmental Funds -

Governmental funds reported in the fund financial statements are presented with a short-term inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements.

Governmental Funds Balance Sheet -

The Governmental Funds Balance Sheet, page C-3, reported total ending fund balance of \$19.1 million, an increase of \$1.2 million (7%) from the prior year. Approximately 85% of this total is available for spending at the government's discretion. Unassigned fund balance (\$1.2 million) 6%, indicates availability for continuing County general program usage. Assigned fund balance (\$15.0 million), 77% of fund balance, has been designated for specific uses either through separate fund designations or within the operation of the General fund. The Board of County Commissioners may at their discretion redirect committed and assigned fund balance.

Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance –

The Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances, page C-5, shows the above increase of \$1.2 million in total fund balance for the current year. Total revenues (\$33 million) were down \$1.3 million (-4%) from the prior year, primarily due to a decrease Intergovernmental grants. Total expenditures (\$31.5 million) decreased \$5.8 million (-16%). Expenditure decreases (\$3.1 million) were largest in the Major Capital purchases across the public safety and Streets and Highways functions. Public Health function closed the Home Care services department also creating expenditure decreases. Employee attrition was allowed, across all functions, creating a (\$700 thousand) expenditure decrease in employee costs.

Governmental Funds Revenues -

The County continues to rely on property tax revenue, (\$10.0 million) in the current year, making up 31% of total revenue compared to 29% in 2015. Property tax revenue to the County decreased by \$419 thousand (-4%), from 2015 as a result of the reduced value of mining production value in the county, and settlement of a long disputed property tax exemption.

Sales tax revenue (\$3.9 million) increased \$239 thousand (7%) from the prior year. Sales tax collections have been increasing for the past several years, as the Front Range economy expands. Taxes classified as "Other" (\$1.4 million) increased by 10%. Other taxes reflect the current years increase in lodging taxes. These are both positive signs for our economy which is heavily based on tourism and the related second home market.

Charges for services (\$6.4 million) increased \$336 thousand (6%). New revenue recognition software and operating procedures has increased the management focus on charges for services. Revenue from licenses and permits (\$440 thousand) increased 20%, or by \$73 thousand, and intergovernmental revenue (\$9.4 million) decreased \$1.3 million (-12%). Realized earnings from the County's investment portfolio (\$176 thousand) decreased \$2 thousand. Miscellaneous (\$432 thousand) had a (-49%) decrease from 2015, and special assessments (\$335 thousand) increased 5% from 2015.

Governmental Expenditures -

Current expenditures include personnel and operating expenditures summarized by government functional activity. Capital outlay expenditures included in total expenditures are shown separately from current expenditures. Current operating expenditures for government funds decreased \$2.7 million (-8%) from 2015. Capital outlay, \$994 thousand, decreased \$3.1 million (-76%). See page B-11 and B-12 for greater detail on capital expenditures.

Business-type Activities -

The County's business-type activities include the proprietary funds containing the operations of four discrete enterprises; 1) Colorado Sewer Enterprise, the one-third interest in the operation of the sewage collection infrastructure and treatment plant for an unincorporated area of Grand County known as Tabernash, and the Housing Authority of Grand County, Colorado dba Grand County Housing Authority which administers Section 8 and low-income federal programs and oversees the operation of 2) Silver Spruce Senior Apartments and 3) Grand Living Senior Homes as well as the 4) Cliffview Senior Living Center.

Colorado Sewer Enterprise –

The Colorado Sewer Enterprise Fund accounts for providing services to customers external to the County organization for sewerage services. Total operating revenue, \$143 thousand, decreased \$11 thousand (-7%) from 2015. Total operating expenses, \$121 thousand, decreased \$13 thousand (-9.5%). Operations and maintenance expense was lower due to reduced infiltration into the system. Net position, \$372 thousand, decreased \$1 thousand (-1%).

Housing Authority of Grand County, Colorado dba Grand County Housing Authority -

The Grand County Housing Authority is reported in multiple funds in this report. The administrative functions of the operation are reported as a non-major special revenue fund in governmental financials and the property ownership functions are reported by individual property as proprietary funds. The proprietary fund total operating revenue, \$1.2 million, decreased \$5 thousand. Total operating expenses, \$1.1 million, increased \$93 thousand and beginning net position, (-\$236 thousand), decreased, \$74 thousand, to end the year at (-\$310) thousand. The administrative fund total operating revenue, \$200 thousand, decreased \$185 thousand. Total operating expenses, \$171 thousand, decreased \$25 thousand and beginning net position, \$108 thousand, increased \$6 thousand to end the year at \$114 thousand.

Significant Balances and Operations Analysis of the Major Funds –

The General Fund –

The General Fund is the County's primary operating fund and the largest source of day-to-day service delivery containing all the statutory and administrative operating functions. Shown on pg. E-1, the fund's total revenue of \$15.4 million, decreased \$601 thousand, (-4%) in the current year. The biggest source decrease, \$921 thousand, came from intergovernmental revenues. This includes revenues from Federal, State and Local grants. These funding sources decreased in 2016 with the completion of the Gore Canyon Whitewater Park and the final payment on \$500 thousand in Local and State Grants in 2015. The General Fund's total expenditures, \$16.2 million, decreased \$462 thousand compared to the prior year. This expenditure decrease was caused by the closing of Home Health department in the Public Health function of general government. Personnel cost savings equated to \$414 of the \$464 decrease. Overall, the General Fund's fund balance, \$4.4 million, decreased by \$1.5 million (25%) in the current fiscal year. The key factors in this decrease were transfers from the General fund to Dispatch (\$290) thousand for operations, Airport Fund (\$100) thousand for operations, Major Capital Fund (\$195) thousand for capital equipment purchases including Police Officers Diving Simulator, and settlement of a property tax exemption for (\$260) thousand.

The Road & Bridge Fund –

The Road & Bridge Fund accounts for the costs associated with the maintenance and construction of the County roads and bridges and is funded primarily by property taxes and state and federal sources of revenue. Total revenues for 2016 remained flat with an increase of a nominal \$9 thousand. Fund total expenditures (\$4.8 million) decreased \$958 thousand (-17%) in the current year. This was primarily a result of and lower fuel prices in the wider market (\$200 thousand), decreased employee wages due to retirement and attrition (\$307 thousand), and decreased spending for road maintenance and equipment, (\$381 thousand). The Road and Bridge fund ended 2016 with a total fund balance of \$5.4 million, an increase of 8% from 2015. The net increase in fund balance of \$388 thousand during 2016 was primarily a result of decreased spending on road stabilization and materials. This spending level is not sustainable in the long run and is addressed by management in the 2017 budget.

Emergency Medical Services-

The Emergency Medical Services Fund accounts for the operations of the County owned ambulance service. Property tax and charges for services are primary sources of revenue for the fund. Total 2016 revenues of \$3.9 million, is an increase of 12% from 2015. This was primarily due to a service rate increase resulting in increased collections for charges for services, up 23% from the previous year. Current year total expenses, \$3.4 million, decreased \$658 thousand (-16%). \$415 thousand of that decrease was lowered capital outlay, compared to 2015 when there was the purchase of three ambulances. The Emergency Management Services Fund decreased by \$80 thousand. This is a 72% improvement from 2015 when fund balance decreased \$286 thousand. The County is focused on continuing the growth of the Emergency Medical Services fund balance to ensure that future needs are covered as they occur.

The Sales Tax Fund –

The Sales Tax revenue in the Sales Tax fund, accounts for the 12% all revenues received by the County. Non-major capital expenditures are financed primarily from sales tax revenues. Sales tax revenues (\$3.9 million) increased \$578 thousand (17%). Fund expenditures (\$1.3 million), were \$1.2 million, a (-47%) decrease from 2015. Expenditures of \$1.2 million were made for the Colorado State Highway 9 project. The net change in Sales Tax Fund balance for the year was an increase of \$2.6 million.

The Major Capital Improvement Fund –

The Major Capital Improvement Fund accounts for major capital expenditures (those in excess of \$5,000 in accordance with the County capitalization policy) and was primarily financed by property taxes. This is no longer the case in 2016. The allocated mill was removed from the proper tax revenue allocation to allow for the Fund balance to be drawn down. Sale of capital assets was \$67 thousand in 2016, compared to \$366 thousand in 2015. Total expenditures (\$778 thousand), decreased 74% from 2015. Significant expenditures were made for Sheriff and Jail department training equipment and vehicles \$354 thousand (grant funding covered \$195,585). Other expenditures included road infrastructure; \$321 thousand including improvements to CR804 and CR5; \$63 thousand for improvements to the Granby Airport (\$44,366 covered by FAA and CDOT grants); \$11 thousand (BLM provided \$10,000) for the Department of Natural Resources utility vehicle used for weed control, \$13 thousand for improvement of Jail facilities; \$15 thousand for Clerk and Recorder's E-recording program.

General Fund Budgetary Highlights –

The General Fund's total expenditures (\$16.7 million) were 13% (\$2.3 million) below the final expenditures budget of \$18.6 million. \$1.1 million of this savings occurred from personnel expenditures decrease due to attrition and vacancy savings. The remaining reduced expenditures were the result of conservative spending efforts by all departments.

Capital Asset Activity –

The governmental activities current investment in capital assets as of December 31, 2016 is \$49.6 million (net of accumulated depreciation; Book Value). This investment in capital assets includes buildings and improvements, machinery, equipment and infrastructure. Governmental capital investment by function (net of accumulated depreciation; Book Value) at year end included; streets & highways \$19.1 million, primarily infrastructure and road maintenance equipment; judicial \$7.9 million for the County Courthouse building and court security equipment. general government \$7.6 million, primarily buildings, land and land improvements, equipment, computers, software; auxiliary \$9.5 million which includes investments in the County airports and fairgrounds; and public safety \$3.6 million, including sheriff, jail and animal control vehicles, dispatch consoles and communication towers and radios and other building and security enhancements; public health \$1.9 million, primarily ambulances, vehicles and equipment for emergency medical services including some buildings. Various other items making up the balance in the public welfare function.

During 2016, the County disposed of \$552,506 in primarily equipment with a net book value of \$8,258. The some of the disposed assets were replaced with newer equipment. There are no long-term debt obligations related to the acquisition of these assets. Communication Tower equipment in the amount of \$1,183,042 was re-classified to Buildings to accommodate proper insurance coverage. There was no purchase or disposal of these assets. This and other capital asset activity is further described in notes to the basic financial statements, Note 3-E *Capital Assets*.

Major capital assets purchases in the current fiscal year were \$ 994,018 and included the following:

Primary Government - Governmental Activities		
Net Change in Capital Asset Investment		
Capital Asset Category	Details	Total
Land improvements, including		
Airport asphalt, runway, taxiway	\$ 49,273	\$ 49,273
Buildings and buildings improvements, including	6,857	
Snow Removal Equipment Building at Airpor	14,147	
Jail Locks	6,857	\$ 21,004
Machinery and equipment, including		
General, including		
County Recorder	15,015	
Natural Resources UTV	11,679	26,694
Public Health, EMS equipment/ambulances		132,861
Public Safety, including		
Sheriff, Jail & Animal control vehicles		360,026
Dispatch Communications		83,634
Streets & Highways		603,215
Infrastructure; road maintenance asphalt & gravel		320,526
Total Additions		\$ 994,018
Less: Deductions		(552,506)
Net Change in Capital Asset Investment		\$ 441,512

The business-type activities investment in capital assets net of depreciation (\$2.0 million) decreased (-\$115 thousand) from 2015. This comprises capital additions totaling \$15 thousand, less depreciation of \$129 thousand. Business Capital assets activity is further described in note to the basic financial statement, Note 3-E Capital Assets.

Long-term Debt Activity –

The County has had no capital lease debt activity since 2010. In 2013 the Pole Creek Meadows, Grand County, Colorado Public Improvement District issued a bond to finance its improvements. The bond is being repaid with a District property tax increment that began in 2014.

Employee Benefits (\$1.2 million) is \$54 thousand (5%) higher than the previous year. Compensated absences are primarily a result of employees accumulating earned vacation at a rate lower than they are taking vacation. Employee benefits also includes an accumulated sick pay allotment and severance as explained in note 3-G-1.

The calculated landfill post-closure care costs total \$2.8 million. This liability is revised from financial assurance cost estimates which are updated every 5 years. The Granby landfill closure activity was completed in 2014. Post-closure liabilities remain to cover the need for ongoing monitoring.

Principal and interest note payments related to the County's Business-Type Activities were normal, scheduled repayments of these loans. The Colorado Sewer Enterprise fund loans are financed from special assessments paid by the users of the waste

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
As of And For The Year Ended December 31, 2016

Grand County, Colorado

water collection and processing facility. The Grand County Housing Authority loans are repaid through charges for services, operating grants and contributions.

Long-term debt comparative balances are summarized in the following table:

	Governmental Activities		Business-Type Activities		Totals		Percent Change
	2016	Restated 2015	2016	2015	2016	2015	
Employee Benefits	\$ 1,218,480	\$ 1,163,709	\$ -	\$ 509	\$ 1,218,480	\$ 1,164,218	5%
Landfill							
Post-closure costs	2,789,087	2,821,757	-	-	2,789,087	2,821,757	-1%
Pole Creek Meadows PID	411,000	462,000	-	-	411,000	462,000	-11%
Notes Payable CO Sewer	-	-	1	488,876	1	488,876	-100%
Loans Payable GCHA	-	-	1,044	1,909,084	1,044	1,909,084	-100%
Total	<u>\$ 4,418,567</u>	<u>\$ 4,447,466</u>	<u>\$ 1,045</u>	<u>\$ 2,398,469</u>	<u>\$ 4,419,612</u>	<u>\$ 6,845,935</u>	<u>-35%</u>

Employee Benefits has an accounting adjustment to Government Activities in 2015. Long-term debt activity is further described in notes to the basic financial statements, Note 3-G-1 *Non-Current Liabilities*.

Conditions of Future Significance –

Property taxes are a primary revenue stream for the County. Valuation on total taxable property declined overall 3% in 2016 leaving values close to the 2006 total assessed value level. \$10.0 million in property tax revenues were collected in 2016. In reviewing current market activity, no significant change is expected in the 2017 reassessment. The Henderson Mill is the top property tax payer supplying 14% of all property tax revenue. Due to a continued deterioration in the molybdenum market, Henderson has announced it will be curtailing production from 27 million pounds annually to 10 million pounds early in 2016. Property tax revenues from the Henderson Mill have been a significant backstop to County finances during the recent recession. A large part of the property's assessed valuation is the value of the resource in the ground, and it is anticipated that the County's property tax revenues will be impacted for years to come.

Sales taxes are another primary revenue stream for the County. Since sales taxes are an "elastic" revenue stream, tax collections are higher in a flourishing economy and are lower in a depressed economy. The County is experiencing increasing tourism and economic activity. The 2016 \$3.9 million sales tax revenues showed a 17% increase over 2015.

Lodging tax collected for 2016 was up 30% over the previous year. This continues an upward trend in local tourism.

Real estate sales, development and construction are primary industries for the County. It is predominantly focused on second home markets and follows the tourist economy. Building permits increased from 549 in 2015 to 580 (6%) in 2016. The valuation of those permits increased from \$33.7 million in 2015 to \$42.3 million (25%) in 2016.

Grand County completed construction of a recreational whitewater park in the Gore Canyon in 2015. The \$983 thousand Gore Canyon Whitewater Park was completed with the final payment of \$465 thousand in 2015. This facility requires annual monitoring to assess the potential effects to habitat in compliance with the U.S. Army Corps of Engineers. A contract has been approved to cover the required monitoring through 2018, at an estimated cost of \$243 thousand. A combined total of \$1.0 million in grant monies were received from Eagle County, The Department of Local Affairs and the Colorado Water Conservation Board to help fund the water park.

The condition of county roads has been deteriorating with the prudent but tough financial decisions of the past several years. The budgeted expenditures for 2017 include an increase in major capital expenditures of \$1.8 million. Most of this, \$1.5million, is to replace aging road maintenance equipment and for major road replacement projects to include CR 1.

Due to a decrease in appropriations for 2017, management expects that the total fund balance, including all funds, will increase by approximately \$100,000. Budgeted expenditures were decreased from 2016 budgeted levels by \$500,000. Departmental staffing decreases are being maintained for all but a few departments. The Commissioners continue to make tough and prudent financial decisions. The 2018 budget is focused on strategic planning priorities that will be enabled with the implementation of zero based budgeting.

Contacting the County's Financial Management –

This financial report provides a general overview of the County's finances, complies with finance-related laws and regulations, and demonstrates the County's commitment to public accountability. If you have, questions about this report or would like to request additional information, including financial statements for the component units, contact the Grand County Finance Director, Post Office Box 264, Hot Sulphur Springs, CO 80451.

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Financial Section

Basic Financial Statements

The primary users of financial statements of businesses are investors and creditors. Investors desire information useful in assessing a business's ability to provide a satisfactory return on their investment. Creditors seek information useful in assessing a business's ability to repay what it owes in a timely manner.

Investors and creditors are also primary users of local government financial statements, where they are joined by two other primary users groups; citizens and legislative and oversight bodies. These last two groups desire additional information useful for decisions involving resource allocation and legal compliance (e.g., budgeting). That is, the financial statements of local governments must meet the needs of three groups of users rather than just one, which is the principal reason they differ so visibly from the financial statements of a private-sector business.

Financial Section

Government-Wide Financial Statements

The financial report of a typical local government will open with a set of government-wide financial statements. These government-wide financial statements present much the same type of information provided in the financial statements of a private-sector business.

The data found in the government-wide financial statements normally are too aggregated to meet the needs of users with a special interest in resource allocation and legal compliance. Therefore, local governments also present up to three additional sets of fund financial statements that provide less aggregated data better suited to the needs of such users.

Grand County, Colorado
Government-Wide Statement of Net Position
December 31, 2016

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets			
Current Assets			
Deposits and investments (Note 3-A)	\$ 18,465,073	\$ 216,157	\$ 18,681,230
Prepaid items	38,224	10,201	48,425
Receivables: (Note 3-B)			
Accounts, net	758,799	57,521	816,320
Property taxes (Note 3-D)	9,987,528	-	9,987,528
Other taxes	762,612	-	762,612
Special assessments	-	36,128	36,128
Intergovernmental	1,426,763	-	1,426,763
Internal balances	(31,150)	31,150	-
Inventories	125,072	-	125,072
Restricted current assets (Note 1-E-6)	167,959	-	167,959
Total Current Assets	31,700,880	351,157	32,052,037
Non-Current Assets			
Notes receivable, net (Note 3-C)	148,502	-	148,502
Restricted non-current assets (Note 3-A)	-	284,054	284,054
Other assets	266,666	-	266,666
Capital assets: (Note 3-E)			
Nondepreciable capital assets	3,920,212	79,130	3,999,342
Depreciable capital assets, net	45,680,111	1,875,662	47,555,773
Total Non-Current Assets	50,015,491	2,238,846	52,254,337
Total Assets	81,716,371	2,590,003	84,306,374
Liabilities			
Current Liabilities			
Accounts payable	1,316,714	116,425	1,433,139
Due to other governments	1,102,918	-	1,102,918
Accrued interest payable	-	14,469	14,469
Accrued other expenses	-	1,045	1,045
Miscellaneous payables	2,272	-	2,272
Employee benefits payable (Note 3-G)	454,471	-	454,471
Employee insurance claims payable (Note 4-A)	204,941	-	204,941
Landfill post-closure costs (Note 3-G)	99,610	-	99,610
Loans & mortgages payable (Note 3-G)	53,000	55,478	108,478
Total Current Liabilities	3,233,926	187,417	3,421,343
Non-Current Liabilities (Note 3H)			
Tenant security deposits	-	20,581	20,581
Employee benefits payable (Note 3-G)	764,009	-	764,009
Landfill post-closure costs (Note 3-G)	2,689,476	-	2,689,476
Loans and mortgages payable (Note 3-G)	358,000	2,274,235	2,632,235
Total Non-Current Liabilities	3,811,485	2,294,816	6,106,301
Deferred Inflows of Resources			
Deferred property tax revenue	9,987,528	-	9,987,528
Deferred special assessment revenue	-	36,128	36,128
Deferred other revenue	250,232	9,295	259,527
Total Deferred Inflows of Resources	10,237,760	45,423	10,283,183
Total Liabilities and Deferred Inflows of Resources	17,283,171	2,527,656	19,810,827
Net Position			
Net investment in capital assets	49,600,323	(374,921)	49,225,402
Net position - restricted	1,953,374	260,051	2,213,425
Net position - unrestricted	12,879,503	177,217	13,056,720
Total Net Position (Deficit)	\$ 64,433,200	\$ 62,347	\$ 64,495,547

Grand County, Colorado
Government-Wide Statement of Activities
For the Year Ended December 31, 2016

	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-Type Activities	Total
Primary Government							
Governmental Activities:							
General government	\$ 11,391,607	\$ 851,871	\$ 832,562	\$ -	\$ (9,707,174)	\$ -	\$ (9,707,174)
Public health	4,017,355	2,234,362	400,832	13,961	(1,368,200)	-	(1,368,200)
Streets & highways	5,402,084	237,677	4,262,934	-	(901,473)	-	(901,473)
Public safety	4,951,708	321,639	925,401	29,995	(3,674,673)	-	(3,674,673)
Public welfare	2,214,398	-	2,330,914	-	116,516	-	116,516
Auxiliary services	2,948,243	888,042	342,715	45,075	(1,672,411)	-	(1,672,411)
Judicial	894,989	-	70,788	-	(824,201)	-	(824,201)
Total Governmental Activities	31,820,384	4,533,591	9,166,146	89,031	(18,031,616)	-	(18,031,616)
Business-Type Activities:							
Colorado Sewer Enterprise	174,789	107,773	-	28,880	-	(38,136)	(38,136)
Grand County Housing Authority	1,246,913	1,129,274	1,527	-	-	(116,112)	(116,112)
Total Business-Type Activities	1,421,702	1,237,047	1,527	28,880	-	(154,248)	(154,248)
Total - Primary Government	\$ 33,242,086	\$ 5,770,638	\$ 9,167,673	\$ 117,911	(18,031,616)	(154,248)	(18,185,864)
General Revenues							
Property taxes					9,985,798	-	9,985,798
Sales taxes					3,912,637	-	3,912,637
Other taxes					1,765,590	34,565	1,800,155
Investment earnings					203,979	1,571	205,550
Gain on sale of capital assets					58,575	-	58,575
Miscellaneous					432,003	20,249	452,252
Total General Revenues					16,358,582	56,385	16,414,967
Change in Net Position Before Transfers					(1,673,034)	(97,863)	(1,770,897)
Transfers					(22,767)	22,767	-
Change in Net Position					(1,695,801)	(75,096)	(1,770,897)
Net Position, Beginning of Year (Restated)					66,129,001	137,443	66,266,444
Net Position, End of Year					\$ 64,433,200	\$ 62,347	\$ 64,495,547

Financial Section

Fund Financial Statements

The use of public resources typically is constrained by legal restrictions and similar limitations. Some of these constraints are imposed by outside parties (e.g., higher level governments, grantors, creditors); others reflect limitations that the government itself has placed upon the use of resources. Local governments historically have established separate funds to help ensure and demonstrate compliance with such constraints.

A fund is a tool that accountants use to segregate resources related to specific activities (e.g., highway construction). Originally, each fund represented a separate bank account. In more recent decades, the funds have come to functions, for the most part, as simple bookkeeping devices designed to facilitate budgeting and to ensure legal compliance.

A private-sector enterprise that operates multiple lines of business will provide segment disclosures in the notes to its financial statements to allow financial statement users to assess each operating segment of the business separately. The funds of a local government might be compared to the operating segments of a private-sector business.

The government-wide financial statements, like those of a private-sector business, report everything a government owns (i.e., assets) and everything it owes (i.e., liabilities). Some of those assets (e.g., land, buildings, improvements, equipment, infrastructure) and some of those liabilities (e.g., long-term debt) have no practical effect on near-term liquidity.

Government funds are designed to focus on near-term liquidity. Consequently, governmental funds present only the subset of assets (i.e., financial assets) and the subset of liabilities (i.e., those normally expected to be liquidated with current financial resources) considered to be relevant for assessing liquidity.

**Governmental Funds
Balance Sheet
December 31, 2016**

	General Fund	Road and Bridge Fund	Emergency Medical Services Fund	Sales Tax Fund	Major Capital Improvement Fund	Non-major Governmental Funds	Total Governmental Funds
Assets							
Deposits and investments - unrestricted	\$ 4,847,329	\$ 5,301,979	\$ 118,354	\$ 4,556,681	\$ 1,406,263	\$ 2,234,467	\$ 18,465,073
Deposits and investments - restricted	-	-	-	-	69,030	98,929	167,959
Prepaid items	28,246	1,991	5,143	-	-	2,844	38,224
Receivables							
Accounts - net	290,496	21,298	374,496	-	20,806	51,703	758,799
Property taxes	8,080,200	210,725	1,308,852	-	-	387,751	9,987,528
Other taxes	-	-	-	638,670	-	123,942	762,612
Intergovernmental	19,363	1,307,912	-	-	-	99,488	1,426,763
Interfund	222	22,090	21,574	-	-	5,599	49,485
Inventories	-	66,871	-	-	-	58,201	125,072
Other assets	266,666	-	-	-	-	-	266,666
Total Assets	\$ 13,532,522	\$ 6,932,866	\$ 1,828,419	\$ 5,195,351	\$ 1,496,099	\$ 3,062,924	\$ 32,048,181
Liabilities, Deferred Inflows of Resources and Fund Balances							
Liabilities							
Accounts payable	\$ 781,730	\$ 228,326	\$ 96,277	\$ 124,179	\$ -	\$ 86,202	\$ 1,316,714
Due to other governments	-	1,102,918	-	-	-	-	1,102,918
Employee insurance claims payable	204,941	-	-	-	-	-	204,941
Interfund payable	43,719	-	4,849	-	-	32,067	80,635
Miscellaneous payables	2,272	-	-	-	-	-	2,272
Total Liabilities	1,032,662	1,331,244	101,126	124,179	-	118,269	2,707,480
Deferred Inflows of Resources							
Unavailable property tax revenue	8,080,200	210,725	1,308,852	-	-	387,751	9,987,528
Deferred other revenue	-	-	-	-	-	250,232	250,232
Total Deferred Inflows of Resources	8,080,200	210,725	1,308,852	-	-	637,983	10,237,760
Total Liabilities and Deferred Inflows of Resources	9,112,862	1,541,969	1,409,978	124,179	-	756,252	12,945,240
Fund Balances							
Nonspendable	28,246	68,862	5,143	-	-	61,045	163,296
Restricted	850,000	-	-	-	69,030	1,833,591	2,752,621
Assigned	2,381,333	5,322,035	413,298	5,071,172	1,427,069	412,036	15,026,943
Unassigned	1,160,081	-	-	-	-	-	1,160,081
Total Fund Balances	4,419,660	5,390,897	418,441	5,071,172	1,496,099	2,306,672	19,102,941
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 13,532,522	\$ 6,932,866	\$ 1,828,419	\$ 5,195,351	\$ 1,496,099	\$ 3,062,924	\$ 32,048,181

See accompanying notes to the basic financial statements

Grand County, Colorado
Reconciliation of the Balance Sheet of Governmental Funds
To the Statement of Net Position
December 31, 2016

Governmental Funds, Total Fund Balance		\$ 19,102,941
Amounts reported for governmental funds balance sheet and the government-wide statement of net position, are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds		
Cost - nondepreciable		3,920,212
Cost - depreciable	\$ 87,265,012	
Less accumulated depreciation	<u>(41,584,901)</u>	45,680,111
Certain assets are not due and receivable in the current period and therefore are not reported in the funds:		
Notes, loans and mortgages receivable, GCHA	167,769	
Allowance for bad debts, GCHA	<u>(19,267)</u>	148,502
Certain liabilities are not due and payable in the current period and therefore are not reported in the funds:		
Pole Creek Meadows Public Improvement District Bond	(411,000)	
Employee benefits payable	(1,218,480)	
Landfill closure and post-closure care costs	<u>\$ (2,789,086)</u>	<u>(4,418,566)</u>
Government-wide Statement of Net Position		
Governmental Activities Total Net Position		<u>\$ 64,433,200</u>

Grand County, Colorado
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended December 31, 2016

	General Fund	Road and Bridge Fund	Emergency Medical Services Fund	Sales Tax Fund	Major Capital Improvement Fund	Non-major Governmental Funds	Total Governmental Funds
Revenues							
Property taxes	\$ 8,077,193	\$ 203,447	\$ 1,321,038	\$ -	\$ 82	\$ 384,038	\$ 9,985,798
Intergovernmental	2,751,483	4,262,934	73,462	-	-	2,799,597	9,887,476
Charges for services	3,622,147	639,045	1,847,806	-	-	333,074	6,442,072
Sales taxes	-	-	-	3,912,637	-	-	3,912,637
Other taxes	478,500	28,323	76,527	-	-	847,525	1,430,875
Investment earnings	170,800	-	-	-	-	5,581	176,381
Investment unrealized gains (losses)	27,598	-	-	-	-	-	27,598
Licenses and permits	428,056	11,716	-	-	-	-	439,772
Special assessments	5,500	-	-	-	-	329,215	334,715
Miscellaneous	264,015	82,191	41,114	390	-	44,293	432,003
Total Revenues	15,825,292	5,227,656	3,359,947	3,913,027	82	4,743,323	33,069,327
Expenditures							
Current							
General government	9,961,456	-	-	1,303,991	301	-	11,265,748
Public health	1,152,711	-	3,306,786	-	-	-	4,459,497
Streets and highways	-	4,758,739	-	5,970	-	-	4,764,709
Public safety	3,961,355	-	-	38,739	-	675,750	4,675,844
Public welfare	-	-	-	1,239	-	2,513,319	2,514,558
Auxiliary services	930,125	-	-	5,049	-	1,546,888	2,482,062
Judicial services	679,044	-	-	8,975	-	-	688,019
Debt Service							
Interest	-	-	-	-	-	16,863	16,863
Principal	-	-	-	-	-	51,000	51,000
Capital Outlay	-	-	132,862	-	777,522	83,634	994,018
Total Expenditures	16,684,691	4,758,739	3,439,648	1,363,963	777,823	4,887,454	31,912,318
Excess (Deficiency) of Revenues Over (Under) Expenditures	(859,399)	468,917	(79,701)	2,549,064	(777,741)	(144,131)	1,157,009
Other Financing Sources (Uses)							
Transfers in	-	250,000	250,000	6,000	239,951	797,215	1,543,166
Transfers out	(591,300)	(345,000)	(250,000)	-	-	(379,633)	(1,565,933)
Proceeds on the sale of capital assets	-	-	-	-	66,833	-	66,833
Total Other Financing Sources (Uses) Net	(591,300)	(95,000)	-	6,000	306,784	417,582	44,066
Net Changes in Fund Balances	(1,450,699)	373,917	(79,701)	2,555,064	(470,957)	273,451	1,201,075
Fund Balances, Beginning of Year	5,870,359	5,016,980	498,142	2,516,108	1,967,056	2,033,221	17,901,866
Fund Balances, End of Year	\$ 4,419,660	\$ 5,390,897	\$ 418,441	\$ 5,071,172	\$ 1,496,099	\$ 2,306,672	\$ 19,102,941

See accompanying notes to the basic financial statements

Grand County, Colorado
Reconciliation of the Statement of Revenues, Expenditures and Changes in
Fund Balances, Net Changes in Fund Balances of Governmental Funds
To the Statement of Activities
For the Year Ended December 31, 2016

Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances, Net Changes in Fund Balances		\$ 1,201,075
Amounts reported for governmental-wide statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay expenditures exceeded depreciation expense in the current period plus the value of capital assets traded in less the net book value of capital assets disposed during the year.		
Net capital assets 12/31/2016	49,600,323	
less: Net capital assets 12/31/2015	<u>(52,566,901)</u>	(2,966,578)
Government funds report down payment assistance (DPA) loan outlays as expenditures and repayments as revenue. However, in the government-wide financial statements, DPA repayments are reported as decreases in the receivable and only interest earned is reported as revenue. Included in this category are DPA loans and the Moraine Park Loan issued by the Grand County Housing Authority (GCHA) and DPA loans received from the Colorado Mountain Housing Coalition (CMHC). Following are the respective differences in reporting:		
Net GCHA notes receivable 12/31/16	148,502	
less: Net GCHA notes receivable 12/31/15	<u>(107,699)</u>	40,803
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces the Pole Creek Meadows Public Improvement District's long-term liabilities in the statement of net assets.		
Pole Creek Meadows PID Bond repayment		51,000
Some expenses reported 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 including the changes in the following.		
Compensated absences payable decrease	27,291	
Severance payable balance increase	(82,062)	
Landfill post-closure costs decrease	<u>32,670</u>	(22,101)
Government-wide Statement of Activities, Governmental Activities Change in Net Position		<u>\$ (1,695,801)</u>

Fund Financial Statements

Major Proprietary Funds

In general proprietary funds comprise two fund types. Enterprise funds are used to account for services provided on a total or partial cost-recovery basis to parties outside the government (e.g., water, mass transit, hospitals). Internal service funds are used to allocate overhead costs (e.g., data processing, motor pool) within the government itself. Grand County's proprietary funds are all enterprise funds.

The Colorado Sewer Enterprise Fund – This fund is used to account for the County's one-third interest in the operation of the sewage collection infrastructure and treatment plant for an unincorporated area of Grand County known as Tabernash.

The following enterprise funds are included in the County financial statements by the blending of the Grand County Housing Authority:

Silver Spruce Senior Apartments Fund – This facility, located in Kremmling includes 20 single bedroom apartments in a secured building with after-hours keyed entry designed for low income seniors 62 years of age or disabled.

Cliffview Assisted Living Center Fund – This facility, located in Kremmling is designed for up to 25 seniors who need a supportive setting while maintaining their independence.

Grand Living Senior Homes Fund – This facility, located in Granby, includes 24 single bedroom apartments with individual entrances and patios designed for low income seniors 62 years of age or disabled.

Grand County, Colorado
Proprietary Funds
Combining Statement of Net Position
December 31, 2016

	Business-type Activities - Enterprise Funds					
	Grand County Housing Authority					2016 Totals
	Colorado Sewer Enterprise Fund	Silver Spruce Senior Apartments Fund	Grand Living Senior Homes Fund	Cliffview Assisted Living Center Fund	Grand County Housing Authority Totals	
Assets						
Current Assets						
Deposits and investments - unrestricted	89,810	\$ 27,951	\$ 71,281	\$ 27,115	\$ 126,347	\$ 216,157
Receivables:						
Accounts	34,761	400	9,322	11,716	21,438	56,199
Special assessments	36,128	-	-	-	-	36,128
Prepaid items	8,226	637	699	639	1,975	10,201
Other receivable	-	1,322	-	-	1,322	1,322
Interfund receivable	1,150	-	-	30,000	30,000	31,150
Total Current Assets	<u>170,075</u>	<u>30,310</u>	<u>81,302</u>	<u>69,470</u>	<u>181,082</u>	<u>351,157</u>
Noncurrent Assets						
Restricted assets:						
Deposits and investments - restricted	32,096	140,172	62,168	49,618	251,958	284,054
Capital assets						
Nondepreciable capital assets	-	20,000	44,453	14,677	79,130	79,130
Depreciable capital assets, net	694,476	269,708	438,637	472,841	1,181,186	1,875,662
Total Noncurrent Assets	<u>726,572</u>	<u>429,880</u>	<u>545,258</u>	<u>537,136</u>	<u>1,512,274</u>	<u>2,238,846</u>
Total Assets	<u>896,647</u>	<u>460,190</u>	<u>626,560</u>	<u>606,606</u>	<u>1,693,356</u>	<u>2,590,003</u>
Liabilities						
Current Liabilities:						
Accounts payable	12,638	15,185	24,104	64,498	103,787	116,425
Accrued interest	-	11,944	944	1,581	14,469	14,469
Other accrued expenses	-	1,091	(46)	-	1,045	1,045
Loans payable (current portion)	13,590	7,124	15,549	19,215	41,888	55,478
Total Current Liabilities	<u>26,228</u>	<u>35,344</u>	<u>40,551</u>	<u>85,294</u>	<u>161,189</u>	<u>187,417</u>
Long-Term Liabilities:						
Loans payable						
(net of current portion)	462,326	755,134	521,322	535,453	1,811,909	2,274,235
Tenant security deposits	-	5,369	7,112	8,100	20,581	20,581
Total Long-Term Liabilities	<u>462,326</u>	<u>760,503</u>	<u>528,434</u>	<u>543,553</u>	<u>1,832,490</u>	<u>2,294,816</u>
Deferred Inflows of Resources and						
Unearned Revenues	<u>36,128</u>	<u>-</u>	<u>6</u>	<u>9,289</u>	<u>9,295</u>	<u>45,423</u>
Total Liabilities and Deferred Inflows of Resources	<u>524,682</u>	<u>795,847</u>	<u>568,991</u>	<u>638,136</u>	<u>2,002,974</u>	<u>2,527,656</u>
Net Position						
Net investment in capital assets	218,560	(472,550)	(53,781)	(67,150)	(593,481)	(374,921)
Net position - restricted						
Expendable for replacements	-	134,166	54,609	39,180	227,955	227,955
Unexpendable restricted cash	32,096	-	-	-	-	32,096
Net position - unrestricted	121,309	2,727	56,741	(3,560)	55,908	177,217
Total Net Position (Deficit)	<u>\$ 371,965</u>	<u>\$ (335,657)</u>	<u>\$ 57,569</u>	<u>\$ (31,530)</u>	<u>\$ (309,618)</u>	<u>\$ 62,347</u>

Grand County, Colorado
Proprietary Funds
Combining Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended December 31, 2016

	Business-type Activities - Enterprise Funds					
	Grand County Housing Authority					
Colorado Sewer Enterprise Fund	Silver Spruce Senior Apartments Fund	Grand Living Senior Homes Fund	Cliffview Assisted Living Center Fund	Grand County Housing Authority Totals	2016 Totals	
Operating revenues						
Charges for services	\$ 107,773	\$ -	\$ -	\$ -	\$ 107,773	
Special assessments	34,565	-	-	-	34,565	
Gross potential rents	-	67,790	80,397	500,273	648,460	
Tenant assistance / medicaid reimbursements	-	167,791	115,565	196,904	480,260	
Laundry and vending revenue	-	1,484	597	-	2,081	
Other revenue	555	2,314	11,337	6,043	20,249	
Total operating revenues	142,893	239,379	207,896	703,220	1,293,388	
Operating expenses						
Activities	-	-	-	352,127	352,127	
Administrative	77,015	60,169	45,349	153,389	335,922	
Operations and maintenance	29,371	74,414	78,707	27,451	209,943	
Taxes and insurance	4,481	17,896	18,512	108,825	149,714	
Utilities	10,513	50,087	48,314	43,386	152,300	
Total operating expenses	121,380	202,566	190,882	685,178	1,200,006	
Operating income from operations before depreciation	21,513	36,813	17,014	18,042	93,382	
Depreciation	(27,812)	(22,072)	(47,896)	(31,588)	(129,368)	
Income (loss) from operations	(6,299)	14,741	(30,882)	(13,546)	(35,986)	
Non-operating revenues (expenses)						
Interest expense	(25,597)	(25,285)	(11,642)	(29,804)	(92,328)	
Investment earnings	1,571	-	-	-	1,571	
Total non-operating revenues (expenses)	(24,026)	(25,285)	(11,642)	(29,804)	(90,757)	
Income (loss) before special item, transfers and capital contributions	(30,325)	(10,544)	(42,524)	(43,350)	(126,743)	
Capital Contribution-Tap Fees	28,880	-	-	-	28,880	
Transfers In	-	-	-	30,133	30,133	
Transfers Out	-	(7,366)	-	-	(7,366)	
Net Changes in Net Position	(1,445)	(17,910)	(42,524)	(13,217)	(75,096)	
Net Position (Deficit), Beginning of Year	373,410	(317,747)	100,093	(18,313)	137,443	
Net Position (Deficit), End of Year	\$ 371,965	\$ (335,657)	\$ 57,569	\$ (31,530)	\$ 62,347	

Grand County, Colorado
Proprietary Funds
Combining Statement of Cash Flows
For the Year Ended December 31, 2016

	Business-type Activities - Enterprise Funds					
	Grand County Housing Authority					
	Colorado Sewer Enterprise Fund	Silver Spruce Senior Apartments Fund	Grand Living Senior Homes Fund	Cliffview Assisted Living Center Fund	Grand County Housing Authority Totals	2016 Totals
Cash Flows From Operating Activities:						
Cash from tenants and others	\$ -	\$ 69,417	\$ 81,234	\$ 494,728	\$ 645,379	\$ 645,379
Other cash receipts	119,808	171,250	126,882	212,210	510,342	630,150
Cash paid for goods and services	(128,547)	(188,457)	(177,804)	(697,966)	(1,064,227)	(1,192,774)
Net Cash Flows Provided (Used) by Operating Activities	(8,739)	52,210	30,312	8,972	91,494	82,755
Cash Flows From Capital and Related Financing Activities:						
Acquisition of capital assets	-	-	-	(14,677)	(14,677)	(14,677)
Repayment of debt	(12,961)	(28,904)	(14,002)	(12,382)	(55,288)	(68,249)
Interest paid	(25,597)	(21,564)	(12,145)	(30,039)	(63,748)	(89,345)
Capital contributions - tap fee revenue	28,880	-	-	-	-	28,880
Investment earnings	1,571	-	-	-	-	1,571
Transfers in (out)	-	(7,366)	-	30,133	22,767	22,767
Net Cash Provided (Used) by Capital and Related Financing Activities	(8,107)	(57,834)	(26,147)	(26,965)	(110,946)	(119,053)
Net Increase (Decrease) in Cash and Cash Equivalents	(16,846)	(5,624)	4,165	(17,993)	(19,452)	(36,298)
Cash and Cash Equivalents - Beginning	138,752	173,747	129,284	94,726	397,757	536,509
Cash and Cash Equivalents - Ending	\$ 121,906	\$ 168,123	\$ 133,449	\$ 76,733	\$ 378,305	\$ 500,211
Cash and Cash Equivalents						
Cash - Unrestricted	\$ 89,810	\$ 27,951	\$ 71,281	\$ 27,115	\$ 126,347	\$ 216,157
Cash - Other restricted	32,096	140,172	62,168	49,618	251,958	284,054
Total Cash and Cash Equivalents	\$ 121,906	\$ 168,123	\$ 133,449	\$ 76,733	\$ 378,305	\$ 500,211
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:						
Operating Income (Loss)	\$ (6,299)	\$ 14,741	\$ (30,882)	\$ (13,546)	\$ (29,687)	\$ (35,986)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:						
Depreciation	27,812	22,073	47,895	31,589	101,557	129,369
Changes in Assets and Liabilities:						
(Increase) Decrease in Assets						
Accounts receivable	1,000	-	-	-	-	1,000
Special assessments receivable	(36,128)	-	-	-	-	(36,128)
Tenant receivables	-	(400)	46	(5,545)	(5,899)	(5,899)
Prepaid expenses	(8,226)	12	294	1,080	1,386	(6,840)
Due to / from	-	-	-	(30,000)	(30,000)	(30,000)
Other receivables	57	1,200	-	-	1,200	1,257
Deferred loan fees	-	15,134	-	-	15,134	15,134
Increase (Decrease) in Liabilities						
Accounts payable	(23,083)	1,709	15,053	20,503	37,265	14,182
Other accrued expenses	-	(2,747)	(2,270)	(4,372)	(9,389)	(9,389)
Other deferred revenue	36,128	(55)	(19)	(23)	(97)	36,031
Unearned revenue	-	-	-	9,286	9,286	9,286
Tenant security deposits	-	543	195	-	738	738
Total Adjustments	(2,440)	37,469	61,194	22,518	121,181	118,741
Net Cash Provided (Used) for Operating Activities	\$ (8,739)	\$ 52,210	\$ 30,312	\$ 8,972	\$ 91,494	\$ 82,755

Fund Financial Statements

Fiduciary (Agency) Funds

In general fiduciary funds consist of four fund types: private-purpose trust funds (escheat property), pension and other employee benefit trust funds, investment trust funds (intergovernmental investment pools), and agency funds (resources held in a temporary and essentially custodial capacity).

The County Fiduciary Funds are Agency Funds used to account for assets that the County holds in a fiduciary capacity but belong to third parties.

- ***The Treasurer's Fund*** is used to account for resources received and disbursed by the County Treasurer on behalf of other government agencies, primarily the county special taxing districts and certain County operations. The Public Trustee activity is included in the Treasurer's Fund.
- ***The Clerk's Fund*** is used to account for resources received and disbursed by the County Clerk on behalf of other government agencies, primarily the State of Colorado
- ***The Sheriff's Fund*** consists of the forfeiture fund used to account for proceeds from the seizure of contraband available to the Sheriff for law enforcement activities. Additionally, the Sheriff holds money for jail inmates and collects monies from jail inmates for the district and county courts and also charges jail inmates for goods and services.
- ***The Colorado State Highway 9 Fund*** is a temporary fund used to account for resources held in escrow by North American Title Company restricted for use as part of the RAMP agreement for the CDOT Colorado State Highway 9 project scheduled for completion in 2017.

Grand County, Colorado
Fiduciary (Agency) Funds
Statement of Fiduciary Assets and Liabilities
December 31, 2016

Assets	
Cash and investments	<u>\$ 2,445,284</u>
Liabilities	
Due to others	\$ 1,345,696
Due to other governmental units	752,761
Outstanding warrants	346,691
Due to County Sheriff	<u>136</u>
Total Liabilities	<u><u>\$ 2,445,284</u></u>

Financial Section

Notes to the Basic Financial Statements

These notes are intended to communicate information necessary for a fair presentation of financial position and changes in financial position that are not readily apparent from or cannot be included in the financial statements themselves. The notes supplement the financial statements, are an integral part thereof, and are intended to be read in conjunction with the financial statements.

Grand County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

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Grand County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

Note 1 - Summary of Significant Accounting Policies -

The financial statements of the County have been prepared in conformity with accounting principles generally accepted in the United States (GAAP) as applied to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for governmental accounting and financial reporting.

The most significant of the County's accounting policies are described below.

1-A. Reporting Entity –

In accordance with GASB Statements 14, 39 and 61, the County's reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements are not misleading. The primary government of the County consists of all funds, departments, boards and agencies that are not legally separate from the County.

Component units are legally separate organizations for which the County is financially accountable. The County is financially accountable for an organization if the County appoints a voting majority of the organization's governing board and (1) the County is able to significantly influence the programs or services performed or provided by the organizations; or (2) the County is legally entitled to or can otherwise access the organization's resources; the County is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the County is obligated for the debt of the organization. Component units also may include organizations that are fiscally dependent on the County in that the County approves the budget, levies their taxes or issues their debt.

The financial statements of the following component units are included in the financial reporting entity as blended component units.

1-A-1. Blended Component Units –

Housing Authority of the County of Grand, Colorado (Housing Authority) – The Housing Authority of the County of Grand, Colorado dba Grand County Housing Authority was formed in 1977 for the purpose of providing safe and adequate housing for the program participants of Grand County. The Housing Authority receives and administers the resources received from the U. S. Department of Housing and Urban Development (HUD) and the U. S. Department of Agriculture (USDA) Office of Rural Development, Division of Housing Section 8 Memorandums of Understanding (MOU). The Housing Authority is responsible for the administration of Section 8 and Low Income Housing federal programs, as well as other non-federal, State and County programs. The Housing Authority is a legally separate entity from the County, formed by resolution of and currently governed by the Grand County Board of County Commissioners which serves as the Housing Authority Board of Directors. The County provides guidance and administrative support through which the County has the ability to impose its will on policy making and day to day operations of the Housing Authority, which is fiscally dependent on the County and is financially intertwined through its funding requirements and commitments.

The Housing Authority issues separate annual audited financial statements, available by contacting the Executive Director, P.O. Box 264, Hot Sulphur Springs, CO 80451. For financial reporting purposes, the Housing Authority is reported as if it was part of the County's operations.

Pole Creek Meadows, Grand County, Colorado Public Improvement District (District) – The Pole Creek Meadows, Grand County, Colorado Public Improvement District was formed in 2012 for the construction or acquisition of public improvements consisting of certain road and street improvements to and for the benefit of the properties within the boundaries of the District, in accordance with the County Public Improvement District Act of 1968, Section 30-20-501. The District is a separate legal entity from the County and any bonds issued by the District shall under no circumstances be considered or held to be an obligation of the County.

The improvements were funded in 2013 with the proceeds of a bond issuance and a contribution from the County. The bond will be repaid with a District property tax increment that began in 2014. The Board of County Commissioners constitute ex officio the board of directors of the District and set the annual mill levy. The County Treasurer as ex officio treasurer of the board and the District makes the annual bond payment from the assessments collected.

Grand County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

Note 1 - Summary of Significant Accounting Policies (Continued)

1-A. Reporting Entity (Continued)

1-A-2. Intergovernmental Agreements –

The County has entered into various intergovernmental agreements that do not meet the criteria for inclusion in these financial statements as component units or as joint ventures. For more information regarding these agreements contact the County Manager, P.O. Box 264, Hot Sulphur Springs, CO 80451.

The County receives funding from local, state, and federal government sources and must comply with all requirements of these funding sources. The County is not included in any other governmental reporting entity.

1-B. Basis of Presentation –

The County's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities and fund financial statements, which provide a more detailed level of financial information.

Government-wide Financial Statements - The government-wide financial statements include the Statement of Net Position and the Statement of Activities. These statements report financial information for the County as a whole. The primary government and the component units are presented separately within these financial statements with the focus on the primary government. Fiduciary activities are not included at the government-wide reporting level. Individual funds are not displayed but the statements distinguish governmental activities, generally supported by taxes and County general revenues, from the business-type activity, generally financed in whole or in part with fees charged to external customers.

The Statement of Net Position presents the financial position of the governmental and the business-type activity of the County at year-end.

The Statement of Activities presents a comparison between direct expenses and program revenues for each of the County's governmental activities and for each identifiable segment of the County business-type activities. Direct expenses are those that are specifically associated with a function and therefore clearly identifiable to that particular function. The County does not allocate indirect expenses to functions in the Statement of Activities.

The Statement of Activities reports the expenses of a given function offset by program revenues directly connected with the governmental activity. Each governmental activity is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with the activity. Program revenues include: (1) charges for services and sales which report fees and other charges to users of the County's services; (2) operating grants and contributions which help finance annual operating activities including restricted investment income; and (3) capital grants and contributions which fund the acquisition, construction or rehabilitation of capital assets. These revenues are subject to externally imposed restrictions to these program uses. For identifying to which function program revenue pertains, the determining factor for charges for services is which function generates the revenue. For grants and contributions, the determining factor is to which functions the revenues are restricted.

Taxes and other revenue sources not properly included with program revenues are reported as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function and each identifiable business activity is self-financing or draws from the general revenues.

Fund Financial Statements - During the year, the County segregates transactions related to certain County functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the County at this more detailed level. Fund financial statements are provided for governmental, proprietary, and fiduciary funds.

Major individual governmental funds and the enterprise funds are reported in separate columns with composite columns for non-major funds. Fiduciary funds are reported by type.

Grand County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

Note 1 - Summary of Significant Accounting Policies (Continued)

1-B. Basis of Presentation (Continued)

Fund Accounting - The County uses funds to maintain its financial records during the year. A fund is a fiscal and accounting entity with a self-balancing set of accounts. The County uses three categories of funds: governmental, proprietary and fiduciary.

Governmental Funds - Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Fund liabilities are assigned to the fund from which they will be liquidated. The County reports the difference between governmental fund assets and liabilities as fund balance. The following are the County's major governmental funds:

General Fund - The General Fund is the County's primary operating fund. It accounts for all financial resources except those required to be accounted for in another fund. The fund balance is available to the County for any purpose provided it is expended or transferred according to the general laws of Colorado. The Retirement, Affordable Housing, Employee Insurance, and Water Quality Funds have been combined with the General Fund to comply with the reporting requirements of GASB 54.

Road and Bridge Fund - This fund is used to account for a portion of County property taxes, State Highway User Tax Fund revenues, Federal Payments in Lieu of Taxes, National Forest Reserve revenues and other sources of revenue legally restricted or designated (primarily sales taxes) by the Board of County Commissioners for the maintenance of County roads. The Payment In Lieu of Taxes (PILT) Fund has been combined with the Road and Bridge Fund to comply with the reporting requirements of GASB 54.

Emergency Medical Services Fund - This fund is used to report the collection and expenditure of two mills of the County property taxes approved by citizen vote for the County's emergency medical response and ambulance services. Revenues also include charges for services received from parties outside the government.

Sales Tax Fund - This fund is used to account for County sales tax revenues received, transferred to other funds or for non-major, non-operating expenditures (i.e., under \$5,000) financed primarily from sales tax revenues.

Major Capital Improvements Fund - This fund is used to account for major capital expenditures (i.e., in excess of \$5,000), financed primarily from sales tax revenues or capital leases, and all other major capital asset transactions of the County.

Proprietary Funds - Proprietary funds in general are comprised of two fund types: 1) Enterprise funds which are used to account for services provided on a total or partial cost-recovery basis to parties outside the government (e.g., water, mass transit, solid waste landfills, hospitals, etc.). 2) Internal service funds are used, for the most part, to allocate selected costs (e.g., data processing, motor pool) within the government itself. The County's proprietary funds are enterprise funds.

The Colorado Sewer Enterprise Fund - This fund is used to account for the County's one-third interest in the operation of the sewage collection infrastructure and treatment plant for an unincorporated area of Grand County known as Tabernash.

The following enterprise funds are included in the County financial statements by the blending of the Grand County Housing Authority:

Silver Spruce Senior Apartments Fund - This facility, located in Kremmling, includes 20 single bedroom apartments in secured buildings with after-hours keyed entry designed for low income seniors (62 years of age or disabled) who maintain this as their sole residence.

Cliffview Assisted Living Center Fund - This facility, located in Kremmling, is designed for up to 25 seniors who need a supportive setting while maintaining their independence and choices in life.

Grand County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

Note 1 - Summary of Significant Accounting Policies (Continued)

1-B. Basis of Presentation (Continued)

Grand Living Senior Homes Fund – This facility, located in Granby, includes 24 single bedroom apartments with individual entrances and patios designed for low income seniors 62 years of age or disabled who maintain this as their sole residence.

Fiduciary Funds - Fiduciary funds in general consist of four fund types: 1) private-purpose trust funds (e.g., escheat property), 2) pension and other employee benefit trust funds, 3) investment trust funds (e.g., intergovernmental investment pools), and 4) agency funds (i.e., resources held in a temporary and essentially custodial capacity but belong to third parties). The County fiduciary funds are agency funds.

Treasurer's Fund – This fund is used to account for resources received and disbursed by the County Treasurer on behalf of special taxing districts and for individuals with regard to certain County operations, primarily building and planning. The Public Trustee activity is included in the Treasurer's Fund.

Clerk's Fund – This fund is used to account for resources received and disbursed by the County Clerk on behalf of other government agencies primarily the State of Colorado and local municipalities.

Sheriff's Fund – This fund is used to account for proceeds from the seizure of contraband available to the Sheriff for law enforcement activities and money the Sheriff holds for jail inmates or collects from jail inmates for the district and County courts.

Colorado State Highway 9 Fund – This agency fund is used to account for resources held in escrow by North American Title Company restricted for use as part of the RAMP agreement for the CDOT Colorado Highway 9 project.

1-C. Measurement Focus -

Government-wide Financial Statements - The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the County are included on the statement of net position. The statement of activities reports all revenues and expenses.

Fund Financial Statements - All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the governmental fund statements.

Like the government-wide statements, the proprietary funds are accounted for on a flow of economic resources measurement focus on both financial reporting levels. All assets and all liabilities associated with the operation of these funds are included on the statements of net position. The statements of changes in fund net position present increases (i.e., revenues) and decreases (i.e., expenses) in net position. The statement of cash flows provides information about how the County finances and meets the cash flow needs of its proprietary activities.

1-D. Basis of Accounting –

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. At the fund reporting level, governmental funds use the modified accrual basis of accounting. Fiduciary funds use the accrual basis of accounting. The proprietary funds use the accrual basis of accounting at both reporting levels. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred inflows/outflows and the presentation of expenses versus expenditures.

Grand County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

Note 1 - Summary of Significant Accounting Policies (Continued)

1-D. Basis of Accounting (Continued)

Revenues – Exchange Transactions - Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded when the exchange takes place and in the calendar year in which the resources are measurable and become available. Available means that the resources will be collected within the current calendar year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current calendar year. For the County, the phrase “available for exchange transactions” means expected to be received within 90 days of year-end.

Revenues - Non-exchange Transactions - Non-exchange transactions in which the County receives value without directly giving equal value in return, include property and sales taxes, grants, and donations. On an accrual basis, revenue from sales tax is recognized in the period in which the taxable sale takes place. Revenue from property taxes is recognized in the fiscal year for which the taxes are levied (See Note 3-D). Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the County must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the County on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions also must be available (i.e., collected within 60 days) before it can be recognized. Under the modified accrual basis, the revenue sources considered to be susceptible to accrual include property taxes, sales tax, interest and federal, state and local grants.

Deferred Outflows / Inflows of Resources – In addition to assets, the statement of net position will sometimes report a separate section of deferred outflows of resources. This separate financial statement element, deferred outflows of resources, 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 County has no items reported as deferred outflows of resources.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement 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. Property taxes revenue that are related to a future period have been recorded as deferred inflows. Grants and entitlements received before the eligibility requirements are met (e.g., cash advances) also are recorded as deferred inflows. These amounts are deferred and will be recognized as an inflow of resources in the period that the amounts become available.

Expenses/Expenditures - On the accrual basis of accounting, expenses are recognized at the time they are incurred. On the modified accrual basis, expenditures generally are recognized in the accounting period in which the related fund liability is incurred and due, if measurable.

1-E. Assets, Liabilities and Fund Equity

1-E-1. Deposits and Investments -

For the purposes of the statement of cash flows, the County considers all highly liquid investments with an original maturity of three months or less when purchased to be cash and cash equivalents.

Investments are stated at fair value at the reporting year end. The change in fair value of investments is recognized as an increase or decrease to investment assets and investment income.

Colorado Statutes specify in which instruments units of local government may invest including;

- Repurchase agreements,
- Obligations of the United States or obligations unconditionally guaranteed by the United States,
- Obligations of the State of Colorado and most general obligations of units of local governments,
- Federally insured mortgages and student loans,
- Participation with other local governments in pooled investment funds (Trusts). These Trusts are supervised by participating governments, and must comply with the same restrictions as cash deposits and investments.

Grand County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

Note 1 - Summary of Significant Accounting Policies (Continued)

1-E. Assets, Liabilities and Fund Equity (Continued)

1-E-2. Receivables –

All trade and property tax receivables are reported net of an allowance for uncollectible amounts. Emergency Medical Services accounts receivable make up the majority of the accounts classification. Accounts are considered active as long as the user of the ambulance service maintains contact with the County and there is a high possibility of collectability. Accounts in collection have been passed on to a professional collection agency when contact with the user has been lost and/or the possibility of collection seems low. Active accounts are estimated to be 70% collectible and accounts in collections are estimated to be uncollectible.

1-E-3. Interfund Balances –

On the fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "Interfund Receivable / Interfund Payable." These amounts classified as "Internal Balances" are eliminated in the governmental and business-type activities columns of the statement of net position.

1-E-4. Inventories –

On the government-wide financial statements, inventories are presented at average cost and are expensed when used (i.e., the consumption method). On the fund financial statements, inventories of governmental funds are stated at the lower of cost or market. For all funds, cost is determined on a first-in, first-out basis. The cost of inventory items is recorded as expenditure in the governmental fund types when consumed. Inventories consist of fuel stored at the County airports and Road and Bridge shops throughout the county.

1-E-5. Prepaid Items –

Payments made to vendors for services that will benefit periods beyond the end of the fiscal year are recorded as prepaid items using the consumption method by recording an asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed.

1-E-6. Restricted Assets -

Primary Government – Governmental Activities – The Primary Government - Governmental Activities report \$167,959 for restricted assets. These are assets restricted as to their use and not available for general appropriation or expenditure except within their fund and for specified purposes.

The Major Capital Improvement Fund has \$69,030 cash for the Clerk & Recorder electronic filing project. The Grand County Housing Authority Administration Fund has \$98,929 cash to provide for down payment assistance.

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Grand County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

Note 1 - Summary of Significant Accounting Policies (Continued)

1-E. Assets, Liabilities and Fund Equity (Continued)

1-E-6. Restricted Assets (Continued)

Primary Government - Business-type Activities - Primary Government - Business-type Activities report \$284,054 as the amount set aside and reported as restricted non-current assets for the following:

Colorado Sewer Enterprise Fund - The restricted non-current assets relate to the USDA Rural Development note payable. Beginning in 2000, the County was required to deposit \$3,210 annually until a total of \$32,096 was accumulated. No resources may be withdrawn from this account without written authorization from the USDA Rural Development. This account is established as a separate interest bearing account at a financial institution protected by the Federal Deposit Insurance Corporation with a balance of \$32,096.

Grand County Housing Authority Proprietary Funds - Restricted non-current assets \$251,958, includes assets held for reserves and replacement of the Authority's property, structures and equipment in the amount of \$227,955 and tenant security deposit account balances of \$24,003.

Fiduciary Funds - Fiduciary Funds reported \$2,445,284 and include the following funds and amounts:

Treasurer's Fund - This agency fund contained \$1,811,353 in cash at year-end held on behalf of special taxing districts and for individuals with regard to certain County operations primarily building and planning. The Public Trustee activity is included in the Treasurer's Fund.

Clerk's Fund - This agency fund contained \$432,349 at year-end held on behalf of other government agencies, primarily the State of Colorado and local municipalities.

Sheriff's Fund - This agency fund contained \$38,166 at year-end from the seizure of contraband available to the Sheriff for law enforcement activities and money the Sheriff holds for jail inmates or collects from jail inmates for the District and County courts.

Colorado State Highway 9 Fund - This agency fund contained \$163,416 at year-end held on behalf of the State of Colorado.

1-E-7. Capital Assets -

Governmental activities capital assets are those assets not specifically related to activities reported in the business-type activities. These assets generally result from expenditures in the governmental funds, primarily the Major Capital Improvement Fund. The County reports total capital assets in the governmental activities column of the government-wide statement of net position, net of depreciation, but does not report these assets in the governmental fund financial statements. Capital assets utilized by the enterprise funds are reported both in the business-type activities column of the government-wide statement of net position and in the proprietary funds statement of net position.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their acquisition value as of the date received. The County maintains a capitalization threshold of \$5,000.

Improvements to capital assets are capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are expensed. Interest incurred during the construction of capital assets utilized by the enterprise funds is capitalized.

All in service capital assets are depreciated except for land and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the County's historical records of necessary improvements and replacement.

Grand County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

Note 1 - Summary of Significant Accounting Policies (Continued)

1-E. Assets, Liabilities and Fund Equity (Continued)

1-E-7. Capital Assets (Continued) –

The County's infrastructure consists primarily of roads and bridges. The Colorado Sewer Enterprise Fund facilities and infrastructure includes a one-third interest in the operation of the sewage collection infrastructure and treatment plant in Tabernash. The Grand County Housing Authority proprietary funds include the land, buildings and building improvements and building equipment associated with the three low income housing projects.

Depreciation is computed using the straight-line method over the following estimated useful lives:

Capital Asset Depreciation Estimated Useful Lives		
Description	Governmental Activities	Business-Type Activities
Land improvements	20 years	---
Buildings / Facility	50 years	20 – 40 years
Machinery and equipment	5 – 20 years	20 years
Infrastructure	15 – 40 years	40 years

1-E-8. Compensated Absences –

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means.

The total compensated absence liability is reported on the government-wide financial statements. The proprietary enterprise funds report the total compensated liability in each individual fund at the fund reporting level. Governmental funds report the compensated absence liability at the fund reporting level only "when due."

1-E-9. Accrued Liabilities and Long-term Obligations –

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are due and are paid in a timely manner and in full, are reported as obligations of these fund. Notes and capital leases are recognized as a liability in the governmental fund financial statements when due.

1-E-10. Fund Equity –

Fund equity at the governmental fund financial reporting level is classified as "fund balance." Fund equity for all other reporting is classified as "net position."

Fund Balance – Generally, fund balance represents the difference between financial assets, deferred outflows of resources, liabilities, and deferred inflows of resources normally expected to be liquidated with current financial resources reported in a governmental fund. As an appropriate measure of liquidity, fund balance is similar to the working capital of a private-sector business.

The County's financial statements for governmental funds may report up to five components of fund balance.

Non-spendable fund balance includes assets that will never convert to cash, and assets that will not convert to cash soon enough to affect the current period and resources that must be maintained intact pursuant to legal or contractual requirements (e.g., prepaid items, and inventories).

Grand County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

Note 1 - Summary of Significant Accounting Policies (Continued)

1-E. Assets, Liabilities and Fund Equity (Continued)

1-E-10. Fund Equity (Continued) –

Restricted fund balance is used to describe the portion of fund balance that reflects resources that are subject to externally enforceable legal restrictions. Such restrictions typically are imposed by parties altogether outside the County. State defined programs and grants including the TABOR emergency reserve required by statute make up the majority of the restricted fund balance.

Committed fund balance describes the portion of fund balance that represents resources whose use is constrained by limitations that the County imposes upon itself at the Board of County Commissioners level by formal action and that remain binding unless removed in the same manner. The formal action is a Board of County Commissioners resolution to commit and rescind the committed fund balance.

Assigned fund balance is the portion of the fund balance that reflects the County's intended use of resources as determined by the Board of County Commissioners. Amounts in excess of non-spendable, restricted, and committed fund balance in funds other than the General Fund are reported as assigned.

Unassigned fund balance - The General Fund, as the principal operating fund of the County, has net resources in excess of what can properly be classified in one of the four categories already described. This surplus is presented as unassigned fund balance.

As of the end of the current fiscal year the County fund balances are composed of the following:

Governmental Funds							
	General Fund	Road and Bridge Fund	Emergency Medical Services Fund	Sales Tax Capital Improvement Fund	Major Capital Improvement Fund	Non-major Governmental Funds	Total Governmental Funds
Nonspendable							
Prepaid items	\$ 28,246	\$ 1,991	\$ 5,143	\$ -	\$ -	\$ 2,844	\$ 38,224
Inventories	-	66,871	-	-	-	58,201	125,072
Restricted							
Clerk & Recorder e-filing project	-	-	-	-	69,030	-	69,030
Conservation Trust projects	-	-	-	-	-	188,044	188,044
District debt repayment	-	-	-	-	-	-	-
Emergency telephone projects	-	-	-	-	-	299,638	299,638
Marketing county tourism	-	-	-	-	-	546,662	546,662
Public Improvement District debt	-	-	-	-	-	5,034	5,034
Social Services programs	-	-	-	-	-	695,284	695,284
TABOR reserve	850,000	-	-	-	-	-	850,000
Down payment assistance	-	-	-	-	-	98,929	98,929
Assigned							
Affordable housing projects	62,940	-	-	-	-	-	62,940
Airport improvement projects	-	-	-	-	-	241,134	241,134
Capital improvement projects	-	-	-	5,071,172	1,427,069	-	6,498,241
Compensated absences	378,223	-	-	-	-	-	378,223
Dispatch operations	-	-	-	-	-	158,793	158,793
Emergency medical services	-	-	413,298	-	-	-	413,298
Housing Authority	-	-	-	-	-	12,109	12,109
Severance	76,248	-	-	-	-	-	76,248
Employee insurance	1,487,793	-	-	-	-	-	1,487,793
Employer 401(a) retirement match	251,210	-	-	-	-	-	251,210
Landfill post closure	99,610	-	-	-	-	-	99,610
Streets & highways projects	-	5,322,035	-	-	-	-	5,322,035
Water quality projects	25,309	-	-	-	-	-	25,309
Unassigned	1,160,081	-	-	-	-	-	1,160,081
Total	<u>\$ 4,419,660</u>	<u>\$ 5,390,897</u>	<u>\$ 418,441</u>	<u>\$ 5,071,172</u>	<u>\$ 1,496,099</u>	<u>\$ 2,306,672</u>	<u>\$ 19,102,941</u>

Grand County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

Note 1 - Summary of Significant Accounting Policies (Continued)

1-E. Assets, Liabilities and Fund Equity (Continued)

1-E-10. Fund Equity (Continued)

The statement of net position reports all assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position. Net position represents the difference between all other elements in a statement of financial position and are displayed in three components – net investment in capital assets; restricted (distinguishing between major categories of restrictions); and unrestricted.

Net investment in capital assets - The net investment in capital assets component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction or improvement of those assets or related debt are included in this position of net position.

Restricted – The restricted component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Generally, a liability relates to restricted assets if the asset results from a resource flow that also results in the recognition of a liability or if the liability will be liquidated with the restricted assets reported. Assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Unrestricted - The unrestricted component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

When expenditures are incurred for purposes for which both restricted and unrestricted net positions are available, the County considers restricted funds to have been spent first. When expenditures are incurred for which committed, assigned, or unassigned fund balances are available, the County considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board of County Commissioners has provided otherwise in its commitment or assignment actions.

1-E-11. Operating Revenues and Expenses –

Operating revenues in the proprietary fund financial statements are those revenues that are generated directly from the primary activity of the fund. Operating expenses are necessary costs of the facilities. For the County, these revenues and expenses include the following.

Colorado Sewer Enterprise Fund - Operating revenues are generated through charges for sewer services. Operating expenses are the costs of the sewage collection infrastructure and treatment plant for an unincorporated area of Grand County known as Tabernash.

Silver Spruce Senior Apartments Fund - Operating revenues are generated through tenant rentals which are in some cases federally subsidized. Operating expenses are the costs of the facility which includes 20 single bedroom apartments in secured buildings.

Grand Living Senior Homes Fund - Operating revenues are generated through tenant rentals which are in some cases federally subsidized. Operating expenses are the costs of the facility which includes 24 single-bedroom apartments.

Cliffview Assisted Living Center Fund - Operating revenues are generated through tenant rentals which are in some cases federally subsidized. Operating expenses are the costs of the facility designed for up to 25 seniors.

Grand County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

Note 1 - Summary of Significant Accounting Policies (Continued)

1-E. Assets, Liabilities and Fund Equity (Continued)

1-E-12. Contributions of Capital –

Contributions of capital in the proprietary fund financial statements arise from outside contributions of capital assets, tap fees to the extent they exceed the cost of the connection to the system, or from grants or outside contributions of resources restricted to capital acquisition and construction. Contributions to the primary government in the governmental-wide financial statements arise from outside contributions of road and road related infrastructure in which the County has agreed to accept responsibility for maintenance.

1-E-13. Interfund Activity –

Substantially all internal activity is eliminated from the government-wide statement of activities. Interfund transfers consist mainly of the reallocation of revenues and expenditures between funds in accordance with GAAP for governmental fund accounting. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources (uses) in governmental funds and after non-operating revenues / expenses section in the proprietary enterprise funds.

Transfers between governmental and business-type activities on the government-wide statement of activities are reported under general revenues in the change in net position as transfers.

All interfund transfers disclosed as other financing sources (uses) transfers in and transfers out of the government funds statement of revenues, expenditures and changes in fund balances are eliminated from the government-wide statement of activities.

Exchange transactions (internal payments) between funds are reported as revenues in the seller funds and as expenditures / expenses in the purchaser funds. Reimbursement of fuel costs (\$143,225 in 2016) are treated as revenue in the Road & Bridge Fund and as expenditures across the other funds. The Road & Bridge Fund also charges its internal departments for fuel costs (\$192,280 in 2016). Internal payments for the reimbursement of vehicle maintenance costs (\$20,821 in 2016) charged to other Road and Bridge departments, and (\$64,909 in 2016) charged to other funds are treated as \$77,580 revenue in the Road & Bridge Fund, \$8,150 as revenue in the Emergency Medical Services Fund and as expenditures across the other funds. These internal charges have been eliminated from both functional expense and program revenue in the streets and highways category and are recognized as functional expenses across the other governmental activities on the government-wide statement of activities.

Internal charges for financial transaction processing (Treasurer fees) totaling \$194,013 and employee insurance costs totaling \$1,966,0143 in 2016 are treated as revenue in the General Fund and as expenditures within the General Fund and across the other funds. These internal charges have been eliminated from program revenue in the general government category and eliminated as functional expenses across the general governmental and other governmental activities on the government-wide statement of activities.

Functional expenses also include an incidental element of indirect cost. Grand County has its own self-insured health insurance program for its employees. Charges to governmental functions for this service automatically include a component designed to recover administrative (overhead) costs, which are indirect costs. As a practical matter, Grand County does not, nor does GAAP require, the identification and elimination of such incidental indirect costs from functional expense.

1-E-14. Estimates - The preparation of the financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

1-E-15. Comparative Data – The basic financial statements include certain prior-year summarized comparative information in total but not at the level of detail required for presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the County's prior year financial statements for the year ended December 31, 2015, from which the summarized information was derived.

Grand County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

Note 2 - Stewardship, Compliance and Accountability

2-A. Budgetary Information –

The County legally adopts an annual budget, as required by Colorado state statute, for each of its governmental fund and proprietary fund types in December of each year for the subsequent calendar year. Governmental fund budgets are prepared on the modified accrual basis and the proprietary fund budget is prepared on the accrual basis. There is no difference between GAAP and the budgetary basis of accounting. All appropriations are adopted by the County at the fund level, which is the legal level of control (i.e. expenditures may not exceed appropriations at this level).

All annual appropriations lapse at year-end. Amendments to the budget through supplemental appropriations require approval of the Board of County Commissioners, publication of the public hearing dates, the proposed supplemental appropriations, the holding of a public hearing, and the filing of the approved supplemental appropriation with the State of Colorado, Division of Local Government. Department heads may not amend the budget (i.e., at the legal level of control) without seeking the approval of the Board of County Commissioners. During the current year supplemental appropriations were adopted at the fund level for five County governmental funds and two proprietary funds by the Board of County Commissioners. Budget amounts reported in the accompanying financial statements reflect these supplemental appropriations and are summarized on the following page. Subsequent to the official adoption of the fiscal year 2016 budget, the County enacted supplemental appropriations authorizing increased personnel, operating and capital expenditures and increased transfers between funds (other financing uses) as follows:

Fund	Original Budget		Supplemental Appropriation	Amended Budget	
	Expenditures	Transfers Out		Expenditures	Transfers Out
General Fund	\$ 20,556,061	\$ 426,715	\$ 690,000	\$ 21,051,061	\$ 621,715
Road & Bridge Fund	6,249,088	100,000	245,000	6,249,088	345,000
Emergency Medical Services Fund	3,165,611	-	510,000	3,425,611	250,000
Major Capital Improvement Fund	351,000	-	609,500	960,500	-
Airport Improvement Fund	416,169	-	140,000	511,169	45,000
County Lodging Tax Tourism Fund	926,480	-	160,000	1,086,480	-
Dispatch Fund	746,430	-	39,000	785,430	-
Grand County Emergency Telephone	15,750	312,500	2,000	17,750	312,500
Social Services Fund	2,621,699	-	100,000	2,721,699	-
Cliffview Assisted Living Fund	998,029	-	50,000	1,048,029	-
Grand Living Senior Homes Fund	227,427	-	10,000	237,427	-
	<u>\$ 36,273,744</u>	<u>\$ 839,215</u>	<u>\$ 2,555,500</u>	<u>\$ 38,094,244</u>	<u>\$ 1,574,215</u>

2-B. Excess of Expenditures over Appropriations –

The Emergency Medical Services Fund reported current expenditures in excess of current appropriations by \$14,037 in the current fiscal year which may be a violation of state statute.

The Water Quality Fund, which is combined with the General Fund for reporting purposes (as discussed in Note 1-B), reported current expenditures in excess of current appropriations by \$690 in the current fiscal year which may be a violation of state statute.

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Grand County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

Note 3 – Detailed Notes on All Funds -

3-A. Deposits and Investments -

The County Treasurer is by law vested with the responsibility of the cash management and the investment of available funds. The County operates under a pooled cash procedure which makes available the maximum amount of cash for investment purposes without impairing the County's ability to carry on routine operations.

Deposits and Investments –

At the end of the current fiscal year the County's cash and investments presented in the financial statements are:

Deposits and investments	\$ 18,681,230
Restricted current assets	167,959
Restricted noncurrent assets	284,054
Fiduciary deposits and investments	2,445,284
Total Deposits and Investments	<u>\$ 21,578,527</u>

The County's cash and investments consist of the following:

Petty cash	\$ 4,500
Cash deposits	2,843,737
U.S. government agencies	6,484,661
Corporate Bond	996,250
ColoTrust	915,383
CSAFE	10,301,900
Certificates of deposit	32,096
Total Deposits and Investments	<u>\$ 21,578,527</u>

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is specified by the PDPA. The PDPA allows the institution to create a single collateral pool for all public funds. The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The State Regulatory Commission for banks and savings and loan associations is required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

At the end of the current fiscal year the County's petty cash balance was \$4,500. Additionally, cash deposits, including certificates of deposit had a book balance of \$2,875,833 and a corresponding bank balance of \$3,268,578. The difference between the book and bank balances is outstanding checks and deposits not yet processed by the banks. Of the bank balance, \$1,571,525 was covered by federal depository insurance. The remainder of the bank balance, \$1,697,053 is collateralized with securities held by the pledging financial institution and covered by eligible collateral as determined by the PDPA.

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Grand County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

Note 3 – Detailed Notes on All Funds (Continued)

3-A. Deposits and Investments (Continued)

Fair Value of Investments – The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy as follows:

Level 1: Quoted prices for identical investments in active markets

Level 2: Observable inputs other than quoted market prices, and

Level 3: Unobservable inputs

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

Investment Type	Amount	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by fair value level:				
Certificates of deposit	\$ 32,096	\$ 32,096	\$ -	\$ -
Corporate Bonds	996,250	996,250	-	-
U.S. Government Agencies	6,484,661	6,484,661	-	-
Total Investments by fair value level	7,513,007	7,513,007	-	-
Investments measured at net asset value:				
Colorado Surplus Asset Fund Trust	10,301,900			
Colorado Government Liquid Asset Trust	915,383			
Total Investments by fair value level	11,217,283			
Total Investments	\$ 18,730,290			

Investment Level – The County adopted an investment policy complying with the State of Colorado’s investment policy, Colorado Revised Statute 24-75-601.1, as currently enacted or as hereafter amended. The State of Colorado statute limits investments to securities with top ratings issued by nationally recognized statistical rating organizations. The County’s investments in Corporate Bonds, U.S. Government Agencies, Colorado Government Liquid Asset Trust, and Colorado Surplus Asset Fund Trust all had the top ratings as required by State statute.

The County has invested \$915,383 in the Colorado Local Government Liquid Asset Trust (COLOTRUST). COLOTRUST is not a 2a7-like external investment pool. The unit of account is each share held, and the value of the position would be the fair value of the pool’s share price multiplied by the number of shares held. The government-investor does not “look through” the pool to report a pro rata share of the pool’s investments, receivables, and payables.

The County has invested \$10,301,900 in the Colorado Surplus Asset Fund Trust (CSAFE). CSAFE is considered to be a 2a7-like investment and is valued using the NAV per share (or its equivalent) of the investments. The 2a7-like investments do not have any unfunded commitments, redemption restrictions or redemption notice periods. The 2a7-like investments conform to Colorado Statutes CRS 24-75-601 et.seq. and therefore invest primarily in securities of the United States Treasury, United States Agencies, Primary Dealer Repurchase Agreements, highly rated commercial paper, highly rated corporate bonds, Colorado depositories collateralized at 102% of market value according to the guidelines of the Public Deposit Protection Act. The investments will conform to its Permitted Investments and will meet Standard & Poor’s investment guidelines to achieve a AAAM rating, the highest attainable rating for a Local Government Investment Pool.

All securities owned by COLOTRUST and CSAFE are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian’s internal records identify the investments owned by COLOTRUST and CSAFE. Investments consist of U.S. Treasury Bills, notes, note strips, and repurchase agreements.

Financial statements for COLOTRUST may be obtained at www.colotrust.com and CSAFE may be obtained at www.csafe.org.

Grand County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

Note 3 – Detailed Notes on All Funds (Continued)

3-A. Deposits and Investments (Continued)

Interest Rate Risk – The County investment policy does not limit investment securities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Custodial Credit Risk – Custodial risk is the risk that in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. None of the County's investments are uninsured or unregistered investments. The County has no formal policy on custodial credit risk.

Concentration of Credit Risk – The County places no limit on the amount that the County may invest in any one issuer.

The County's investments are in the following:

Investment Type	Amount	Percent	Standard & Poor's Credit Rating
US Government Agencies			
Federal Home Loan Mortgage	\$ 1,491,225	8%	AA+
Federal Home Loan Bank	498,550	3%	AA+
Federal Farm Credit Bank	3,495,616	19%	AA+
Federal National Mortgage	999,270	5%	AA+
Corporate Bonds	996,250	5%	AA+
Certificates of Deposit	32,096	0%	
Colorado Government Liquid Asset Trust	915,383	5%	
Colorado Surplus Asset Fund Trust	10,301,900	55%	

Deposits and Investments Reported as Restricted Assets –

The Primary Government - Governmental Activities report \$167,959 of current cash set aside and reported as restricted, not available for general appropriation or expenditure except for specified purposes as follows:

Restricted Purpose	Fund	Restricted
Clerk & recorder e-filing project	Major Capital Improvement Fund	\$ 69,030
Down payment assistance	Grand County Housing Authority Administrative Fund	98,929
		<u>\$ 167,959</u>

The Primary Government - Business-type Activities report \$284,054 as the amount set aside and reported as restricted non-current assets. Colorado Sewer Enterprise Fund – Deposits of \$32,096 restricted with regard to the USDA Rural Development note payable. Grand County Housing Authority Proprietary Funds - Deposits held for reserves and replacement of the Authority's property, structures and equipment in the amount of \$227,955 and \$24,003 of tenant deposits.

3-B. Receivables –

Receivables at the end of the current fiscal year consisted of accounts (billings for user charges, primarily ambulance fees), property and other taxes including sales, lodging and specific ownership taxes and intergovernmental receivables primarily arising from operating grants, capital grants and other contributions.

Grand County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

Note 3 – Detailed Notes on All Funds (Continued)

3-B. Receivables (Continued) –

Receivables and payables are recorded on the County's financial statements to the extent that the amounts are determined to be material and substantiated not only by supporting documentation, but also by a reasonable, systematic method of determining their existence, completeness, valuation, and in the case of receivables, collectability.

Emergency Medical Services accounts receivable make up the majority of the accounts classification and are comprised of the following:

	<u>Active Accounts</u>		<u>Accounts in Collection</u>		<u>Total</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Accounts Receivable from Services	\$ 520,250	100%	\$ 1,326,289	100%	\$ 1,846,539	100%
Allowance for Doubtful Accounts	(156,553)	-30%	(1,315,491)	-99%	(1,472,044)	-80%
Accounts Receivable - Net	<u>\$ 363,697</u>	<u>70%</u>	<u>\$ 10,798</u>	<u>1%</u>	<u>\$ 374,495</u>	<u>20%</u>

Accounts are considered active as long as the user of the ambulance service maintains contact with the County and there is a high possibility of collectability. Accounts in collection have been passed on to a professional collection agency when contact with the user has been lost and/or the possibility of collection seems low.

3-C. Notes Receivable –

Notes Receivable – Blended Component Unit – On January 9, 2002, the Grand County Housing Authority entered into a promissory note agreement with a private party for the purpose of connecting their property to the sewer system in the Town of Granby. The note bears interest at 1% and was for \$14,040. The note requires monthly payments for a period of ten years beginning in February 2002. During 2016, the remaining balance of \$1,816 was written off.

In 2008, the Authority received funding from the Towns of Granby and Grand Lake to provide down payment assistance loans to qualified individuals. These loans are administered by the Authority and once collected, the funds are returned to the Towns. As of December 31, 2016 loans outstanding in this portfolio were \$51,732. The Authority had an allowance for bad debts of \$8,192.

In 2014, the Colorado Mountain Housing Coalition relinquished its down payment assistance loan portfolio to the Authority. A balance of cash in the amount of \$44,515 was also received at that time. These loans are administered by the Authority and once collected, the funds will be used for future down payment assistance loans. As of December 31, 2016 loans outstanding in this portfolio were \$116,037. The Authority had an allowance for bad debts of \$11,075.

3-D. Property Taxes –

Property taxes are levied in December of each year, and are due in full the following year. Property taxes are collected by the County Treasurer for all taxing entities within the County and then remitted to each taxing entity.

The County Assessor certifies the tax roll to the County Treasurer and property tax bills are rendered to the taxpayer, due and payable on January 1st of each year. This property tax bill is based on an assessed valuation determined by the County Assessor for each property in each taxing district and certified to the state no later than August 25th of each year, and a mill levy determined by each of the taxing districts and certified to the state by the Board of County Commissioners no later than December 22nd of each year.

Grand County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

Note 3 – Detailed Notes on All Funds (Continued)

3-D. Property Taxes – (continued)

Property tax payments are permitted in either one or two installments at the taxpayers' election. Property tax payments made in one installment must be made no later than April 30th of each year. Property tax payment made in two installments must be made by the last day of February for the first installment and June 15th for the second installment. Properties with delinquent unpaid property taxes (lien date in October) are offered at a tax sale held in early November of each year after appropriate advertising and notice.

Property taxes receivable reported as a current asset and as deferred inflows of resources is \$9,987,528.

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Grand County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

Note 3- Detailed Notes on All Funds (Continued)

3-E. Capital Assets -

Primary Government – Governmental Activities - Capital asset activity for the primary government governmental activities for the current fiscal year was as follows:

Grand County, Colorado
Primary Government Governmental Activities
Capital Asset Activity

	Re-Styled Beginning Balance	2016			Ending Balance
Governmental Activities Capital Assets		Additions	Deductions	Transfers	
Cost					
Non-Depreciable Capital Assets					
Land	\$ 3,708,358	\$ -	\$ -	\$ -	\$ 3,708,358
Construction in progress	211,854	-	-	-	211,854
Total Cost	<u>3,920,212</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,920,212</u>
Depreciable Capital Assets					
Land improvements	11,187,586	49,273	27,724		11,209,135
Buildings	26,463,175	21,004	67,169	1,183,042.00	27,600,052
Machinery and equipment	24,937,483	603,215	457,613	(1,183,042.00)	23,900,043
Infrastructure	24,235,256	320,526	-	-	24,555,782
Total Depreciable Capital Assets	<u>86,823,500</u>	<u>994,018</u>	<u>552,506</u>	<u>-</u>	<u>87,265,012</u>
Total Cost	<u>90,743,712</u>	<u>994,018</u>	<u>552,506</u>	<u>-</u>	<u>91,185,224</u>
Accumulated Depreciation					
Land improvements	3,353,722	543,498	27,724	-	3,869,496
Buildings	8,631,541	680,133	67,169	374,746	9,619,251
Machinery and equipment	15,644,562	1,934,752	449,355	(374,746)	16,755,213
Infrastructure*	10,546,986	793,955	-	-	11,340,941
Total Accumulated Depreciation	<u>38,176,811</u>	<u>3,952,338</u>	<u>544,248</u>	<u>-</u>	<u>41,584,901</u>
Net Book Value					
Non-Depreciable Assets					
Land	3,708,358	-	-	-	3,708,358
Construction in progress	211,854	-	-	-	211,854
Depreciable Assets					
Land improvements	7,833,864	(494,225)	-	-	7,339,639
Buildings	17,831,634	(659,129)	-	808,296	17,980,801
Machinery and equipment	9,292,921	(1,331,537)	8,258	(808,296)	7,144,830
Infrastructure	13,688,270	(473,429)	-	-	13,214,841
Total	<u>48,646,689</u>	<u>(2,958,320)</u>	<u>8,258</u>	<u>-</u>	<u>45,680,111</u>
Governmental Activities Capital Assets, Net	<u>\$ 52,566,901</u>	<u>\$ (2,958,320)</u>	<u>\$ 8,258</u>	<u>\$ -</u>	<u>\$ 49,600,323</u>

***Restatement of Infrastructure Depreciation -**

As further discussed in Note 4-E, the beginning balance of accumulated depreciation for infrastructure has been restated to reflect corrected depreciation calculations, resulting in a reduction of \$349,636 in beginning accumulated depreciation..

Grand County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

Note 3 - Detailed Notes on All Funds (Continued)

3-E. Capital Assets (Continued)

Communication Tower equipment in the amount of \$1,183,042 was re-classed to Buildings to accommodate proper insurance coverage. There was no purchase or disposal of these assets. This reclassification between asset types had no effect on net value of capital assets.

Total governmental activities depreciation expense for the current fiscal year is as follows:

Governmental Activities Depreciation Expense	
Streets & highways	\$ 1,737,475
Auxillary services	543,340
General government	600,050
Public safety	510,435
Judicial	206,970
Public health	350,119
Public welfare	3,949
Total	\$ 3,952,338

Capital Asset Activity – Business-Type Activities - Capital asset activity for the primary government business-type activities for current fiscal year was as follows:

	Balance 12/31/15	2016		Balance 12/31/16
		Additions	Deductions	
Colorado Sewer Enterprise Fund				
Depreciable				
Facilities & infrastructure	\$ 1,112,515	-	-	\$ 1,112,515
Less accumulated depreciation	(390,227)	(27,812)	-	(418,039)
Total Net Book Value	722,288	(27,812)	-	694,476
Grand County Housing Authority				
Non-Depreciable				
Land	64,453	-	-	64,453
Construction in Progress	-	14,677	-	14,677
Total Non-Depreciable	64,453	14,677	-	79,130
Depreciable				
Buildings, Improvements & Equipment	4,651,810	-	-	4,651,810
Less accumulated depreciation	(3,369,068)	(101,556)	-	(3,470,624)
Total Depreciable	1,282,742	(101,556)	-	1,181,186
Total Net Book Value	1,347,195	(86,879)	-	1,260,316
Net Book Value				
Non-Depreciable Cost	64,453	14,677	-	79,130

Grand County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

Note 3 - Detailed Notes on All Funds (Continued)

3-E. Capital Assets (Continued)

Total business-type activities depreciation expense for the current fiscal year is as follows:

Business-type Activities Depreciation Expense	
Colorado Sewer Enterprise	\$ 27,812
Grand County Housing Authority	
Silver Spruce Apartments	22,072
Grand Living Senior Homes	47,896
Cliffview Assisted Living Center	31,588
Total	<u>\$ 129,368</u>

3-F. Interfund Balances and Transfers –

Interfund balances represent charges for services or reimbursable expenses. These remaining balances resulted from the time lag between the dates that (1) interfund goods or services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting period, and (3) payments between funds are made. The County expects to repay all interfund balances within one year.

Interfund balances at the current fiscal year end consisted of the following amounts:

Fund payable to:	Governmental Activities Fund Payable From:			Total
	General Fund	Emergency Medical Services Fund	Non-Major Governmental Funds	
Governmental Activities				
Major Funds				
General	\$ -	\$ -	\$ 3	\$ 3
Road & Bridge Fund	15,177	4,849	2,064	22,090
Emergency Medical Services Fund	21,574	-	-	21,574
Non-Major Governmental Funds	5,599	-	-	5,599
Total Governmental	<u>42,350</u>	<u>4,849</u>	<u>2,067</u>	<u>49,266</u>
Business-type Activities				
Cliffview Assisted Living Fund	-	-	30,000	30,000
Colorado Sewer Enterprise Fund	1,150	-	-	1,150
Total	<u>\$ 43,500</u>	<u>\$ 4,849</u>	<u>\$ 32,067</u>	<u>\$ 80,416</u>

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Grand County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

Note 3 - Detailed Notes on All Funds (Continued)

3-F. Interfund Balances and Transfers (Continued)

Interfund transfers are used to 1) move revenues from the fund that state statute or budget requires to collect them to the fund that statute or budget requires to expend them, 2) move unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations, 3) to segregate money for anticipated capital projects, 4) to provide additional resources for current operations, and to return money to the fund from which it was originally provided once a project is completed. All County transfers either occur on a regular basis or are consistent with the purpose of the fund making the transfer.

Interfund transfers for the current fiscal year consisted of the following:

2016 Interfund Transfers Revenue and Expense						
Governmental Activities Fund Transfer From:						
Fund transfer to:	General	Road &		Non-Major	Business-type	
Governmental Activities	Fund	Bridge	EMS	Governmental	Activities	Total
Major		Fund	Fund	Funds		
Road & Bridge Fund	\$ -	\$ -	\$ 250,000	\$ -	\$ -	\$ 250,000
EMS Fund	-	250,000	-	-	-	250,000
Sales Tax Fund	6,000	-	-	-	-	6,000
Major Cap. Improve. Fund	195,585	-	-	44,366	-	239,951
Non-Major Funds	389,715	95,000	-	312,500	7,366	804,581
Total Governmental Activities	591,300	345,000	250,000	356,866	7,366	1,550,532
Business-type Activities						
GCHA - Cliffview	-	-	-	30,133	-	30,133
Total	\$ 591,300	\$ 345,000	\$ 250,000	\$ 386,999	\$ 7,366	\$ 1,580,665

The General Fund transferred \$195,585, and the Non-Major Funds \$44,366 to the Major Capital Improvement Fund. Transfers to this fund purchases non-operating expense type items. Purchases in excess of \$5,000 are generally capitalized. Substantially all capitalized purchases are made through the Major Capital Improvements Fund. These two transfers were Capital grants received by the County funds and transferred to the Major Capital Improvement Fund for these purchases.

The General Fund transferred \$389,715 to the Non Major Funds. The Airports received \$100,000 for operations, and the Dispatch Fund received \$289,715 for operations.

The Payment in Lieu of Taxes (PILT) Fund, which is combined by GASB 54 with the Road and Bridge Fund, transferred \$250,000 to the Emergency Medical Services Fund to partially cover the fund's operating deficit, and transferred \$95,000 to the non-major Airport Improvement Fund to cover that fund's operating deficit.

The Grand County Housing Authority Administrative Fund transferred \$30,133 in local grant funding from Freeport McMoRan for capital improvements to the Cliffview Assisted Living Center.

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Grand County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

Note 3 - Detailed Notes on All Funds (Continued)

3-G. Non-Current Liabilities -

Governmental Activities – Changes in Non-Current Liabilities - Changes in the County's governmental activities long-term obligations during the current fiscal year consisted of the following:

	Balance 12/31/2015	2016		Balance 12/31/2016	Amounts Due in One Year
		Additions	Reductions		
Employee benefits					
Compensated absences*	\$ 600,520	\$ 520,040	\$ 547,331	\$ 573,229	\$ 378,223
Severance*	563,188	158,310	76,248	645,250	76,248
Total employee benefits	1,163,709	678,349	623,578	1,218,480	454,471
Landfill costs					
Landfill post-closure costs	2,821,757	70,678	103,348	2,789,087	99,610
Total landfill costs	2,821,757	70,678	103,348	2,789,087	99,610
Total Governmental Activities	\$ 3,985,466	\$ 749,028	\$ 726,926	\$ 4,007,567	\$ 554,081

*As further discussed in Note 4-E, the beginning balance of employee benefits has been restated to include sick pay (\$94,986) and severance pay (\$563,188) entitlements, resulting in an increase of \$658,174 in the County's beginning liability for employee benefits.

All long-term obligations of the County's Governmental Activities will be financed with the appropriate fund's future financial resources as they become due.

3-G-1. Employee benefits – The compensated absences (vacation leave) liability will be paid from the fund from which the employees' salaries are paid. The compensated absences (sick leave) liability will be paid from the General Fund upon separation. Of the outstanding compensated absences balance approximately \$195,006 (34%) is not expected to be used in the following year. The remaining compensated absences are expected to be paid currently.

Compensated absences paid by the governmental funds during the current year were as follows:

General Fund	\$ 265,592
Road & Bridge Fund	121,319
Emergency Medical Services Fund	109,598
Dispatch Fund	23,655
Social Services Fund	27,168
	<u>\$ 547,331</u>

Employees begin accumulating vacation time upon date of employment. Vacation leave can be used only by employees who have been in the County's employment continuously for at least 90 days.

Upon separation, employees shall be paid for the unused portion of their accumulated vacation leave provided they have been employed continuously for at least 90 days. Employees who have been separated shall not accrue vacation leave credits after their last day of work. No payment in excess of 30 working days shall be made. Vacation hours do not accrue on overtime or compensatory time earned.

The County may pay active employees for vacation leave earned but not taken during their employment with the approval of the Department Head/Elected Official and the County Manager. Unused vacation leave is paid out to employees upon separation.

Grand County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

Note 3 - Detailed Notes on All Funds (Continued)

3-G. Non-Current Liabilities (Continued)

3-G-2. Landfill Closure & Post-Closure Care Costs (Continued)

The County received approval of the Kremmling Landfill Closure Certification Report, dated March 2015, and moved forward to complete closure-related field activities at the Kremmling Landfill as well.

Currently the post-closure care cost estimate is \$2,789,087 (Granby \$2,275,675 and Kremmling \$513,412). As a long-term liability this amount is reported on the Government-wide Statement of Net Position.

3-G-3. Loans and Mortgages –

Governmental Activities – Changes in Non-Current Liabilities – The Pole Creek Meadows, Grand County, Colorado Public Improvement District was formed in 2012 for the construction of street improvements for the benefit of the properties within the District. The improvements were funded in 2013 with the proceeds of a bond issuance. The bond principal and interest will be repaid with a District property tax increment that began in 2014. The fund incurred and paid interest of \$16,863 in the current year. Outstanding long-term loans payable at the end of the current fiscal year are as follows:

Pole Creek Meadows Grand County, Colorado Public Improvement District Fund Loans Payable						
Bond Description	Amount of Original Issue	Date of		Interest Rate	Outstanding Balance 12/31/2016	Amounts Due in One Year
		Issue	Maturity			
General Obligation Bond						
Pole Creek Meadows PID	\$ 550,000	7/10/2013	12/1/2023	3.65%	\$ 411,000	\$ 53,000

Changes in the County's governmental activities long-term obligations for the current fiscal year consisted of the following:

Change in Balance Government-type Activities:	Balance 12/31/2015	2016		Outstanding Balance 12/31/2016	Amounts Due in One Year
		Additions	Reductions		
General Obligation Bond					
Pole Creek Meadows PID	\$ 462,000	\$ -	\$ 51,000	\$ 411,000	\$ 53,000
Total General Obligation Bonds	\$ 462,000	\$ -	\$ 51,000	\$ 411,000	\$ 53,000

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Grand County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

Note 3 - Detailed Notes on All Funds (Continued)

3-G-3. Loans and Mortgages – (Continued)

Principal and interest payments related to the County's governmental activities long-term obligations are as follows:

Pole Creek Meadows PID General Obligation Bond			
Fiscal Year	Principal	Interest	Total
2017	\$ 53,000	\$ 15,001	\$ 68,001
2018	54,000	13,067	67,067
2019	56,000	11,096	67,096
2020	59,000	9,052	68,052
2021-2023	189,000	13,944	202,944
Total	\$ 411,000	\$ 62,160	\$ 473,160

Business-type Activities –Changes in Non-Current Liabilities - Principal and interest note payments related to the Colorado Sewer Enterprise Fund are financed from income derived from the operation of the waste water collection and disposal system. The fund incurred and paid interest of \$23,149 in the current year. Outstanding long-term loans payable at the end of the current fiscal year are as follows:

Colorado Sewer Enterprise Fund Loans Payable						
Note Description	Amount of	Date of		Interest	Outstanding	Amounts Due
	Original	Issue	Maturity		Balance	
	Issue			Rate	12/31/2016	in One Year
U.S. Dept of Agriculture						
Rural Development Loan	\$ 572,300	6/13/2001	6/13/2041	4.75%	\$ 461,689	\$ 10,289
State of Colorado						
Energy / Mineral Impact						
Assistance Loan	50,000	9/1/2001	9/1/2020	5.00%	14,227	3,301
Total Loans Payable	\$ 622,300				\$ 475,916	\$ 13,590

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Grand County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

Note 3 - Detailed Notes on All Funds (Continued)

3-G. Non-Current Liabilities (Continued)

3-G-3. Loans and Mortgages (Continued)

Business-type Activities – Changes in Non-Current Liabilities (Continued) –

Principal and interest note payments related to the Grand County Housing Authority are financed from income derived from the operation of the senior and low-income housing projects. Grand Living Senior Homes is eligible to receive a monthly interest subsidy for U.S. Department of Agriculture – Rural Development Rural Housing Mortgages No. 1 and No. 2 which reduces the monthly payments to a combined \$2,179. The subsidy totaled \$41,696 in 2016 is netted against interest expense. Outstanding long-term loans payable at the end of the current fiscal year are as follows:

Grand County Housing Authority Proprietary Funds Loans Payable						
Note Description	Amount of Original Issue	Date of		Interest Rate	Outstanding Balance 12/31/2016	Amounts Due in One Year
		Issue	Maturity			
Silver Spruce Senior Apartments Fund						
Colorado Housing and Finance Authority (CHFA)						
Mark-to-Market Restructuring	\$ 243,271	8/20/2004	9/1/2034	6.00%	\$ 218,678	\$ 7,124
U.S. Department of Housing and Urban Development (HUD)						
Mortgage Restructuring Deed of Trust	582,386	8/20/2004	9/1/2034	1.50%	521,982	-
Contingent Repayment Deed of Trust	21,599	8/20/2004	9/1/2034	1.50%	21,598	-
Grand Living Senior Homes Fund						
U.S. Department of Agriculture Rural Development						
Rural Housing Mortgage No. 1	486,509	9/23/1980	9/23/2030	10.75%	440,772	14,836
Rural Housing Mortgage No. 2	98,784	9/15/2004	9/23/2054	5.875%	96,099	713
Cliffview Assisted Living Center Fund						
U.S. Department of Agriculture Rural Development						
Rural Housing Construction Loan	616,953	10/11/1994	10/11/2034	5.25%	549,411	19,215
Colorado Department of Local Affairs						
Loan refinancing	14,543	6/22/2016	7/1/2046	3.50%	14,543	-
Unamortized Discount	-				(9,286)	-
Total Housing Authority Loans Payable	\$ 2,064,045				\$ 1,853,797	\$ 41,888

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Grand County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

Note 3 - Detailed Notes on All Funds (Continued)

3-G. Non-Current Liabilities (Continued)

3-G-3. Loans and Mortgages (Continued)

Business-type Activities – Changes in Non-Current Liabilities (Continued) –

Changes in the County's business-type activities long-term obligations for the current fiscal year consisted of the following:

Business-type Activities:	Balance	2016		Balance	Amounts Due
	12/31/2015	Additions	Reductions	12/31/2016	in One Year
Colorado Sewer Enterprise Fund					
USDA - Rural Development	\$ 471,505	\$ -	\$ 9,816	\$ 461,689	\$ 10,289
State of Colorado - Mineral Impact	17,371	-	3,144	14,227	3,301
Total Colorado Sewer Enterprise Fund	488,876	-	12,960	475,916	13,590
Grand County Housing Authority					
Silver Spruce - CHFA	225,389	-	6,711	218,678	7,124
Silver Spruce - HUD Restructure	544,176	-	22,194	521,982	-
Silver Spruce - HUD Contingent	21,598	-	-	21,598	-
Grand Living - Rural Housing #1	454,102	-	13,330	440,772	14,836
Grand Living - Rural Housing #2	96,772	-	673	96,099	713
Cliffview - USDA Rural Development	567,050	-	17,639	549,411	19,215
Cliffview - Assisted DOLA	-	14,543	-	14,543	-
Unamortized Discounts	-	-	9,286	(9,286)	-
Total Grand County Housing Authority	1,909,087	14,543	69,833	1,853,797	41,888
Total Business-type Activities	\$ 2,397,963	\$ 14,543	\$ 82,793	\$ 2,329,713	\$ 55,478

Principal and interest payments related to the County's business-type activities long-term obligations are as follows:

Colorado Sewer Enterprise Fund Loan Payments				Grand County Housing Authority Loan Payments			
Fiscal Year	Principal	Interest	Total	Fiscal Year	Principal	Interest	Total
2017	\$ 13,590	\$ 22,518	\$ 36,108	2017	\$ 41,888	\$ 93,578	\$ 135,466
2018	14,250	21,858	36,108	2018	45,080	90,417	135,497
2019	14,941	21,167	36,108	2019	48,546	86,951	135,497
2020	15,666	20,442	36,108	2020	52,313	83,184	135,497
2021	12,414	19,682	32,096	2021	56,410	79,086	135,496
2022 - 2026	71,617	88,863	160,480	2022 - 2026	357,464	186,827	544,291
2027 - 2031	90,564	69,916	160,480	2027 - 2031	450,307	58,205	508,512
2032 - 2036	114,523	45,957	160,480	2032 - 2036	741,297	19,454	760,751
2037 - 2041	128,351	15,669	144,020	2037 - 2041	12,983	15,285	28,268
	-	-	-	2042 - 2054	56,795	12,294	69,089
Total	\$ 475,916	\$ 326,072	\$ 801,988		\$ 1,863,083	\$ 725,281	\$ 2,588,364

Grand County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

Note 3 - Detailed Notes on All Funds (Continued)

3-H. Pensions and Other Post-Employment Benefits -

Defined Contribution Pension Plan - Grand County has a defined contribution pension plan. The County is a charter member of the Colorado County Officials and Employees Retirement Association (CCOERA) which operates a defined contribution retirement plan. A five member governing board of CCOERA establishes policy for the plan with the assistance of staff and association members. The County maintains influence over the plan via its input as an association member.

The plan was begun July, 1968. Effective July 1, 1991, the plan was modified to an employer before-tax plan and contributions are now tax deferred. All eligible employees are required to join the 401(a) Retirement Plan immediately upon employment. Every employee who works at least five months per year and who works at least 20 hours per week is eligible to participate. Officials may opt out of plan participation. Officials who do participate do not have to satisfy any minimum eligibility requirements. The employee can elect to make a contribution of anywhere from three percent minimum to six percent maximum of their gross eligible compensation. This is an irrevocable election until a new plan agreement is adopted (effective January 1, 2011). The amount contributed by the employee is matched by the County.

The plan is funded through the Retirement Fund which normally levies property taxes to cover the County's (employer) share. Participants are vested at the rate of twenty percent per year and are fully vested at the end of five years or age 55. Officials are always fully vested in employer contributions. Benefits at retirement are based on the accumulated account balance of each employee.

Deferred Compensation - Eligible employees participating in the 401(a) Retirement Plan may also participate in the 457 Deferred Compensation Plan also operated by CCOERA immediately upon employment. Employees may contribute up to a fixed dollar limit of \$17,500 under age 50, \$23,000 age 50+ or \$35,000 catch-up for three years.

The 2016 total County payroll was \$11,806,931 and the covered payroll for retirement plan purposes was \$11,026,689. The 2016 employer (\$634,562) and employee (\$843,171) contributions to the plan totaled \$1,477,733 or 13.4% of the covered payroll. There are no County securities or other transactions included in the plan's assets. The County has no unfunded liability under the retirement and deferred compensation plans.

COBRA - Employees will receive continued coverage of their group health and dental insurance through the last day of the calendar month in which they resign or terminate. Resignation or termination date is defined as the last day the employee is physically at work. Upon separation employees with less than fifteen years of service with Grand County will be offered continuation of their coverage under COBRA.

Post-Employment Insurance Plan - Eligible employees, elected officials and their dependents that have at least fifteen years of full time continuous service with Grand County and their age plus years of service equal 70 will be offered two options to select from upon retirement. This is a Post-Employment Insurance Plan benefit for retirees; therefore if the employee leaves Grand County employment and takes other full-time employment at any time prior to Medicare eligibility, they are not eligible for this benefit. This benefit will terminate upon Medicare eligibility.

Option A — \$500 paid per month to be used for both the employee and his/her dependent medical insurance coverage provided by an insurance carrier other than Grand County.

Option B — A retiree that qualifies as a post-employment eligible employee and his/her dependent that has been on the Grand County Medical/Dental insurance plan for at least 5 years, or an elected official may continue on the current plan until the retiree qualifies for Medicare. The cost of the coverage will be half the cost of the current COBRA coverage. Once the retiree qualifies for Medicare they will be offered COBRA at the full coverage rate for 18 months. The COBRA coverage would be secondary coverage to Medicare.

Grand County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

Note 3 - Detailed Notes on All Funds (Continued)

3-H. Pensions and Other Post-Employment Benefits (Continued)

The Board of County Commissioners will review the Post-Employment Insurance Plan on an annual basis and reserves the right to change, modify or eliminate the plan. If the County does change, modify or eliminate the plan, it will notify all eligible employees and participants in the plan within ninety (90) days of that date. If the County eliminates the plan, all retirees that are on the plan when eliminated will not lose their benefits as long as they remain eligible and only future retirees will be affected.

The number of post-employment employees, elected officials and their dependents claiming retiree benefits is negligible and the related costs of the plan benefit for retirees are immaterial. There are currently 3 retirees on Option A and 3 retirees and one spouse on Option B.

3-I. Net Investment in Capital Assets - Net investment in capital assets on the Government-Wide Statement of Net Position at the end of the current fiscal year are as follows:

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Net investment in capital assets			
Capital asset cost	\$ 91,185,224	\$ 5,843,455	\$ 97,028,679
Less: accumulated depreciation	(41,584,901)	(3,888,663)	(45,473,564)
Net capital asset book value	49,600,323	1,954,792	51,555,115
Less: capital asset related debt	-	(2,329,713)	(2,329,713)
Net investment in capital assets	<u>\$ 49,600,323</u>	<u>\$ (374,921)</u>	<u>\$ 49,225,402</u>

Note 4 - Other Notes -

4-A. Risk Management -

County Technical Services Inc. (CTSI), Workers' Compensation Pool -

The County is exposed to various risks of loss related to injuries of employees while on the job. In 1988, the County joined together with other Counties in the State of Colorado as a member of the County Worker's Compensation Pool (CWCP), a public entity risk pool currently operating as a common risk management and insurance program for member counties. The County pays an annual contribution to CWCP for its workers' compensation insurance coverage.

The intergovernmental agreement for the formation of CWCP provides that the pool will be financially self-sustaining through member contributions and additional assessments, if necessary, and the Pool will purchase excess insurance through commercial companies for members' claims in excess of a specified self-insured retention, which is determined each policy year.

County Technical Services Inc. (CTSI), Casualty and Property Pool -

The County is exposed to various risks of loss related to property and casualty losses. During 1987, the County was unable to obtain property and liability insurance at a cost it considered to be economically justifiable.

County joined together with other Counties in the State of Colorado as a member of the CTSI Casualty and Property Pool (CAPP), a public entity risk pool currently operating as a common risk management and insurance program for member counties. The County pays an annual contribution to CAPP for its property and casualty insurance coverage.

Grand County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

Note 4 – Other Notes (Continued)

4-A. Risk Management (Continued)

The intergovernmental agreement for the formation of CAPP provides that the pool will be financially self-sustaining through member contributions and additional assessments, if necessary, and the Pool will purchase excess insurance through commercial companies for members' claims in excess of a specified self-insured retention determined each policy year.

Self-insured Health Insurance –

Grand County has its own self-insured health insurance program for its employees. The plan provides for insurance above a specific claim level and an aggregate claim level up to a maximum claim limit. The self-insurance reserve cash balance in the general fund at the end of the current fiscal year is \$1,692,735. This cash balance plus monthly contributions by the County and its employees is expected to cover any anticipated claims during the coming year.

The following table presents changes in the insurance claim payment and related liability at the end of the last three years:

<u>Fiscal Year</u>	<u>Beginning of Fiscal Year Liability</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claim Payments Amount</u>	<u>End of Fiscal Year Liability</u>
2014	\$ 322,530	\$ 3,094,312	\$ 3,246,731	\$ 170,111
2015	\$ 170,111	\$ 2,204,231	\$ 2,058,846	\$ 315,497
2016	\$ 315,497	\$ 3,088,064	\$ 3,198,620	\$ 204,941

There were no significant reductions in insurance coverage from prior year. There were 3 claim settlements that exceeded the County's \$150,000 stop loss insurance coverage during the current fiscal year. Year-end claims liability, which had increased in 2015 due to significant late in the year claims, returned to more historical levels. The year-end liability represents insurance claims incurred in the current year but paid through March of the following year. Administrative and stop loss premiums totaled \$682,639 in the current year, an increase of 6% over 2015.

4-B. Contingent Liabilities –

The County has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies or their designee. These audits could result in a request for reimbursement to the grantor agency for costs disallowed under terms of the grant. Based on prior experience, the County believes such disallowances, if any, will be immaterial.

The County was involved in several lawsuits at December 31, 2016. The outcome of these suits have not been determined. Management believes that if liabilities arise from these suits, they would be covered by County Insurance policies. A pending property tax case concerning the YMCA of the Rockies and religious exemption, was settled. The County paid taxes and interest due in the amount of approximately \$349 thousand in February of 2017.

In 2007, the County discovered that the County Landfill located off State Highway 125 near Granby, Colorado was built in an area that slid and that the ground in the vicinity of and under the landfill was sliding. The County expended approximately \$2.5 million to stop the earth from sliding above the landfill. The cause of the slide may be ground water. The County maintains monitoring wells at the bottom of and around the landfill and has begun a de-watering project. The County has also installed a cover over the slide area to prevent run-off from entering the slide area. The County has hired numerous consultants to determine how to stop the slide and how to insure against any pollution leaving the landfill site. If water infiltrates the garbage mass, it cannot be allowed to leave the site until it has been treated. The County has spent approximately \$7 million in total on the Granby Landfill since 2007. The landfill is now closed. The Colorado Department of Health and Environment has required the County to have ready a contingency plan in the event that the de-watering project is not sufficient. The County has contracted with an engineering firm to design and complete 100% Construction Plans and Specifications for the construction of a cylinder pile wall. Early estimates for the construction of the cylinder pile wall range from \$14 million to \$20 million.

Grand County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

Note 4 – Other Notes (Continued)

4-B. Contingent Liabilities (Continued)

Colorado State Highway 9 between Green Mountain Reservoir and Kremmling provides a major transportation corridor that serves Summit, Grand, Jackson and Routt counties. Increasing domestic, business and recreational traffic has contributed to nearly 600 vehicular accidents in 20 years, including 16 people killed and almost 200 injured. Many of those accidents were wildlife related, with over 450 animals killed in the last 8 years. The Colorado State Highway 9 Safety Project was initiated in 2011, and will include wildlife crossings, fencing, eight foot wide shoulders, and re-alignment to improve sight distances. A Colorado Department of Transportation (CDOT) program called Responsible Acceleration of Maintenance and Partnerships (RAMP) provided an opportunity to prioritize and have the State fund the majority of the project. To qualify for RAMP, local governments are required to provide 20% of the total project cost. The major contributor to the 20% local pledge of \$9.2 million, towards the \$46 million total project cost, was Blue Valley Ranch with \$4.9 million. Private and public donations totaled \$1.2 million and the County's contribution will be \$3.1 million. The design phase is complete and construction started in 2015. This project was completed this year. The County paid out \$2 million in agency funds and the \$1.2 million of private and public donations are held by the Grand Foundation.

Grand County started construction of a recreational whitewater park in the Gore Canyon in 2014. The Gore Canyon Whitewater Park was completed with the final payment of \$458 thousand in 2015. The creation of the Gore Canyon Whitewater Park will require annual monitoring to assess the potential effects to habitat in compliance with the U.S. Army Corps of Engineers. A contract with Tetra Tech Inc. has been approved to cover the required years ending 2015 through 2018, at an estimated cost \$243 thousand. A combined total of \$1.0 million in grant monies were received from Eagle County, The Department of Local Affairs and the Colorado Water Conservation Board to help build and monitor the water park.

4-C. Tax, Spending and Debt Limitation –

In 1992 Colorado voters passed an amendment to the State Constitution, Article X, Section 20 (TABOR), which has several limitations, including revenue raising, spending abilities and other specific requirements of state and local governments. In 1996 Grand County voters passed a ballot issue, which allows the County to exceed the revenue limits established by this Article. The Amendment is complex and subject to judicial interpretation. The County believes it is in compliance with the requirements of the amendment.

At the end of the current fiscal year the amount restricted for the primary government in accordance with TABOR is estimated to be \$850,000.

4-D. Fund Deficits –

The following individual proprietary funds have equity deficits at the end of the current fiscal year as follows:

Silver Spruce Senior Apartments Fund	\$	(335,657)
Cliffview Assisted Living		<u>(31,530)</u>
Total	\$	<u><u>(367,187)</u></u>

The County is aware of the ongoing deficits in the above funds. The deficits are primarily due to depreciation charged against the properties. While the County continues to monitor the operations in these funds, the primary focus is on cash flow requirements rather than the net income or loss of the fund under generally accepted accounting principles. The County considers the operations of the Silver Spruce Senior Apartments, Grand Living Senior Homes and Cliffview Assisted Living Center solvent and management does not anticipate any financial difficulties as a result of the consequences of the above deficits.

Grand County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

Note 4 – Other Notes (Continued)

4-E. Prior Period Adjustments –

As discussed in Note 3-G, the County has restated the beginning balance of its liability for governmental employee benefits to include sick pay and severance entitlements totaling \$658,174 that had erroneously been excluded. The beginning net position of the County's governmental activities on the government-wide Statement of Activities has been reduced accordingly to reflect this change.

As discussed in Note 3-E, the County has restated the beginning balance of accumulated depreciation for governmental infrastructure capital assets to reflect a reduction of \$349,636 for excess depreciation. The beginning net position of the County's governmental activities on the government-wide Statement of Activities has been increased accordingly to reflect this change.

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Financial Section

Required Supplementary Information

Fund Financial Statements

Major Governmental Funds

The Major Governmental Funds are those that meet the specific asset, liability, revenue or expenditure criteria. The following funds are Major Governmental Funds.

General Fund - The General Fund accounts for all financial resources except those required to be accounted for in another fund. The fund balance is available to the County for any purpose provided it is expended or transferred according to the general laws of Colorado. The Retirement, Affordable Housing, Employee Insurance and Water Quality Funds have been combined with the General Fund to comply with the reporting requirements of GASB 54.

Road & Bridge Fund - This fund is used to account for a portion of County Property Taxes, State Highway User Tax Fund revenues, Federal Payments in Lieu of Taxes, National Forest Reserve Revenues and other sources of revenue legally restricted or designated (primarily Sales Taxes) by the Board of County Commissioners to the maintenance of County roads. The Payment in Lieu of Taxes Fund (PILT) has been combined with the Road and Bridge Fund to comply with the reporting requirements of GASB 54.

Emergency Medical Services Fund - This fund is used to report the collection and expenditure of two mills of the County property taxes approved by citizen vote for the County's emergency medical response and ambulance services. Revenues also include charges for services.

Sales Tax Fund - This fund is used to account for sales tax revenues received and non-operating expenditures which are not capitalized (i.e., under \$5,000) financed primarily from sales tax revenues.

Major Capital Improvement Fund - This fund is used to account for major capital expenditures (those in excess of \$5,000) financed primarily from sales tax revenues or capital leases and all other major capital asset transactions of the County.

Grand County, Colorado
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2016
With Comparative Actual Amounts for the Year Ended December 31, 2015

	2016				2015
	Original Budget	Final Budget	Actual	Variance	Actual
Revenues:					
Property taxes	\$ 8,334,700	\$ 8,334,700	\$ 8,077,193	\$ (257,507)	\$ 7,909,658
Intergovernmental	2,533,280	2,533,280	2,751,483	218,203	3,234,599
Charges for services	3,212,577	3,212,577	3,622,147	409,570	3,398,483
Other taxes	445,000	445,000	478,500	33,500	480,756
Investment earnings	75,000	75,000	170,800	95,800	172,889
Investment unrealized gains (losses)	-	-	27,598	27,598	(30,392)
Licenses and permits	324,500	324,500	428,056	103,556	359,432
Special assessments	4,000	4,000	5,500	1,500	4,500
Miscellaneous	107,600	107,600	264,015	156,415	458,506
Total Revenues	15,036,657	15,036,657	15,825,292	788,635	15,988,431
Expenditures					
Current					
General government	10,580,728	11,075,728	9,961,456	1,114,272	9,639,732
Public health	1,724,305	1,724,305	1,152,711	571,594	1,628,085
Public safety	4,389,924	4,389,924	3,961,355	428,569	3,807,668
Auxiliary services	895,841	895,841	930,125	(34,284)	894,376
Judicial services	728,916	728,916	679,044	49,872	738,296
Total Expenditures	18,319,714	18,814,714	16,684,691	2,130,023	16,708,157
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,283,057)	(3,778,057)	(859,399)	2,918,658	(719,726)
Other Financing Sources (Uses)					
Transfer in	3,500,000	3,500,000	-	(3,500,000)	3,000,000
Transfer out	(621,715)	(621,715)	(591,300)	30,415	(5,634,787)
Total Other Financing Sources Net	2,878,285	2,878,285	(591,300)	(3,469,585)	(2,634,787)
Net Changes in Fund Balances	(404,772)	(899,772)	(1,450,699)	(550,927)	(3,354,513)
Fund Balances Beginning of Year	5,986,514	5,986,514	5,870,359	(116,155)	9,224,872
Fund Balances End of Year	\$ 5,581,742	\$ 5,086,742	\$ 4,419,660	\$ (667,082)	\$ 5,870,359

Grand County, Colorado
Road and Bridge Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2016
With Comparative Actual Amounts for the Year Ended December 31, 2015

	2016				2015
	Original Budget	Final Budget	Actual	Variance	Actual
Revenues					
Property taxes	\$ 217,250	\$ 217,250	\$ 203,447	\$ (13,803)	\$ 219,236
Intergovernmental	3,449,000	3,449,000	4,262,934	813,934	3,780,390
Charges for services	1,365,000	1,365,000	639,045	(725,955)	883,772
Other taxes	45,000	45,000	28,323	(16,677)	52,636
Licenses and permits	4,000	4,000	11,716	7,716	7,654
Miscellaneous	15,000	15,000	82,191	67,191	289,170
Total Revenues	5,095,250	5,095,250	5,227,656	132,406	5,232,848
Expenditures					
Current					
Streets and highways	6,249,088	6,249,088	4,758,739	1,490,349	5,530,837
Capital Outlay					
Streets and highways	-	-	-	-	185,821
Total Expenditures	6,249,088	6,249,088	4,758,739	1,490,349	5,716,658
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,153,838)	(1,153,838)	468,917	1,622,755	(483,810)
Other Financing Sources (Uses)					
Transfers in	-	250,000	250,000	-	2,500,000
Transfers out	(100,000)	(345,000)	(345,000)	-	(1,328,893)
Other Financing Sources (Uses) Net	(100,000)	(95,000)	(95,000)	-	1,171,107
Net Changes in Fund Balances	(1,253,838)	(1,248,838)	373,917	1,622,755	687,297
Fund Balances, Beginning of Year	4,462,961	4,462,961	5,016,980	554,019	4,329,683
Fund Balances, End of Year	\$ 3,209,123	\$ 3,214,123	\$ 5,390,897	\$ 2,176,774	\$ 5,016,980

Grand County, Colorado
Emergency Medical Services Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2016
With Comparative Actual Amounts for the Year Ended December 31, 2015

	2016				2015
	Original Budget	Final Budget	Actual	Variance	Actual
Revenues					
Property taxes	\$ 1,350,529	\$ 1,350,529	\$ 1,321,038	\$ (29,491)	\$ 1,361,715
Intergovernmental	50,000	50,000	73,462	23,462	61,068
Charges for services	1,604,100	1,604,100	1,847,806	243,706	1,497,414
Other taxes	70,000	70,000	76,527	6,527	81,759
Miscellaneous	27,500	27,500	41,114	13,614	27,859
Total Revenues	3,102,129	3,102,129	3,359,947	257,818	3,029,815
Expenditures					
Current:					
Public health	3,040,611	3,300,611	3,306,786	(6,175)	3,549,260
Capital Outlay:					
Public health	125,000	125,000	132,862	(7,862)	548,104
Total Expenditures	3,165,611	3,425,611	3,439,648	(14,037)	4,097,364
Excess (Deficiency) of Revenues Over (Under) Expenditures	(63,482)	(323,482)	(79,701)	243,781	(1,067,549)
Other Financing Sources (Uses)					
Transfer in	100,000	250,000	250,000	-	782,000
Transfer out	-	(250,000)	(250,000)	-	-
Total Other Financing Sources Net	100,000	-	-	-	782,000
Net Changes in Fund Balances	36,518	(323,482)	(79,701)	243,781	(285,549)
Fund Balances, Beginning of Year	383,172	383,172	498,142	114,970	783,691
Fund Balances, End of Year	\$ 419,690	\$ 59,690	\$ 418,441	\$ 358,751	\$ 498,142

Grand County, Colorado
Notes to the Required Supplementary Information
For the Year Ended December 31, 2016

Note RSI – 1 Budgetary Information

Budgets for major governmental funds are adopted on the modified accrual basis where capital outlays are treated as expenditures and depreciation is not budgeted. The operating budget includes proposed expenditures and the means of financing them. The Board of County Commissioners must approve transfers between funds or increases to a fund's budget. The basis of budgeting is the same as GAAP.

Note RSI – 2 Expenditures/Expenses in Excess of Appropriation

Colorado's budget law requires that expenditures for a fund or spending agency cannot exceed the appropriations for that fund or spending agency. Appropriations may be increased provided there is sufficient fund balance in the fund or spending agency offset them.

The legal level of appropriations for the County is by fund. Each fund may not expend more than its total budgeted appropriations for the year. In the current year, the Emergency Management Services fund had expenditures of \$14,037 in excess of their approved appropriations.

Note RSI – 3 Combining Funds for Reporting Purposes – General Fund

The General Fund accounts for all financial resources except those required to be accounted for in another fund. The fund balance is available to the County for any purpose provided it is expended or transferred according to the general laws of Colorado. The Retirement, Affordable Housing, Employee Health Insurance and Water Quality Funds have been combined with the General Fund to comply with the reporting requirements of GASB Statement 54.

Note RSI – 4 Combining Funds for Reporting Purposes – Road and Bridge Fund

The Road and Bridge fund is used to account for a portion of County property taxes, State Highway User Tax Fund revenues, Federal Payments in Lieu of Taxes, National Forest Reserve revenues and other sources of revenue legally restricted or designated (primarily sales taxes) by the Board of County Commissioners for the maintenance of County roads. The Payment In Lieu of Taxes (PILT) fund has been combined with the Road and Bridge fund to comply with the reporting requirements of GASB Statement 54.

Financial Section

Other Supplementary Information

Financial Section

Major Governmental Funds

General Fund

(A Major Governmental Fund)

The General Fund is the principal fund of the County and is used to account for all activities except those required to be accounted for in another fund.

The County Retirement, Affordable Housing, Employee Insurance, and Water Quality Funds have been combined with the General Fund to comply with the reporting requirements of GASB 54.

Grand County, Colorado
General Fund
Comparative Balance Sheet
December 31, 2016
With Comparative Actual Amounts for December 31, 2015

	<u>2016</u>	<u>2015</u>
Assets		
Deposits and investments	\$ 4,847,329	\$ 6,165,062
Prepaid items	28,246	42,875
Receivables		
Accounts - net	290,496	429,859
Property taxes	8,080,200	8,334,000
Intergovernmental	19,363	50,436
Interfund	222	4,427
Other assets	266,666	266,666
Total Assets	<u>\$ 13,532,522</u>	<u>\$ 15,293,325</u>
Liabilities, Deferred Inflows of Resources and Fund Balances		
Liabilities		
Accounts payable	\$ 781,730	\$ 637,768
Employee insurance claims payable	204,941	315,497
Interfund payable	43,719	118,013
Miscellaneous payables	2,272	17,688
Total Liabilities	<u>1,032,662</u>	<u>1,088,966</u>
Deferred Inflows of Resources		
Unavailable property tax revenue	8,080,200	8,334,000
Total Deferred Inflows of Resources	<u>8,080,200</u>	<u>8,334,000</u>
Total Liabilities and Deferred Inflows of Resources	<u>9,112,862</u>	<u>9,422,966</u>
Fund Balances		
Nonspendable		
Prepaid items	28,246	42,875
Restricted		
TABOR reserve	850,000	850,000
Assigned		
Affordable housing projects	62,940	62,940
Water quality	25,309	24,178
Compensated absences	378,223	387,659
Severance	76,248	-
Employee insurance	1,487,793	1,148,738
Employer 401 (a) retirement match	251,210	69,120
Landfill post closure	99,610	99,434
Unassigned	<u>1,160,081</u>	<u>3,185,415</u>
Total Fund Balances	<u>4,419,660</u>	<u>5,870,359</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 13,532,522</u>	<u>\$ 15,293,325</u>

Special Revenue Funds

(Major Governmental Funds)

Special Revenue Funds are used by the County to account for and report the proceeds of specific revenue sources (specific taxes, assessments, intergovernmental grants, and other revenue) that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

Road & Bridge Fund – This fund is used to account for a portion of County property taxes, State Highway User Tax Fund revenues, Federal Payments in Lieu of Taxes, Schools and Roads revenues and other sources of revenue legally restricted or designated by the Board of County Commissioners to the maintenance of County roads. The Payment in Lieu of Taxes (PILT) Fund has been combined with the Road and Bridge Fund to comply with the reporting requirements of GASB 54.

Emergency Medical Services Fund - This fund is used to report the collection and expenditure of two mills of the County property taxes approved by citizen vote for the County's emergency medical response and ambulance services. Revenues also include charges for services.

**Grand County, Colorado
Road and Bridge Fund
Comparative Balance Sheet
December 31, 2016**

With Comparative Actual Amounts for December 31, 2015

	<u>2016</u>	<u>2015</u>
Assets		
Deposits and investments	\$ 5,301,979	\$ 5,159,161
Prepaid items	1,991	4,953
Receivables		
Accounts - net	21,298	26,903
Property taxes	210,725	217,000
Intergovernmental	1,307,912	1,298,512
Interfund	22,090	20,573
Inventories	66,871	53,131
Total Assets	<u>\$ 6,932,866</u>	<u>\$ 6,780,233</u>
Liabilities, Deferred Inflows of Resources and Fund Balances		
Liabilities		
Accounts payable	\$ 228,326	\$ 210,009
Due to other governments	1,102,918	1,082,351
Interfund payable	-	253,893
Total Liabilities	<u>1,331,244</u>	<u>1,546,253</u>
Deferred Inflows of Resources		
Unavailable property tax revenue	210,725	217,000
Total Deferred Inflows of Resources	<u>210,725</u>	<u>217,000</u>
Total Liabilities and Deferred Inflows of Resources	<u>1,541,969</u>	<u>1,763,253</u>
Fund Balances		
Nonspendable		
Prepaid items	1,991	4,953
Inventories	66,871	53,131
Assigned		
Streets & highways projects	5,322,035	4,958,896
Total Fund Balances	<u>5,390,897</u>	<u>5,016,980</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 6,932,866</u>	<u>\$ 6,780,233</u>

Grand County, Colorado
Emergency Medical Services Fund
Comparative Balance Sheet
December 31, 2016

With Comparative Actual Amounts for December 31, 2015

	2016	2015
Assets		
Deposits and investments	\$ 118,354	\$ 178,809
Prepaid items	5,143	2,035
Receivables		
Accounts - net	374,496	316,209
Property taxes	1,308,852	1,350,000
Interfund	21,574	59,368
Total Assets	\$ 1,828,419	\$ 1,906,421
Liabilities, Deferred Inflows of Resources and Fund Balances		
Liabilities		
Accounts payable	\$ 96,277	\$ 51,739
Interfund payable	4,849	6,540
Total Liabilities	101,126	58,279
Deferred Inflows of Resources		
Unavailable property tax revenue	1,308,852	1,350,000
Total Deferred Inflows of Resources	1,308,852	1,350,000
Total Liabilities and Deferred Inflows of Resources	1,409,978	1,408,279
Fund Balances		
Nonspendable		
Prepaid items	5,143	2,035
Assigned		
Emergency medical services	413,298	496,107
Total Fund Balances	418,441	498,142
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 1,828,419	\$ 1,906,421

Financial Section

Non-Major Governmental Funds

Funds generally used for tax supported activities which include the Non-Major Special Revenue Funds

Special Revenue Funds

(Non-Major Governmental Funds)

The Special Revenue Funds are used by the County to account for the revenues derived from specific taxes, assessments, intergovernmental grants, and other restricted revenue which are designated to finance a particular functions or activity of the County.

- ***Airport Improvements Fund*** - This fund is used to account for airport improvements funded primarily by Federal grant revenues, with a minor grant match by the County and State. Additionally, airport operations including aviation fuel sales, hangar rentals and maintenance at the County's two airports are accounted for within the fund.
- ***Conservation Trust Fund*** - This fund is used to account for state lottery revenue allocated to the County and the related community improvements financed by these revenues.
- ***County Lodging Tax Tourism Fund*** - This fund is used to account for the County 1.8% lodging tax revenue charged to persons for accommodations and the expenditure of these funds to advertise and market county tourism.
- ***Dispatch Services Fund*** - This fund is used for the operation of a communication center for the purpose of answering emergency and non-emergency calls for public safety services within the County. Revenues are from other county responding agencies and the Grand County Emergency Telephone Service Authority, a non-major fund.
- ***Grand County Emergency Telephone Service Authority*** – The Grand County Emergency Telephone Service Authority was formed by agreement by and between Grand County, the towns, police departments, and fire districts of the County to operate the 911 telephone system for Grand County.
- ***Grand County Housing Authority Administrative Fund*** - The Authority receives and administers the resources received from the U.S. Department of Housing and Urban Development (“HUD”) and the U.S. Department of Agriculture (USDA) - Rural Development, Division of Housing Section 8 Memorandums of Understanding (“MOUs”). The Authority is responsible for the administration of Section 8 and low-income federal programs, as well as other related operations.
- ***Pole Creek Meadows, Grand County, Colorado Public Improvement District Fund*** – The District was formed in 2012 for the construction or acquisition of public improvements consisting of certain road and street improvements to and for the benefit of the properties within the boundaries of the District. The improvements were funded in 2013 with the proceeds of a bond issuance and a contribution from the County. The Board of County Commissioners constitute ex officio the board of directors of the district.
- ***Social Services Fund*** - This fund is used to account for federal and state resources received by the County for various social programs.

Grand County, Colorado
Non-Major Special Revenue Funds
Combining Balance Sheet
December 31, 2016

	Airport Improvement Fund	Conservation Trust Fund	County Lodging Tax Tourism Fund	Dispatch Fund	Grand County Emergency Telephone Service Auth. Fund	Grand County Housing Authority Admin. Fund	Pole Creek Meadows Public Improvement District Fund	Social Services Fund	Total Non-Major Special Revenue Funds
Assets									
Deposits and investments - unrestricted	\$ 262,631	\$ 186,667	\$ 418,955	\$ 171,513	\$ 248,149	\$ 50,802	\$ 4,595	\$ 891,155	\$ 2,234,467
Deposits and investments - restricted	-	-	-	-	-	98,929	-	-	98,929
Prepaid items	-	-	-	-	-	2,844	-	-	2,844
Receivables:									
Accounts - net	214	-	-	-	51,489	-	-	-	51,703
Property taxes	-	-	-	-	-	-	69,700	318,051	387,751
Other taxes	-	-	123,942	-	-	-	-	-	123,942
Intergovernmental	-	-	-	-	-	-	-	99,488	99,488
Interfund	-	1,377	3,765	18	-	-	439	-	5,599
Inventories	58,201	-	-	-	-	-	-	-	58,201
Total Assets	\$ 321,046	\$ 188,044	\$ 546,662	\$ 171,531	\$ 299,638	\$ 152,575	\$ 74,734	\$ 1,308,694	\$ 3,062,924
Liabilities, Deferred Inflows of Resources and Fund Balances									
Liabilities									
Accounts payable	\$ 19,644	\$ -	\$ -	\$ 12,738	\$ -	\$ 8,693	\$ -	\$ 45,127	\$ 86,202
Interfund payable	2,067	-	-	-	-	30,000	-	-	32,067
Total Liabilities	21,711	-	-	12,738	-	38,693	-	45,127	118,269
Deferred Inflows of Resources									
Unavailable property tax revenue	-	-	-	-	-	-	69,700	318,051	387,751
Deferred other revenue	-	-	-	-	-	-	-	250,232	250,232
Total Deferred Inflows of Resources	-	-	-	-	-	-	69,700	568,283	637,983
Total Liabilities and Deferred Inflows of Resources	21,711	-	-	12,738	-	38,693	69,700	613,410	756,252
Fund Balances									
Nonspendable	58,201	-	-	-	-	2,844	-	-	61,045
Restricted	-	188,044	546,662	-	299,638	98,929	5,034	695,284	1,833,591
Assigned	241,134	-	-	158,793	-	12,109	-	-	412,036
Total Fund Balances	299,335	188,044	546,662	158,793	299,638	113,882	5,034	695,284	2,306,672
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 321,046	\$ 188,044	\$ 546,662	\$ 171,531	\$ 299,638	\$ 152,575	\$ 74,734	\$ 1,308,694	\$ 3,062,924

See accompanying independent auditors' report

Grand County, Colorado
Non-Major Special Revenue Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended December 31, 2016

	Airport Improvement Fund	Conservation Trust Fund	County Lodging Tax Tourism Fund	Dispatch Fund	Grand County Emergency Telephone Service Auth. Fund	Grand County Housing Authority Admin. Fund	Pole Creek Meadows Public Improvement District Fund	Social Services Fund	Total Non-Major Special Revenue Funds
Revenues									
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 63,270	\$ 320,768	\$ 384,038
Intergovernmental	45,075	59,728	25,000	215,223	-	123,657	-	2,330,914	2,799,597
Charges for services	297,670	-	300	-	-	35,104	-	-	333,074
Other taxes	-	-	825,065	-	-	-	3,864	18,596	847,525
Investment earnings	-	1,377	3,765	-	-	-	439	-	5,581
Special assessments	-	-	-	-	329,215	-	-	-	329,215
Miscellaneous	3,416	-	-	-	-	40,877	-	-	44,293
Total Revenues	346,161	61,105	854,130	215,223	329,215	199,638	67,573	2,670,278	4,743,323
Expenditures									
Current									
Public safety	-	-	-	660,528	15,222	-	-	-	675,750
Public welfare	-	-	-	-	-	-	-	2,513,319	2,513,319
Auxiliary services	416,378	18,937	937,424	-	-	170,981	3,168	-	1,546,888
Capital Outlay	-	-	-	83,634	-	-	-	-	83,634
Debt Service									
Interest	-	-	-	-	-	-	16,863	-	16,863
Principal	-	-	-	-	-	-	51,000	-	51,000
Total Expenditures	416,378	18,937	937,424	744,162	15,222	170,981	71,031	2,513,319	4,887,454
Excess (Deficiency) of Revenues Over (Under) Expenditures	(70,217)	42,168	(83,294)	(528,939)	313,993	28,657	(3,458)	156,959	(144,131)
Other Financing Sources (Uses)									
Transfers in	195,000	-	-	602,215	-	-	-	-	797,215
Transfers out	(44,366)	-	-	-	(312,500)	(22,767)	-	-	(379,633)
Total Other Financing Sources (Uses)	150,634	-	-	602,215	(312,500)	(22,767)	-	-	417,582
Net Changes in Fund Balances	80,417	42,168	(83,294)	73,276	1,493	5,890	(3,458)	156,959	273,451
Fund Balances, Beginning of Year	218,918	145,876	629,956	85,517	298,145	107,992	8,492	538,325	2,033,221
Fund Balances, End of Year	\$ 299,335	\$ 188,044	\$ 546,662	\$ 158,793	\$ 299,638	\$ 113,882	\$ 5,034	\$ 695,284	\$ 2,306,672

See accompanying independent auditors' report

**Grand County, Colorado
Airport Improvement Fund
Comparative Balance Sheet
December 31, 2016**

With Comparative Actual Amounts for December 31, 2015

	2016	2015
Assets		
Deposits and investments	\$ 262,631	\$ 323,303
Receivables		
Accounts	214	27,730
Inventories	58,201	37,618
Total Assets	\$ 321,046	\$ 388,651
Liabilities and Fund Balances		
Liabilities		
Accounts payable	\$ 19,644	\$ 8,409
Interfund payable	2,067	161,324
Total Liabilities	21,711	169,733
Fund Balances		
Nonspendable		
Inventories	58,201	37,618
Assigned		
Airport improvement projects	241,134	181,300
Total Fund Balances	299,335	218,918
Total Liabilities and Fund Balances	\$ 321,046	\$ 388,651

Grand County, Colorado
Airport Improvement Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2016
With Comparative Actual Amounts for the Year Ended December 31, 2015

	2016				2015
	Original Budget	Final Budget	Actual	Variance	Actual
Revenues					
Intergovernmental	\$ -	\$ 45,000	\$ 45,075	\$ 75	\$ 474,069
Charges for services	259,200	259,200	297,670	38,470	281,477
Miscellaneous	400	400	3,416	3,016	2,200
Total Revenues	259,600	304,600	346,161	41,561	757,746
Expenditures					
Current					
Auxiliary services	416,169	511,169	416,378	94,791	417,014
Excess (Deficiency) of Revenues Over (Under) Expenditures	(156,569)	(206,569)	(70,217)	136,352	340,732
Other Financing Sources (Uses)					
Transfers in	100,000	195,000	195,000	-	100,000
Transfers out	-	(45,000)	(44,366)	634	(470,734)
Total Other Financing Sources Net	100,000	150,000	150,634	634	(370,734)
Net Change in Fund Balances	(56,569)	(56,569)	80,417	136,986	(30,002)
Fund Balances, Beginning of Year	206,727	206,727	218,918	12,191	248,920
Fund Balances, End of Year	\$ 150,158	\$ 150,158	\$ 299,335	\$ 149,177	\$ 218,918

**Grand County, Colorado
Conservation Trust Fund
Comparative Balance Sheet
December 31, 2016**

With Comparative Actual Amounts for December 31, 2015

	<u>2016</u>	<u>2015</u>
Assets		
Deposits and investments	\$ 186,667	\$ 144,868
Interfund receivable	<u>1,377</u>	<u>1,008</u>
Total Assets	<u><u>\$ 188,044</u></u>	<u><u>\$ 145,876</u></u>
Fund Balances		
Restricted		
Conservation trust projects	<u>188,044</u>	<u>145,876</u>
Total Fund Balances	<u><u>\$ 188,044</u></u>	<u><u>\$ 145,876</u></u>

Grand County, Colorado
Conservation Trust Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2016
With Comparative Actual Amounts for the Year Ended December 31, 2015

	2016				2015
	Original Budget	Final Budget	Actual	Variance	Actual
Revenues					
Intergovernmental	\$ 30,000	\$ 30,000	\$ 59,728	\$ 29,728	\$ 50,634
Investment earnings	-	-	1,377	1,008	1,008
Total Revenues	<u>30,000</u>	<u>30,000</u>	<u>61,105</u>	<u>\$ 31,105</u>	<u>51,642</u>
Expenditures					
Current					
Auxiliary services	<u>35,500</u>	<u>35,500</u>	<u>18,937</u>	<u>16,563</u>	<u>50,806</u>
Net Changes in Fund Balances	<u>(5,500)</u>	<u>(5,500)</u>	<u>42,168</u>	<u>47,668</u>	<u>836</u>
Fund Balances, Beginning of Year	<u>127,474</u>	<u>127,474</u>	<u>145,876</u>	<u>18,402</u>	<u>145,040</u>
Fund Balances, End of Year	<u><u>\$ 121,974</u></u>	<u><u>\$ 121,974</u></u>	<u><u>\$ 188,044</u></u>	<u><u>\$ 66,070</u></u>	<u><u>\$ 145,876</u></u>

Grand County, Colorado
County Lodging Tax Tourism Fund
Comparative Balance Sheet
December 31, 2016

With Comparative Actual Amounts for December 31, 2015

	<u>2016</u>	<u>2015</u>
Assets		
Deposits and investments	\$ 418,955	\$ 502,349
Prepaid items	-	54,859
Receivables		
Lodging taxes	123,942	76,600
Interfund	3,765	4,228
Total Assets	<u>\$ 546,662</u>	<u>\$ 638,036</u>
Liabilities and Fund Balances		
Liabilities		
Accounts payable	\$ -	\$ 8,080
Total Liabilities	<u>-</u>	<u>8,080</u>
Fund Balances		
Nonspendable		
Prepaid items	-	54,859
Restricted		
Marketing county tourism	546,662	575,097
Total Fund Balances	<u>546,662</u>	<u>629,956</u>
Total Liabilities and Fund Balances	<u>\$ 546,662</u>	<u>\$ 638,036</u>

Grand County, Colorado
County Lodging Tax Tourism Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2016
With Comparative Actual Amounts for the Year Ended December 31, 2015

	2016				2015
	Original Budget	Final Budget	Actual	Variance	Actual
Revenues					
Intergovernmental	\$ -	\$ -	\$ 25,000	\$ 25,000	\$ -
Charges for services	-	-	300	300	575
Other taxes - lodging taxes	670,000	670,000	825,065	155,065	636,163
Investment earnings	500	500	3,765	3,265	4,228
Total Revenues	670,500	670,500	854,130	183,630	640,966
Expenditures					
Current:					
Auxiliary services	926,480	1,086,480	937,424	149,056	661,308
Net Changes in Fund Balances	(255,980)	(415,980)	(83,294)	332,686	(20,342)
Fund Balances, Beginning of Year	626,217	626,217	629,956	3,739	650,298
Fund Balances, End of Year	\$ 370,237	\$ 210,237	\$ 546,662	\$ 336,425	\$ 629,956

Grand County, Colorado
Dispatch Fund
Comparative Balance Sheet
December 31, 2016

With Comparative Actual Amounts for December 31, 2015

	<u>2016</u>	<u>2015</u>
Assets		
Deposits and investments	\$ 171,513	\$ 235,419
Receivables		
Accounts - net	-	169,974
Interfund	18	-
Prepaid expenses	<u>-</u>	<u>1,486</u>
Total Assets	<u><u>\$ 171,531</u></u>	<u><u>\$ 406,879</u></u>
Liabilities and Fund Balances		
Liabilities		
Accounts payable	<u>\$ 12,738</u>	<u>\$ 321,362</u>
Total Liabilities	<u>12,738</u>	<u>321,362</u>
Fund Balances		
Nonspendable		
Prepaid items	-	1,486
Assigned		
Dispatch operations	<u>158,793</u>	<u>84,031</u>
Total Fund Balances	<u>158,793</u>	<u>85,517</u>
Total Liabilities and Fund Balances	<u><u>\$ 171,531</u></u>	<u><u>\$ 406,879</u></u>

Grand County, Colorado
Dispatch Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2016
With Comparative Actual Amounts for the Year Ended December 31, 2015

	2016				2015
	Original Budget	Final Budget	Actual	Variance	Actual
Revenues					
Intergovernmental	\$ 185,228	\$ 215,223	\$ 215,223	\$ -	\$ 291,848
Expenditures					
Current					
Public safety	694,430	699,255	660,528	38,727	653,671
Capital Outlay					
Public safety	52,000	86,175	83,634	2,541	472,008
Total Expenditures	746,430	785,430	744,162	41,268	1,125,679
Excess (Deficiency) of Revenues					
Over (Under) Expenditures	(561,202)	(570,207)	(528,939)	41,268	(833,831)
Other Financing Sources					
Transfers in	602,215	602,215	602,215	-	924,377
Net Changes in Fund Balances	41,013	32,008	73,276	41,268	90,546
Fund Balances,					
Beginning of Year	37,769	37,769	85,517	47,748	(5,029)
Fund Balances,					
End of Year	\$ 78,782	\$ 69,777	\$ 158,793	\$ 89,016	\$ 85,517

Grand County, Colorado
Grand County Emergency Telephone Service Authority
Comparative Balance Sheet
December 31, 2016
With Comparative Actual Amounts for December 31, 2015

	<u>2016</u>	<u>2015</u>
Assets		
Deposits and investments	\$ 248,149	\$ 253,798
Receivables		
Accounts - net	<u>51,489</u>	<u>44,347</u>
Total Assets	<u><u>\$ 299,638</u></u>	<u><u>\$ 298,145</u></u>
Fund Balances		
Restricted	<u>\$ 299,638</u>	<u>\$ 298,145</u>
Total Fund Balances	<u><u>\$ 299,638</u></u>	<u><u>\$ 298,145</u></u>

Grand County, Colorado
Grand County Emergency Telephone Service Authority
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2016
With Comparative Actual Amounts for the Year Ended December 31, 2015

	2016				2015
	Original Budget	Final Budget	Actual	Variance	Actual
Revenues					
Special assessments	\$ 300,000	\$ 300,000	\$ 329,215	\$ 29,215	\$ 313,136
Total Revenues	<u>300,000</u>	<u>300,000</u>	<u>329,215</u>	<u>29,215</u>	<u>313,136</u>
Expenditures					
Current					
Public safety	15,750	17,750	15,222	2,528	15,705
Total Expenditures	<u>15,750</u>	<u>17,750</u>	<u>15,222</u>	<u>2,528</u>	<u>15,705</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>284,250</u>	<u>282,250</u>	<u>313,993</u>	<u>31,743</u>	<u>297,431</u>
Other Financing Sources (Uses)					
Transfers out	(312,500)	(312,500)	(312,500)	-	(623,751)
Net Changes in Fund Balances	<u>(28,250)</u>	<u>(30,250)</u>	<u>1,493</u>	<u>31,743</u>	<u>(326,320)</u>
Fund Balances, Beginning of Year	<u>284,564</u>	<u>284,564</u>	<u>298,145</u>	<u>13,581</u>	<u>624,465</u>
Fund Balances, End of Year	<u>\$ 256,314</u>	<u>\$ 254,314</u>	<u>\$ 299,638</u>	<u>\$ 45,324</u>	<u>\$ 298,145</u>

Grand County, Colorado
Grand County Housing Authority - Administrative Fund
Comparative Balance Sheet
December 31, 2016
With Comparative Actual Amounts for December 31, 2015

	<u>2016</u>	<u>2015</u>
Assets		
Deposits and investments - unrestricted	\$ 50,802	\$ 9,773
Deposits and investments - restricted	98,929	131,549
Prepaid items	2,844	2,358
Total Assets	<u>\$ 152,575</u>	<u>\$ 143,680</u>
Liabilities and Fund Balances		
Liabilities		
Accounts payable	\$ 8,693	\$ 35,688
Interfund payable	30,000	-
Total Liabilities	<u>38,693</u>	<u>35,688</u>
Fund Balances		
Nonspendable		
Prepaid items	2,844	2,358
Restricted		
Down payment assistance	98,929	131,549
Assigned		
Senior housing projects	12,109	-
Unassigned		
Senior housing projects	-	(25,915)
Total Fund Balances	<u>113,882</u>	<u>107,992</u>
Total Liabilities and Fund Balances	<u>\$ 152,575</u>	<u>\$ 143,680</u>

Grand County, Colorado
Grand County Housing Authority - Administrative Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2016
With Comparative Actual Amounts for the Year Ended December 31, 2015

	2016				2015
	Original Budget	Final Budget	Actual	Variance	Actual
Revenues					
Intergovernmental	\$ 343,695	\$ 343,695	\$ 123,657	\$ (220,038)	\$ 328,414
Charges for services	40,000	40,000	35,104	(4,896)	44,239
Miscellaneous	14,500	14,500	40,877	26,377	12,263
Total Revenues	398,195	398,195	199,638	(198,557)	384,916
Expenditures					
Current:					
Auxiliary services	165,695	165,695	170,981	(5,286)	196,377
Excess (Deficiency) of Revenues Over (Under) Expenditures	232,500	232,500	28,657	(203,843)	188,539
Other Financing Sources (Uses)					
Transfers in	-	-	-	-	8,178
Transfers out	(232,500)	(232,500)	(22,767)	209,733	(191,000)
Total Other Financing Sources Net	(232,500)	(232,500)	(22,767)	209,733	(182,822)
Net Changes in Fund Balances	-	-	5,890	5,890	5,717
Fund Balances, Beginning of Year	93,910	93,910	107,992	14,082	102,275
Fund Balances, End of Year	\$ 93,910	\$ 93,910	\$ 113,882	\$ 19,972	\$ 107,992

Grand County, Colorado
Pole Creek Meadows, Grand County, Colorado Public Improvement District
Comparative Balance Sheet
December 31, 2016
With Comparative Actual Amounts for December 31, 2015

	<u>2016</u>	<u>2015</u>
Assets		
Deposits and investments	\$ 4,595	\$ 8,094
Receivables		
Property taxes	69,700	63,130
Interfund	439	398
Total Assets	<u><u>\$ 74,734</u></u>	<u><u>\$ 71,622</u></u>
Liabilities, Deferred Inflows of Resources and Fund Balances		
Deferred Inflows of Resources		
Unavailable property tax revenue	<u>\$ 69,700</u>	<u>\$ 63,130</u>
Fund Balances		
Restricted		
District debt repayment	<u>5,034</u>	<u>8,492</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u><u>\$ 74,734</u></u>	<u><u>\$ 71,622</u></u>

Grand County, Colorado
Pole Creek Meadows, Grand County, Colorado Public Improvement District
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2016
With Comparative Actual Amounts for the Year Ended December 31, 2015

	2016				2015
	Original Budget	Final Budget	Actual	Variance	Actual
Revenues					
Property taxes	\$ 63,200	\$ 63,200	\$ 63,270	\$ 70	\$ 63,394
Other taxes	3,500	3,500	3,864	364	4,128
Investment earnings	-	-	439	439	399
Total Revenues	66,700	66,700	67,573	873	67,921
Expenditures					
Current					
Auxiliary services	3,200	3,200	3,168	32	3,172
Debt Service					
Interest	19,000	19,000	16,863	2,137	18,652
Principal	49,000	49,000	51,000	(2,000)	49,000
Total Expenditures	71,200	71,200	71,031	169	70,824
Net Changes in Fund Balances	(4,500)	(4,500)	(3,458)	1,042	(2,903)
Fund Balances, Beginning Of Year	7,494	7,494	8,492	998	11,395
Fund Balances, End Of Year	\$ 2,994	\$ 2,994	\$ 5,034	\$ 2,040	\$ 8,492

Grand County, Colorado
Social Services Fund
Comparative Balance Sheet
December 31, 2016
With Comparative Actual Amounts for December 31, 2015

	2016	2015
Assets		
Deposits and investments	\$ 891,155	\$ 728,456
Receivables		
Property taxes	318,051	328,000
Intergovernmental	99,488	97,475
Total Assets	\$ 1,308,694	\$ 1,153,931
Liabilities, Deferred Inflows of Resources and Fund Balances		
Liabilities		
Accounts payable	\$ 45,127	\$ 30,687
Deferred Inflows of Resources		
Unavailable property taxes	318,051	328,000
Deferred intergovernmental revenue	250,232	256,919
Total Deferred Inflows of Resources	568,283	584,919
Total Liabilities and Deferred Inflows of Resources	613,410	615,606
Fund Balances		
Restricted		
Social services programs	695,284	538,325
Total Fund Balances	695,284	538,325
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 1,308,694	\$ 1,153,931

Grand County, Colorado
Social Services Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2016
With Comparative Actual Amounts for the Year Ended December 31, 2015

	2016				2015
	Original Budget	Final Budget	Actual	Variance	Actual
Revenues					
Property taxes	\$ 328,000	\$ 328,000	\$ 320,768	\$ (7,232)	\$ (109)
Intergovernmental	2,346,354	2,379,354	2,330,914	(48,440)	2,525,866
Other taxes	-	-	18,596	18,596	-
Total Revenues	<u>2,674,354</u>	<u>2,707,354</u>	<u>2,670,278</u>	<u>(37,076)</u>	<u>2,525,757</u>
Expenditures					
Current					
Public welfare	<u>2,621,699</u>	<u>2,721,699</u>	<u>2,513,319</u>	<u>208,380</u>	<u>2,717,434</u>
Net Changes in Fund Balances	52,655	(14,345)	156,959	171,304	(191,677)
Fund Balances, Beginning of Year	<u>555,220</u>	<u>555,220</u>	<u>538,325</u>	<u>(16,895)</u>	<u>730,002</u>
Fund Balances, End of Year	<u>\$ 607,875</u>	<u>\$ 540,875</u>	<u>\$ 695,284</u>	<u>\$ 154,409</u>	<u>\$ 538,325</u>

Capital Improvement Funds

(Major Governmental Funds)

The capital improvements funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays including the acquisition or construction of capital facilities and other capital assets. Capital projects funds exclude those types of capital-related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations, or other governments.

- ***Major Capital Improvement Fund*** - This fund is used to account for major capital expenditures (those in excess of \$5,000) financed primarily from sales tax revenues or capital leases and all other major capital asset transactions of the County.
- ***Sales Tax Fund*** - This fund is used to account for sales tax revenues received and non-operating expenditures financed primarily from sales tax revenues.

Grand County, Colorado
Major Capital Improvements Fund
Comparative Balance Sheet
December 31, 2016

With Comparative Actual Amounts for December 31, 2015

	<u>2016</u>	<u>2015</u>
Assets		
Deposits and investments - unrestricted	\$ 1,406,263	\$ 1,640,491
Deposits and investments - restricted	69,030	75,700
Receivables		
Accounts - net	20,806	4,304
Interfund	-	456,630
Total Assets	<u>\$ 1,496,099</u>	<u>\$ 2,177,125</u>
Liabilities and Fund Balances		
Liabilities		
Accounts payable	\$ -	\$ 210,069
Total Liabilities	<u>-</u>	<u>210,069</u>
Fund Balances		
Restricted		
Clerk and Recorder e-filing project	69,030	75,700
Assigned		
Capital improvement projects	<u>1,427,069</u>	<u>1,891,356</u>
Total Fund Balances	<u>1,496,099</u>	<u>1,967,056</u>
Total Liabilities and Fund Balances	<u>\$ 1,496,099</u>	<u>\$ 2,177,125</u>

Grand County, Colorado
Major Capital Improvements Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2016
With Comparative Actual Amounts for the Year Ended December 31, 2015

	2016				2015
	Original Budget	Final Budget	Actual	Variance	Actual
Revenues					
Property taxes	\$ 1,600	\$ 1,600	\$ 82	\$ (1,518)	\$ 851,072
Other taxes	36,000	36,000	-	(36,000)	51,099
Miscellaneous	-	-	-	-	19,317
Total Revenues	<u>37,600</u>	<u>37,600</u>	<u>82</u>	<u>(37,518)</u>	<u>921,488</u>
Expenditures					
Current					
General government	45,000	45,000	301	44,699	42,702
Capital Outlay					
General government	135,000	135,000	15,015	119,985	598,820
Streets and highways	-	350,000	320,526	29,474	1,279,597
Public safety	171,000	366,500	366,883	(383)	429,632
Auxiliary services	-	64,000	75,098	(11,098)	586,571
Total Capital Outlay	<u>306,000</u>	<u>915,500</u>	<u>777,522</u>	<u>137,978</u>	<u>2,894,620</u>
Total Expenditures	<u>351,000</u>	<u>960,500</u>	<u>777,823</u>	<u>182,677</u>	<u>2,937,322</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(313,400)</u>	<u>(922,900)</u>	<u>(777,741)</u>	<u>145,159</u>	<u>(2,015,834)</u>
Other Financing Sources (Uses)					
Transfers in	7,000	247,000	239,951	(7,049)	2,268,411
Transfers out	-	-	-	-	(532,000)
Proceeds on the sale of capital assets	-	-	66,833	66,833	366,562
Total Other Financing Sources (Uses) Net	<u>7,000</u>	<u>247,000</u>	<u>306,784</u>	<u>59,784</u>	<u>2,102,973</u>
Net Changes in Fund Balances	<u>(306,400)</u>	<u>(675,900)</u>	<u>(470,957)</u>	<u>204,943</u>	<u>87,139</u>
Fund Balances, Beginning of Year	<u>1,844,352</u>	<u>1,844,352</u>	<u>1,967,056</u>	<u>122,704</u>	<u>1,879,917</u>
Fund Balances, End of Year	<u>\$ 1,537,952</u>	<u>\$ 1,168,452</u>	<u>\$ 1,496,099</u>	<u>\$ 327,647</u>	<u>\$ 1,967,056</u>

Grand County, Colorado
Sales Tax Fund
Comparative Balance Sheet
December 31, 2016
With Comparative Actual Amounts for December 31, 2015

	<u>2016</u>	<u>2015</u>
Assets		
Deposits and investments	\$ 4,556,681	\$ 2,221,028
Receivables		
Sales Taxes	<u>638,670</u>	<u>622,057</u>
Total Assets	<u><u>\$ 5,195,351</u></u>	<u><u>\$ 2,843,085</u></u>
Liabilities and Fund Balances		
Liabilities		
Accounts payable	\$ 124,179	\$ 318,906
Interfund payable	<u>-</u>	<u>8,071</u>
Total Liabilities	<u>124,179</u>	<u>326,977</u>
Fund Balances		
Assigned		
Capital improvement projects	<u>5,071,172</u>	<u>2,516,108</u>
Total Liabilities and Fund Balances	<u><u>\$ 5,195,351</u></u>	<u><u>\$ 2,843,085</u></u>

Grand County, Colorado
Sales Tax Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2016
With Comparative Actual Amounts for the Year Ended December 31, 2015

	2016				2015
	Original Budget	Final Budget	Actual	Variance	Actual
Revenues					
Sales taxes	\$ 3,017,000	\$ 3,017,000	\$ 3,912,637	\$ 895,637	\$ 3,673,216
Miscellaneous	17,500	17,500	390	(17,110)	40,728
Total Revenues	3,034,500	3,034,500	3,913,027	878,527	3,713,944
Expenditures					
Current					
General government	1,368,353	1,368,353	1,303,991	64,362	2,306,972
Public health	-	-	-	-	72,581
Streets and highways	-	-	5,970	(5,970)	34,003
Public safety	59,950	59,950	38,739	21,211	36,736
Public welfare	-	-	1,239	(1,239)	1,040
Auxiliary services	7,500	7,500	5,049	2,451	55,634
Judicial services	5,000	5,000	8,975	(3,975)	90,074
Total Expenditures	1,440,803	1,440,803	1,363,963	76,840	2,597,040
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,593,697	1,593,697	2,549,064	955,367	1,116,904
Other Financing Sources (Uses)					
Transfers in	30,000	30,000	6,000	(24,000)	4,515,376
Transfers out	(3,500,000)	(3,500,000)	-	3,500,000	(5,500,000)
Total Other Financing Sources (Uses) Net	(3,470,000)	(3,470,000)	6,000	3,476,000	(984,624)
Net Changes in Fund Balances	(1,876,303)	(1,876,303)	2,555,064	4,431,367	132,280
Fund Balances, Beginning of Year	1,922,939	1,922,939	2,516,108	593,169	2,383,828
Fund Balances, End of Year	\$ 46,636	\$ 46,636	\$ 5,071,172	\$ 5,024,536	\$ 2,516,108

Financial Section

Major Proprietary Enterprise Funds

In general proprietary funds comprise two fund types. Enterprise funds are used to account for services provided on a total or partial cost-recovery basis to parties outside the government (e.g., water, mass transit, hospitals). Internal service funds are used to allocate overhead costs (e.g., data processing, motor pool) within the government itself. Grand County's proprietary funds are all enterprise funds.

The Colorado Sewer Enterprise Fund – This fund is used to account for the County's one-third interest in the operation of the sewage collection infrastructure and treatment plant for an unincorporated area of Grand County known as Tabernash.

The following enterprise funds are included in the County financial statements by the blending of the Grand County Housing Authority.

Silver Spruce Senior Apartments Fund – This facility, located in Kremmling includes 20 single bedroom apartments in a secured building with after-hours keyed entry designed for low income seniors 62 years of age or disabled who maintain this as their sole residence.

Grand Living Senior Homes Fund – This facility, located in Granby, includes 24 single bedroom apartments with individual entrances and patios designed for low income seniors 62 years of age or disabled who maintain this as their sole residence.

Cliffview Assisted Living Center Fund – This facility, located in Kremmling is designed for up to 25 seniors who need a supportive setting while maintaining their independence and choices in life.

Grand County, Colorado
Colorado Sewer Enterprise Fund
Schedule of Revenues, Expenses and Changes in Net Position
Budget (Non-GAAP Basis) and Actual with Reconciliation to GAAP Basis
For the Year Ended December 31, 2016
With Comparative Actual Amounts for the Year Ended December 31, 2015

	2016				2015
	Original Budget	Final Budget	Actual	Variance	Actual
Operating revenues					
Charges for services	\$ 112,290	\$ 112,290	\$ 107,773	\$ (4,517)	\$ 115,979
Special assessments	36,128	36,128	34,565	(1,563)	37,854
Other revenue	-	-	555	555	35
Investment earnings	-	-	1,571	1,571	1,207
Total Revenues	148,418	148,418	144,464	(3,954)	155,075
Operating expenses					
Contingency	5,000	5,000	-	5,000	-
Depreciation	27,812	27,812	27,812	-	27,812
Insurance	3,993	3,993	4,481	(488)	4,095
Interest	24,348	24,348	25,597	(1,249)	23,763
Maintenance	53,993	53,993	29,371	24,622	28,647
Materials and supplies	10,724	10,724	8,324	2,400	17,500
Professional fees	6,930	6,930	6,794	136	11,761
Salaries and benefits	62,040	62,040	61,897	143	60,906
Utilities	10,031	10,031	10,513	(482)	11,275
Principal payment	12,961	12,961	12,961	-	12,361
Total Expenses	217,832	217,832	187,750	30,082	198,120
Income (loss) before capital contributions-budget basis	(69,414)	(69,414)	(43,286)	26,128	(43,045)
Capital contribution-tap fees	9,000	9,000	28,880	19,880	7,880
Change in Net Position - budget basis	\$ (60,414)	\$ (60,414)	(14,406)	\$ 46,008	(35,165)
Reconciliation from budget to GAAP basis:					
Principal payment			12,961		12,361
Change in net position - GAAP basis			(1,445)		(22,804)
Net Position (Deficit) - Beginning			373,410		396,214
Net Position (Deficit) - Ending			\$ 371,965		\$ 373,410

Grand County, Colorado
Grand County Housing Authority - Silver Spruce Senior Apartments Fund
Schedule of Revenues, Expenses and Changes in Net Position
Budget (Non-GAAP Basis) and Actual with Reconciliation to GAAP Basis
For the Year Ended December 31, 2016
With Comparative Actual Amounts for the Year Ended December 31, 2015

	2016				2015
	Original Budget	Final Budget	Actual	Variance	Actual
Operating revenues					
Gross potential rents	\$ 60,053	\$ 60,053	\$ 67,790	\$ 7,737	\$ 70,263
Tenant assistance payments	173,342	173,342	167,791	(5,551)	161,411
Laundry and vending revenue	1,500	1,500	1,484	(16)	1,411
Other revenue	525	525	2,314	1,789	2,364
Total Revenues	<u>235,420</u>	<u>235,420</u>	<u>239,379</u>	<u>3,959</u>	<u>235,449</u>
Operating expenses					
Administrative	65,220	65,220	60,169	5,051	46,749
Interest expense	34,440	34,440	25,285	9,155	17,838
Operations and maintenance	43,672	63,672	74,414	(10,742)	45,315
Taxes and insurance	13,583	13,583	17,896	(4,313)	16,381
Utilities	58,800	58,800	50,087	8,713	50,459
Total Expenses	<u>215,715</u>	<u>235,715</u>	<u>227,851</u>	<u>7,864</u>	<u>176,742</u>
Income (loss) before transfers					
in(out)-budget basis	19,705	(295)	11,528	11,823	58,707
Transfers out	-	-	(7,366)	(7,366)	(8,178)
Change in Net Position - budget basis	<u>\$ 19,705</u>	<u>\$ (295)</u>	4,162	<u>\$ 4,457</u>	50,529
Reconciliation from budget to GAAP basis:					
Depreciation			(22,072)		(34,776)
Change in net position - GAAP basis			(17,910)		15,753
Net Position (Deficit) - Beginning			(317,747)		(333,500)
Net Position (Deficit) - Ending			<u>\$ (335,657)</u>		<u>\$ (317,747)</u>

Grand County, Colorado
Grand County Housing Authority - Grand Living Senior Homes Fund
Schedule of Revenues, Expenses and Changes in Net Position
Budget (Non-GAAP Basis) and Actual with Reconciliation to GAAP Basis
For the Year Ended December 31, 2016
With Comparative Actual Amounts for the Year Ended December 31, 2015

	2016				2015
	Original Budget	Final Budget	Actual	Variance	Actual
Operating revenues					
Gross potential rents	\$ 77,844	\$ 77,844	\$ 80,397	\$ 2,553	\$ 81,949
Tenant assistance payments	110,728	110,728	115,565	4,837	112,261
Laundry and vending revenue	1,000	1,000	597	(403)	1,064
Other revenue	7,955	7,955	11,337	3,382	9,127
Total Revenues	197,527	197,527	207,896	10,369	204,401
Operating expenses					
Administrative	45,952	45,952	45,349	603	45,499
Interest expense	26,146	26,146	11,642	14,504	13,534
Operations and maintenance	52,064	82,064	78,707	3,357	52,733
Taxes and insurance	16,620	16,620	18,512	(1,892)	16,036
Utilities	48,000	48,000	48,314	(314)	46,865
Total Expenses	188,782	218,782	202,524	16,258	174,667
Transfers in	-	-	-	-	185,000
Change in Net Position - budget basis	8,745	(21,255)	5,372	26,627	214,734
Reconciliation from budget to GAAP basis:					
Depreciation			(47,896)		(38,645)
Change in net position - GAAP basis			(42,524)		176,089
Net Position (Deficit) - Beginning			100,093		(75,996)
Net Position (Deficit) - Ending			\$ 57,569		\$ 100,093

Grand County, Colorado
Grand County Housing Authority - Cliffview Assisted Living Center Fund
Schedule of Revenues, Expenses and Changes in Net Position
Budget (Non-GAAP Basis) and Actual with Reconciliation to GAAP Basis
For the Year Ended December 31, 2016
With Comparative Actual Amounts for the Year Ended December 31, 2015

	2016				2015
	Original Budget	Final Budget	Actual	Variance	Actual
Operating revenues					
Gross potential rents	\$ 488,881	\$ 488,881	\$ 500,273	\$ 11,392	\$ 557,188
Medicaid reimbursements	223,200	223,200	196,904	(26,296)	155,866
Other revenue	466	466	6,043	5,577	2,356
Total Revenues	<u>712,547</u>	<u>712,547</u>	<u>703,220</u>	<u>(9,327)</u>	<u>715,410</u>
Operating expenses					
Activities	365,130	365,130	352,127	13,003	349,954
Administrative	142,621	142,621	153,389	(10,768)	140,820
Interest expense	47,604	47,604	29,804	17,800	30,279
Operations and maintenance	263,556	263,556	27,451	236,105	31,719
Taxes and insurance	100,978	100,978	108,825	(7,847)	96,964
Utilities	46,550	46,550	43,386	3,164	45,961
Total Expenses	<u>966,439</u>	<u>966,439</u>	<u>714,982</u>	<u>251,457</u>	<u>695,697</u>
Income (loss) before transfers					
in(out)-budget basis	(253,892)	(253,892)	(11,762)	242,130	19,713
Transfers in	<u>235,000</u>	<u>235,000</u>	<u>30,133</u>	<u>(204,867)</u>	<u>6,000</u>
Change in Net Position - budget basis	<u>\$ (18,892)</u>	<u>\$ (18,892)</u>	18,371	<u>\$ 37,263</u>	25,713
Reconciliation from budget to GAAP basis:					
Depreciation			<u>(31,588)</u>		<u>(31,590)</u>
Change in net position - GAAP basis			(13,217)		(5,877)
Net Position (Deficit) - Beginning			<u>(18,313)</u>		<u>(12,436)</u>
Net Position (Deficit) - Ending			<u>\$ (31,530)</u>		<u>\$ (18,313)</u>

Financial Section

Fiduciary (Agency) Funds

Financial Section

Fiduciary (Agency) Funds

In general fiduciary funds consist of four fund types: private-purpose trust funds (escheat property), pension and other employee benefit trust funds, investment trust funds (intergovernmental investment pools), and agency funds (resources held in a temporary and essentially custodial capacity).

The County Fiduciary Funds are Agency Funds used to account for assets that the County holds in a fiduciary capacity but belong to third parties.

- ***The Treasurer's Fund*** is used to account for resources received and disbursed by the County Treasurer on behalf of other government agencies primarily the county special taxing districts and certain County operations. The Public Trustee activity is included in the Treasurer's Fund.
- ***The Clerk's Fund*** is used to account for resources received and disbursed by the County Clerk on behalf of other government agencies primarily the State of Colorado
- ***The Sheriff's Fund*** consists of the forfeiture fund used to account for proceeds from the seizure of contraband available to the Sheriff for law enforcement activities. Additionally, the Sheriff holds money for jail inmates and collects monies from jail inmates for the district and county courts and also charges jail inmates for goods and services.
- ***The Colorado State Highway 9 Fund*** is a temporary fund used to account for resources held in escrow by North American Title Company restricted for use as part of the RAMP agreement for the CDOT Colorado State Highway 9 project scheduled for completion in 2017.

Grand County, Colorado
Fiduciary (Agency) Funds
Combining Statement of Fiduciary Assets and Liabilities
For the Year Ended December 31, 2016
With Summarized Comparative Information at December 31, 2015

	2016					2015
	Treasurer's Fund	Clerk's Fund	Sheriff's Fund	Colorado State Highway 9 Fund	Total Agency Funds	Total Agency Funds
Total Agency Funds						
Fiduciary Assets						
Cash and investments	\$ 1,811,353	\$ 432,349	\$ 38,166	\$ 163,416	\$ 2,445,284	\$ 4,326,655
Liabilities						
Due to others	1,307,666	-	38,030	-	1,345,696	1,138,775
Due to other governmental units	156,996	432,349	-	163,416	752,761	2,568,799
Outstanding warrants	346,691	-	-	-	346,691	618,940
Due to County Sheriff	-	-	136	-	136	141
Total Liabilities	\$ 1,811,353	\$ 432,349	\$ 38,166	\$ 163,416	\$ 2,445,284	\$ 4,326,655

Grand County, Colorado
Fiduciary (Agency) Funds
Combining Statement of Changes in Fiduciary Assets and Liabilities
For the Year Ended December 31, 2016

Treasurer's Fund	Balance 12/31/2015	2016		Balance 12/31/2016
		Additions	Deductions	
Fiduciary Assets				
Cash and investments	\$ 1,870,980	\$ 35,699,876	\$ (35,759,503)	\$ 1,811,353
Liabilities				
Due to others	\$ 1,106,949	\$ 3,334,908	\$ (3,134,191)	\$ 1,307,666
Due to other governmental units	145,091	32,018,276	(32,006,371)	156,996
Outstanding warrants	618,940	346,692	(618,941)	346,691
Total Liabilities	\$ 1,870,980	\$ 35,699,876	\$ (35,759,503)	\$ 1,811,353
Clerk's Fund	Balance 12/31/2015	2016		Balance 12/31/2016
		Additions	Deductions	
Fiduciary Assets				
Cash and investments	\$ 402,245	\$ 5,833,824	\$ (5,803,720)	\$ 432,349
Liabilities				
Due to other governmental units	\$ 402,245	\$ 5,833,824	\$ (5,803,720)	\$ 432,349
Sheriff's Fund	Balance 12/31/2015	2016		Balance 12/31/2016
		Additions	Deductions	
Fiduciary Assets				
Cash and investments	\$ 31,966	\$ 232,673	\$ (226,473)	\$ 38,166
Liabilities				
Due to others	\$ 31,825	\$ 232,673	\$ (226,468)	\$ 38,030
Due to County Sheriff	141	-	(5)	136
Total Liabilities	\$ 31,966	\$ 232,673	\$ (226,473)	\$ 38,166
Colorado State Highway 9	Balance 12/31/2015	2016		Balance 12/31/2016
		Additions	Deductions	
Fiduciary Assets				
Cash and investments	\$ 2,021,464	\$ 1,392	\$ (1,859,440)	\$ 163,416
Liabilities				
Due to other governmental units	\$ 2,021,464	\$ 1,392	\$ (1,859,440)	\$ 163,416
Total Agency Funds	Balance 12/31/2015	2016		Balance 12/31/2016
		Additions	Deductions	
Fiduciary Assets				
Cash and investments	\$ 4,326,655	\$ 41,767,765	\$ (43,649,136)	\$ 2,445,284
Liabilities				
Due to others	\$ 1,138,775	\$ 3,567,581	\$ (3,360,660)	\$ 1,345,696
Due to other governmental units	2,568,799	37,853,492	(39,669,530)	752,761
Outstanding warrants	618,940	346,692	(618,941)	346,691
Due to County Sheriff	141	-	(5)	136
Total Liabilities	\$ 4,326,655	\$ 41,767,765	\$ (43,649,136)	\$ 2,445,284

Special Reports Section

LOCAL HIGHWAY FINANCE REPORT

CITY OR COUNTY	Grand County
STATE:	Colorado
YEAR ENDING (mm/yy):	12/16

This Information From The Records Of County of Grand, Colorado

Prepared By: Cathy Henderson, Assistant Finance Director
Phone: (970) 725-3138**I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE**

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Receipts from local sources:	
1. Local highway-user taxes	
a. Motor Fuel (from Item I.A.5.)	
b. Motor Vehicle (from Item I.B.5.)	
c. Total (a.+b.)	
2. General fund appropriations	512,557
3. Other local imposts (from page 2)	577,303
4. Miscellaneous local receipts (from page 2)	666,288
5. Transfers from toll facilities	
6. Proceeds of sale of bonds and notes:	
a. Bonds - Original Issues	
b. Bonds - Refunding Issues	
c. Notes	
d. Total (a. + b. + c.)	
7. Total (1 through 6)	1,756,148
B. Private Contributions	
C. Receipts from State government (from page 2)	2,814,434
D. Receipts from Federal Government (from page 2)	1,408,449
E. Total receipts (A.7 + B + C + D)	5,979,031

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Local highway disbursements:	
1. Capital outlay (from page 2)	333,818
2. Maintenance:	3,747,050
3. Road and street services:	
a. Traffic control operations	
b. Snow and ice removal	1,011,689
c. Other	
d. Total (a. through c.)	1,011,689
4. General administration & miscellaneous	
5. Highway law enforcement and safety	512,557
6. Total (1 through 5)	5,605,114
B. Debt service on local obligations:	
1. Bonds:	
a. Interest	
b. Redemption	
c. Total (a. + b.)	
2. Notes:	
a. Interest	
b. Redemption	
c. Total (a. + b.)	
3. Total (1.c + 2.c)	
C. Payments to State for highways	
D. Payments to toll facilities	
E. Total disbursements (A.6 + B.3 + C + D)	5,605,114

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

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

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	5,016,980	5,979,031	5,605,114	5,390,897	0

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT	CITY OR COUNTY	Grand County
	STATE:	Colorado
	YEAR ENDING (mm/yy):	12/16

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL			
ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments	203,447	a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes	333,818	c. Parking Garage Fees	
2. Infrastructure & Impact Fees		d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses	11,716	f. Charges for Services	584,097
5. Specific Ownership &/or Other	28,323	g. Other Misc. Receipts	82,191
6. Total (1. through 5.)	373,857	h. Other	
c. Total (a. + 6.)	577,303	i. Total (a. through h.)	666,288
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	2,759,485	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	54,949	d. Federal Transit Admin	
d. Other (Specify) - DOLA Grant		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	1,408,449
f. Total (a. through e.)	54,949	g. Total (a. through f.)	1,408,449
4. Total (1. + 2. + 3.f)	2,814,434	3. Total (1. + 2.g)	
			(Carry forward to page 1)

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL			
	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs			
b. Engineering Costs		13,292	13,292
c. Construction:			
(1). New Facilities			
(2). Capacity Improvements			
(3). System Preservation		320,526	320,526
(4). System Enhancement & C			
(5). Total Construction (1) + (		320,526	320,526
d. Total Capital Outlay (Lines 1.a.		333,818	333,818
			(Carry forward to page 1)

Notes and Comments:

Statistical Section

This part of the Grand County's comprehensive annual financial report (CAFR) presents this detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the County's overall financial health.

	<u>Section - Page</u>
Financial Trends	H - 1 to H- 9
These tables and schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.	
Revenue Capacity	H - 10 to H- 15
These tables and schedules contain information to help the reader assess the factors affecting the County's ability to generate its property and sales taxes.	
Debt Capacity	H - 16 to H- 18
These tables and schedules present information to help the reader to assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future. The County has not issued any bonded debt within the last ten years and therefore, has omitted any required tables relating to bonded debt.	
Demographic and Economic Information	H - 19 to H- 29
These tables and schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place and to help make comparisons over time and with other governments.	
Operating Information	H - 30 to H- 35
These tables and schedules offer information about the County's operations and resources to help the reader understand the County's financial relates to the services the County provides and the activities it performs.	

Sources: *Unless otherwise noted, the information in these tables is derived from the Comprehensive Annual Financial Reports for the relevant year.*

Statistical Section

Financial Trends

These tables and schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.

Section - Page

Government-Wide

Expenses, Program Revenues and Net (Expense) Revenue By Function	H - 1
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Governmental Funds

Revenues By Source, Expenditures, Other Financing and Net Changes in Fund Balances	H - 6
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Expenditures by Function	H - 8
Excess (Deficiency) of Revenue Over (Under) Expenditures, Other Financing and Net Changes in Fund Balances	H - 9

Grand County, Colorado
Government-Wide Expenses, Program Revenue and Net (Expense) Revenue By Function
For the Years Ended December 31,
(accrual basis of accounting)
(Unaudited)

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Expenses										
Governmental Activities:										
General government	\$ 11,391,607	\$ 12,030,809	\$ 7,153,952	\$ 7,017,280	\$ 7,152,875	\$ 7,442,268	\$ 7,597,684	\$ 7,519,569	\$ 7,105,696	\$ 7,195,028
Public health	4,017,355	6,842,207	5,473,148	5,816,828	5,528,710	4,982,571	6,022,416	6,081,926	5,899,335	8,901,606
Streets and highways	5,402,084	6,731,585	7,424,755	6,765,629	6,719,479	7,291,559	6,647,802	6,677,395	6,184,216	6,430,115
Public safety	4,951,708	5,067,135	5,689,614	5,149,322	5,214,607	4,651,474	4,847,427	4,887,369	4,084,104	4,348,257
Public welfare	2,214,398	2,726,515	2,753,706	2,320,422 ⁽¹⁾	1,026,499	955,075	1,046,919	930,722	916,445	855,014
Auxiliary services	2,948,243	2,811,084	2,963,465	3,014,528	2,488,121	2,222,979	1,556,491	1,183,917	1,124,886	1,039,906
Judicial	894,989	1,035,339	958,555	907,098	869,136	886,586	798,019	832,800	722,086	421,952
Interest on long-term debt	-	-	-	-	-	-	239,474	793,525	739,028	166,676
Total Expenses	\$ 31,820,384	\$ 37,244,674	\$ 32,417,195	\$ 30,991,107	\$ 28,999,427	\$ 28,432,512	\$ 28,756,232	\$ 28,907,223	\$ 26,775,796	\$ 29,358,554
Program Revenues										
Government Activities:										
General government	\$ 1,689,933	\$ 4,251,451	\$ 1,949,916	\$ 1,917,198	\$ 1,833,098	\$ 3,355,740	\$ 3,118,285	\$ 2,801,782	\$ 3,425,405	\$ 4,291,216
Public health	2,649,155	2,305,663	2,288,052	2,165,388	1,938,370	2,022,799	2,879,702	3,307,223	4,249,053	3,848,426
Streets & highways	4,500,611	3,778,125	4,112,744	5,246,628	4,631,331	3,813,532	3,490,209	3,372,213	3,526,077	3,411,987
Public safety	1,606,250	1,383,840	892,135	2,399,394 ⁽²⁾	1,023,690	1,017,264	1,015,544	1,509,048	1,196,389	1,188,301
Public welfare	2,330,914	2,525,866	2,411,293	2,108,290 ⁽¹⁾	827,617	785,030	903,667	830,182	728,210	663,275
Auxiliary services	1,275,647	1,543,682	2,347,892	933,355	1,275,335	1,155,875	986,980	4,663,623	2,817,801	581,964
Judicial	70,788	67,619	60,432	108,946	110,796	57,543	194,733	151,104	634,743	42,881
Total Program Revenue	\$ 14,123,298	\$ 15,856,246	\$ 14,062,464	\$ 14,879,199	\$ 11,640,237	\$ 12,207,783	\$ 12,589,120	\$ 16,635,175	\$ 16,577,678	\$ 14,028,050
Net (Expense) / Revenue										
Governmental Activities:										
General government	\$ (9,701,674)	\$ (7,779,358)	\$ (5,204,036)	\$ (5,100,082)	\$ (5,319,777)	\$ (4,086,528)	\$ (4,479,399)	\$ (4,717,787)	\$ (3,680,291)	\$ (2,903,812)
Public health	(1,368,200)	(4,536,544)	(3,185,096)	(3,651,440)	(3,590,340)	(2,959,772)	(3,142,714)	(2,774,703)	(1,650,282)	(5,053,180)
Streets and highways	(901,473)	(2,953,460)	(3,312,011)	(1,519,001)	(2,088,148)	(3,478,027)	(3,157,593)	(3,305,182)	(2,658,139)	(3,018,128)
Public safety	(3,345,458)	(3,683,295)	(4,797,479)	(2,749,928)	(4,190,917)	(3,634,210)	(3,831,883)	(3,378,321)	(2,887,715)	(3,159,956)
Public welfare	116,516	(200,649)	(342,413)	(212,132)	(198,882)	(170,045)	(143,252)	(100,540)	(188,235)	(191,739)
Auxiliary services	(1,672,596)	(1,267,402)	(615,573)	(2,081,173)	(1,212,786)	(1,067,104)	(569,511)	3,479,706	1,692,915	(457,942)
Judicial	(824,201)	(967,720)	(898,123)	(798,152)	(758,340)	(829,043)	(603,286)	(681,696)	(87,343)	(379,071)
Interest on long-term debt	-	-	-	-	-	-	(239,474)	(793,525)	(739,028)	(166,676)
Total Net (Expense) Revenue	\$ (17,697,086)	\$ (21,388,428)	\$ (18,354,731)	\$ (16,111,908)	\$ (17,359,190)	\$ (16,224,732)	\$ (16,167,112)	\$ (12,272,048)	\$ (10,198,118)	\$ (15,330,504)

⁽¹⁾ Includes reporting of Social Services pass through benefits for county residents.

⁽²⁾ Includes one time grant/ donation to Grand County Dispatch fund for establishment of 6 mountain top dedicated radio repeater stations to enhance emergency communications.

Grand County, Colorado
Government-Wide - Net Position By Component
For the Years Ended December 31,
(accrual basis of accounting)
(Unaudited)

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Governmental Activities Net Position										
Net investment in capital assets	\$ 49,600,323	\$ 52,217,265	\$ 52,227,967	\$ 51,866,648	\$ 51,441,693	\$ 52,302,499	\$ 54,984,662	\$ 47,025,134	\$ 35,620,745	\$ 23,778,237
Net position - restricted	2,752,621	2,062,387	2,580,799	2,144,695	2,152,194	1,936,393	1,229,333	1,196,456	839,299	1,028,669
Net position - unrestricted	12,080,256	12,103,185	16,206,666	19,813,315	19,396,680	18,845,840	13,816,956	17,376,366	24,507,092	28,561,836
Subtotal Government Activities Net Position	64,433,200	66,382,837	71,015,432	73,824,658	72,990,567	73,084,732	70,030,951	65,597,956	60,967,136	53,368,742
% change from prior year	-9%	-10%	-3%	1%	0%	6%	6%	8%	14%	-1%
Business-type Activities Net Position										
Net investment in capital assets	(374,921)	(315,517)	(445,480)	(369,595)	(520,880)	(343,820)	(458,794)	334,199	352,755	371,698
Net position - restricted	260,051	250,578	199,534	183,673	152,389	134,696	198,923	32,096	-	-
Net position - unrestricted	177,217	202,380	220,226	(1,803,615)	(1,522,407)	(1,774,231)	(1,785,196)	89,989	110,370	95,505
Subtotal Business-type Activities Net Position	62,347	137,441	(25,720)	(1,989,537)	(1,890,898)	(1,983,355)	(2,045,067)	456,284	463,125	467,203
% change from prior year	-342%	-107%	-99%	5%	-5%	-3%	-548%	-1%	-1%	-3%
Total Primary Government Activities Net Position	<u>\$ 64,495,547</u>	<u>\$ 66,520,278</u>	<u>\$ 70,989,712</u>	<u>\$ 71,835,121</u>	<u>\$ 71,099,669</u>	<u>\$ 71,101,377</u>	<u>\$ 67,224,184</u>	<u>\$ 66,054,240</u>	<u>\$ 61,430,261</u>	<u>\$ 53,835,945</u>
Primary Government										
Net investment in capital assets	49,225,402	51,901,748	51,782,487	51,497,053	50,920,813	51,958,679	54,525,868	47,359,333	35,973,500	24,149,935
Net position - restricted	3,012,672	2,312,965	2,780,333	2,328,368	2,304,583	2,071,089	1,428,256	1,228,552	839,299	1,028,669
Net position - unrestricted	12,257,473	12,305,565	16,426,892	18,009,700	17,874,273	15,828,580	11,270,060	17,466,355	24,617,462	28,657,341
Total Primary Government Net Position	<u>\$ 64,495,547</u>	<u>\$ 66,520,278</u>	<u>\$ 70,989,712</u>	<u>\$ 71,835,121</u>	<u>\$ 71,099,669</u>	<u>\$ 71,101,377</u>	<u>\$ 67,224,184</u>	<u>\$ 66,054,240</u>	<u>\$ 61,430,261</u>	<u>\$ 53,835,945</u>
Change in Net Position										
Government Activities	(1,949,637)	(4,632,595) *	(3,532,676)	834,091	(94,165)	3,053,781	3,671,295	4,630,820	7,598,394	(308,535)
Business Activities	(75,095)	163,160	1,963,817	(98,639)	92,457	61,712	(2,501,351)	(6,841)	(4,078)	(14,980)
Total Primary Government Change	<u>\$ (2,024,732)</u>	<u>\$ (4,469,435)</u>	<u>\$ (1,568,859)</u>	<u>\$ 735,452</u>	<u>\$ (1,708)</u>	<u>\$ 3,877,193</u>	<u>\$ 1,169,944</u>	<u>\$ 4,623,979</u>	<u>\$ 7,594,316</u>	<u>\$ (323,515)</u>
% change from prior year	-3%	-6%	-2%	1%	0%	6%	2%	8%	14%	-1%

Notes: Accounting standards require that net assets be reported in three components in the financial statements: net investment in capital assets; net position restricted; and unrestricted. Net position is considered restricted only when an external party, such as the state or federal governments, places a restriction on how the resources may be used, or through enabling legislation enacted by the County.

* 2013 restated in 2014

Grand County, Colorado
Government-Wide - Changes in Net Position - Page 1 of 2
For the Years Ended December 31,
(accrual basis of accounting)
(Unaudited)

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Program Expenses										
<i>Government Activities:</i>										
General Government	\$ 11,391,607	\$ 12,030,809	\$ 7,153,952	\$ 7,017,280	\$ 7,152,875	\$ 7,442,268	\$ 7,597,684	\$ 7,519,569	\$ 7,105,696	\$ 7,195,028
Public Health	4,017,355	6,842,207	5,473,148	5,816,828	5,528,710	4,982,571	6,022,416	6,081,926	5,899,335	8,901,606
Streets and Highways	5,402,084	6,731,585	7,424,755	6,765,629	6,719,479	7,291,559	6,647,802	6,677,395	6,184,216	6,430,115
Public Safety	4,951,708	5,067,135	5,689,614	5,149,322	5,214,607	4,651,475	4,847,427	4,887,369	4,084,104	4,348,257
Public Welfare	2,214,398	2,726,515	2,753,706	2,320,422	1,026,499	955,076	1,046,919	930,722	916,445	855,014
Auxiliary Services	2,948,243	2,811,084	2,963,465	3,014,528	2,488,121	2,222,979	1,556,491	1,183,917	1,124,886	1,039,906
Judicial	894,989	1,035,339	958,555	907,098	869,136	886,587	798,019	832,800	722,086	421,952
Interest	-	-	-	-	-	-	239,474	793,525	739,028	166,676
Total Government Activities Expenses	31,820,384	37,244,674	32,417,195	30,991,107	28,999,427	28,432,515	28,756,232	28,907,223	26,775,796	29,358,554
<i>Business-type Activities:</i>										
Colorado Sewer Enterprise	174,789	185,759	181,917	155,262	145,181	140,311	141,114	137,956	139,125	156,045
Grand County Housing Authority	1,246,913	1,152,117	1,168,330	1,246,266	1,168,362	1,194,426	1,162,898	-	-	-
Total Business-type Activities Expenses	1,421,702	1,337,876	1,350,247	1,401,528	1,313,543	1,334,737	1,304,012	137,956	139,125	156,045
Total Primary Government Expenses	33,242,086	38,582,550	33,767,442	32,392,635	30,312,970	29,767,252	30,060,244	29,045,179	26,914,921	29,514,599
Program Revenues:										
<i>Governmental Activities:</i>										
Charges for services										
General Government	419,085	2,699,808	792,062	988,008	885,741	790,183	1,053,825	901,141	2,680,681	3,471,938
Public Health	2,234,362	1,834,179	1,818,656	1,775,472	1,616,516	1,692,435	2,101,118	2,897,105	3,864,932	3,478,307
Streets and Highways	237,677	423,307	444,606	1,258,611	565,832	726,420	421,684	324,169	768,650	553,342
Public Safety	650,854	602,612	266,554	251,570	242,102	223,937	230,243	291,390	359,264	972,777
Public Welfare	-	-	-	-	-	-	-	-	-	-
Auxiliary Services	887,857	703,259	870,037	646,528	749,257	763,189	414,325	443,338	462,558	318,041
Judicial	-	-	-	-	-	-	-	-	-	-
Operating grants and contributions	9,604,432	9,512,700	8,222,161	8,358,778	7,329,735	7,609,646	7,606,279	7,365,842	5,515,153	4,803,288
Capital grants and contributions	89,031	595,943	1,648,388	1,600,232	251,054	401,973	761,646	4,412,190	2,926,440	430,357
Total Government Activities Program Revenues	14,123,298	16,371,808	14,062,464	14,879,199	11,640,237	12,207,783	12,589,120	16,635,175	16,577,678	14,028,050
<i>Business-type Activities:</i>										
Charges for services	1,271,612	1,293,719	783,137	852,032	842,059	752,781	729,376	99,476	102,317	103,243
Operating grants and contributions	1,527	1,527	434,727	415,192	386,673	374,549	359,788	-	-	-
Capital grants and contributions	28,880	7,880	-	9,920	15,434	-	-	-	-	-
Total Business-type Gov Program Revenues	1,302,019	1,303,126	1,217,864	1,277,144	1,244,166	1,127,330	1,089,164	99,476	102,317	103,243
Total Primary Government Program Revenues	15,425,317	17,674,934	15,280,328	16,156,343	12,884,403	13,335,113	13,678,284	16,734,651	16,679,995	14,131,293
Net Program (Expenses) Revenues										
<i>Government Activities</i>	(17,697,086)	(20,872,866)	(18,354,731)	(16,111,908)	(17,359,190)	(16,224,732)	(16,167,112)	(12,272,048)	(10,198,118)	(15,330,504)
<i>Business-type Activities</i>	(119,683)	(34,750)	(132,383)	(124,384)	(69,377)	(207,407)	(214,848)	(38,480)	(36,808)	(52,802)
Total Primary Government Net (Expenses)	<u>\$ (17,816,769)</u>	<u>\$ (20,907,616)</u>	<u>\$ (18,487,114)</u>	<u>\$ (16,236,292)</u>	<u>\$ (17,428,567)</u>	<u>\$ (16,432,139)</u>	<u>\$ (16,381,960)</u>	<u>\$ (12,310,528)</u>	<u>\$ (10,234,926)</u>	<u>\$ (15,383,306)</u>

Notes: Accounting standards require that net assets be reported in three components in the financial statements: net investment in capital assets; net position restricted; and unrestricted. Net position is considered restricted only when an external party, such as the state or federal governments, places a restriction on how the resources may be used, or through enabling legislation enacted by the County.

Grand County, Colorado
Government-Wide - Changes in Net Position - Page 2 of 2
For the Years Ended December 31,
(accrual basis of accounting)
(Unaudited)

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Net Program (Expenses) Revenues (from page H-3)										
<i>Government Activities</i>	\$ (17,697,086)	\$ (20,872,866) *	\$ (18,014,232)	\$ (16,111,908)	\$ (17,359,190)	\$ (16,224,732)	\$ (16,167,112)	\$ (12,272,048)	\$ (10,198,118)	\$ (15,330,504)
<i>Business-type Activities</i>	(119,683)	(34,750)	(132,383)	(124,384)	(69,377)	(207,407)	(214,848)	(38,480)	(36,808)	(52,802)
Total Primary Government Net (Expenses)	(17,816,769)	(20,907,616)	(18,146,615)	(16,236,292)	(17,428,567)	(16,432,139)	(16,381,960)	(12,310,528)	(10,234,926)	(15,383,306)
General Revenues and other changes in Net Position										
<i>Governmental Activities:</i>										
Taxes										
Property	9,985,798	10,404,966	10,599,816	12,217,105	12,330,318	14,839,294	14,670,338	12,876,106	12,086,040	9,189,800
Sales	3,912,637	3,673,216	3,332,877	3,121,596	2,860,397	2,832,609	2,953,891	2,759,602	3,260,491	3,408,239
Other	1,430,875	1,306,541	1,244,647	1,182,889	1,130,902	1,070,523	550,839	630,237	661,444	681,737
Investment earnings - net	203,979	148,132	128,348	50,587	150,661	201,283	294,286	478,550	1,434,065	1,655,353
Miscellaneous	490,578	944,986	659,342	384,508	921,842	369,449	322,599	188,373	384,472	121,840
Special item	-	-	(1,492,272)	-	-	-	-	-	-	-
Transfers	(22,767)	(182,823)	8,798	(10,686)	(129,095)	(34,645)	(39,483)	(30,000)	(30,000)	(35,000)
Total Government Activities General Revenues	16,001,100	16,295,018	14,481,556	16,945,999	17,265,025	19,278,513	18,752,470	16,902,868	17,796,512	15,021,969
<i>Business-type Activities:</i>										
Investment Earnings & Miscellaneous	21,820	15,089	13,725	15,059	32,739	234,474	21,747	1,639	2,730	2,822
Special item	-	-	2,091,273	-	-	-	-	-	-	-
Transfers & Capital Contribution	22,767	182,823	(8,798)	10,686	129,095	34,645	39,483	30,000	30,000	35,000
Total Business-type General Activities	44,587	197,912	2,096,200	25,745	161,834	269,119	61,230	31,639	32,730	37,822
Total Primary Government General Activities	16,045,687	16,492,930	16,577,756	16,971,744	17,426,859	19,547,632	18,813,700	16,934,507	17,829,242	15,059,791
Change in Net Position										
<i>Government Activities</i>	(1,695,986)	(4,577,848)	(3,532,676)	834,091	(94,165)	3,053,781	2,585,358	4,630,820	7,598,394	(308,535)
<i>Business Activities</i>	(75,096)	163,162	1,963,817	(98,639)	92,457	61,712	(153,618)	(6,841)	(4,078)	(14,980)
Total Primary Government excess (deficiency)	(1,771,082)	(4,414,686)	(1,568,859)	735,452	(1,708)	3,115,493	2,431,740	4,623,979	7,594,316	(323,515)
Beginning net position (restated)	66,575,026	70,989,712	72,558,571	71,099,669	71,101,377	67,985,884	64,792,444	61,430,261	53,835,945	54,159,460
Ending net position	\$ 64,803,944	\$ 66,575,026	\$ 70,989,712	\$ 71,835,121	\$ 71,099,669	\$ 71,101,377	\$ 67,224,184	\$ 66,054,240	\$ 61,430,261	\$ 53,835,945

Notes: Accounting standards require that net assets be reported in three components in the financial statements: net investment in capital assets; net position restricted; and unrestricted. Net position is considered restricted only when an external party, such as the state or federal governments, places a restriction on how the resources may be used, or through enabling legislation enacted by the County.

*2013 restated in 2014

Grand County, Colorado
Government-Wide Program Revenue - Charges for Services and Sales by Function
For the Years Ended December 31,
(accrual basis of accounting)
(Unaudited)

Calendar Year	General Government	Public Health	Streets & Highways	Public Safety	Public Welfare	Auxiliary Services	Judicial	Total	% Inc (Dec) From Prior Year
2016	\$ 1,689,933	\$ 2,649,155	\$ 4,500,611	\$ 1,606,250	\$ 2,330,914	\$ 1,275,647	\$ 70,788	\$ 14,123,298	-11%
2015	4,251,451 ⁽⁵⁾	2,305,663	3,778,125	1,383,840	2,525,866	1,543,682	67,619	15,856,241	13%
2014	1,949,916	2,288,052	4,112,744	892,135	2,411,293	2,347,892	60,432	14,062,464	-5%
2013	1,917,198	2,165,388	5,246,628 ⁽⁴⁾	2,399,394	2,108,290	933,355	108,946	14,879,195	21%
2012	1,833,098	1,938,370	4,631,331	1,023,690	827,617	1,275,335	110,796	11,640,237	-3%
2011	3,355,740	2,022,799	3,813,532	1,017,264	785,030	1,155,875 ⁽³⁾	57,543	12,207,780	-1%
2010	3,118,285	2,879,702	3,490,209	1,015,544	903,667	986,980	194,733	12,589,120	-13%
2009	2,801,782 ⁽²⁾	3,307,223	3,372,213	1,509,048	830,182	4,663,623	151,104	16,635,173	-40%
2008	3,425,405	4,249,053	3,526,077	1,196,389 ⁽¹⁾	728,210	2,817,801	634,743	16,577,677	-7%
2007	4,291,216	3,848,426	3,411,987	1,188,301	663,275	581,964	42,881	14,028,050	7%
% Change Since 2007	-61%	-31%	32%	35%	251%	119%	65%	1%	

Notes:

⁽¹⁾ From 2008 on Dispatch services charged to other local governments classified as intergovernmental operating revenue.

⁽²⁾ From 2009 on Treasurer fees charged to other local governments classified as intergovernmental operating revenue.

⁽³⁾ From 2011 on Auxiliary Services includes the Middle Park Fair and 4H Livestock Sale revenue.

⁽⁴⁾ 2013 includes reimbursement for crusher services provided for Estes Park flood recovery.

⁽⁵⁾ 2015 includes charges for services in the Employee Insurance Fund.

Grand County, Colorado
Governmental Funds - Revenues By Source, Expenditures, Other Financing and Net Change in Fund Balances
For the Years Ended December 31,
(accrual basis of accounting)
(Unaudited)

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Revenues by Source										
Taxes										
Property & other	\$ 11,416,673	\$ 11,711,507	\$ 11,844,463	\$ 13,399,994	\$ 13,461,220	\$ 15,909,817	\$ 15,221,177	\$ 13,506,343	\$ 12,747,484	\$ 9,871,537
Sales	3,912,637	3,673,216	3,332,877	3,121,596	2,860,397	2,832,609	2,953,891	2,759,602	3,260,491	3,408,239
Intergovernmental	9,449,190	10,656,878	10,534,718	10,670,311	8,292,719	8,853,037	9,206,345	12,521,655	9,941,593	5,233,644
Charges for services	6,441,887	6,105,960	4,665,109	5,151,878	4,592,783	7,172,311	6,621,186	6,886,898	9,410,504	7,489,846
Investment earnings	203,979	148,132	128,348	(9,290)	93,877	200,518	294,286	478,550	1,434,065	1,655,353
Licenses & permits	439,772	367,086	307,101	203,275	243,810	324,129	361,131	371,702	548,623	1,254,559
Special assessments	334,715	317,636	328,686	5,500	6,000	7,500	5,000	7,500	194,000	50,000
Miscellaneous	432,003	850,043	659,343	384,508	921,842	369,449	331,477	350,039	384,472	121,840
Total Revenues	32,630,856	33,830,458	31,800,645	32,927,772	30,472,648	35,669,370	34,994,493	36,882,289	37,921,232	29,085,018
% Change from prior year	-4%	6%	-3%	8%	-15%	2%	-5%	-3%	30%	5%
Expenditures										
Current:										
General government	10,827,462	11,989,406	7,142,335	7,084,546	7,370,570	10,387,691	9,983,431	9,943,293	10,855,303	6,709,931
Public health	4,459,497	5,249,926	6,077,639	5,476,039	5,193,087	5,023,416	6,175,926	5,496,399	5,501,967	8,307,898
Streets & highways	4,764,709	5,564,840	6,501,762	5,860,168	5,760,439	5,910,924	5,540,001	5,032,823	5,304,179	4,654,680
Public safety	4,675,844	4,513,780	5,266,517	4,773,610	4,834,603	4,368,882	4,488,215	4,660,219	4,098,132	4,010,197
Public welfare	2,514,558	2,718,474	2,729,526	2,316,108	1,020,624	950,779	1,059,192	1,019,507	964,764	827,750
Auxilliary services	2,482,062	2,278,687	2,439,841	2,553,662	1,993,119	1,791,960	1,186,017	973,310	1,007,967	931,030
Judicial	688,019	828,370	751,586	693,142	653,588	672,592	680,916	724,807	649,078	421,952
Debt Service:										
Principal retirement	51,000	49,000	39,000	-	-	-	9,827,368	4,575,313	1,485,607	773,922
Interest and fiscal charges	16,863	18,652	28,384	-	-	-	440,307	616,279	741,489	173,661
Capital Outlay	994,018	4,100,553	4,153,770	4,389,481	2,821,711	1,327,389	2,226,260	10,685,092	15,125,952	5,631,040
Total Expenditures	31,474,032	37,311,688	35,130,360	33,146,756	29,647,741	30,433,633	41,607,633	43,727,042	45,734,438	32,442,061
% change from prior year	-10%	13%	18%	12%	-3%	-27%	-5%	-4%	41%	20%
Special Item			934,390							
Excess of Revenues										
Over Expenditures	1,156,824	(3,481,230)	(4,264,105)	(218,984)	824,907	5,235,737	(6,613,140)	(6,844,753)	(7,813,206)	(3,357,043)
Other Financing Sources (Uses)										
Transfers in	1,543,166	14,188,342	18,921,033	4,141,120	2,660,346	5,046,109	11,766,318	20,825,426	12,496,545	10,197,068
Transfer out	(1,565,933)	(14,335,912)	(19,084,734)	(4,151,806)	(2,789,441)	(5,080,754)	(11,805,801)	(20,855,426)	(12,526,545)	(10,232,068)
Issuance of long term debt	-	-	-	550,000	-	-	-	-	-	-
Sale of capital assets	66,833	366,562	31,300	682,735	113,016	499,693	-	126,491	408,260	245,000
Proceeds from capital leases	-	-	-	-	-	-	535,000	216,764	2,095,146	9,900,000
Net other financing sources (uses)	44,066	218,992	(132,401)	1,222,049	(16,079)	465,048	495,517	313,255	2,473,406	10,110,000
Net Change in Fund Balances	\$ 1,200,890	\$ (3,262,238)	\$ (4,208,773)	\$ 1,003,065	\$ 808,828	\$ 5,700,785	\$ (6,117,623)	\$ (6,531,498)	\$ (5,339,800)	\$ 6,752,957
Total expenditures	\$ 31,474,032	\$ 37,311,688	\$ 35,130,360	\$ 33,146,756	\$ 29,647,741	\$ 30,433,633	\$ 41,607,633	\$ 43,727,042	\$ 45,734,438	\$ 32,442,061
Capital outlay	(994,018)	(4,100,553)	(4,153,770)	(4,389,481)	(2,821,711)	(1,327,389)	(2,226,260)	(10,685,092)	(15,812,216)	(5,631,040)
Total non-capital expenditures	\$ 30,480,014	\$ 33,211,135	\$ 30,976,590	\$ 28,757,275	\$ 26,826,030	\$ 29,106,244	\$ 39,381,373	\$ 33,041,950	\$ 29,922,222	\$ 26,811,021
Total debt service	\$ 67,863	\$ 67,652	\$ 67,384	\$ -	\$ -	\$ -	\$ 10,267,675	\$ 5,191,592	\$ 2,227,096	\$ 947,583
Debt service as a percentage of non-capital expenditures	0.2%	0.2%	0.2%	0%	0%	0%	26%	16%	7%	4%

Grand County, Colorado
Governmental Funds - Revenues By Source ⁽¹⁾
For the Years Ended December 31,
(modified accrual basis of accounting)
(Unaudited)

Calendar Year	Property & Other Taxes	Sales Taxes	Licenses & Permits	Inter- governmental Grants & Contributions	Charges for Services	Investment Earnings	Special Assessments	Miscella- neous	Total	% Inc (Dec) From Prior Year
2016	\$ 11,416,673	\$ 3,912,637	\$ 439,772	\$ 9,449,190	\$ 6,441,887	\$ 203,979	\$ 334,715	\$ 432,003	\$ 32,630,856	-4%
2015	11,711,507	3,673,216	367,086	10,656,878	6,105,960 ⁽⁷⁾	148,132	317,636	850,043	33,830,458	6%
2014	11,844,463	3,332,877	307,101	10,534,718	4,665,109	128,348	328,686 ⁽⁶⁾	659,343	31,800,639	-3%
2013	13,399,994	3,121,596	203,275	10,670,311 ⁽⁵⁾	5,151,878	(9,290)	5,500	384,508	32,927,772	0%
2012	13,461,220	2,860,397	243,810	8,292,719	4,592,783	93,877	6,000	921,842 ⁽⁴⁾	30,472,648	-15%
2011	15,909,817	2,832,609	324,129	8,853,037	7,172,311	200,518	7,500	369,449	35,669,370	2%
2010	15,221,177	2,953,891	361,131	9,206,345	6,621,186	294,286	5,000	331,477	34,994,493	-5%
2009	13,506,343	2,759,602	371,702	12,521,655 ⁽³⁾	6,886,898	478,550	7,500	350,039	36,882,289	-3%
2008	12,747,484 ⁽²⁾	3,260,491	548,623	9,941,593 ⁽²⁾	9,410,504	1,434,065	194,000	384,472	37,921,232	30%
2007	9,871,537	3,408,239	1,254,559	5,233,644	7,489,846	1,655,353	50,000	121,840	29,085,018	5%

Notes: ⁽¹⁾ Revenues By Source - includes General, Special Revenues, Capital Projects and Debt Service Funds.

⁽²⁾ Includes \$2.9 million (32%) increase in Property Tax based on the reassessment of real property; \$2.3 million in intergovernmental capital grants received for the Granby Airport;

⁽³⁾ Includes \$4.2 million in intergovernmental capital grants received for the Granby Airport

⁽⁴⁾ Includes \$376,579 in Jones CDOT donation and \$262,927 in Freeport-McMoRan donation for CR 3.

⁽⁵⁾ From 2013 on, the Social Services Fund switched to a more widely accepted accounting method recording pass-through revenues and expenditures

⁽⁶⁾ From 2014 on, the Grand County Emergency Telephone Service Authority is reported as a special revenue fund which includes an assessment for emergency response.

⁽⁷⁾ 2015 includes charges for services in the Employee Insurance Fund.

Grand County, Colorado
Governmental Funds - Expenditures by Function
For the Years Ended December 31,
(modified accrual basis of accounting)
(Unaudited)

Calendar Year	General Government		Public Health	Streets & Highways	Public Safety	Public Welfare	Auxiliary Services	Judicial	Debt Service		Capital Outlay	Total	% Inc (Dec) From Prior Year
									Principal	Interest			
2016	\$	10,827,462	\$ 4,459,497	\$ 4,764,709	\$ 4,675,844	\$ 2,514,558	\$ 2,482,062	\$ 688,019	\$ 51,000	\$ 16,863	\$ 994,018	\$ 31,474,032	-16%
2015		11,989,406	5,249,926	5,564,840	4,513,780	2,718,474	2,278,687	828,370	49,000	18,652	4,100,553	37,311,688	6%
2014		7,142,335	6,077,639	6,501,762	5,266,517	2,729,526	2,439,841	751,586	39,000 ⁽¹⁰⁾	28,384	4,153,770	35,130,350	6%
2013		7,084,546	5,476,039	5,860,168	4,773,610	2,316,108 ⁽¹¹⁾	2,553,662 ⁽⁹⁾	751,586	-	-	4,389,481	33,146,756	9%
2012		7,370,570	5,193,087	5,760,439	4,834,603	1,020,624	1,993,119	653,588	-	-	2,821,711	29,647,741	-3%
2011		10,387,691 ⁽⁸⁾	5,023,416	5,910,924	4,368,882	950,779	1,791,960	672,592	-	-	1,327,389	30,433,621	-27%
2010		9,983,431	6,175,926	5,540,001	4,488,215	1,059,192	1,186,017	680,916	9,827,368 ⁽⁷⁾	440,307	2,226,260	41,607,633	-5%
2009		9,943,293	5,496,399	5,032,823	4,660,219	1,019,507	973,310	724,807	4,575,313 ⁽³⁾	616,279	10,685,092 ⁽⁶⁾	43,727,042	-4%
2008		10,855,303	5,501,967	5,304,179	4,098,132	964,764	1,007,967	649,078	1,485,607 ⁽²⁾	741,789	15,125,952 ⁽⁵⁾	45,734,738	41%
2007		10,728,915	8,420,085 ⁽¹⁾	5,694,582	4,255,761	827,750	1,145,433	421,952	773,922	173,661	- ⁽⁴⁾	32,442,061	20%

Source: Expenditures by Function - includes General, Special Revenues, Capital Projects and Debt Service Funds.

Notes:

⁽¹⁾ 2007 Includes the Granby landfill stabilizing costs \$4 million

⁽²⁾ 2008 Includes first year of the Grand County Judicial Center lease purchase agreement payment \$1 million

⁽³⁾ 2009 Includes the repayment of all Road & Bridge and Solid Waste heavy equipment leases

⁽⁴⁾ Prior to 2008, Capital Outlay was reported in the functional expenditures.

⁽⁵⁾ 2008 Includes the construction of the Grand County Judicial Center \$5.9 million and Grand County Administrative Services Center remodel \$1.6 million and Granby Airport \$2.1 million

⁽⁶⁾ 2009 Includes the Grand County Administrative Services Center remodel \$2.9 million and Granby Airport Improvements \$4.3 million

⁽⁷⁾ 2010 Includes payoff of all EMS ambulance equipment leases and Grand County Judicial Center lease

⁽⁸⁾ 2011 Includes Landfill Stabilization costs

⁽⁹⁾ 2013 Includes \$550,000 for Pole Creek Meadows Grand County, Colorado Public Improvement District as a blended component unit

⁽¹⁰⁾ From 2014 on, Debt Service includes Pole Creek Meadows Grand County, Colorado bond payments for infrastructure improvements

⁽¹¹⁾ From 2013 on, the Social Services Fund switched to a more widely accepted accounting method recording pass-through revenues and expenditures

Grand County, Colorado
Governmental Funds - Excess (Deficiency) Revenue Over (Under) Expenditures, Other Financing and Net Changes in Fund Balance
For the Years Ended December 31,
(modified accrual basis of accounting)
(Unaudited)

Calendar Year	Excess (Deficiency) Revenue over (under) Expenditures	Other Financing						Net Changes in Fund Balances	Beginning Fund Balance	Fund Balance Restatements and Transfers	Ending Fund Balance	% Inc (Dec) From Prior Year
		Transfers In	Transfers Out	Sale of Capital Assets	Proceeds from Capital Leases	Issuance of Long Term Debt	Total Other Financing Sources (Uses)					
2016	\$ 1,156,824	\$ 1,543,166	\$ (1,565,933)	\$ 66,833	\$ -	\$ -	\$ 44,066	\$ 1,200,890	\$ 17,901,866	\$ -	\$ 19,102,756	7%
2015	(3,391,230)	14,098,342	(14,281,165)	366,562	-	-	183,739	(3,207,491.00)	21,109,357	-	17,901,866	-15%
2014	(4,264,105)	17,253,433	(17,244,634)	31,300	-	-	40,099	(4,224,006.00)	24,746,381	586,982 ⁽⁹⁾	21,109,357	-15%
2013	(218,984)	4,141,120	(4,151,806)	682,735	-	550,000 ⁽¹⁾	1,222,049	1,003,065	23,743,316	-	24,746,381	4%
2012	824,907	2,660,346	(2,789,441)	113,016	-	-	(16,079)	808,828	22,845,355	89,133 ⁽⁸⁾	23,743,316	4%
2011	5,235,737	5,046,109	(5,080,754)	499,693	-	-	465,048	5,700,785	16,859,371 ⁽⁵⁾	374,332 ⁽⁷⁾	22,845,355	36%
2010	(6,613,140)	11,766,318	(11,805,801)	-	535,000 ⁽⁶⁾	-	495,517	(6,117,623) ⁽⁴⁾	21,955,190	1,021,804 ⁽⁵⁾	16,859,371	-23%
2009	(6,844,753)	20,825,426	(20,855,426)	126,491	216,764 ⁽³⁾	-	313,255	(6,531,498) ⁽⁴⁾	28,486,688	-	21,955,190	-23%
2008	(7,813,206)	12,496,545	(12,526,545)	408,260	2,095,146	-	2,473,406	(5,339,800) ⁽⁴⁾	33,826,488	-	28,486,688	-16%
2007	(3,357,043)	10,197,068	(10,232,068)	245,000	9,900,000 ⁽²⁾	-	10,110,000	6,752,957 ⁽⁴⁾	27,073,531	-	33,826,488	25%

Notes: ⁽¹⁾ 2013 Pole Creek Meadows, Grand County, Colorado Public Improvement District reported as a blended component unit, issued bonds for infrastructure improvements.

⁽²⁾ 2007 Includes proceeds of the Grand County Judicial Center lease purchase agreement

⁽³⁾ 2009 one new lease entered into. This and all existing leases for Road & Bridge and Solid Waste paid off in 2009

⁽⁴⁾ 2007, 2008 and 2009 The County was spending down accumulated fund balances for capital projects and in 2009 and 2010 to pay down debt.

⁽⁵⁾ 2010 was restated as a result of including the Grand County Housing Authority as a blended component unit.

⁽⁶⁾ 2010 one new lease entered into and paid off in the same year.

⁽⁷⁾ 2011 was restated as a result of including the County Lodging Tax Tourism Fund as a non-major special revenue fund.

⁽⁸⁾ 2012 was restated as a result of combining the Affordable Housing, Debt Service, Retirement and Water Quality Funds with the General Fund and combining the PILT Fund with the Road & Bridge Fund as per GASB 54.

⁽⁹⁾ 2014 was restated as a result of including the Grand County Emergency Telephone Service Authority as a non-major special revenue fund.

Statistical Section

Revenue Capacity

These tables and schedules contain information to help the reader assess the factors affecting the County's ability to generate its property and sales taxes.

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Taxable Assessed Value and Estimated Full Value of Property	H - 10
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Direct and Overlapping Property Tax Rates and Revenues	H - 12
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Property Tax & Sales Tax Direct Rate	H - 15

Grand County, Colorado
Taxable Assessed Value and Estimated Full Value of Property ⁽¹⁾
For the Years Ended December 31,
(Unaudited)

Year		Real Property		Personal Property		Total		Assessed Value as a Percentage of Actual Value		Total Direct Tax Rate ⁽³⁾
								Real Property	Personal Property	
Levied	Collected	Assessed Value	Actual Value	Assessed Value	Actual Value	Assessed Value	Actual Value			
2016	2017	\$ 656,442,060	\$ 5,535,362,910	\$ 64,066,480	\$ 220,918,750	\$ 720,508,540	\$ 5,756,281,660	11.86% ⁽²⁾	29.00%	15.155
2015	2016	644,332,700	5,433,312,720	36,711,500	126,591,770	681,044,200	5,559,904,490	11.86% ⁽²⁾	29.00%	15.155
2014	2015	641,493,490	5,242,429,370	44,828,480	154,581,060	686,321,970	5,397,010,430	12.24% ⁽²⁾	29.00%	15.155
2013	2014	659,629,370	5,272,336,690	45,169,890	155,758,530	704,799,260	5,428,095,220	12.51% ⁽²⁾	29.00%	15.155
2012	2013	754,841,510	5,842,999,053	54,069,800	186,447,586	808,911,310	6,029,446,639	12.92% ⁽²⁾	29.00%	15.155
2011	2012	761,878,990	5,827,766,543	55,121,050	190,072,586	817,000,040	6,017,839,129	13.07% ⁽²⁾	29.00%	15.155
2010	2011	923,680,990	7,200,193,742	58,756,910	202,610,034	982,437,900	7,402,803,776	12.83% ⁽²⁾	29.00%	15.155
2009	2010	913,465,160	7,092,637,959	59,419,850	204,896,034	972,885,010	7,297,533,993	12.88% ⁽²⁾	29.00%	15.155
2008	2009	819,541,340	6,513,420,844	37,293,970	128,599,897	856,835,310	6,642,020,741	12.58% ⁽²⁾	29.00%	15.155
2007	2008	769,120,010	6,074,639,771	35,295,370	121,708,172	804,415,380	6,196,347,943	12.66% ⁽²⁾	29.00%	15.155

Source: ⁽¹⁾ Grand County Assessor as of 4/27/17

Notes: ⁽²⁾ Real property residential classification assessed values are at 7.96% of actual value and all other classifications are at 29% of value.

⁽³⁾ Tax rates are per \$1,000 of assessed value.

**Assessed Valuation By Property Classification
At Time of Final Certification of Valuation
For the Years Ended December 31,
(Unaudited)**

Property Classification	(1) (2)	Year Assessed Over Year Collected										
		2016	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
		2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Vacant												
Land	\$	90,502,620	\$ 93,557,190	\$ 103,379,890	\$ 105,660,720	\$ 143,896,240	\$ 145,575,830	\$ 192,399,630	\$ 188,811,550	\$ 190,862,590	\$ 194,733,640	\$ 157,007,430
Minor Structures		781,840	763,110	674,580	649,320	743,570	654,180	599,880	571,790	510,030	418,100	351,390
Total		91,284,460	94,320,300	104,054,470	106,310,040	146,230,010	146,230,010	192,999,510	189,383,340	191,372,620	195,151,740	157,358,820
Residential												
Land		61,161,750	59,898,450	62,110,190	61,607,720	76,555,830	76,176,910	94,829,220	94,752,610	91,756,960	89,029,640	67,493,890
Improvements		286,786,510	281,024,900	260,362,060	267,295,680	281,123,980	277,944,690	345,685,350	337,826,420	312,807,280	286,469,560	230,255,310
Personal Property		440,760	583,380	718,180	987,820	1,212,240	1,332,750	434,070	446,000	342,300	390,960	380,700
Total		348,389,020	341,506,730	323,190,430	329,891,220	355,454,350	355,454,350	440,948,640	433,025,030	404,906,540	375,890,160	298,129,900
Commercial												
Land		22,213,500	21,812,960	18,754,290	24,419,860	23,382,550	29,042,390	28,569,650	35,020,900	26,204,290	31,779,430	19,319,930
Improvements		51,769,330	51,842,030	56,694,320	50,526,980	55,514,650	49,259,250	67,135,530	60,573,650	56,222,710	49,178,060	50,232,700
Personal Property		10,320,750	10,027,470	10,017,990	10,106,600	10,748,330	11,679,070	12,906,330	13,556,850	11,838,800	9,790,740	8,977,870
Total		84,303,580	83,682,460	85,466,600	85,053,440	89,980,710	89,980,710	108,611,510	109,151,400	94,265,800	90,748,230	78,530,500
Industrial												
Land		294,670	294,670	337,140	556,120	376,200	376,200	446,950	446,950	410,240	394,600	293,070
Improvements		34,212,650	34,212,650	44,658,630	44,384,350	55,111,240	55,111,240	59,450,720	59,440,580	32,826,670	32,826,670	9,122,840
Personal Property		26,099,010	26,097,720	34,089,380	34,072,350	42,106,110	42,106,110	45,413,240	45,413,240	25,105,700	25,105,700	6,906,350
Total		60,606,330	60,605,040	79,085,150	79,012,820	97,593,550	97,593,550	105,310,910	105,300,770	58,342,610	58,326,970	16,322,260
Agricultural												
Land		4,272,930	4,258,350	3,821,880	3,823,470	3,613,270	3,859,910	3,483,710	3,522,790	3,143,150	3,184,350	3,394,560
Improvements		15,492,120	16,021,810	14,072,540	3,973,830	4,120,900	3,986,690	3,795,080	3,700,340	3,476,700	3,350,140	2,936,050
Total		19,765,050	20,280,160	17,894,420	7,797,300	7,846,600	7,846,600	7,278,790	7,223,130	6,619,850	6,534,490	6,330,610
Natural Resources												
Land		407,720	300,190	273,640	249,480	321,930	333,910	228,920	282,370	316,550	322,250	334,800
Personal Property		2,930	2,930	2,930	3,120	3,120	3,120	3,270	3,760	7,170	7,970	9,610
Total		410,650	303,120	276,570	252,600	337,030	337,030	232,190	286,130	323,720	330,220	344,410
Producing Mines		11,473,050	35,861,490	36,492,330	57,384,640	74,465,050	83,657,790	95,232,150	97,944,710	73,599,670	50,372,970	27,924,250
Public Utilities		44,804,400	44,484,900	39,862,000	39,097,200	35,616,100	35,900,000	31,824,200	30,570,500	27,404,500	27,060,600	25,522,600
Total Assessed Valuation		661,036,540	681,044,200	686,321,970	704,799,260	808,911,310	817,000,040	982,437,900	972,885,010	856,835,310	804,415,380	610,463,350
Total Exempt Property		62,714,840	60,490,780	61,274,060	63,874,450	70,116,290	69,555,880	77,152,730	89,957,160	79,241,020	76,697,080	91,809,440
Total Assessed & Exempt Valuation	\$	723,751,380	\$ 741,534,980	\$ 747,596,030	\$ 768,673,710	\$ 879,027,600	\$ 886,555,920	\$ 1,059,590,630	\$ 1,062,842,170	\$ 936,076,330	\$ 881,112,460	\$ 702,272,790
Real Property	\$	624,173,090	\$ 644,332,700	\$ 641,493,490	\$ 659,629,370	\$ 754,841,510	\$ 761,878,990	\$ 923,680,990	\$ 913,465,160	\$ 819,541,340	\$ 769,120,010	\$ 594,188,820
Personal Property		36,863,450	36,711,500	44,828,480	45,169,890	54,069,800	55,121,050	58,756,910	59,419,850	37,293,970	35,295,370	16,274,530
Total Assessed Valuation	\$	661,036,540	\$ 681,044,200	\$ 686,321,970	\$ 704,799,260	\$ 808,911,310	\$ 817,000,040	\$ 982,437,900	\$ 972,885,010	\$ 856,835,310	\$ 804,415,380	\$ 610,463,350

Source: Grand County Assessor, Abstract of Assessment 11/28/16
(1) Year Assessed
(2) Year Collected

Grand County, Colorado
Direct and Overlapping Property Tax Rates and Revenues
For the Years Ended December 31,
(Unaudited)

Year		Grand County			Other		All	Grand	% Total
		General	Special	Total	County-wide	Other			
Levied	Collected	Fund	Revenue	County	Special	Districts	Districts	Total ⁽¹⁾	Grand
County to									
Grand Total									
Property Tax Rates Per \$1,000 (Mill Levy Rates)									
2016	2017	11.250	3.905	15.155	3.668	(3)	67.850	86.673	17%
2015	2016	11.250	(2) 3.905	(2) 15.155	2.708	(3)	64.458	82.321	18%
2014	2015	10.486	(2) 4.669	(2) 15.155	2.720	(3)	70.946	88.821	17%
2013	2014	10.486	(2) 4.669	(2) 15.155	2.720		70.971	88.846	17%
2012	2013	10.161	4.994	15.155	2.708		67.781	85.644	18%
2011	2012	10.161	4.994	15.155	2.690		67.633	85.478	18%
2010	2011	10.161	4.994	15.155	2.654		61.875	79.684	19%
2009	2010	10.153	5.002	15.155	2.632		46.912	64.699	23%
2008	2009	10.370	4.785	15.155	2.671		49.525	67.351	23%
2007	2008	10.370	4.785	15.155	2.663		49.386	67.204	23%
Property Tax Levies									
2016	2017	\$ 7,436,661	\$ 2,581,348	\$ 10,018,009	\$ 1,796,036	\$ 29,744,794	\$ 41,558,839		24%
2015	2016	7,661,747	(2) 2,659,478	(2) 10,321,225	1,842,906	29,329,838	41,493,969		25%
2014	2015	7,196,772	(2) 3,204,437	(2) 10,401,209	1,866,109	29,068,088	41,335,406		25%
2013	2014	7,390,525	(2) 3,290,708	(2) 10,681,233	1,917,054	29,262,353	41,860,640		26%
2012	2013	8,219,348	4,039,703	12,259,051	2,190,532	31,774,424	46,224,007		27%
2011	2012	8,301,537	4,080,099	12,381,636	2,200,998	31,747,768	46,330,402		27%
2010	2011	9,982,552	4,906,294	14,888,846	2,607,390	36,826,506	54,322,742		27%
2009	2010	9,877,702	4,866,370	14,744,072	2,560,634	31,669,803	48,974,509		30%
2008	2009	8,888,026	4,101,176	12,989,202	2,289,288	30,883,836	46,162,326		28%
2007	2008	8,341,787	3,849,128	12,190,915	2,142,158	21,092,544	35,425,617		34%

Source: Certifications of Levies and Revenue for the years indicated.

Notes: ⁽¹⁾ Average per Assessor's office

⁽²⁾ Includes reallocation of Social Services Fund mills to the General Fund

⁽³⁾ Includes Grand County Library District, Middle Park Water Conservation District, and Colorado River Conservation District

Grand County, Colorado
Principal Property Tax Revenue Taxpayers
For the Year Ended December 31, 2016
(amounts expressed in thousands)

Taxpayer / Type of Business	2015 - 2016	2015 - 2016		Taxpayer / Type of Business	2006 - 2007	2006 - 2007	
	Taxable Assessed Value	Rank Tax Paid	Percent Assessed Value Total		Taxable Assessed Value	Rank Tax Paid	Percent Assessed Value Total
Freeport - McMoRan Copper & Gold, Inc. Molybdenum Mining and Processing	\$ 71,660,920	1	10.8%	Climax Molybdenum Co. Molybdenum Mining and Processing	\$ 43,892,820	1	7.2%
Union Pacific Corp. Transportation - Railroad	17,313,800	2	2.6%	Union Pacific Corp. Transportation - Railroad	5,980,900	2	1.0%
Mountain Parks Electric Inc Electric Utility	6,663,500	3	1.0%	Tri-State Electric Electric Utility	5,289,700	3	0.9%
Colorado Mountain Resorts Investors Land Development and Recreation	6,492,130	4	1.0%	Intra West/Winter Park Ski Area Operator	4,656,100	4	0.8%
IntraWest/Winter Park Operations Ski Area Operator	6,454,040	5	1.0%	YMCA of the Rockies Lodging and Recreation	4,404,160	5	0.7%
Public Service Company of Colorado Gas Utility	6,302,900	6	1.0%	Granby Realty Holding, LLC Land Development & Recreation	4,336,540	6	0.7%
Tri-State Generation and Trans. Electric Utility	5,800,700	7	0.9%	Qwest Corp. Telephone Utility	3,970,300	7	0.7%
Qwest Corp. Telephone Utility	5,029,700	8	0.8%	Mountain Parks Electric Electric Utility	3,736,800	8	0.6%
Granby Realty Holdings, LLC Land Development and Recreation	2,587,230	9	0.4%	Public Service Co of CO Gas Utility	3,423,900	9	0.6%
IW/WP Village Core Development Co, LLC Land Development and Recreation	1,371,670	10	0.2%	Grand Elk, LLC Land Development	2,984,450	10	0.5%
Total Top Ten Taxpayers Taxable Assessed Value	128,304,920		19.4%	Total Top Ten Taxpayers Taxable Assessed Value	82,675,670		13.5%
All Other Taxpayers Taxable Assessed Value	532,731,620		80.6%	All Other Taxpayers Taxable Assessed Value	528,126,790		86.5%
Total Taxable Assessed Value	\$ 661,036,540		100.0%	Total Taxable Assessed Value	\$ 610,802,460		100.0%

Source: Grand County Assessor

Grand County, Colorado
Property Tax Levies and Collections
For the Years Ended December 31,
(Unaudited)

Year		Property Taxes ⁽¹⁾		Percentage of Levy Collected	Delinquent Tax Collected (Refunded)	Total Collections		Total of Three Year's Uncollected Taxes at Year End	
						Collected	Percentage of Levy Collected	Amount	Percentage Of Levy
Levied	Collected	Levied	Collected						
2015	2016	\$ 10,321,225	\$ 10,229,828	99%	\$ 880	\$ 10,230,708	99%	\$ 157,825	0.50%
2014	2015	10,401,209	10,339,059	99%	15,564	10,323,495	99%	194,021 ⁽²⁾	1.87%
2013	2014	10,681,233	10,606,342	99%	(85,297)	10,691,639	100%	203,004 ⁽²⁾	1.90%
2012	2013	12,259,051	12,271,804	100%	(13,381)	12,258,423	100%	269,154 ⁽²⁾	2.20%
2011	2012	12,381,636	12,362,095	100%	(4,037)	12,358,058	100%	230,370 ⁽²⁾	1.86%
2010	2011	14,888,846	14,834,510	100%	4,784	14,839,294	100%	255,589 ⁽²⁾	1.72%
2009	2010	14,744,072	14,635,239	99%	35,099	14,670,338	99%	176,337 ⁽²⁾	1.20%
2008	2009	12,989,202	12,875,968	99%	139	12,876,107	99%	175,087 ⁽²⁾	1.35%
2007	2008	12,190,915	11,829,293	97%	(2,432)	11,826,861	97%	174,669 ⁽²⁾	1.43%
2006	2007	9,256,711	9,189,800	99%	93	9,189,893	99%	119,271 ⁽²⁾	1.29%
2005	2006	8,667,331	8,580,390	99%	(5,230)	8,575,160	99%	75,337 ⁽²⁾	0.87%

Notes: ⁽¹⁾ Includes General Fund and Special Revenue Funds.

⁽²⁾ Includes Unpaid Property Tax Levy Under Appeal by the YMCA of approximately \$65,000 per year

Grand County, Colorado
Property Tax & Sales Tax Direct Rate
For the Years Ended December 31,
(Unaudited)

		Property Taxes			Sales Taxes ⁽¹⁾		
Year		Property Taxes	Assessed	Weighted Avg	Total	Sales Tax	Weighted
Levied	Collected	Levied	Value	Direct Mill	County	Revenue	Average Direct
		Calendar Year		Rate Applied	Taxable Sales		Rate Applied
2016	2017	\$ 10,018,009	\$ 661,036,540	15.155	\$ 391,263,700	\$ 3,912,637	1.00%
2015	2016	10,321,225	681,044,200	15.155	365,601,500	3,673,216	1.00%
2014	2015	10,401,209	686,321,970	15.155	327,496,200	3,274,962	1.00%
2013	2014	10,681,233	704,799,260	15.155	312,159,600	3,121,596	1.00%
2012	2013	12,259,051	808,911,310	15.155	286,039,700	2,860,397	1.00%
2011	2012	12,381,636	817,000,040	15.155	283,260,900	2,832,609	1.00%
2010	2011	14,888,846	982,437,900	15.155	295,389,100	2,953,891	1.00%
2009	2010	14,744,072	972,885,010	15.155	275,960,200	2,759,602	1.00%
2008	2009	12,989,202	856,835,310	15.155	326,049,100	3,260,491	1.00%
2007	2008	12,190,915	804,415,380	15.155	340,823,900	3,408,239	1.00%

⁽¹⁾ Sales Taxes are collected in year indicated in "Levied" column

Statistical Section

Debt Capacity

These tables and schedules present information to help the reader to assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future. The County has not issued any bonded debt within the last ten years and therefore, has omitted any required tables relating to bonded debt.

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Ratios of Total Primary Government Debt to Personal Income
and Per Capita

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Computation of Legal Debt Margin

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Direct and Overlapping Governmental Activities Debt

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Grand County, Colorado
Ratios of Total Primary Government Debt to Personal Income and Per Capita
For the Years Ended December 31,
(Unaudited)

Year	Primary Government Debt								
	Governmental Activities		Business-type	Total Grand County Personal Income ⁽⁶⁾	Government Debt as a Percentage of Personal Income	Total Grand County Population	Government Debt Per Capita		
	Capital Leases Payable	General Obligation Bond Payable	Loans Payable						
2016	\$ -	\$ 411,000 ⁽¹⁾	\$ 1,045	\$ 412,045	\$ 598,691	0.1%	15,008	\$ 27.46	
2015	-	462,000 ⁽¹⁾	2,397,960	2,859,960	564,767	0.5%	14,615	195.69	
2014	-	511,000 ⁽¹⁾	2,457,542	2,968,542	536,616	0.6%	14,546	204.08	
2013	-	550,000 ⁽¹⁾	2,457,542	3,007,542	517,147	0.6%	14,289	210.48	
2012	-	-	2,823,764	2,823,764	555,081	0.5%	14,195	198.93	
2011	-	-	2,652,042	2,652,042	560,156	0.5%	14,548	182.30	
2010	- ⁽⁴⁾	-	2,692,996 ⁽⁵⁾	2,692,996	551,453	0.5%	14,843	181.43	
2009	9,292,368 ⁽³⁾	-	2,978,241 ⁽⁵⁾	12,270,609	542,849	2.3%	13,911	882.08	
2008	13,650,917	-	573,090	14,224,007	572,999	2.5%	13,775	1,032.60	
2007	13,331,241 ⁽²⁾	-	573,090	13,904,331	555,828	2.5%	13,575	1,024.26	

Sources: US Dept. of Commerce, Bureau of Economic Analysis, report CA1-3 "Population, personal income by county" released Mar 2012.

- Notes: ⁽¹⁾ Pole Creek Meadows, Grand County, Colorado Public Improvement District
⁽²⁾ 2007 Includes \$9.9 million Grand County Judicial Center Lease Purchase Agreement
⁽³⁾ 2009 reflects the repayment of all Road and Bridge and Solid Waste equipment leases
⁽⁴⁾ 2010 reflects the repayment of the Grand County Judicial Center Lease and all EMS equipment leases
⁽⁵⁾ 2009 reflects the blending of the Grand County Housing Authority previously reported as a descretly presented component unit
⁽⁶⁾ In thousands
n/a Information not available at time of presentation

Grand County, Colorado
Computation of Legal Debt Margin
For the Years Ended December 31,
(Unaudited)

Year Levied	Year Collected	Assessed Valuation			Legal Debt Margin Calculation:		
		Total Taxable Assessed Valuation	Total Tax Exempt Property Valuation	Total Valuation	Debt Limitation 10% of Total Assessed Valuation (000)	Total Debt Applicable to Limitation	Legal Debt Margin
2016	2017	661,036,540	62,714,840	723,751,380	72,375,138	411,000	71,964,138
2015	2016	681,044,200	60,490,780	741,534,980	74,153,498	462,000	73,691,498
2014	2015	686,321,970	61,274,060	747,596,030	74,759,603	511,000	74,248,603
2013	2014	704,799,260	63,874,450	768,673,710	76,867,371	550,000 ⁽¹⁾	76,317,371
2012	2013	808,911,310	70,116,290	879,027,600	87,902,760	-	87,902,760
2011	2012	817,000,040	69,555,880	886,555,920	88,655,592	-	88,655,592
2010	2011	982,437,900	77,152,730	1,059,590,630	105,959,063	-	105,959,063
2009	2010	972,885,010	89,957,160	1,062,842,170	106,284,217	-	106,284,217
2008	2009	856,835,310	79,241,020	936,076,330	93,607,633	-	93,607,633
2007	2008	804,415,380	76,697,080	881,112,460	88,111,246	-	88,111,246
2005	2006	572,271,560	89,749,750	662,021,310	66,202,131	-	66,202,131

Note: Pole Creek Meadows, Grand County, Colorado Public Improvement District

Grand County, Colorado
Direct and Overlapping Governmental Activities Debt
For the Year Ended December 31, 2016
(Unaudited)

Governmental Unit ⁽²⁾	Net General Bonded Debt Outstanding	Estimated Percentage Applicable to Grand County ⁽¹⁾	Estimated Share of Direct and Overlapping Debt
Fire Protection Districts			
Grand Fire Protection District No. 1	\$ 4,220,000	100.0%	\$ 4,220,000
Grand Lake Fire Protection District No. 2	1,510,000	100.0%	1,510,000
Total Fire Protection Districts			5,730,000
Recreation District			
Grand Lake Metropolitan Recreation District	3,190,000	100.0%	3,190,000
Fraser Valley Metropolitan Recreation District	17,840,000	100.0%	17,840,000
Total Recreation Districts			21,030,000
Sanitary Districts			
Tabernash Meadows Water & Sanitation District	3,715,000	100.0%	3,715,000
Three Lakes Water & Sanitation District	3,289,814	100.0%	3,289,814
Winter Park Water & Sanitation District	471,000	100.0%	471,000
North Shore Water District	72,218	100.0%	72,218
Total Sanitary Districts			7,475,814
School Districts			
East Grand School District	25,090,000	100.0%	25,090,000
West Grand School District	5,905,000	94.9%	5,605,756
Total School Districts			30,695,756
Towns			
Town of Fraser	-	100.0%	-
Local Improvement Districts			
Blue Valley Metropolitan District	40,000	100.0%	40,000
Granby Ranch Metropolitan District	13,480,017	100.0%	13,480,017
Grand Elk Ranch General Improvement District	7,615,000	100.0%	7,615,000
Rendezvous Residential Metropolitan District	7,945,000	100.0%	7,945,000
Pole Creek Meadows PID	411,000	100.0%	411,000
Total Local Improvement Districts			29,491,017
Subtotal, Overlapping debt			94,422,587
Total direct debt - Pole Creek Meadows Public Improvement District			411,000
Total direct and overlapping debt			\$ 94,833,587

Sources: Assessed value data used to estimate applicable percentages provided by the County Assessor. Net debt outstanding (general obligation debt only) provided by the respective taxing districts.

Note 1 - The percentage of overlapping debt applicable is estimated using the taxable assessed property values. Applicable percentages were estimated by determining the portion of the taxing districts taxable assessed value that is within the County's boundaries and dividing it by the taxing district's total taxable assessed value.

Note 2 - Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the County. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the County. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident and therefore responsible for repaying the debt, of each overlapping government.

Note 3 - Rendezvous Residential Metropolitan District has approved an additional \$8,070,000 in bonded debt which has not been levied, paid or sold as of December 31, 2016.

Statistical Section

Demographic and Economic Information

These tables and schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place and to help make comparisons over time and with other governments..

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Grand County, Colorado
County & State Population and Per Capita Personal Income
For the Years Ended December 31,
(Unaudited)

State of Colorado						
Year	Total Population		Percentage Change	Total Personal Income (\$thou)	Per Capita Personal Income	Percentage Change
2016	5,540,545	(2)	1.5%	\$ 288,433,000	\$ 52,059	3%
2015	5,456,574	(2)	1.9%	275,107,000	50,410	3%
2014	5,355,866		1.7%	262,103,562	48,930	5%
2013	5,268,367	(3)	1.6%	245,556,232	46,610	3%
2012	5,187,582	(3)	1.4%	234,142,330	45,135	2%
2011	5,116,796	(3)	1.7%	225,591,393	44,088	3%
2010	5,029,196	(3)	-0.9%	215,258,570	42,802	3%
2009	5,074,528		2.8%	210,512,969	41,484	-5%
2008	4,935,213		1.9%	214,976,720	43,560	3%
2007	4,842,259		1.9%	205,242,380	42,386	4%

Grand County, Colorado ⁽¹⁾						
Year	Total Population		Percentage Change	Total Personal Income ⁽⁴⁾	Per Capita Personal Income ⁽⁴⁾	Percentage Change
2016	15,008	(3)	2.7%	\$ 598,681,000	\$ 40,963	6%
2015	14,615	(3)	0.5%	564,767,445	38,643	5%
2014	14,546	(3)	1.8%	536,616,486	36,891	2%
2013	14,289	(3)	0.7%	517,147,488	36,192	-7%
2012	14,195	(3)	-2.4%	555,081,280	39,104	2%
2011	14,548	(3)	-1.6%	560,156,192	38,504	3%
2010	14,791	(3)	6.3%	551,452,853	37,283	-4%
2009	13,911	(3)	1.0%	542,848,953	39,023	-6%
2008	13,775		1.5%	572,998,675	41,597	2%
2007	13,575		1.5%	555,828,375	40,945	5%

Grand County			State of Colorado		
Year	Avg Hourly Wage ⁽⁵⁾	Average Annual Wage	Avg Hourly Wage ⁽⁵⁾	Average Annual Wage	
2016	\$ 22.65 ⁽⁷⁾	\$ 47,110	\$ 25.34	\$ 52,710	
2015	17.78	45,310	24.61 ⁽⁶⁾	51,180	
2014	15.70	32,656	24.55 ⁽⁶⁾	51,064	
2013	15.43	32,084	23.53 ⁽⁶⁾	48,950	
2012	14.43	30,004	23.40 ⁽⁶⁾	48,803	
2011	14.62	30,420	23.70	49,296	
2010	14.15	29,432	22.45	46,696	

⁽¹⁾ It is estimated the Grand County, Colorado population doubles during the winter ski season.

Notes: ⁽²⁾ census.gov/quickfacts 7/1/2016 data

Sources: U.S. Census Bureau <http://factfinder.census.gov>

⁽³⁾ US Dept. of Commerce, Bureau of Economic Analysis

⁽⁴⁾ bea.gov/regional/bearfacts

Colorado LMI Gateway -Labor Market Services, Quarterly Census of Employment.

⁽⁵⁾ U.S. Dept. of Labor, Bureau of Labor Statistics, most recent available 6/21/16

⁽⁶⁾ Assumes a 40 hour week worked the year round.

Grand County, Colorado
East Grand School District Student Population
For the Years Ended December 31,
(Unaudited)

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
East Grand School District ⁽¹⁾										
Fraser Valley Elementary School	248	269	274	241	231	227	250	271	263	240
Change - Amount	-21	-5	33	10	4	-23	-21	8	23	-12
Change - Percent	-8%	-2%	14%	4%	2%	-9%	-8%	3%	10%	-5%
Granby Elementary School	345	355	341	323	318	307	297	291	260	270
Change - Amount	-10	14	18	5	11	10	6	31	-10	4
Change - Percent	-3%	4%	6%	2%	4%	3%	2%	12%	-4%	2%
Grand Lake Elementary School ⁽²⁾	0	0	0	0	0	0	60	60	76	58
Change - Amount						-60	0	-16	18	-5
Change - Percent						-100%	0%	-21%	31%	-8%
Indian Peaks Charter School	25	29	32	37	33	53	44	51	57	37
Change - Amount	-4	-3	-5	4	-20	9	-7	-6	20	4
Change - Percent	-13%	-8%	-15%	12%	-38%	20%	-14%	-11%	54%	12%
East Grand Middle School	313	293	289	276	269	276	269	268	322	342
Change - Amount	20	4	13	7	-7	7	1	-54	-20	69
Change - Percent	7%	1%	5%	3%	-3%	3%	0%	-17%	-6%	25%
Middle Park High School	366	374	363	356	342	344	357	416	428	423
Change - Amount	-8	11	7	14	-2	-13	-59	-12	5	11
Change - Percent	-2%	3%	2%	4%	-1%	-4%	-14%	-3%	1%	3%
Total East Grand School District	1297	1320	1,299	1,233	1,193	1,207	1,277	1,357	1,406	1,370
Change - Amount	-23	21	66	40	-14	-70	-80	-49	36	71
Change - Percent	-2%	2%	6%	3%	-1%	-5%	-6%	-3%	3%	5%
County Population	15,008	14,615	14,546	14,289	14,195	14,584	14,843	13,911	13,775	13,575
Change - Amount	393	69	257	94	-389	-259	932	136	200	202
Change - Percent	3%	0%	2%	1%	-3%	-2%	7%	1%	1%	2%

Source: ⁽¹⁾ East Grand School District

Notes: ⁽²⁾ Grand Lake Elementary School was closed in 2011 due to declining enrollment

Grand County, Colorado
West Grand School District Student Population
For the Years Ended December 31,
(Unaudited)

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
West Grand School District ⁽¹⁾										
Elementary and Middle School										
Kindergarten	27	33	38	27	32	33	33	35	41	39
Grade 1	30	36	27	34	34	31	31	43	37	32
Grade 2	33	25	40	34	31	28	38	37	32	48
Grade 3	24	43	26	33	38	36	36	35	32	38
Grade 4	40	28	34	37	37	36	36	35	44	30
Grade 5	27	35	31	34	36	34	31	45	39	43
Grade 6	31	36	35	36	33	30	41	37	30	34
Grade 7	32	33	42	34	30	40	35	30	43	34
Grade 8	38	40	36	34	43	35	34	46	32	33
Total	282	309	309	303	314	303	315	343	330	331
Change - Amount	-27	0	6	-11	11	-12	-28	13	-1	-15
Change - Percent	0%	0%	2%	-4%	4%	-4%	-8%	4%	0%	-4%
West Grand High School										
Grade 9	45	34	32	39	29	32	43	29	33	30
Grade 10	30	33	38	26	29	42	23	27	30	37
Grade 11	29	41	23	28	39	24	27	24	31	41
Grade 12	37	24	20	36	23	22	21	28	33	43
Total	141	132	113	129	120	120	114	108	127	151
Change - Amount	9	19	-16	9	0	6	6	-19	-24	-23
Change - Percent	7%	17%	-13%	8%	0%	5%	6%	-15%	-16%	-13%
Total West Grand School District	423	441	422	432	434	423	429	451	457	482
Change - Amount	-18	19	-10	-2	11	-6	-22	-6	-25	-38
Change - Percent	-4%	5%	-2%	0%	3%	-1%	-5%	-1%	-5%	-7%
County Population	15,008	14,615	14,546	14,289	14,195	14,584	14,843	13,911	13,775	13,575
Change - Amount	393	69	257	94	-389	-259	932	136	200	202
Change - Percent	3%	0%	2%	1%	-3%	-2%	7%	1%	1%	2%

Source: ⁽¹⁾ West Grand School District

Grand County, Colorado
County & State Labor Force and Percent Unemployed ⁽¹⁾
For the Years Ended December 31,
(Unaudited)

Year	Grand County		Colorado ⁽²⁾		United States
	Labor Force	Percent Unemployed	Labor Force	Percent Unemployed	Percent Unemployed ⁽¹⁾
2016	9,374	2.1%	2,933,275	2.6%	4.7%
2015	9,737	2.5%	2,819,144	3.5%	5.0%
2014	8,656	5.1%	2,813,284	4.9%	5.6%
2013	8,622	5.8%	2,801,667	6.0%	6.3%
2012	7,500	7.7%	2,740,005	7.3%	7.5%
2011	8,644	8.2%	2,720,673	8.2%	8.9%
2010	8,624	9.0%	2,687,396	8.9%	9.6%
2009	8,820	6.6%	2,701,026	7.7%	9.3%
2008	9,775	4.7%	2,727,616	4.9%	5.8%
2007	9,559	3.2%	2,695,834	3.9%	4.6%
2006	9,331	2.7%	2,653,333	4.4%	4.6%

Sources: U.S. Department of Labor, Bureau of Labor Statistic, Databases

(1) Figures are subject to periodic revision. Annual average (not seasonally adjusted).
Figures for County and State are not seasonally adjusted, Colorado LMI Gateway

(2) Reflects revised population controls and model reestimation by Bureau of Labor Statistics

**Grand County, Colorado
County Top 10 Employers By District
For the Year Ended December 31, 2016
(Unaudited)**

District 1 - Winter Park/ Fraser

Intrawest / Winter Park Resort

Devils Thumb Ranch Resort and Spa

Fraser Valley Metropolitan Recreation District

District 2 - Granby / Grand Lake

Solvista Basin at Granby Ranch

YMCA of the Rockies / Snow Mountain Ranch Resort

Inn at Silver Creek

The Roofing Co

City Market Food & Pharmacy

District 3 - Kremmling/Hot Sulphur Springs

Grand County Government

C Lazy U Ranch

Source: Colorado LMI Gateway
& Colorado LMI Gateway
Actual employee numbers unavailable

Grand County, Colorado
County Miscellaneous Statistics
For the Years Ended December 31,
(Unaudited)

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Average Household Size	2.69	2.26	2.22	2.26	2.68	2.76	2.71	2.38	2.38	2.38
Births	139	123	117	192	108	106	138	155	156	170
Deaths	96	68	61	45	53	47	49	47	60	41
Marriages	175	170	171	127	n/a	n/a	n/a	n/a	n/a	n/a
Civil Unions	1	0	2	3	0	0	0	0	0	0
Percent Living in Poverty	8.3%	10.4%	11.1%	8.6%	8.6%	8.3%	6.6%	n/a	n/a	n/a

	2015		2014			2015		2014	
	Number	Percent	Number	Percent		Estimate	Percent	Estimate	Percent
OCCUPANCY STATUS					HOUSEHOLDS BY TYPE				
Total housing units	17,053	100%	16,627	100%	Total occupied housing units	6,826	100%	6,318	100%
Occupied housing units	6,826	40%	6,435	39%	With 1 adult	2,076	30%	2,023	32%
Vacant housing units	10,227	60%	10,192	61%	65 years and over	615	9%	571	9%
					With more than 1 adult	3,043	45%	2,961	47%
					65 years and over	951	14%	883	14%
TRANSACTION INFO	Amount	% chg	Amount	% chg	With 1 adult and children	244	4%	242	4%
Real estate sales volume	\$406.6M	8%	\$406.6M	8%	With more than 1 adult and children	1,463	21%	1,092	17%
Transaction count	1,438	22%	1,438	22%					
Avg single family price / sq ft	\$ 203	5%	\$ 203	5%					
Avg vacant land price / acre	\$ 104,863	-6%	\$ 104,863	-6%					

Notes:

Household Size	State of Colorado, Department of Local Affairs, State Demography Office, census.gov/quickfacts
Births & Deaths	State of Colorado, Department of Local Affairs, State Demography Office
Marriages & Civil Unions	Grand County Clerk & Recorder Office
Poverty Information	State of Colorado, Department of Local Affairs, State Demography Office
2016 Poverty Guideline	\$24,600 for a family of 4 as published in the <i>Federal Register</i> 1/31/2017
Household Information	State of Colorado, Department of Local Affairs, State Demography Office
Transaction Info	Land Title Guarantee Company, Leslie Larkins
n/a	not available at the time of publication

**Grand County, Colorado
Visitor Information
For the Years Ended December 31,
(Unaudited)**

Year	Rocky Mountain National Park											
	Grand County Tourism Tax ^(A)			Grand Lake Entrance Visitor Count ^(B)			Current Colorado Ski Country USA Member Resorts ^(D)					
	Lodging Tax	Change		Visitor	Change					Skier	Change	
	Collections	Amount	Percentage	Count ⁽¹⁾	Amount	Percent				Visits ⁽²⁾	Amount	Percent
2016	\$ 825,065	\$ 188,902	30%	577,429	(15,734)	-3%	2016 - 2017	n/a	-	0%		
2015	636,163	\$ 29,115	5%	593,163	149,677	34%	2015 - 2016	n/a				
2014	607,048	52,686	10%	443,486	52,251	13%	2014 - 2015	7,100,000	(132,000)	-2%		
2013	554,362	18,042	3%	391,235	(40,156) ^(C)	-9%	2013 - 2014	7,232,000	832,000	13%		
2012	536,320	54,460	11%	431,391	13,391	3%	2012 - 2013	6,400,000	236,722	4%		
2011	481,860	65,643	16%	418,000	14,869	4%	2011 - 2012	6,163,278	(783,548)	-11%		
2010	416,217	(37,711)	-8%	403,131	30,252	8%	2010 - 2011	6,946,826	206,348	3%		
2009	453,928	(40,136)	-8%	372,879	12,441	3%	2009 - 2010	6,740,478	31,175	0%		
2008	494,064	(4,452)	-1%	360,438	(43,428)	-11%	2008 - 2009	6,709,303	(583,935)	-8%		
2007	498,516	(326,549)	-40%	403,866	(173,563)	-30%	2007 - 2008	7,293,238	(21,300)	0%		

Source: ⁽¹⁾ Rocky Mountain National Park

⁽²⁾ Colorado Ski Country USA Website ten years of skier visit history / Current year estimate at time of publication, member resort visits

⁽³⁾ Not available until June, 2016. www.coloradoski.com posted 1/12/16 "For the 2015/16 season to date, defined as opening day through December 31, 2015, visitation at CSCUSA resorts was up by 10 percent compared to the same time last season."

Note: ^(A) The 1.8% lodging tax, collected by retail lodging establishments for the benefit of the marketing Grand County tourism, is a good measure of the change in the volume and pricing of County tourism and reflects both State and National events.

Note: ^(B) Rocky Mountain National Park and Grand Lake are the major summer attractions in Grand County. The Grand Lake Entrance Visitor Count is a good indication of Grand County's summer season economy as skier visits reflect the winter season.

Note: ^(C) Federal National Parks shutdown and major flooding in the Estes Park area reduced visits

Note: ^(D) Grand County alpine ski areas, Winter Park Resort and Ski Granby Ranch are Colorado Ski Country USA Member Resorts

Grand County, Colorado
County Sales Tax Collections By District
For the Years Ended December 31,
(accrual basis of accounting)
(Unaudited)

Calendar Year	Winter Park/Fraser Valley		Three Lakes		Mainstem		Unallocated	Correction	Total	
	Amount	Percent Change	Amount	Percent Change	Amount	Percent Change	Amount	Amount	Amount	Percent Change
2016	\$ 1,883,418	11%	\$ 1,508,627	5%	\$ 457,218	-1%	\$ -	-	3,849,263	7%
2015	1,689,754	10%	1,432,074	8%	462,674	11%	-	-	3,584,502	9%
2014	1,536,943	9%	1,321,922	6%	416,097	4%	-	-	3,274,962	7%
2013	1,408,835	7%	1,243,538	5%	399,957	3%	-	-	3,052,329	6%
2012	1,312,058	-2%	1,181,036	9%	387,879	2%	-	-	2,880,973	3%
2011	1,334,104	11%	1,081,429	5%	381,155	4%	6,281	-	2,802,969	-4%
2010	1,198,455	-5%	1,034,744	-2%	367,914	-4%	97,208	220,629 ⁽¹⁾	2,918,950	4%
2009	1,262,288	-17%	1,058,366	-14%	383,640	-10%	99,464	-	2,803,759	-15%
2008	1,517,857		1,231,970		428,382		110,427	12,522	3,301,158	-3%
2007 ⁽²⁾									3,408,239	#REF!

Note: Sales tax collections and year over year changes are a good indicator of size of the population, commercial activity and tourism growth.

Source: Grand County Clerk & Recorder from reports from the Colorado Department of Revenue.

(1) County portion of sales taxes collected in Grand County but remitted to another county in prior years. Corrected by the Colorado Department of Revenue.

Grand County, Colorado
Sales Tax Rates By Taxing Authority
For the Years Ended December 31,
(accrual basis of accounting)
(Unaudited)

Calendar Year	Grand County	State of Colorado	Town of					
			Fraser	Granby	Grand Lake	Hot Sulphur Springs	Kremmling	Winter Park
2016	1%	2.9%	5%	4%	5%	4%	4%	7%
2015	1%	2.9%	5%	4%	4%	4%	4%	7%
2014	1%	2.9%	4%	4%	4%	4%	4%	5%
2013	1%	2.9%	4%	4%	4%	4%	4%	5%
2012	1%	2.9%	4%	4%	4%	4%	4%	5%
2011	1%	2.9%	4%	4%	4%	4%	4%	5%
2010	1%	2.9%	4%	4%	4%	4%	4%	5%
2009	1%	2.9%	4%	4%	4%	4%	4%	5%
2008	1%	2.9%	4%	4%	4%	4%	4%	5%
2007	1%	2.9%	4%	4%	4%	4%	4%	5%

Grand County, Colorado
Construction Permits and Permit Valuations ⁽¹⁾
For the Years Ended December 31,
(Unaudited)

Year	Number of Construction Permits					Increase/Decrease	
	Single Family	Multi-Family	Commercial ⁽¹⁾	All Other ⁽²⁾	Total	Amount	Percent
2016	82	0	14	484	580	31	6%
2015	59	2	19	469	549	-19	-3%
2014	56	2	0	510	568	58	11%
2013	44	0	3	463	510	-97	-16%
2012	52	0	0	555	607	-15	-2%
2011	26	3	3	590	622	132	27%
2010	54	0	20	416	490	-41	-8%
2009	43	1	8	479	531	-154	-22%
2008	116	6	10	553	685	-239	-26%
2007	190	6	36	692	924	-216	-19%
YEAR	Total Valuation					Increase/Decrease	
	Single Family	Multi-Family	Commercial ⁽¹⁾	All Other ⁽²⁾	Total	Amount	Percent
2016	\$ 28,986,522	\$ -	\$ 1,409,792	\$ 11,920,933	\$ 42,317,247	\$ 8,572,182	25%
2015	19,837,747	372,872	2,452,759	11,081,687	33,745,065	5,231,376	18%
2014	15,690,218	848,083	-	11,975,388	28,513,689	610,187	2%
2013	14,213,451	-	728,356	12,961,695	27,903,502	2,142,435	8%
2012	14,313,376	-	-	11,447,691	25,761,067	(3,795,975)	-13%
2011	9,511,937	321,552	7,288,377	12,435,176	29,557,042	(16,613,161)	-36%
2010	16,873,821	-	17,779,221	11,517,161	46,170,203	13,624,369	42%
2009	14,552,697	365,631	2,891,583	14,735,923	32,545,834	(10,142,267)	-24%
2008	26,987,537	4,951,434	8,352,813	2,396,317	42,688,101	(69,908,089)	-62%
2007	48,950,167	4,650,882	35,530,292	23,464,849	112,596,190	26,841,449	31%
YEAR	Valuation Per Permit					Increase/Decrease	
	Single Family	Multi-Family	Commercial ⁽¹⁾	All Other ⁽²⁾	Total	Amount	Percent
2016	\$ 353,494	\$ -	\$ 100,699	\$ 24,630	72,961	11,494	19%
2015	336,233	186,436	129,093	23,628	61,466	11,266	22%
2014	280,182	424,042	-	23,481	50,200	(4,513)	-8%
2013	323,033	-	242,785	27,995	54,713	12,273	29%
2012	275,257	-	-	20,626	42,440	(5,079)	-11%
2011	365,844	107,184	2,429,459	21,077	47,519	(46,706)	-50%
2010	312,478	-	888,961	27,685	94,225	32,933	54%
2009	338,435	365,631	361,448	30,764	61,292	(1,027)	-2%
2008	232,651	825,239	835,281	4,333	62,318	(59,539)	-49%
2007	257,632	775,147	986,953	33,909	121,857	46,634	62%

Source: Grand County Building Department

Note: ⁽¹⁾ Commercial includes new and remodel

⁽²⁾ All Other includes - Reroof, Additions, Garages, Remodels Etc.

Grand County, Colorado
Taxable Assessed Property Value and New Construction
For the Years Ended December 31,
(Unaudited)

Year	Taxable Assessed Property Value				New Construction		
	Property Value	Change			Construction ⁽¹⁾	Change	
		Amount	Percentage			Amount	Percentage
2016	\$ 661,036,540	\$ (20,007,660)	⁽³⁾ -3%		\$ 5,606,520	\$ 1,608,410	40%
2015	681,044,200	(5,277,770)	⁽³⁾ -1%		3,998,110	61,990	2%
2014	686,321,970	(18,477,290)	⁽³⁾ -3%		3,936,120	94,020	2%
2013	704,799,260	(104,111,740)	⁽²⁾ -13%		3,842,100	98,660	3%
2012	808,911,000	(8,089,040)	⁽³⁾ -1%		3,743,440	(13,340)	0%
2011	817,000,040	(165,471,800)	⁽²⁾ -17%		3,756,780	(5,208,650)	-58%
2010	982,471,840	9,586,830	1%		8,965,430	(9,379,300)	-51%
2009	972,885,010	115,794,780	14%		18,344,730	(8,792,440)	-32%
2008	857,090,230	52,674,850	7%		27,137,170	7,908,460	41%
2007	804,415,380	193,612,920	32%		19,228,710	904,160	5%

Source: Grand County Assessor's Office

Note: ⁽¹⁾ Construction is one of the largest industries in the County and an indicator of commercial activity.

⁽²⁾ Reduction primarily a result of reduction in the resale value of property

⁽³⁾ Reduction is a result of the change in the value of molybdenum production at the Henderson Mill of Freeport-McMoRan.

Statistical Section

Operating Information

These tables and schedules offer information about the County's operations and resources to help the reader understand the County's financial relates to the services the County provides and the activities it performs.

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Grand County, Colorado
Personnel
County Full-time Equivalent Employees (FTE) By Function
For the Years Ended December 31,
(Unaudited)

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Grand County Employees:										
Governmental Activities:										
General government	60	63	61	57	58	57	57	56	57	55
Public health	64	71	59	62	63	68	70	72	72	72
Streets and highways	43	52	51	51	50	50	48	50	50	52
Public safety	59	58	60	58	61	55	57	61	54	57
Public welfare	16	16	14	13	12	12	12	11	11	9
Auxiliary services	9	10	11	11	11	10	10	9	9	6
Judicial	1	3	1	2	0	3	3	3	2	2
Total Grand County Employees	<u>252</u>	<u>273</u>	<u>257</u>	<u>254</u>	<u>255</u>	<u>255</u>	<u>257</u>	<u>262</u>	<u>255</u>	<u>253</u>

Full time equivalent employees (FTEs) are budgeted and calculated on the department level. Total weekly hours paid are divided by 40 for departments with a standard 40 hour work week or 37.5 for departments with a 37.5 hour work week. EMS FTEs are calculated on a 112.00 hr work week because of the 24/7 nature of their operation and staffing.

Grand County, Colorado
Capital Investment
Net Book Value of Capital Assets By Function
For the Years Ended December 31,
(Unaudited)

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Net Book Value Capital Assets:										
General government	7,581,105	\$ 8,121,685	\$ 8,025,959	\$ 7,996,046	\$ 7,619,339	\$ 8,668,270	\$ 8,946,799	\$ 9,028,418 ⁽¹⁾	\$ 5,621,015	\$ 6,712,954 ⁽⁵⁾
Public health	1,906,592	2,088,668	1,913,721	2,142,207	1,844,709	1,319,235 ⁽⁴⁾	3,112,622	2,742,558	3,468,286	2,899,440
Streets and highways	19,060,800	20,464,538	20,604,098	21,158,514	21,513,246	21,286,501	21,449,860	22,706,213	22,606,148	22,008,902
Public safety	3,616,704	3,732,707	3,310,933	3,459,561	2,220,319	2,363,569	2,360,799	2,472,508	2,205,009	1,860,613
Public welfare	44,846	48,795	52,744	44,234	48,185	54,244	60,303	67,882	83,493	71,002
Auxiliary services	9,534,344	10,014,052	9,983,072	9,203,981	9,558,865	9,759,059	9,988,069	10,019,123 ⁽²⁾	5,924,969	3,556,567
Judicial	7,855,932	8,096,456	8,337,440	8,423,074	8,637,030	8,851,620	9,066,210	9,280,800	9,362,742 ⁽³⁾	-
Total Capital Assets	49,600,323	\$ 52,566,901	\$ 52,227,967	\$ 52,427,617	\$ 51,441,693	\$ 52,302,498	\$ 54,984,662	\$ 56,317,502	\$ 49,271,662	\$ 37,109,478

Source County Comprehensive Annual Financial Reports for the years indicated.

Notes: ⁽¹⁾ 2009 General government includes the capitalization of the major remodel of the County Administrative Services building

⁽²⁾ 2009 Auxiliary services includes the capitalization of the major remodel of the Grand County Airport in Granby

⁽³⁾ 2008 Judicial includes the capitalization of the new construction of the Grand County Judicial Center

⁽⁴⁾ 2010 the County stopped accepting waste at the Granby and Kremmling landfills

⁽⁵⁾ 2007 General government category included construction in progress of the Grand County Judicial Center

n/a Information not available prior to 2005

Grand County, Colorado
Streets and Highways Function
Road & Bridge Department
For the Years Ended December 31,
(Unaudited)

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Miles of County Road ⁽²⁾										
Maintained - HUTF Eligible	779	781	780	785	785	785	785	783	783	802
Non-Maintained	83	83	93	87	89	88	87	83	83	83
Total Miles	862	864	873	872	874	873	872	866	866	885
Paved	74	80	86	87	85	85	85	81	82	83
Unpaved	788	783	787	785	789	788	787	785	784	802
Vehicle Registrations ⁽³⁾	27,450	26,943	26,239	25,097	24,742	24,416	23,636	23,951	21,481	23,997
Streets & Highways Employees	46	52	52	51	52	50	48	50	50	50
Local Highway Finance Report										
State Funding - Highway User Tax	\$ 2,814,434	\$ 2,782,225	\$ 2,674,243	\$ 2,605,767	\$ 2,609,473	\$ 2,584,692	\$ 2,711,511	\$ 2,225,082	\$ 2,224,874	\$ 2,319,338
All Other Receipts	1,841,810	5,621,352	8,042,683	5,732,786	5,101,287	5,483,698	4,228,893	6,340,973	5,451,670	3,882,473
Total Receipts	4,656,244	8,403,577	10,716,926	8,338,553	7,710,760	8,068,390	6,940,404	8,566,055	7,676,544	6,201,811
Total Disbursements	5,605,114	7,760,503	8,998,118	7,860,521	8,458,379	7,362,352	6,260,679	10,612,032 ⁽¹⁾	6,741,439	5,731,904
Net Receipts (Disbursements)	\$ (948,870)	\$ 643,074	\$ 1,718,808	\$ 478,032	\$ (747,619)	\$ 706,038	\$ 679,725	\$ (2,045,977)	\$ 935,105	\$ 469,907
State Funding - Highway User Tax /Mile	\$ 3,613	\$ 3,562	\$ 3,429	\$ 3,319	\$ 3,324	\$ 3,293	\$ 3,454	\$ 2,842	\$ 2,841	\$ 2,892
All Other Receipts Per Mile	2,137	6,506	9,213	6,574	5,837	6,281	4,849	7,322	6,295	4,387
Total Receipts Per Mile	5,402	9,726	12,276	9,563	8,822	9,242	7,959	9,891	8,864	7,008
Total Disbursements Per Mile	6,502	8,982	10,307	9,014	9,678	8,433	7,180	12,255	7,785	6,477
Net Receipts (Disbursements) Per Mile	\$ (1,101)	\$ 744	\$ 1,969	\$ 548	\$ (855)	\$ 809	\$ 780	\$ (2,364)	\$ 1,079	\$ 531
Net Book Value of R&B Capital Assets	\$ 19,060,800	20,464,538	\$ 20,604,098	\$ 21,158,514	\$ 21,513,246	\$ 21,286,501	\$ 21,449,860	\$ 22,706,213	\$ 22,606,148	\$ 22,008,902
Notes payable R&B Equipment Leases	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ - ⁽¹⁾	\$ 2,652,983	\$ 2,313,566

Notes: ⁽¹⁾ Paid off Equipment Leases in 2009

⁽²⁾ Source: Grand County Road & Bridge Department

⁽³⁾ Source: Grand County Clerk & Recorder / Dept of Revenue

Grand County, Colorado
Public Safety Function
County Sheriff Department and County Jail
For the Years Ended December 31,
(Unaudited)

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007	
Total Number of:											
Offenses ⁽¹⁾					165	137	184	215	205	213	⁽²⁾
Incidents ⁽¹⁾	1,024	1,232	1,664	1,280							
Arrests ⁽¹⁾	354	298	143	206	170	95	71	149	207	193	⁽²⁾
County Public Safety Employees	59	58	60	58	61	55	57	61	54	57	
Sheriff Dept & Jailors only ⁽³⁾	40	41	42	40	43	39	43	45	40	41	
Animal Control Employees	3	3	3	3	3	3	3	3	3	3	
Animals Impounded	283	265	303	263	312	324	350	409	n/a	n/a	
Animals Adopted	124	116	126	108	136	134	121	177	n/a	n/a	
County Population ⁽²⁾	15,008	14,615	14,546	14,289	14,500	14,584	14,843	13,911	13,775	13,575	
Change - Amount	393	69	257	94	-389	-259	932	136	200	202	
Change - Percent	3%	0%	2%	1%	-3%	-2%	7%	1%	1%	2%	
Number per County Resident of:											
Offenses ⁽¹⁾					0.0114	0.0094	0.0124	0.0155	0.0149	0.0157	
Incidents ⁽¹⁾	0.0682	0.0843	0.1144	0.0896							
Arrests ⁽¹⁾	0.0236	0.0204	0.0098	0.0144	0.0117	0.0065	0.0048	0.0107	0.0150	0.0142	
County Public Safety Employees	0.0039	0.0039	0.0041	0.0041	0.0042	0.0038	0.0038	0.0044	0.0039	0.0042	

Source: ⁽¹⁾ Grand County Sheriff / Colorado Bureau of Investigations / Using National Incident Based Reporting System (NIBRS) starting in 2013

Notes: ⁽²⁾ In 2006 Granby and Winter Park / Fraser established their own police forces and subsequently report their own statistics.

⁽³⁾ Excludes animal control, juvenile service, dispatch, court security and coroner employees included in total public safety employees, full time equivalents

n/a Information is not available at time of publication

Grand County, Colorado
General Government Function
County Clerk & Recorder Departments - Motor Vehicle & Recording
For the Years Ended December 31,
(Unaudited)

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Total Number of:											
Vehicle Registrations ⁽¹⁾	27,450	26,943	26,239	25,097	24,742	24,416	23,636	23,951	21,481	23,997	24,187
Change - Amount	507	704	1,142	355	326	780	-315	2,470	-2,516	-190	-3,918
Change - Percent	2%	3%	5%	1%	1%	3%	-1%	11%	-10%	-1%	-14%
Recording Transactions ⁽¹⁾	10,272	9,788	8,908	10,692	10,241	9,648	10,526	12,108	12,151	12,550	4,033
Change - Amount	484	880	-1,784	451	593	-878	-1,582	-43	-399	8,517	-236
Change - Percent	5%	10%	-17%	4%	6%	-8%	-13%	0%	-3%	211%	-6%
County Population ⁽²⁾											
	15,008	14,615	14,546	14,289	14,195	14,584	14,843	13,911	13,775	13,575	13,373
Change - Amount	393	69	257	94	-389	-259	932	136	200	202	259
Change - Percent	3%	0%	2%	1%	-3%	-2%	7%	1%	1%	2%	2%
Number per County Resident of:											
Vehicle Registrations	1.8290	1.8435	1.8039	1.7564	1.7430	1.6742	1.5924	1.7217	1.5594	1.7677	1.8086
Change - Amount	-0.01	0.04	0.05	0.01	0.07	0.08	-0.13	0.16	-0.21	-0.04	-0.33
Change - Percent	-1%	2%	3%	1%	4%	5%	-8%	10%	-12%	-2%	-16%
Recording Transactions	0.6844	0.6697	0.6124	0.7483	0.7215	0.6615	0.7092	0.8704	0.8821	0.9245	0.3016
Change - Amount	0.01	0.06	-0.14	0.03	0.06	-0.05	-0.16	-0.01	-0.04	0.62	-0.02
Change - Percent	2%	8%	-19%	4%	9%	-7%	-19%	-1%	-5%	207%	-7%

Source: ⁽¹⁾ Grand County Clerk & Recorder / Colorado Department of Revenue

Source: ⁽²⁾ <http://quickfacts.census.gov>

Grand County, Colorado
Public Health Function
County Emergency Medical Services Department
For the Years Ended December 31,
(Unaudited)

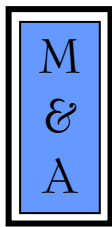
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Total Number of:										
Calls / Responses (1)	2,160	2,095	2,028	1,928	1,647	1,783	1,812	1,929	2,009	1,986
Change - Amount	65	67	100	281	-136	-29	-117	-80	23	84
Change - Percent	3%	3%	5%	17%	-8%	-2%	-6%	-4%	1%	4%
County EMS Employees*	46	38	41	35	39	42	41	41	41	40
County Population ⁽²⁾	15,008	14,615	14,546	14,289	14,195	14,584	14,843	13,911	13,775	13,575
Change - Amount	393	69	257	94	-389	-259	932	136	200	202
Change - Percent	3%	0%	2%	1%	-3%	-2%	7%	1%	1%	2%
Number per County Resident of:										
Calls	0.1439	0.1433	0.1394	0.1349	0.1160	0.1223	0.1221	0.1387	0.1458	0.1463
Change - Amount	0.0006	0.0039	0.0045	0.0189	-0.0062	0.0002	-0.0166	-0.0072	-0.0005	0.0041
Change - Percent	0%	3%	3%	16%	-5%	0%	-12%	-5%	0%	3%

Source: ⁽¹⁾ Grand County EMS

⁽²⁾ <http://quickfacts.census.gov>

* Average Full Time Equivalent Employees

Federal Financial Awards Section



McMAHAN AND ASSOCIATES, L.L.C.

Certified Public Accountants and Consultants

CHAPEL SQUARE, BLDG C
245 CHAPEL PLACE, SUITE 300
P.O. Box 5850, AVON, CO 81620

WEB SITE: WWW.MCMAHANCPA.COM
MAIN OFFICE: (970) 845-8800
FACSIMILE: (970) 845-8108
E-MAIL: MCMAHAN@MCMAHANCPA.COM

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

**To the Board of County Commissioners
Grand County, Colorado**

We have audited, 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, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Grand County, Colorado (the "County") as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated June 30, 2017.

Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Member: American Institute of Certified Public Accountants

PAUL J. BACKES, CPA, CGMA
MICHAEL N. JENKINS, CA, CPA, CGMA
DANIEL R. CUDAHY, CPA, CGMA

AVON: (970) 845-8800
ASPEN: (970) 544-3996
FRISCO: (970) 668-3481

**INDEPENDENT AUDITOR'S REPORT
To the Board of County Commissioners
Grand County, Colorado**

Compliance and Other Matters

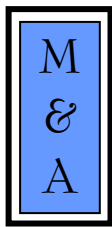
As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect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

Purpose of this Report

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

McMahan and Associates, L.L.C.

**McMahan and Associates, L.L.C.
June 30, 2017**



McMAHAN AND ASSOCIATES, L.L.C.

Certified Public Accountants and Consultants

CHAPEL SQUARE, BLDG C
245 CHAPEL PLACE, SUITE 300
P.O. Box 5850, AVON, CO 81620

WEB SITE: WWW.MCMAHANCPA.COM
MAIN OFFICE: (970) 845-8800
FACSIMILE: (970) 845-8108
E-MAIL: MCMAHAN@MCMAHANCPA.COM

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

**To the Board of County Commissioners
Grand County, Colorado**

Report on Compliance for Each Major Program

We have audited the compliance of Grand County, Colorado (the "County") with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended December 31, 2016. The County's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the "Uniform Guidance"). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination on the County's compliance with those requirements.

Member: American Institute of Certified Public Accountants

PAUL J. BACKES, CPA, CGMA
MICHAEL N. JENKINS, CA, CPA, CGMA
DANIEL R. CUDAHY, CPA, CGMA

AVON: (970) 845-8800
ASPEN: (970) 544-3996
FRISCO: (970) 668-3481

**INDEPENDENT AUDITOR'S REPORT
To the Board of County Commissioners
Grand County, Colorado**

Opinion on Each Major Federal Program

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2016.

Report on Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

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

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

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

McMahan and Associates, L.L.C.

**McMahan and Associates, L.L.C.
June 30, 2017**

Grand County, Colorado
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2016

Part I – Summary of Auditor’s Results

Financial Statements:

Type of auditor’s report issued	Unmodified
Internal control over financial reporting:	
Material weakness identified	None noted
Significant deficiency identified	None noted
Noncompliance material to financial statements noted	None noted

Federal Awards:

Internal control over major programs:	
Material weakness identified	None noted
Significant deficiency identified	None noted
Type of auditor’s report issued on compliance for major program	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Title 2 U.S. Code of Federal Regulations Part 200	No
Major programs:	
School and Roads – Grants to States and Counties Containing Federal Lands Section 221(d)(3) Mortgage Insurance	CFDA #10.665 CFDA #14.155
Dollar threshold used to identify Type A from Type B programs	\$750,000
Identified as low-risk auditee	No

Part II – Findings Related to Financial Statements

Findings related to financial statements as required by <i>Government Auditing Standards</i>	None noted
Auditor-assigned reference number	Not applicable

Part III – Findings Related to Federal Awards

Internal control findings	None noted
Compliance findings	None noted
Questioned costs	None noted
Auditor-assigned reference number	Not applicable

Grand County, Colorado
SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2016

Note: There were no findings for the fiscal year ended December 31, 2015.

Grand County, Colorado
Schedule of Expenditures of Federal Awards - Page 1 of 3
For the Year Ended December 31, 2016

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM TITLE	GRANTOR'S IDENTIFICATION NUMBER	FEDERAL CFDA NUMBER	2016 DISBURSEMENTS/ EXPENDITURES
U.S. DEPARTMENT OF AGRICULTURE			
Schools and Roads - Grants to States and Counties Containing Federal Lands		10.665	\$ 1,102,918
Rural Business Development Grant		10.351	26,710
Rural Rental Housing Loans		10.415	41,696
Rural Rental Assistance Payments		10.427	115,565
Passed Through Colorado Department of Public Health and Environment:			
Food & Nutrition - WIC - Cash AB16L		10.557	48,331
Food & Nutrition - WIC - Non Cash		10.557	81,514
Subtotal Colorado Department of Public Health and Environment			<u>129,845</u>
Passed Through Colorado Department of Human Services:			
Supplemental Nutrition Assistance Program-Admin		10.561	81,919
Subtotal Colorado Department of Human Services			<u>81,919</u>
TOTAL U.S. DEPARTMENT OF AGRICULTURE			<u>1,498,653</u>
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Passed Through Colorado Department of Public Health and Environment			
Immunization IZ CORE KA16H		93.268	5,319
Public Health Emergency Preparedness HW17J		93.074	2,382
EPR Emergency Preparedness HW15J		93.069	19,565
Preventable Health Services Block Grant CHAPS HC16A		93.758	3,750
Provider Care Coordination ND16L		93.994	13,574
Subtotal Colorado Department of Public Health and Environment			<u>\$ 44,590</u>

Continued

Grand County, Colorado
Schedule of Expenditures of Federal Awards - Page 2 of 3
For the Year Ended December 31, 2016

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM TITLE	GRANTOR'S IDENTIFICATION NUMBER	FEDERAL CFDA NUMBER	2016 DISBURSEMENTS/ EXPENDITURES	
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (Continued)				
Passed Through Colorado Department of Human Services:				
Title III Congregate & Home Delivered (C1,C2) Meals		93.045	\$ 81,253	C
NSIP-Nutrition Services Incentive Program		93.053	4,917	C
Promoting Safe and Stable Families		93.556	24,164	
Title XIX Medicaid		93.778	146,223	D
TANF- Temporary Assistance for Needy Families		93.558	126,587	A
IV-D Child Support Enforcement		93.563	107,430	
LEAP-Low Income Home Energy Assistance Program		93.568	29,058	
CCDF-Mandatory Matching Funds of Child Care Development		93.596	101,511	B
CCDF - Discretion		93.575	95,138	B
IV-B Child Welfare		93.645	1,882	
IV-E Foster Care		93.658	100,813	
IV-E Adoption Assistance		93.659	32,835	
IV-E Guardianship Assistance		93.090	855	
Title XX Block		93.667	63,971	
Subtotal Colorado Department of Human Services			916,637	
TOTAL U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES			961,227	
U.S. DEPARTMENT OF JUSTICE				
Passed through Colorado Division of Justice				
Emergency Response Public Safety	2015-MU-BX-0390	16.738	21,940	
TOTAL U.S. DEPARTMENT OF JUSTICE			21,940	
U.S. DEPARTMENT OF TRANSPORTATION				
Direct Programs - Federal Aviation Administration:				
Airport Improvement Program Project - Granby Master Plan	3.08.0075-11	20.106	41,646	
TOTAL U.S. DEPARTMENT OF TRANSPORTATION			41,646	
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
Section 8 Housing Assistance Payments Program		14.195	167,791	
Section 221(d)(3) Mortgage Insurance		14.155	565,774	
TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			\$ 733,565	

Continued

Grand County, Colorado
Schedule of Expenditures of Federal Awards - Page 3 of 3
For the Year Ended December 31, 2016

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM TITLE	GRANTOR'S IDENTIFICATION NUMBER	FEDERAL CFDA NUMBER	2016 DISBURSEMENTS/ EXPENDITURES
U.S. DEPARTMENT OF INTERIOR			
Passed through Bureau of Land Management			
Federal Noxious Weed Act	L14AC00084	15.230	\$ 50,000
TOTAL U.S. DEPARTMENT OF INTERIOR			50,000
U.S. DEPARTMENT OF HOMELAND SECURITY			
Passed through Colorado Department of Public Safety Division of Homeland Security and Emergency Management:			
EMPG - Local Emergency Management Support	16EM-17-26	97.042	63,875
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY			63,875
TOTAL FEDERAL FINANCIAL ASSISTANCE			\$ 3,370,906

Additional Information for Clusters:

A - TANF Cluster	126,587
B - CCDF Cluster	196,649
C - Aging Cluster	86,170
D - Medicaid Cluster	146,223

Notes to the Schedule of Federal Awards For the Year Ended December 31, 2016

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Grand County, Colorado, and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2, US Code of Federal Regulations, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards ("Uniform Guidance")*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in, the preparation of the basis financial statements.

Note 2. Pass Through Subrecipients

Grand County provided awards as follows:

U.S. DEPARTMENT OF AGRICULTURE		FEDERAL CFDA NUMBER	2016 DISBURSEMENTS/ PASS THROUGH
East Grand School District	School district		\$ 808,770
West Grand School District	School district		294,148
		10.665	\$ 1,102,918

Note 3. Indirect Facilities and Administration Costs

The County has elected to use the 10% de minimis cost rate allowed in 200.414, *Indirect (F&A) Costs*, of the Uniform Guidance.

Note 4. Loans Outstanding

The County, through its component unit, Grand County Housing Authority, had the following direct loan balances outstanding at December 31, 2016:

	CFDA NUMBER	Loan Balance
Rural Rental Housing Loans	10.415	\$ 536,871
Sectin 221(d)(3) Mortgage Insurance	14.155	\$ 543,580