

2017

Garfield
County
Colorado

Comprehensive
Annual Financial
Report

For the fiscal year ended
December 31, 2017

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Office of the State Auditor

June 12, 2018



Garfield County



Garfield County, Colorado
Comprehensive Annual Financial Report

For the Fiscal Year Ended December 31, 2017

Prepared by the Finance Department



Prepared by the Finance Department

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Garfield County, Colorado
Comprehensive Annual Financial Report
For the Year Ended December 31, 2017

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INTRODUCTORY SECTION



**FINANCE DEPARTMENT
108 8th Street, Suite 201
Glenwood Springs, Colorado 81601
(970) 945-7284**

June 06, 2018

To the Citizens and Board of County Commissioners of Garfield County:

State law requires Garfield County (County) to publish a complete set of financial statements prepared in accordance with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted accounting standards by a firm of licensed certified public accountants.

Pursuant to those requirements we hereby present the Comprehensive Annual Financial Report (CAFR) of Garfield County, Colorado for the fiscal year ended December 31, 2017. This report was prepared by the Finance Department of Garfield County. Responsibility for both the accuracy of the presented data and the completeness and fairness of presentation, including all disclosures, rests with the County. We believe the data is accurate in all material respects and presented in a manner designed to set forth fairly the financial activity of the various funds. All disclosures necessary for the reader to gain the maximum understanding of the County's financial affairs have been included.

This report is the result of the cooperative effort between the Finance Department and McMahan and Associates, L.L.C., our independent auditors. The independent auditor's report has been included in the financial section of this report on pages B1, B2 and B3. In their opinion, the financial statements were presented fairly in all material respects.

Garfield County is also required to undergo an annual single audit in conformity with the provisions of the Federal Single Audit Act of 1996 and the Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. Information related to this single audit, including the schedule of expenditures of federal awards, the independent auditor's reports on the internal control and compliance with applicable laws, regulations, contracts, and grants is included in the single audit section located after the Statistical Section.

GAAP requires management provide a narrative introduction, overview, and an analysis to accompany the basic financial statements. This narrative is in the form of the Management's Discussion and Analysis (MD&A) and can be found immediately following the report of the independent auditors. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it.

PROFILE OF GARFIELD COUNTY

Geography

Garfield County is located approximately 158 miles west of Denver and 88 miles east of Grand Junction and stretches from the foothills of the Colorado Rocky Mountains to the east to the high desert plateaus to the west. It encompasses 2,958 square miles and has an estimated population of 59,118 in 2017. Approximately two thirds of the land is publicly owned, controlled primarily by the U.S. Forest Service and the U.S. Bureau of Land Management. The County seat is Glenwood Springs.

Operating Structure

Incorporated February 10, 1883, Garfield County is a statutory county, defined as a service arm of the State, and derives its elected official structure and its powers from the State through enabling legislation. The three-member Board of County Commissioners serves as the legislative, policy-making and administrative body governing the unincorporated area of Garfield County. Commissioners are elected at large from one of three geographical districts and serve staggered four-year terms. In addition to having the power to levy taxes, the authority to represent the County, the responsibility for the care of County property, and the management of its affairs, the Board has the exclusive responsibility and power to adopt the annual budget for operation of County government, including all offices, boards, commissions, and other spending agencies funded in whole or in part by County appropriations.

Services

Garfield County provides the full range of services contemplated by State statute including, but not limited to, assessment and property tax administration; recording of vital documents and automobile registration; sheriff patrol and jail administration; court facilities; land use planning and building inspections; road maintenance and construction; welfare and public health services; a solid waste landfill disposal facility; general aviation airport operations; fairgrounds; and environmental health protection.

Component Units

The County, for financial reporting purposes, includes all funds of the primary government, as well as all of its component units. Component units are legally separate entities, which the primary government must disclose in its financial statements. Blended component units are, from an accounting perspective, part of the primary government's operation and are included as part of the primary government. Garfield County has one blended component unit: Travelers Highland Public Improvement District.

Budget Process

The annual budget serves as the foundation for the County's financial planning and control. All activities, departments, and funds of the County are prepared in compliance with State statute and generally accepted accounting principles. Supplemental appropriations are approved by the Board of County Commissioners as needed throughout the year. The objective of budgetary control is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Board of County Commissioners. Expenditures may not legally exceed appropriations at the fund or elected official level. Detailed line item records provide management the capability to monitor budgets for all areas. Budgetary control is exercised through the use of system controls, which restrict payments exceeding the budget.

Internal Control

The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that:

- (1) The cost of a control should not exceed the benefits likely to be derived, and
- (2) The valuation of costs and benefits requires estimates and judgments by management.

LOCAL ECONOMY

Garfield County's economy, largely dominated by agriculture, tourism, and natural resource development, continued to show signs of growth in 2017 in all sectors except the energy industry. In 2017, unemployment rates dropped to their lowest levels since the Great Recession. The volume and number of real estate transactions increased 16.7% in 2017 while the average single family home prices increased 4%. As the housing market continues to grow, Garfield County continues to experience a drop in the number of foreclosures with 2017 recording 73 and thus bringing the foreclosure rate to its lowest level since 2002.

These trends are expected to continue in 2018 with growth in the housing and job markets, rising incomes, and increasing retail, tourism, and related sales tax revenues. Property tax revenues are expected to decrease in 2018 due to reduced oil and gas production in the Piceance Basin and reduced natural gas prices in 2016, the year in which assessments are made for 2018 revenues.

LONG-TERM FINANCIAL PLANNING

As mentioned previously, the financial health of Garfield County is significantly dependent on natural resource development. Approximately 50% of the County's total revenue is related to property tax, and half of that property tax revenue is associated with the energy industry. Because of this and other factors, Garfield County has built up a healthy fund balance to ensure stable levels of service to Garfield County citizens, stable employment and benefits for its employees, and a strong assurance it will not need to ask the taxpayers for tax increases to pay for the growing needs of the County during downturns in our local economy.

In order to meet emergency obligations, avoid interruptions in cash flow, generate interest income, and maintain a sound bond rating, the County has determined it will maintain an unassigned fund balance in the General Fund plus the Oil and Gas Mitigation Fund of one third of the County's total General Fund expenditures. The County's unassigned fund balance in the General Fund is 76% of regular General Fund operating revenues, which falls above the policy guidelines set by the Board of County Commissioners for budgetary and planning purposes in addition to the Government Finance Officers Association recommended best practices (no less than five to fifteen percent of regular General Fund operating revenues, or no less than one to two months of regular General Fund operating expenditures). Due to the volatile economy driven by the oil and gas industry, Garfield County strives to maintain an unassigned fund balance in these Funds in excess of these recommendations.

Looking forward, the County sees a need for constant re-evaluation of its projects and programs. These are revisited, re-evaluated, and prioritized during the annual strategic planning process and in preparation for the budget. The County emphasizes continual improvement of work processes, and prudent stewardship of public resources, to ensure the County is providing the best services possible at the lowest possible cost. We also counsel prudence and restraint regarding multiyear capital projects because a sustained reduction in natural gas production could put a significant strain on the county's reserves.

RELEVANT FINANCIAL POLICIES

Garfield County has a comprehensive set of financial policies. In 2017, there were no changes to policies that would directly affect the County's financial or budget situation.

MAJOR INITIATIVES

In 2017, Garfield County continued to focus on the strategic priorities identified by the Board of County Commissioners. Highlights included:

- Replacement of the Anvil Points communications tower;
- Promote economic development around the Rifle Regional Airport to take advantage of the location of the Center of Excellence for Advanced Technology Aerial Firefighting, the presence of the Upper Colorado River Interagency Fire Management Unit, and general aviation activities;
- Construction and maintenance of county roads and bridges including the CR 137 Canyon Creek bridge replacement and various asphalt paving projects;
- Investment in core infrastructure including development of the Fairgrounds to be used as a year round event center;
- Maintain senior services and programs and collaborate with Public Health on expansion of programs and offerings;
- Maintain operating costs and adopt a balanced budget for 2018.

AWARDS AND ACKNOWLEDGEMENTS

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Garfield County, Colorado for its comprehensive annual financial report for the fiscal year ended December 31, 2016. This was the ninth consecutive year that Garfield County 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.

A Certificate of Achievement is valid for a period of one year only. 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 GFOA to determine its eligibility for another certificate.

In addition, Garfield County also received the GFOA's Distinguished Budget Presentation Award for its budget document for the period beginning January 1, 2017. This was the eighth time Garfield County received this award. In order to qualify for the Distinguished Budget Presentation Award, the government's budget document was judged to be proficient in several categories, including a policy document, a financial plan, an operations guide, and a communications device.

Acknowledgements

The preparation of this report would not have been possible without the efficient and dedicated service of the Garfield County Finance Department. In addition, as a staff we are grateful for the assistance we receive from our independent auditors, McMahan and Associates, L.L.C.

In closing, we wish to acknowledge the leadership of the Board of County Commissioners and the cooperation of each of the County's elected officials and departments as we work together to conduct the County's financial operations. The Board supports prudent fiscal management and stewardship in a responsible and progressive manner, and the strong financial condition of Garfield County can be attributed to its positive leadership.

Respectfully submitted,



Theresa Wagenman
Finance Director



Kevin Batchelder
County Manager



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Garfield County
Colorado**

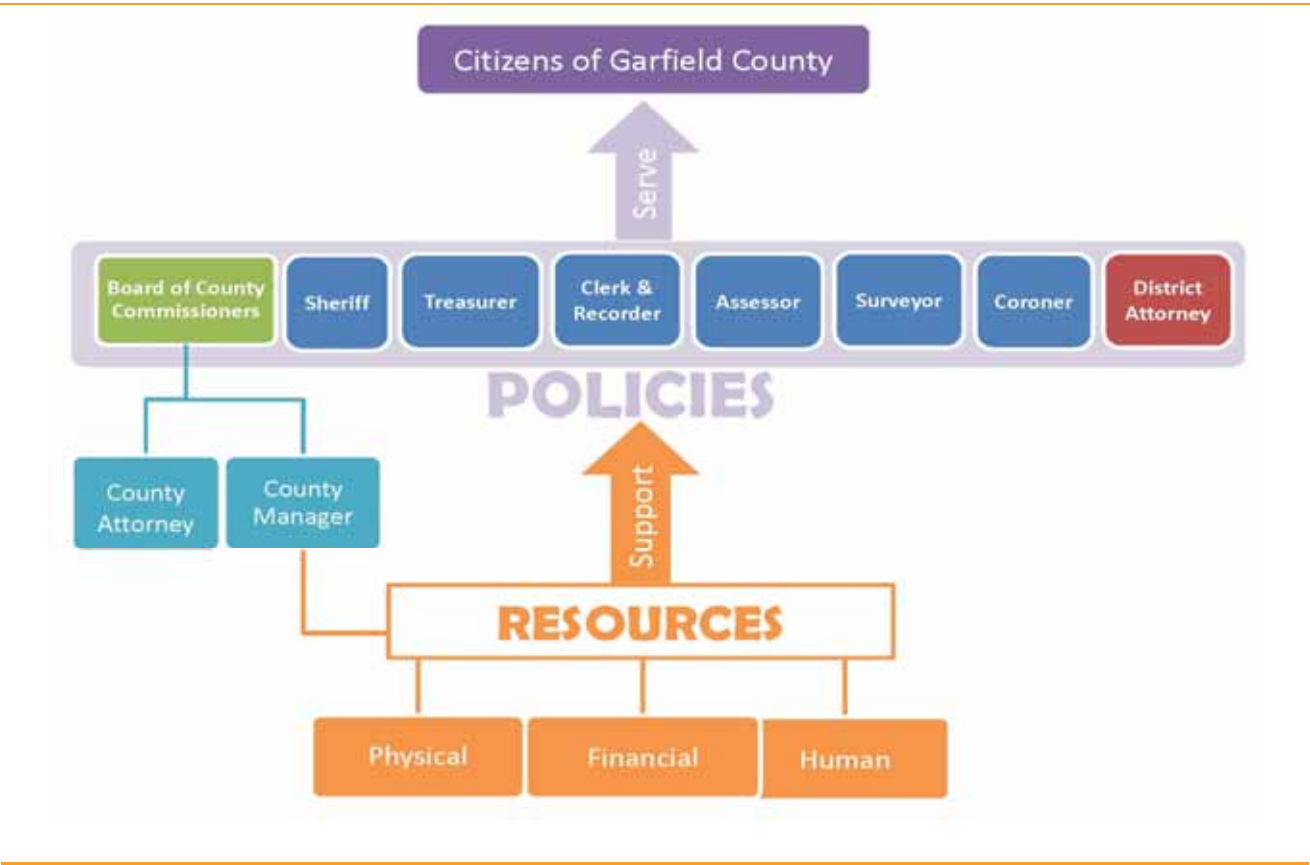
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2016

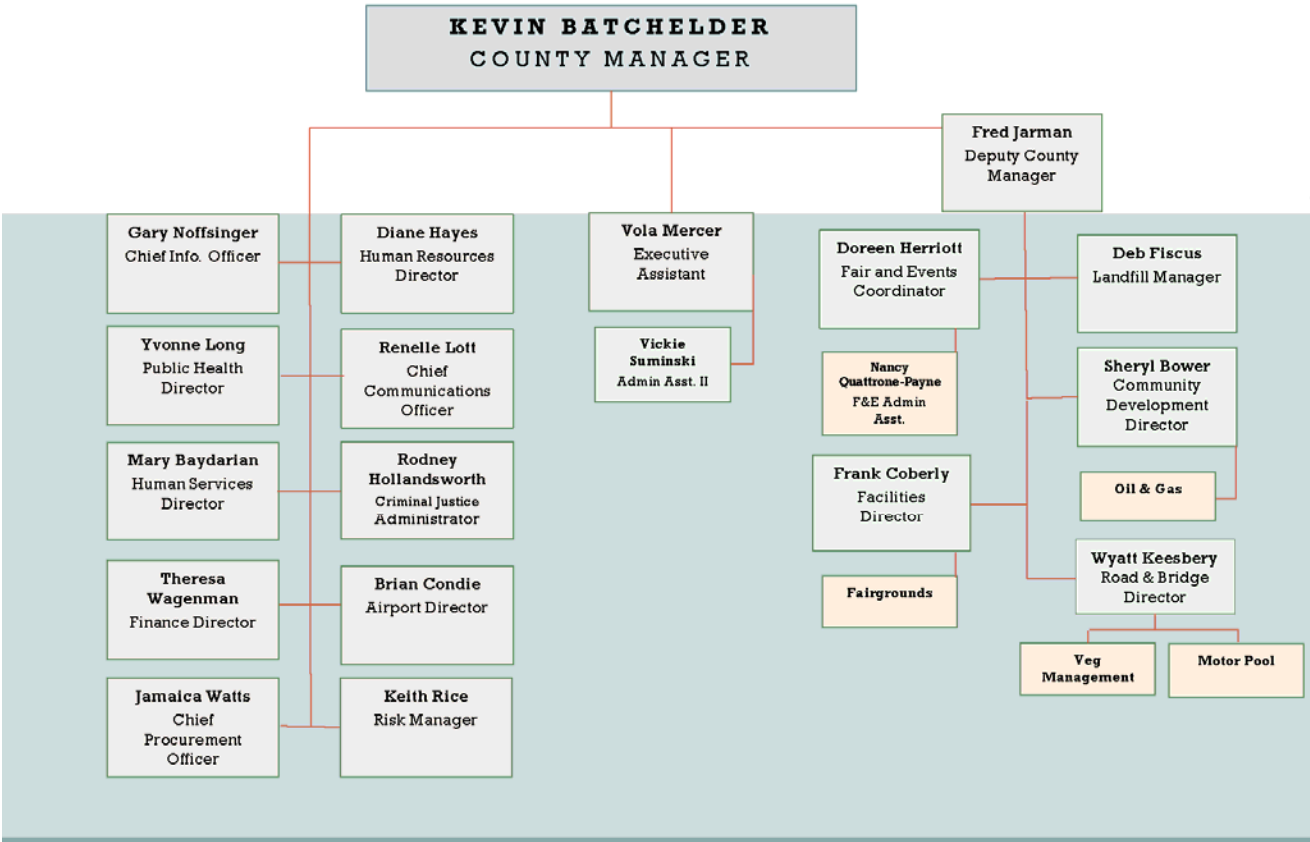
Christopher P. Morill

Executive Director/CEO

Garfield County Organization Chart - 2017



Administration



ELECTED OFFICIALS

Commissioner, District # 1	Tom Jankovsky
Commissioner, District # 2	John Martin
Commissioner, District # 3	Mike Samson
County Assessor	Jim Yellico
County Clerk	Jean Alberico
County Coroner	Robert Glassmire
County Sheriff	Lou Vallario
County Surveyor	Scott Aibner
County Treasurer/Public Trustee	Karla Bagley

APPOINTED BY BOARD OF COUNTY COMMISSIONERS

County Attorney	Tari Williams
County Manager	Kevin Batchelder
Deputy County Manager	Fred Jarman

ADMINISTRATION MANAGEMENT TEAM

Airport	Brian Condie
Criminal Justice Services	Rodney Hollandsworth
Communications	Renelle Lott
Community Development	Sheryl Bower
Road & Bridge	Deb Fiscus
Facilities	Frank Coberly
Fair & Events	Doreen Herriott
Finance	Theresa Wagenman
Information Technology	Gary Noffsinger
Procurement	Jamaica Watts
Human Services	Mary Elliott Baydarian
Public Health	Yvonne Long
Human Resources	Diane Hayes

BOARD OF COUNTY COMMISSIONERS



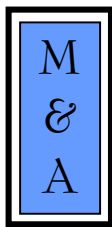
Tom Jankovsky

John Martin

Mike Samson

The **board of county commissioners** is a group of three elected officials which acts as the executive of the local government, levies local taxes, and is charged with the administration of county governmental services such as courts, public health oversight, building code enforcement, and public works such as road maintenance.

FINANCIAL SECTION



McMAHAN AND ASSOCIATES, L.L.C.

Certified Public Accountants and Consultants

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INDEPENDENT AUDITOR'S REPORT

**To the Board of County Commissioners
Garfield 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 Garfield County, Colorado, (the "County"), as of and for the year ended December 31, 2017, 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 evaluating 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

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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 Garfield County, Colorado as of December 31, 2017, 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 Management's Discussion and Analysis in Section B 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 information in Section E is 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. The budgetary comparison 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 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, combining fund financial statements, individual fund budgetary information, the Local Highway Finance Report, and the statistical section 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 fund financial statements, the individual fund budgetary information, and the Local Highway Finance Report are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the 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 as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Additionally, the Schedule of Expenditures of Federal Awards included in the Single Audit section are 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* ("Uniform Guidance"), and are not a required part of the County's financial statements. Such information has been subjected to the auditing procedures applied 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 4, 2018 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.

A handwritten signature in blue ink that reads "McMahan and Associates, L.L.C.".

**McMahan and Associates, L.L.C.
June 4, 2018**

Garfield County, Colorado
Management's Discussion and Analysis
December 31, 2017

This section of Garfield County's (the County) Comprehensive Annual Financial Report (CAFR) presents narrative discussion and analysis of the financial activities of the County for the fiscal year ended December 31, 2017. This information should be considered in conjunction with that furnished in the letter of transmittal, which can be found preceding this narrative, and with the County's financial statements and notes to the financial statements, which follow.

FINANCIAL HIGHLIGHTS

- As of December 31, 2017, the County's total assets were \$448.6 million, and total liabilities and deferred inflow of resources were \$41.7 million. The total net position was therefore \$406.9 million, a decrease of 4.7 percent (\$20.0 million) over 2016.
- Total net position comprises the following:
 - (1) Investment in capital assets including property and equipment, net of related debt (if any) and accumulated depreciation, of \$292.6 million
 - (2) Restricted net position of \$57.8 million, which is constrained for specific purposes by external providers, such as creditors, or amounts constrained due to constitutional provisions or enabling legislation
 - (3) Unrestricted net position of \$56.4 million, which represents the portion available to maintain the County's continuing obligations to its citizens and creditors.
- Total governmental fund revenues (including transfers in and sale of capital assets) in 2017 were \$83.0 million, a 16.7 percent (\$16.6 million) decrease under 2016.
- Total governmental fund expenditures (including transfers out) in 2017 were \$97.9 million, a 0.7 percent (\$0.7 million) increase over 2016.
- As of December 31, 2017, the County's governmental funds reported combined ending fund balances of \$107.1 million. This compares to the prior year ending fund balances of \$121.9 million, a decrease of 12.1 percent (\$14.8 million) during 2017. Approximately \$32.5 million (30.3 percent) is unassigned fund balance.
- At the end of 2017, fund balance for the General Fund was \$36.7 million, amounting to 70.0 percent of total General Fund expenditures. This compares to the prior year ending fund balance of \$45.4 million with a decrease of 19.2 percent (\$8.7 million) during 2017.

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

OVERVIEW OF THE FINANCIAL STATEMENTS

This Management Discussion and Analysis document introduces the County's basic financial statements. The basic financial statements include:

- Government-wide Financial Statements
- Fund Financial Statements
- Notes to the Basic Financial Statements

The County also includes in this report additional information to supplement the basic financial statements.

Government-wide Financial Statements

The County's annual report includes two government-wide financial statements. 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 two statements are:

The **statement of net position** presents all of the County's assets, liabilities and deferred outflows and inflows, with the difference between 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 should extend to other nonfinancial 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 **statement of activities** reports how the County's net position changed during the fiscal year. All current year revenues and expenditures are included regardless of when cash is received or payments are made. 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.

Both government-wide financial statements distinguish governmental activities of the County that are principally supported by property and sales taxes and 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 safety; health and welfare; culture and recreation; and maintenance and improvement of transportation, infrastructure, buildings, grounds, and public works. Business-type activities include the solid waste disposal operations (landfill).

The government-wide financial statements are presented on pages C1 and C2 of this report.

Fund Financial Statements

The fund financial statements are designed to report information about groupings of related accounts used to maintain control over resources segregated for specific activities or objectives. The County, like other state and local governments, uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Fund financial statements focus on the County's most significant funds, known as major funds, rather than the County as a whole. Major funds are reported separately while all others are combined into a single, aggregated presentation. Individual fund data for non-major funds are provided in the form of combining statements in a later section of this report.

All the funds of the County fall into one of three types: governmental funds, proprietary funds, and fiduciary funds.

Garfield County, Colorado
Management's Discussion and Analysis
December 31, 2017

Governmental funds. Most of the services provided by the County are accounted for in governmental funds. Governmental funds are used to account for essentially the same functions, which are reported as governmental activities in the government-wide financial statements. Unlike the government-wide financial statements, however, the governmental funds financial statements focus on the use of spendable resources during the year and the balances available at the end of the year for future spending. Such information is useful in determining whether there will be adequate financial resources available to meet the current and near-term needs of the County.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate the comparison between governmental funds and governmental activities.

The County's governmental funds are comprised of a general fund, a capital projects fund and eleven special revenue funds. Four governmental funds, the General Fund, the Road and Bridge Fund, the Human Services Fund and the Capital Expenditures Fund are considered major funds for financial reporting purposes. Each of the major funds is presented in a separate column in the governmental fund financial statements presented on pages C3 through C6 of this report. Individual fund information for non-major governmental funds is found in combining statements in a later section of this report.

Proprietary funds. Services for which the County charges customers a fee are accounted for in proprietary funds. The two County proprietary funds are the Solid Waste Disposal Fund and the Motor Pool Fund. The Solid Waste Disposal Fund is an enterprise fund, which encompasses the same functions reported as business-type activities in the government-wide statements. The Motor Pool Fund is an internal service fund which reports activities that provide services to the County's other programs and activities on a cost reimbursement basis. For reporting purposes, the Motor Pool Fund is included in the governmental activities in the government-wide financial statements. The basic proprietary fund financial statements are presented on pages C7 through C9 of this report.

Fiduciary funds. Assets held in a trustee or agency on behalf of another legally separate party or entity are accounted for in fiduciary funds. Since the resources of these funds are not available to support the County's own programs, they are not reflected in the government-wide financial statements and only balance sheet accounts are used. The County has no trustee funds. The County agency fund information is presented on pages C10 and F17 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 financial statements begin on page D1 of this report.

Other Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain supplementary information on the County's annual budget. The County adopts a budget appropriated for each fund. Budgetary comparison statements are included as Required Supplementary Information for the General Fund, the Road and Bridge Fund, and the Human Services Fund on pages E1 – E3. Budgetary comparison schedules for all other governmental funds including the Capital Expenditures Fund type can be found in the Supplementary Information section of this report on pages F1, and F6 through F14. The proprietary funds budgetary comparison schedules are on pages F15 and F16. These statements and schedules demonstrate compliance with the County's adopted and amended budget.

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GOVERNMENT-WIDE FINANCIAL ANALYSIS

Summary of Net Position

An analysis of net position may serve as a useful indicator of a government's financial health. Total assets for the County on December 31, 2017 were \$448.6 million, total liabilities were \$11.9 million, and deferred inflows of resources were \$29.8 million. The County's net position is therefore \$406.9 million, a decrease of 4.7 percent compared to December 31, 2016. The following provides a summary of the County's net position (as presented on page C1):

SUMMARY OF NET POSITION (\$)						
	Governmental Activities		Business-type Activities		TOTAL	
	2017	2016	2017	2016	2017	2016
Assets:						
Current assets	\$150,055,295	\$163,386,284	\$5,940,263	\$5,841,719	\$155,995,558	\$169,228,003
Capital assets	289,553,725	294,911,984	3,064,727	3,059,085	292,618,452	297,971,069
Total Assets	439,609,020	458,298,268	9,004,990	8,900,804	448,614,010	467,199,072
Liabilities:						
Current liabilities	8,670,152	6,990,939	113,376	115,606	8,783,528	7,106,545
Non-current liabilities	1,715,951	1,625,132	1,446,873	1,366,669	3,162,824	2,991,801
Total Liabilities	10,386,103	8,616,071	1,560,249	1,482,275	11,946,352	10,098,346
Total Deferred Inflow of Resources	29,806,371	30,262,162	-	-	29,806,371	30,262,162
Net Position:						
Inv. in capital assets	289,553,725	294,911,984	3,064,727	3,059,085	292,618,452	297,971,069
Restricted	57,814,262	61,576,776	-	-	57,814,262	61,576,776
Unrestricted	52,048,559	62,931,275	4,380,014	4,359,444	56,428,573	67,290,719
Total Net Position	\$399,416,546	\$419,420,035	\$7,444,741	\$7,418,529	\$406,861,287	\$426,838,564

The County continues to maintain very strong current ratios. The current ratio compares current assets to current liabilities and is an indication of the ability to pay obligations within one year. The current ratio for governmental activities is 4:1 and 59:1 for business-type activities. For the County overall, the current ratio is 4:1 meaning current assets are four times greater than current liabilities.

The County reported positive balances in net position for both governmental and business-type activities. Net position decreased \$20.0 million for governmental activities and increased by \$26 thousand for business-type activities. The County's overall total net position decreased during 2017 by \$20.0 million. The loss in net position is primarily due to lower property tax revenues compared to 2016.

As of December 31, 2017, the County's governmental activities reported a combined ending net position of \$399.4 million, a decrease of 4.8 percent (\$20.0 million) less than the prior year. Of this, 13.0 percent (\$52.0 million) is unrestricted and constitutes available funds for spending in the coming year at the County's discretion. Legally restricted net position includes \$28.9 million restricted to road and bridge, \$18.5 million restricted to human services, \$3.7 million restricted to capital projects, \$3.2 million restricted to public health, \$3.0 million restricted to emergency reserve, \$429 thousand conservation trust and \$100 thousand grants.

Approximately 72.5 percent of the governmental activities' net position is invested in capital assets. Capital assets are tangible property used in the operation of the County such as land, roads and bridges, buildings, machinery, furnishings and equipment. The County uses these capital assets to provide services to its citizens. For business-type activities, 41.9 percent of its net position is invested in capital assets providing facilities and equipment for the Solid Waste Disposal Fund.

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Summary of Changes in Net Position

Governmental activities and business-type activities decreased the County's net position by \$20.0 million or 4.7 percent.

The following table provides a summary of the County's changes in net position for governmental and business-type activities in 2017 and 2016:

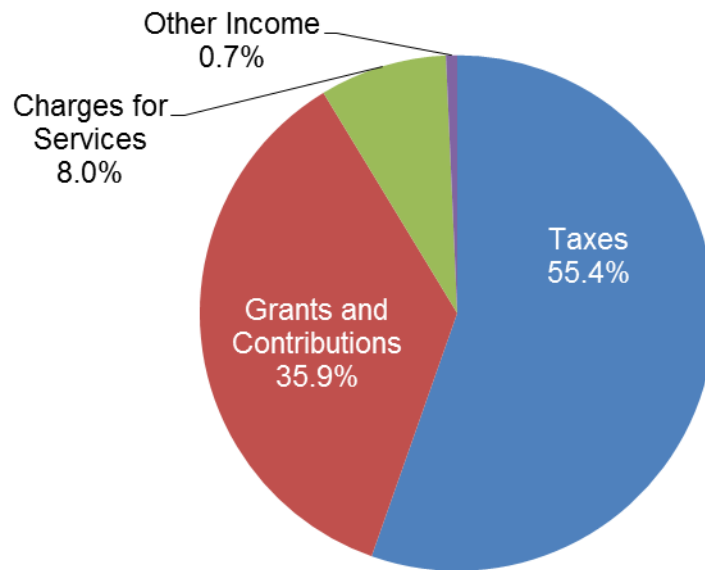
SUMMARY OF CHANGES IN NET POSITION						
	Governmental Activities		Business-type Activities		Total	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Revenues:						
Program:						
Charges for services	\$ 6,254,511	\$ 8,214,902	\$ 1,692,481	\$ 1,643,297	\$ 7,946,992	\$ 9,858,199
Operating grants	27,498,668	27,452,507	41	17,786	27,498,709	27,470,293
Capital grants and contributions	621,252	1,170,130	-	-	621,252	1,170,130
General:						
Taxes	43,399,022	58,496,903	-	-	43,399,022	58,496,903
Other	541,581	970,858	-	65,378	541,581	1,036,236
Total Revenues	78,315,034	96,305,300	1,692,522	1,726,461	80,007,556	98,031,761
Program Expenses:						
General government	28,133,188	24,596,283	-	-	28,133,188	24,596,283
Public safety	22,756,808	22,126,678	-	-	22,756,808	22,126,678
Public works	22,447,525	23,584,988	-	-	22,447,525	23,584,988
Health and welfare	22,600,413	22,598,603	-	-	22,600,413	22,598,603
Culture and recreation	2,305,715	2,113,473	-	-	2,305,715	2,113,473
Interest	-	-	-	-	-	-
Solid waste	-	-	1,741,184	1,499,670	1,741,184	1,499,670
Total Expenses	98,243,649	95,020,025	1,741,184	1,499,670	99,984,833	96,519,695
Excess (Deficiency)	(19,928,615)	1,285,275	(48,662)	226,791	(19,977,277)	1,512,066
Transfers	(74,874)	(86,064)	74,874	86,064	-	-
Change in Net Position	(20,003,489)	1,199,211	26,212	312,855	(19,977,277)	1,512,066
Beginning Net Position	419,420,035	418,220,824	7,418,529	7,105,674	426,838,564	425,326,498
Ending Net Position	\$399,416,546	\$419,420,035	\$7,444,741	\$7,418,529	\$406,861,287	\$426,838,564

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GOVERNMENTAL REVENUES

Total governmental revenues for 2017 were \$78.3 million (excluding transfers in) compared to \$96.3 million in 2016, a decrease of 18.7 percent. The source of revenues is as follows:

Governmental Revenues by Source 2017	
Taxes	\$43,399,022
Grants and Contributions	28,119,920
Charges for Services	6,254,511
Other Income	541,851
Total	\$78,315,034



The County is heavily reliant on taxes, and grants and contributions to support governmental operations and capital improvements.

Property taxes are the largest source of revenue with \$30.5 million accounting for 38.9 percent of total revenues. Sales taxes of \$9.8 million represent 12.5 percent of revenues.

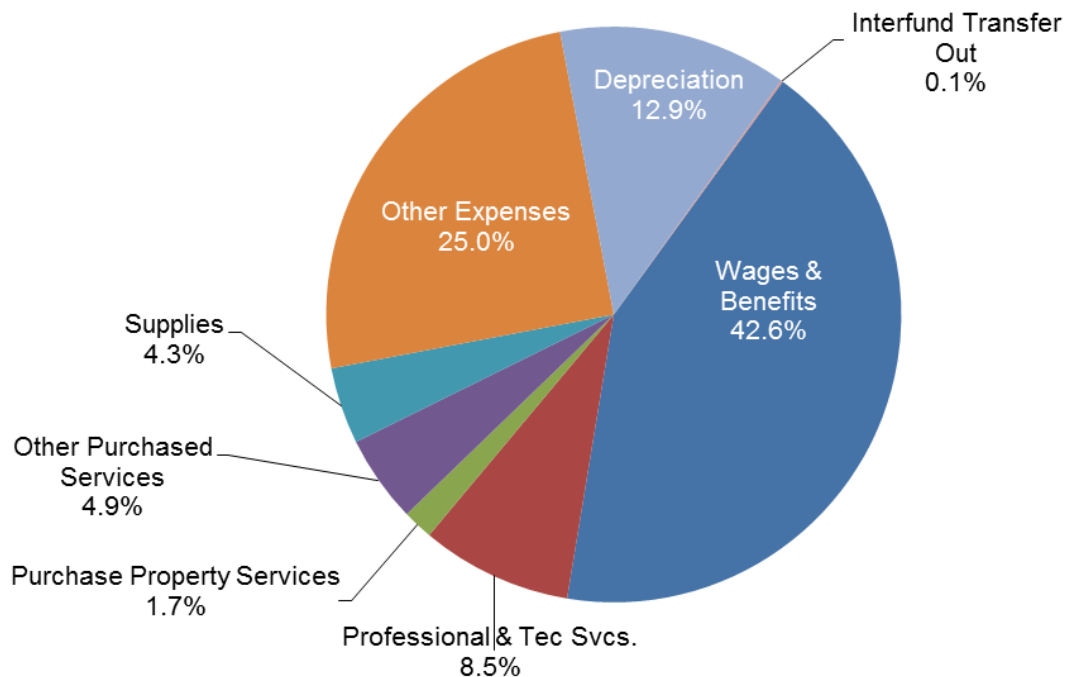
Intergovernmental revenues included in grants and contributions of \$28.1 million represents 35.9 percent of the County's total governmental revenues. This includes \$16.3 million from the State for Human Services programs; \$3.6 million from the State Highway Users Tax Fund for road and bridge purposes; \$3.1 million from the Payment in Lieu of Taxes (PILT); \$0.6 million in federal mineral severance taxes; and \$4.5 million of other various items.

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GOVERNMENTAL EXPENSES

Total governmental expenses for 2017 were \$98.3 million compared with \$95.1 million in 2016, an increase of 3.4 percent. Expenses by classification are as follows:

Governmental Expenses by Classification 2017	
Wages and Benefits	\$41,929,585
Professional and Technical Services	8,405,510
Purchase Property Services	1,655,852
Other Purchased Services	4,794,712
Supplies	4,236,773
Other Expenses	24,607,609
Depreciation	12,613,608
Sub-Total	\$98,243,649
Interfund Transfer Out	74,874
Total	\$98,318,523



Other expenses of \$24.6 million included DHS other expenses of \$8.1 million; BOCC approved grants of \$4.1 million; and District Attorney Fees of \$2.2 million.

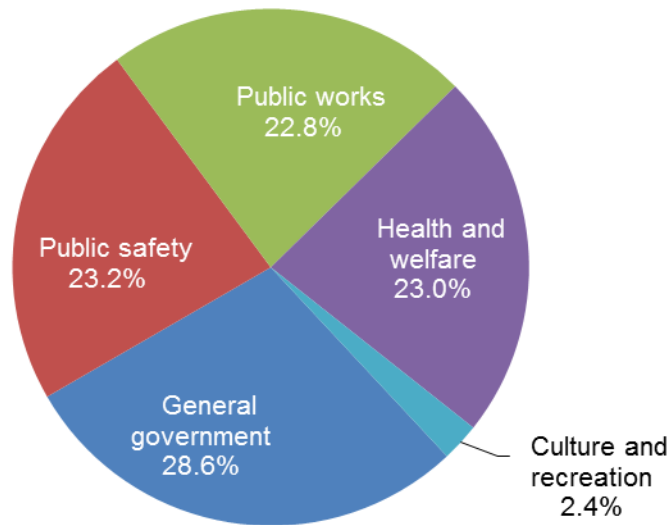
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GOVERNMENT-WIDE – GOVERNMENTAL ACTIVITIES – FUNCTION/PROGRAM ANALYSIS

Program revenues such as charges for services, operating and capital grants and contributions, cover 35.0 percent of governmental activities expenses. This is a very high percentage and largely relates to the social services grants and other grants mentioned above. This means that the government's taxpayers and the County's other general governmental revenues fund 65.0 percent of the governmental activities. As a result, the general economy and the County businesses have a major impact on the County's revenue streams.

Total governmental activities expenses by function or program are as follows:

Governmental Activities Expenses by Function/Program 2017	
General government	\$28,133,188
Public safety	22,756,808
Public works	22,447,525
Health and welfare	22,600,413
Culture and recreation	2,305,715
Total	\$ 98,243,649

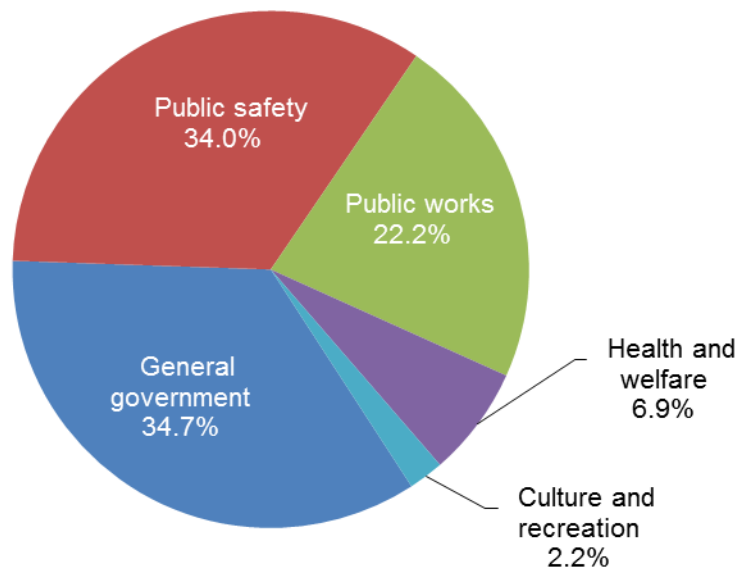


The general government, public safety, public works, and health and welfare functions account for 97.6 percent of governmental activities expenses.

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Each of these functions generates some form of revenue. The following table presents the net cost of the functions, i.e. the expenses less revenues generated by the activities. The net costs illustrate the financial burden placed on the County's taxpayers by each of these functions.

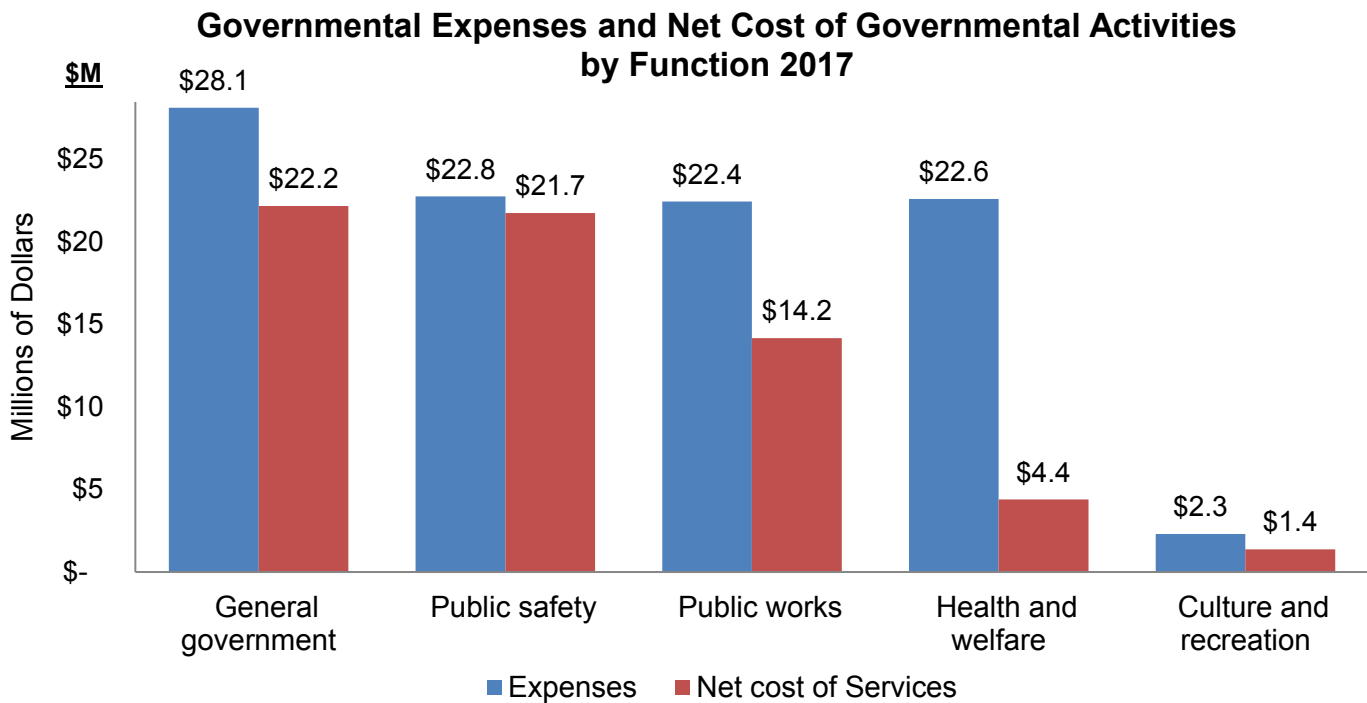
Net Cost of Governmental Activities by Function/Program 2017	
General government	\$ 22,172,014
Public safety	21,746,287
Public works	14,165,151
Health and welfare	4,404,246
Culture and recreation	1,381,520
Total	\$ 63,869,218



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Total net cost of governmental activities of \$63.9 million is 65.0 percent of the total cost of governmental activities of \$98.2 million. This means 65.0 percent of governmental activities are paid for with taxpayer dollars and 35.0 percent are funded with program revenues such as charges/fees for services, grants and contributions.

A comparison of the expenses on governmental activities and the net cost of governmental activities, by function, is as follows:



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BUSINESS-TYPE ACTIVITIES

The Solid Waste Disposal Fund, which accounts for the activities of the landfill, is the only business-type activity of the County. In 2017, the fund accounted for an increase in the County's net position of \$26 thousand primarily due to higher charges for services and transfers in compared to expenses.

Operating revenues of the fund were \$1.7 million and operating expenses were \$1.7 million. At 95.8 percent, charges for services (tipping fees) accounted for the majority of revenues. Other revenues included an interfund transfer of \$75 thousand from the General Fund for cost reimbursement.

Wages and benefits accounted for 41.2 percent of expenses and the remaining 58.8 percent was for other operating expenses.

ANALYSIS OF THE COUNTY'S GOVERNMENTAL FUNDS

As previously discussed, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the County's governmental funds is to provide information on near-term inflows, outflows and balance of resources. This information is useful in assessing the County's financing requirements.

Overall, governmental fund revenues totaled approximately \$79.0 million in 2017, a decrease of 18.0 percent under the prior year. Taxes, primarily property tax, decreased by 26.0 percent (\$15.0 million) and charges for services decreased by 22.7 percent (\$2.0 million) due to a royalty one-time catch-up payment of \$1.6 million received in 2016. Investment Income increased by 22.2 percent (\$0.2 million). Modest increases and decreases took place in other revenue sources.

In 2017, expenditures for governmental funds totaled \$94.4 million, an increase of 0.7 percent (\$0.7 million). A \$2.1 million increase took place in General Government, a 7.2 percent increase mostly due to a property tax abatement of \$3.2 million offset by other lower expenditures. Public Safety increased 2.8 percent (\$0.6 million) primarily due to higher wages and benefits caused by the annual merit increases (up to 2.5 percent); and increases in health benefits. Public Works has a 21.3 percent decrease (\$4.0 million) which reflects less investment in road and bridge capital and asphalt projects in 2017. Culture and recreation increased 115.0 percent (\$2.3 million) resulting from increased capital investment at the County Fairgrounds in 2017.

Information on the County's major funds is as follows:

General Fund

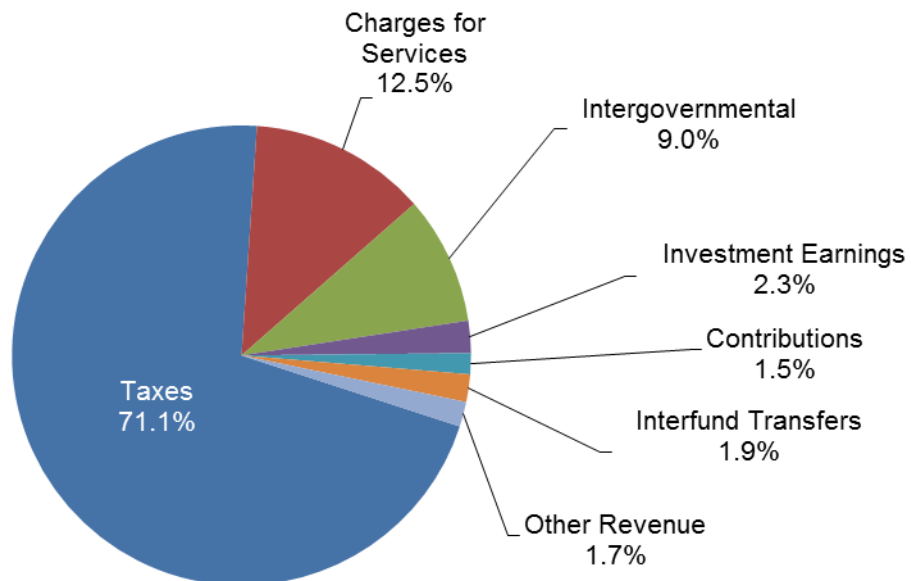
The General Fund is the primary operating fund for the County and the largest source of day-to-day service delivery.

The General Fund's fund balance decreased by 19.2 percent (\$8.7 million) in 2017 to \$36.7 million. Unassigned fund balance constitutes 88.7 percent (\$32.5 million) of fund balance available for spending in the coming year at the County's discretion. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 66.3 percent of total General Fund expenditures and total fund balance represents 74.9 percent of expenditures.

In 2017, total revenues for the General Fund were \$43.7 million (including interfund transfers in from other funds), a decrease of 20.8 percent over the prior year. Taxes generated more than half this revenue, followed by charges and fees for services, and intergovernmental. The following represents General Fund revenues by classification in 2017, which was similar to the prior year:

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General Fund Revenues 2017	
Taxes	\$31,082,446
Charges for Services	5,458,565
Intergovernmental	3,947,051
Investment Earnings	988,055
Contributions	644,366
Interfund Transfers	850,000
Other Revenue	762,750
Total	\$43,733,233



General Fund revenues were 4.6 percent under the amended budget in 2017. Property tax revenues were \$10.1 million lower than last year due to decreased ad valorem taxes from oil and gas industry. Charges for services were lower by \$2.3 million mostly due to lower treasurer fees caused by the lower property tax collections.

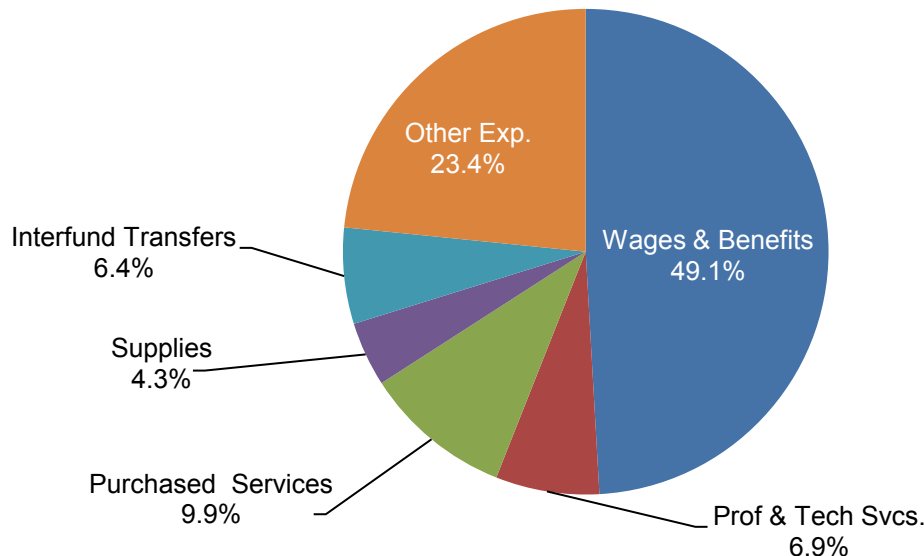
General Fund Revenues Budgetary Comparison					
	2017 Adopted Budget	2017 Amended Budget	2017 Actual	Amount Over/(Under) Amended	% Over/(Under) Amended
Taxes	\$31,207,207	\$31,207,207	\$31,082,446	(\$124,761)	(0.4%)
Charges for Services	5,835,910	5,835,910	5,458,565	(377,345)	(6.5%)
Intergovernmental	3,599,428	3,656,484	3,947,051	290,567	7.9%
Investment Income	2,600,460	2,600,460	988,055	(1,612,405)	(62.0%)
Contributions	924,625	924,625	644,366	(280,259)	(30.3%)
Interfund Transfers	800,000	850,000	850,000	0	0.0%
Other Revenue	700,948	775,980	762,750	(13,230)	(1.7%)
Totals	\$45,668,578	\$45,850,666	\$43,733,233	(\$2,117,433)	(4.6%)

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Total expenditures for the General Fund in 2017 (including interfund transfers to other funds) were \$52.4 million, a 4.3 percent increase over 2016. A large part was due to an increase in wages and benefits of \$0.9 million and increased property and sales tax distributions to the municipalities of \$1.2 million.

As mentioned previously, the General Fund is the County's primary operating fund and consequently it contains a total of eighteen elected official offices and departments. Wages and benefits, therefore, make up 49.1 percent of total expenditures, while services provided for the County (professional and technical services, and purchased services) comprised 16.8 percent of the total. The following presents the total General Fund expenditures by classification:

General Fund Expenditures 2017	
Wages & Benefits	\$25,726,924
Professional and Technical Services	3,621,363
Purchased Services	5,213,154
Supplies	2,247,665
Interfund Transfers	3,374,874
Other Expenditures	12,212,598
Total	\$52,396,578



During 2017, there was a \$0.4 million (0.7 percent) increase in appropriations between the adopted and amended budgets for General Fund expenditures. The majority of the increase was in both professional and technical services of \$0.4 million and other expenditures of \$0.3 million offset by lower wages and benefits of \$0.4 million.

General Fund expenditures were 6.3 percent (\$3.5 million) below the amended budget in 2017, which is the normal trend the County has experienced in previous years. There was a multitude of cost savings across the board with all departments and offices coming under budget. Notable variances included: 1. lower than budgeted wages and benefits primarily due to vacancy savings of \$2.1 million; 2. non-profit grant awards were under-spent by \$134 thousand; and 3. the Sheriff's office only spent 66 percent of the emergency management contingency returning \$272 thousand to fund balance.

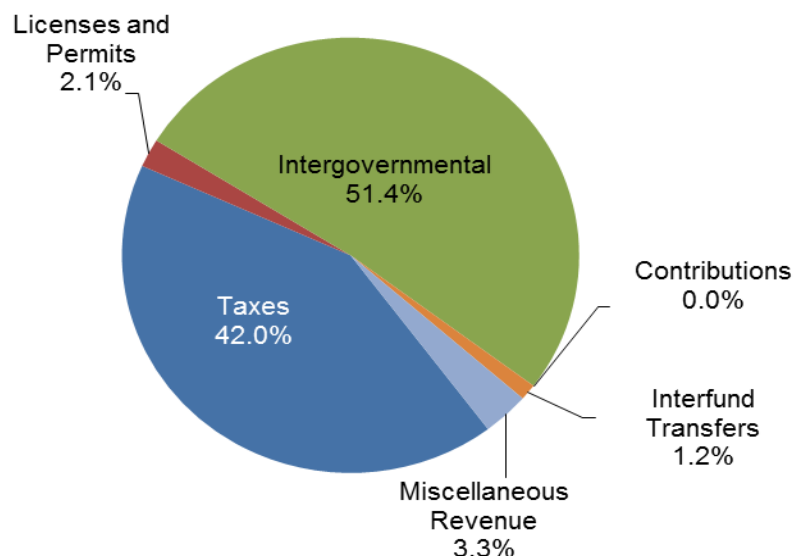
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General Fund Expenditures Budgetary Comparison					
	2017 Adopted Budget	2017 Amended Budget	2017 Actual	Amount Over/(Under) Amended	% Over/ (Under) Amended
Wages & Benefits	\$27,727,920	\$27,298,892	\$25,726,924	(\$1,571,968)	(5.8%)
Professional & Technical Services	3,740,837	4,154,687	3,621,363	(533,324)	(12.8%)
Purchased Services	5,753,973	5,869,328	5,213,154	(656,174)	(11.2%)
Supplies	2,485,246	2,516,337	2,247,665	(268,672)	(10.7%)
Interfund Transfers	3,388,000	3,388,000	3,374,874	(13,126)	(0.4%)
Other Expenditures	12,427,109	12,704,592	12,212,598	(491,994)	(3.9%)
Totals	\$55,523,085	\$55,931,836	\$52,396,578	(\$3,535,258)	(6.3%)

Road and Bridge Fund

The Road and Bridge Fund is used to account for the construction, maintenance, and snow removal on all County roads and bridges. Due to healthy fund balance levels in this fund, the 2017 mill levy was zeroed out. Thus, the fund balance decreased by \$3.5 million in 2017 and has \$29.0 million available for future spending at the year-end. In 2017, total revenues of \$7.0 million in this fund decreased by 44.0 percent over 2016 and total expenditures of \$10.5 million decreased by 20.2 percent over 2016.

Road and Bridge Fund Revenues 2017	
Taxes	\$2,957,916
Licenses and Permits	148,347
Intergovernmental	3,610,939
Contributions	1,300
Interfund Transfers	83,875
Miscellaneous Revenue	232,093
Total	\$7,034,470

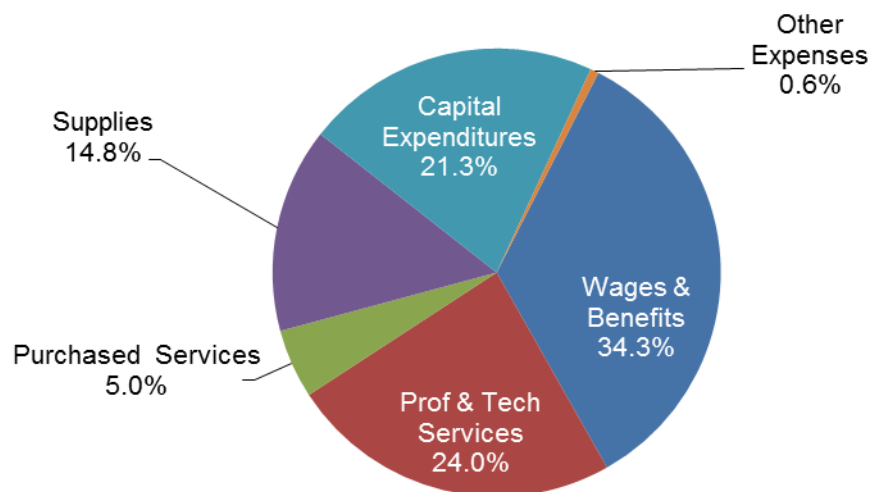


In 2017, the primary decrease in revenues were in property taxes of \$5.1 million and in Federal Mineral Severance of \$0.7 million with minimal revenue offsets.

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All expenditures in the Road and Bridge Fund are a public works function. Expenditures by classification were as follows:

Road and Bridge Fund Expenditures 2017	
Wages and benefits	\$3,603,043
Professional and technical services	2,519,724
Purchased services	525,543
Supplies	1,551,170
Capital expenditures	2,232,945
Other expenditures	70,242
Total	\$10,502,667



Human Services Fund

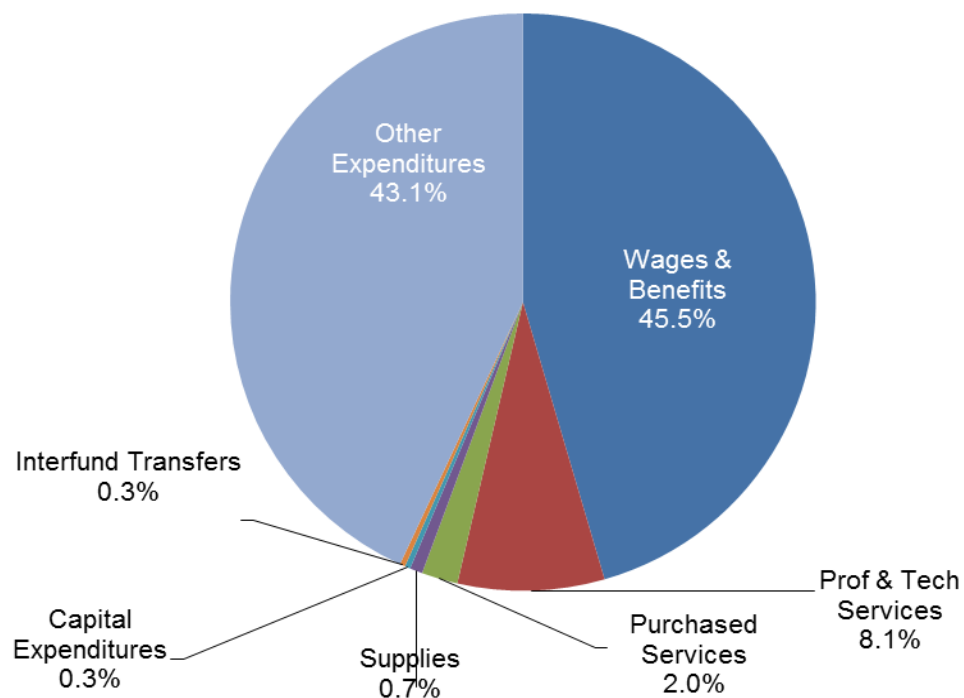
The Human Services Fund is used to account for a variety of State mandated social services including public assistance, child support, and family service programs. These services are provided by the County's Department of Human Services (DHS). In 2017, revenues in excess of expenditures caused the Human Services fund balance to grow 2.7 percent from \$18.2 million to \$18.7 million. When compared to 2016, total revenues decreased by 9.9 percent (\$2.1 million); property taxes decreased by 47.6 percent (\$2.0 million), and intergovernmental revenues decreased by 1.2 percent (\$0.2 million). The majority of revenues (85.5 percent) in this Fund are from intergovernmental sources.

Total expenditures decreased by 0.5 percent (\$131 thousand) compared with 2016. This was due to decreases in all expenses, by 6.9 percent (\$749 thousand), except for wages and benefits. They increased by 7.9 percent (\$618 thousand) due to annual merit increases and increases health insurance costs.

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All expenditures in the Human Services Fund are a Health and Welfare function. Expenditures by classification were as follows:

Human Services Fund Expenditures 2017	
Wages and benefits	\$8,465,360
Professional and technical services	1,509,588
Purchased services	365,877
Supplies	137,934
Capital expenditures	47,431
Interfund Transfers	50,000
Other expenditures	8,010,730
Total	\$18,586,920



Of the \$8.0 million categorized as other expenditures; \$1.6 million was spent on Child Welfare Block Grant programs; \$4.8 million on the Food Assistance Benefits program; \$0.7 million on the Old Age Pension program; and \$0.9 million on Child Care Assistance program.

Capital Expenditures Fund

The Capital Expenditures fund balance decreased by 21.3 percent from \$4.7 million in 2016 to \$3.7 million in 2017.

In 2017, revenues were \$5.0 million due to property taxes of \$4.1 million and proceeds received from the sale of the Henry building for \$0.6 million.

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Total capital expenditures were \$6.0 million, as follows:

Capital Expenditures Fund Expenditures 2017	
Land Improvements:	
- Rifle (behind Rifle Admin Bldg) 1327 Howard Ave Installed Parking Lot	\$ 206,228
- Rifle (CDOT Bldg) 1115 Park Avenue Parking Lot and Fuel Farm	335,385
- Fairgrounds 12th Street Corridor Redesign	752,162
- West of Rifle, Installed New Communications Tower at Anvil Points	684,227
Buildings:	
- Coroner Building Purchased at 1806 Medicine Bow Ct, Silt	396,130
- River Bridge Building Purchased at 504 21 st Street, GWS	878,873
- Fairgrounds Announcer's Booth with Press Box	88,329
Building Improvements:	
- GWS Jail Installed a Reznor Gas Fired Heating and Ventilation System	59,350
- Rifle DHS Relamp Lighting to LED Bulbs	22,270
- Fairgrounds Installed Radiant Heat to Indoor Arena	320,876
- Fairgrounds Renovated North Grandstands to be ADA Compliant	583,413
- Fairgrounds South Hall Remodel	374,701
- Rifle R&B Shop Remodel/CNG Upgrade (CIP)	320,703
Machinery and Equipment:	
- Coroner Purchased a Pola King Walk-In Cooler	18,105
- GWS BOCC Hearing Room Installed New Sound System	125,580
- Rifle BOCC Installed Audio Video System	17,198
- Fairgrounds Add Generator to Indoor Arena	67,187
Computer Hardware:	
- DA's Dell Powervault NX3230 Windows Storage Server	6,305
- Sheriff's Office Replace (2) Network Switches	31,121
- Sheriff's Office Key Card Reader Upgrade	128,424
- GWS IT Wireless Systems MERAKI Upgrade	54,811
- Rifle Criminal Justice Upgrade Facility Security System with Keyless Card Readers	31,121
- Annual Countywide Hardware Replacement (Computers)	113,279
Computer Software:	
- Finance New World Systems (NWS) Time Keeping and Leave Management Software	42,405
- IT Turbonomic Enterprise Operations Manager Software	16,610
- Fairgrounds Event Reservation/Registration Software	24,560
- Rifle Criminal Justice Facility and Security Software	8,000
- IT Annual Software License Upgrade	18,369
Furnishings:	
- County Attorney Furniture for Remodel	31,160
- GWS Procurement Furniture for Training Room and Cubicles for Front Office	13,781
- Rifle Admin Building Exercise Equipment	29,490
Miscellaneous Countywide Capital Expenditures:	150,906
TOTAL	\$5,951,059

Garfield County, Colorado
Management's Discussion and Analysis
December 31, 2017

CAPITAL ASSETS AND LONG-TERM OBLIGATIONS

Capital Assets

As of December 31, 2017, the County's investment in capital assets (less accumulated depreciation) for governmental activities (including the Motor Pool Fund) was \$289.6 million. The investment in capital assets activities (less accumulated depreciation) for business-type activities was \$3.1 million.

In 2017, major capital expenditures included:

- Road & Bridge replaced the CR137 Canyon Creek bridge for \$776 thousand.
- The Airport had two minor capital improvement projects totaling \$242 thousand: an Airport light pole conversion to LEDs for \$145 thousand and the Airport house remodel from a garage to a command post for \$97 thousand.
- The replacement and relocation of the Anvil Points communications tower for \$684 thousand.
- The installation of a Reznor gas fired heating and ventilation system for \$59 thousand for the Sheriff's office jail; an upgrade to their key card reader for \$128 thousand; and the installation of two new network switches for \$31 thousand.
- In the Motor Pool Fund: IT purchased a 2017 Ford transit van for \$23 thousand; Vegetation Management purchased a 2017 F350 Ford truck with a sprayer for \$56 thousand; the Sheriff's Office replaced five vehicles totaling \$292 thousand; and Road & Bridge purchased two replacement 2017 RAM 3500 4x4 crew cab flat-bed trucks for \$70 thousand.
- The purchase of twelve pieces of heavy equipment in the Road & Bridge Fund totaling \$1.4 million includes: two 2018 Kenworth T800 tractor trucks for \$263 thousand; two 2018 International tandem dump trucks for \$397 thousand; two 2017 Kenworth T880 CNG dump trucks for \$577 thousand; two 2017 traffic control signal trailers for \$47 thousand; two 2018 gooseneck trailers for \$22 thousand; one 2018 Traileze slide axle equipment trailer for \$56 thousand; and one 2018 Traileze slide axel lowboy trailer for \$77 thousand.
- Landfill improvements included the purchase of three septic evaporation equipment units for \$98 thousand and the purchase of a 2017 Volvo EC300EL trackhoe for \$233 thousand.
- Fairgrounds improvements included renovating the north grandstands to be ADA compliant for \$583 thousand; remodeling the south hall for \$375 thousand; redesigning the 12th Street Corridor for \$752 thousand; installing radiant heat in the indoor arena for \$321 thousand; moving the fuel farm to 1115 Park Ave for \$335 thousand; installing a new announcer's booth with press box for \$88 thousand; adding a generator to the indoor arena for \$67 thousand; and purchasing an event reservation software for \$25 thousand.
- The multi-year Road and Bridge shop remodel project was complete in 2017 with an additional \$321 thousand spent for a grand total of \$852 thousand.
- The Coroner purchased their current residence for \$396 thousand. Additionally, the County purchased a second facility for the River Bridge Regional Center, a child advocacy center, for \$879 thousand.

Garfield County, Colorado
Management's Discussion and Analysis
December 31, 2017

Overall, the County saw a decrease of 1.8 percent in total capital assets. Note 3D Capital Assets on pages D11 and D12 provide additional information about changes in capital assets during the calendar year. The following table provides a summary of capital asset activity:

	CAPITAL ASSETS					
	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Non-depreciable assets:						
Construction in progress	\$ 453,146	\$ 1,623,222	\$ -	\$ -	\$ 453,146	\$ 1,623,222
Land	16,169,671	16,177,723	300,000	300,000	16,469,671	16,477,723
Total non-depreciable assets	16,622,817	17,800,945	300,000	300,000	16,922,817	18,100,945
Depreciable assets:						
Land improvements	62,452,634	60,240,279	1,901,732	1,803,946	64,354,366	62,044,225
Buildings	60,967,335	61,017,402	768,258	768,258	61,735,593	61,785,660
Building improvements	11,349,022	8,942,581	17,800	17,800	11,366,822	8,960,381
Machinery and equipment	28,908,734	27,475,700	2,500,176	2,297,043	31,408,910	29,772,743
Intangibles	2,843,952	2,747,657	-	-	2,843,952	2,747,657
Infrastructure	291,408,019	290,407,752	-	-	291,408,019	290,407,752
Total depreciable assets	457,929,696	450,831,371	5,187,966	4,887,047	463,117,662	455,718,418
Less accumulated depreciation	184,998,788	173,720,332	2,423,239	2,127,962	187,422,027	175,848,294
Book value - depreciable assets	272,930,908	277,111,039	2,764,727	2,759,085	275,695,635	279,870,124
Percentage depreciated	40%	39%	47%	44%	40%	39%
Book value - all assets	\$ 289,553,725	\$ 294,911,984	\$ 3,064,727	\$ 3,059,085	\$ 292,618,452	\$ 297,971,069

At December 31, 2017, the depreciable capital assets for governmental activities were 40 percent depreciated. This compares with 39 percent at December 31, 2016. The County's business-type activities asset values were 47 percent depreciated by December 31, 2017, which compares to 44 percent at December 31, 2016. The County continued to replace its capital assets in 2017 at a consistent level, and accumulate another year's worth of depreciation on its capital assets.

Long-term Obligations

During 2017, the County has the following long-term obligations for landfill closure and post closure costs and compensated absences:

	Long-term Obligations					
	Governmental Activities		Business-type Activities		Totals	
	2017	2016	2017	2016	2017	2016
Landfill closure and postclosure care	\$ -	\$ -	\$ 1,410,730	\$ 1,346,615	\$ 1,410,730	\$ 1,346,615
Compensated absences	2,287,935	2,166,843	48,191	26,739	2,336,126	2,193,582
Total	\$ 2,287,935	\$ 2,166,843	\$ 1,458,921	\$ 1,373,354	\$ 3,746,856	\$ 3,540,197

Additional information about the County's long-term obligations is available on page D14.

ECONOMIC OUTLOOK AND 2018 BUDGET

Garfield County's economy, largely dominated by agriculture, tourism, and natural resource development, continued to show signs of growth in 2017 in all sectors, except the energy industry. This trend is expected to continue in 2018 with growth in the housing and job markets, rising incomes, and increasing retail, tourism, and related sales tax revenues. Property tax revenues are expected to decrease in 2018 due to both a lower price and production of natural gas in 2016, the year in which assessments are made for 2018 revenues.

The County continues to experience strong demand for many of its services, especially Human Services and Road and Bridge projects. With careful and prudent management and efficient use of funds, the County will continue to provide quality services and maintain operating expenditures in 2018. The operating budget is balanced with revenues in excess of expenditures of more than \$286 thousand. The Board's policy called for the adoption of a balanced operating budget and total fund balances above \$100 million. The 2018 adopted budget meets both goals.

The 2018 adopted budget is \$88,582,419 in revenues and appropriates \$104,833,432 in expenditures. The difference of \$16,251,013 is taken from fund balances and will be used for discretionary grants and capital projects that support the Airport, Remote Communications, Fairgrounds and various infrastructure improvements, some of which were carried forward from 2017. Priorities for 2018 include replacement of two communication towers; construction of an Airport snow removal equipment facility; completion of an Airport fog seal runway and taxiway ramp; development of the Fairgrounds as a year round event center; road and bridge construction and maintenance projects including various asphalt paving projects; and discretionary grant funding for RFTA bus services, grants to non-profits and property tax back-fill grants to the municipalities within Garfield County.

Overall, the 2018 budget and the policy-driven strategic plan enable Garfield County to continue to provide high levels of service to its citizens; invest in prudent capital improvements; and support municipalities with key infrastructure projects, while maintaining a strong financial position.

REQUESTS FOR INFORMATION

This financial report is designed to provide an overview of the County's financial activities for all of those with an interest in the government's finances. Questions concerning any of the information provided in this report, or requests for additional financial information should be addressed to:

Theresa Wagenman
Finance Director
108 8th Street, Suite 201
Glenwood Springs, Colorado, 81601
970/945-7284 ext. #3
twagenman@garfield-county.com

BASIC FINANCIAL STATEMENTS

Garfield County, Colorado
Statement of Net Position
December 31, 2017

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets			
Cash and investments	\$ 117,459,625	\$ 5,681,480	\$ 123,141,105
Due from other governments	808,150	-	808,150
Accounts, taxes, and other receivables	31,649,328	159,964	31,809,292
Prepays	45,000	-	45,000
Inventories	183,954	8,057	192,011
Internal balances	(90,762)	90,762	-
Capital assets:			
Capital assets not being depreciated	16,622,817	300,000	16,922,817
Capital assets - depreciable, cost	457,929,696	5,187,966	463,117,662
Accumulated depreciation and amortization	(184,998,788)	(2,423,239)	(187,422,027)
Total Assets	439,609,020	9,004,990	448,614,010
Liabilities			
Accounts payable	5,224,422	54,740	5,279,162
Accrued expenses	2,608,173	46,588	2,654,761
Unearned revenue	265,573	-	265,573
Noncurrent liabilities:			
Due within one year:			
Accrued compensated absences	571,984	12,048	584,032
Due in more than one year:			
Accrued compensated absences	1,715,951	36,143	1,752,094
Landfill closure and postclosure obligations	-	1,410,730	1,410,730
Total Liabilities	10,386,103	1,560,249	11,946,352
Deferred Inflow of Resources			
Property tax revenue	29,806,371	-	29,806,371
Total Deferred Inflow of Resources	29,806,371	-	29,806,371
Net Position			
Net investment in capital assets	289,553,725	3,064,727	292,618,452
Restricted for:			
Public health	3,174,877	-	3,174,877
Road and bridge	28,900,555	-	28,900,555
Human services	18,449,250	-	18,449,250
Conservation trust	429,359	-	429,359
Emergency reserve	3,018,434	-	3,018,434
Grants	99,924	-	99,924
Capital projects	3,741,863	-	3,741,863
Unrestricted	52,048,559	4,380,014	56,428,573
Total Net Position	\$ 399,416,546	\$ 7,444,741	\$ 406,861,287

The accompanying notes are an integral part of these financial statements.

Garfield County, Colorado
Statement of Activities
For the Year Ended December 31, 2017

Function/Program	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities							
General government	\$ 28,133,188	\$ 3,694,055	\$ 1,737,364	\$ 529,755	\$ (22,172,014)	\$ -	\$ (22,172,014)
Public safety	22,756,808	456,166	554,355	-	(21,746,287)	-	(21,746,287)
Public works	22,447,525	1,149,551	7,064,384	68,439	(14,165,151)	-	(14,165,151)
Health and welfare	22,600,413	346,759	17,826,350	23,058	(4,404,246)	-	(4,404,246)
Culture and recreation	2,305,715	607,980	316,215	-	(1,381,520)	-	(1,381,520)
Total Governmental Activities	98,243,649	6,254,511	27,498,668	621,252	(63,869,218)	-	(63,869,218)
Business-type Activities:							
Solid waste	1,741,184	1,692,481	41	-	-	(48,662)	(48,662)
Total	\$ 99,984,833	\$ 7,946,992	\$ 27,498,709	\$ 621,252	(63,869,218)	(48,662)	(63,917,880)
General Revenues:							
Property taxes					30,494,454	-	30,494,454
Sales taxes					9,790,210	-	9,790,210
Specific ownership taxes					2,335,533	-	2,335,533
Severance taxes					622,467	-	622,467
Other taxes					156,358	-	156,358
Interest income					2,030,739	-	2,030,739
Investment earnings (loss)					(140,580)	-	(140,580)
Unrealized gain (loss)					(797,448)	-	(797,448)
Gain on sale of capital assets					(551,130)	-	(551,130)
Transfers					(74,874)	74,874	-
Total General Revenues and Transfers					43,865,729	74,874	43,940,603
Change in Net Position					(20,003,489)	26,212	(19,977,277)
Net Position Beginning of Year					419,420,035	7,418,529	426,838,564
Net Position End of Year					\$ 399,416,546	\$ 7,444,741	\$ 406,861,287

The accompanying notes are an integral part of these financial statements.

Garfield County, Colorado
Balance Sheet
Governmental Funds
December 31, 2017

	General	Road and Bridge	Human Services	Capital Expenditures	Total Non-major Funds	Total Governmental Funds
Assets						
Cash and investments, unrestricted	\$ 38,754,486	\$ 28,754,855	\$ 18,611,479	\$ 4,184,694	\$ 22,355,725	\$ 112,661,239
Accounts receivable	24,815,862	9,348	964,359	4,035,177	1,763,751	31,588,497
Due from other governments	263,295	484,890	-	-	59,965	808,150
Prepays	45,000	-	-	-	-	45,000
Due from other funds	85,030	78,923	-	414	34,402	198,769
Inventories	-	93,634	-	-	-	93,634
Total Assets	\$ 63,963,673	\$ 29,421,650	\$ 19,575,838	\$ 8,220,285	\$ 24,213,843	\$ 145,395,289
Liabilities						
Accounts payable	\$ 1,105,079	\$ 191,815	\$ 213,172	\$ 380,303	\$ 3,312,380	\$ 5,202,749
Accrued expenditures	1,506,836	221,590	607,040	43,719	212,716	2,591,901
Unearned revenue	-	-	25,000	-	240,573	265,573
Due to other funds	325,215	14,056	42,570	19,351	23,617	424,809
Total Liabilities	2,937,130	427,461	887,782	443,373	3,789,286	8,485,032
Deferred Inflow of Resources						
Property tax revenue	24,330,253	-	-	4,035,049	1,441,069	29,806,371
Total Deferred Inflow of Resources	24,330,253	-	-	4,035,049	1,441,069	29,806,371
Fund Balances						
Non-spendable	45,000	93,634	-	-	-	138,634
Spendable:						
Restricted	3,018,434	28,900,555	18,449,250	3,741,863	3,704,160	57,814,262
Committed	1,082,906	-	238,806	-	15,279,328	16,601,040
Unassigned	32,549,950	-	-	-	-	32,549,950
Total Fund Balances	36,696,290	28,994,189	18,688,056	3,741,863	18,983,488	107,103,886
Total Liabilities, Deferred Inflow of Resources, and Fund Balances	\$ 63,963,673	\$ 29,421,650	\$ 19,575,838	\$ 8,220,285	\$ 24,213,843	\$ 145,395,289

The accompanying notes are an integral part of these financial statements.

Garfield County, Colorado
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
December 31, 2017

Total Governmental Fund Balances	\$	107,103,886
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities (excluding the Motor Pool Fund) are not financial resources and therefore not reported in the funds. However, in the Statement of Net Position the cost of these assets are capitalized and expensed over their estimated lives through annual depreciation expense:		
Cost of capital assets	\$ 468,150,581	
Less accumulated depreciation	<u>(180,229,303)</u>	287,921,278
Interfund receivables and payables between governmental funds are reported on the fund Balance Sheet but eliminated on the government-wide Statement of Net Position:		
Interfund receivables	\$ 424,809	
Interfund payables	<u>(424,809)</u>	-
An internal service fund is used by management to charge the costs of the motor pool to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the Statement of Net Position.		
	<u>\$ 6,652,805</u>	6,652,805
Liabilities, including compensated absences, are not due and payable in the current period and therefore are not reported in the funds but are reported in the government-wide Statement of Net Position:		
Compensated absences	<u>\$ (2,261,423)</u>	<u>(2,261,423)</u>
Net Position of Governmental Activities	<u>\$</u>	<u>399,416,546</u>

The accompanying notes are an integral part of these financial statements.

Garfield County, Colorado
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2017

	General	Road and Bridge	Human Services	Capital Expenditures	Total Non-major Funds	Total Governmental Funds
Revenues						
Taxes	\$ 31,082,446	\$ 2,957,916	\$ 2,393,947	\$ 4,421,639	\$ 1,920,607	\$ 42,776,555
Licenses and permits	7,360	148,347	-	-	-	155,707
Intergovernmental	3,947,051	3,610,939	16,272,063	880	2,248,692	26,079,625
Charges for services	5,458,565	-	43	-	1,330,080	6,788,688
Fines and forfeitures	112,914	-	13,431	-	28,969	155,314
Interest income	1,926,083	-	104,392	-	261	2,030,736
Investment earnings (loss)	(140,580)	-	-	-	-	(140,580)
Unrealized gain (loss) on investments	(797,448)	-	-	-	-	(797,448)
Contributions	644,366	1,300	-	-	50,000	695,666
Miscellaneous	642,476	232,093	258,049	-	147,230	1,279,848
Total Revenues	42,883,233	6,950,595	19,041,925	4,422,519	5,725,839	79,024,111
Expenditures						
Current						
General government	23,236,114	-	-	3,121,067	4,716,521	31,073,702
Public safety	20,949,733	-	-	234,891	524,387	21,709,011
Public works	2,386,664	10,502,667	-	360,703	1,518,852	14,768,886
Health and welfare	594,700	-	18,536,920	-	3,439,880	22,571,500
Culture and recreation	1,854,493	-	-	2,234,398	162,838	4,251,729
Total Expenditures	49,021,704	10,502,667	18,536,920	5,951,059	10,362,478	94,374,828
Excess (Deficiency) of Revenues Over (Under) Expenditures	(6,138,471)	(3,552,072)	505,005	(1,528,540)	(4,636,639)	(15,350,717)
Other Financing Sources (Uses)						
Sale of capital assets	-	-	-	588,912	-	588,912
Transfers in	850,000	83,875	-	-	2,500,000	3,433,875
Transfers out	(3,374,874)	-	(50,000)	-	(83,875)	(3,508,749)
Total Other Financing Sources (Uses)	(2,524,874)	83,875	(50,000)	588,912	2,416,125	514,038
Net Change in Fund Balances	(8,663,345)	(3,468,197)	455,005	(939,628)	(2,220,514)	(14,836,679)
Fund Balances Beginning of Year	45,359,635	32,462,386	18,233,051	4,681,491	21,204,002	121,940,565
Fund Balances End of Year	\$ 36,696,290	\$ 28,994,189	\$ 18,688,056	\$ 3,741,863	\$ 18,983,488	\$ 107,103,886

The accompanying notes are an integral part of these financial statements.

Garfield County, Colorado
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and
Changes in Fund Balances to the Statement of Activities
For the Year Ended December 31, 2017

Net Changes In Fund Balances - Total Governmental Funds	\$ (14,836,679)	
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**Amounts reported for governmental activities in the
Statement of Activities are different because:**

Governmental funds report capital outlays as expenditures.

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

Depreciation expense	\$ (11,966,403)	
Capital outlay	<u>8,134,419</u>	(3,831,984)

The County has sold assets which are shown at their sales price on governmental funds but are shown as a gain or loss on the sale of assets based upon sale price less the asset's book value.

<u>\$ (1,365,557)</u>		(1,365,557)
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Elimination of transfers between governmental funds:

Transfers in	\$ 3,433,875	
Transfers out	<u>(3,433,875)</u>	-

The internal service fund, used by management to charge the the costs of the motor pool to individual funds, is not reported in the government-wide Statement of Activities. Governmental fund expenditures are reduced and the related internal service fund profit is eliminated.

<u>\$ 154,938</u>		154,938
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Compensated absences reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

This represents the change in compensated absences during the year.	<u>\$ (124,207)</u>	<u>(124,207)</u>
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Change In Net Position of Governmental Activities		<u><u>\$ (20,003,489)</u></u>
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Garfield County, Colorado
Statement of Net Position
Proprietary Funds
December 31, 2017

	Business-type Activities - Enterprise Fund	Governmental Activities - Internal Service Fund
Assets		
Current Assets		
Cash and investments	\$ 5,681,480	\$ 4,798,386
Accounts receivables	159,964	60,831
Due from other funds	91,696	137,278
Inventories	8,057	90,321
Total Current Assets	5,941,197	5,086,816
Non-current Assets		
Capital Assets:		
Intangible assets	68,712	102,435
Land	300,000	-
Land improvements	1,833,020	-
Buildings	768,258	-
Improvements	17,800	-
Machinery and equipment	2,500,176	6,299,498
Accumulated depreciation and amortization	(2,423,239)	(4,769,486)
Total Non-current Assets	3,064,727	1,632,447
Total Assets	9,005,924	6,719,263
Liabilities		
Current Liabilities		
Accounts payable	54,740	21,672
Accrued expenses	46,588	16,274
Due to other funds	934	2,000
Non-current liabilities due within one year:		
Accrued compensated absences	12,048	7,954
Total Current Liabilities	114,310	47,900
Non-current Liabilities		
Accrued compensated absences	36,143	18,558
Closure and postclosure obligations	1,410,730	-
Total Non-current Liabilities	1,446,873	18,558
Total Liabilities	1,561,183	66,458
Net Position		
Net investment in capital assets	3,064,727	1,632,447
Unrestricted	4,380,014	5,020,358
Total Net Position	\$ 7,444,741	\$ 6,652,805

The accompanying notes are an integral part of these financial statements.

Garfield County, Colorado
Statement of Revenues,
Expenses and Changes in Net Position
Proprietary Funds
For the Year Ended December 31, 2017

	Business-type Activities - Enterprise Fund	Governmental Activities - Internal Service Fund
Operating Revenues		
Charges for services	\$ 1,692,481	\$ 1,639,118
Other	41	10,609
Total Operating Revenues	<u>1,692,522</u>	<u>1,649,727</u>
Operating Expenses		
Personnel	725,809	276,801
Purchased services	468,003	197,765
Materials and supplies	146,377	440,582
Depreciation	325,277	647,207
Other	64,115	-
Capital expense	11,603	-
Total Operating Expenses	<u>1,741,184</u>	<u>1,562,355</u>
Operating Income (Loss)	(48,662)	87,372
Non-operating Revenues		
Gain (loss) on sale of capital assets	-	67,566
Income Before Capital Contributions and Transfers In	(48,662)	154,938
Transfers in	74,874	-
Change in Net Position	26,212	154,938
Net Position Beginning of Year	<u>7,418,529</u>	<u>6,497,867</u>
Net Position End of Year	<u><u>\$ 7,444,741</u></u>	<u><u>\$ 6,652,805</u></u>

The accompanying notes are an integral part of these financial statements.

Garfield County, Colorado
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2017

	Business-type Activities - Enterprise Fund	Governmental Activities - Internal Service Fund
Cash Flows from Operating Activities		
Cash received from customers	\$ 1,669,851	\$ 1,580,791
Cash received from other sources	41	10,609
Cash payments for personnel services	(704,358)	(279,915)
Cash payments for goods and services	(607,511)	(576,745)
Net Cash Provided by Operating Activities	<u>358,023</u>	<u>734,740</u>
Cash Flows from Noncapital Financing Activities		
Transfers in	74,874	-
Transfers (out)	-	-
Net Cash (Used in) Noncapital Financing Activities	<u>74,874</u>	<u>-</u>
Cash Flows from Capital and Related Financing Activities		
Proceeds from the sale of capital assets	-	93,893
Payments for capital acquisitions	(330,919)	(520,970)
Net Cash (Used in) Capital and Related Financing Activities	<u>(330,919)</u>	<u>(427,077)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	101,978	307,663
Cash and Cash Equivalents Beginning of Year	<u>5,579,502</u>	<u>4,490,723</u>
Cash and Cash Equivalents End of Year	<u><u>\$ 5,681,480</u></u>	<u><u>\$ 4,798,386</u></u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities		
Operating Income (Loss)	\$ (48,662)	\$ 87,372
Adjustments to Reconcile Operating Income to Cash Provided by Operating Activities:		
Depreciation	325,277	647,207
(Increase) decrease in accounts receivable	(22,630)	(58,326)
(Increase) decrease in inventory	5,317	92,765
(Increase) decrease in due from other funds	22,326	7,160
Increase (decrease) in accounts payable	(18,931)	(39,525)
Increase (decrease) in due to other funds	(1,580)	(614)
Accrued expenses	11,339	1,815
Compensated absences payable	21,452	(3,114)
Landfill closure and postclosure care	64,115	-
Net Cash Provided by Operating Activities	<u><u>\$ 358,023</u></u>	<u><u>\$ 734,740</u></u>

The accompanying notes are an integral part of these financial statements.

Garfield County, Colorado
Statement of Assets and Liabilities
Agency Funds
December 31, 2017

	<u>2017</u>
Assets	
Cash and investments	\$ 6,393,871
Total Assets	<u>\$ 6,393,871</u>
Liabilities	
Due to others	\$ 545,740
Due to other governments	5,848,131
Total Liabilities	<u>\$ 6,393,871</u>

The accompanying notes are an integral part of these financial statements.

NOTES TO FINANCIAL STATEMENTS

Garfield County, Colorado
Notes to the Basic Financial Statements
December 31, 2017

Note 1 - Summary of Significant Accounting Policies

1A. Reporting Entity

Garfield County ("County") was formed in 1883. The governing body of the County is a three member Board of County Commissioners. The County provides the following services directly: general administration, sheriff, jail, roads and bridges, solid waste disposal, public health, airport and human services.

The accounting policies of the County conform to generally accepted accounting principles (GAAP) as applicable to governments and have been consistently applied in the preparation of the financial statements. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

As required by GAAP, these financial statements present Garfield County, Colorado (the primary government) and its component unit, an entity that is a legally separate organization that must be included in the financial report of the primary government. When a component unit functions as an integral part of the primary government, its data is blended with that of the primary government.

Blended Component Unit. The component unit below is blended since the primary government and the component unit have met the criteria of having substantially the same governing body and operational responsibility.

Travelers Highland Public Improvement District – The Travelers Highland Public Improvement District (the "PID") was established in December 2009 for the purpose of infrastructure improvements located at County Road 300 and State Highway 6&24. The boundaries of the PID are within the County but costs relating to infrastructure within the PID are borne by the PID's citizens through a separate mill levy. Although the PID is a separate legal entity, for financial reporting purposes, it is part of the County and is included in the Travelers Highlands PID Fund as a blended component unit. The County's Board sits as *ex officio* as the PID Board and the County's management (below the governing body level) manages the activities of the component unit in the same manner as it manages its own activities. Therefore, it is blended based on the criteria that the primary government and the component unit have met the criteria of having substantially the same governing body and operational responsibility.

1B. Measurement Focus, Basis of Accounting and Financial Statement Presentation

Government-wide financial statements include the Statement of Net Position and the Statement of Activities, which display information about the primary government (the County) and its component units. These statements present summaries of Governmental and Business-type Activities for the County accompanied by a total column. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which significantly rely upon fees and charges for support.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) fees, fines, and charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Garfield County, Colorado
Notes to the Basic Financial Statements
December 31, 2017
(Continued)

1B. Measurement Focus, Basis of Accounting and Financial Statement Presentation (continued)

The government-wide financial statements are presented with an economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Accordingly, all of the County's assets and liabilities, including capital assets, as well as infrastructure assets and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned, while expenses are recognized in the period in which the liability is incurred.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual funds are reported as separate columns in the fund financial statements. The County's governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

The primary revenue sources, which have been treated as susceptible to accrual by the County, are property tax, sales tax, intergovernmental revenues and other taxes. All other revenue items are considered to be measurable and available only when cash is received by the County.

The following are the County's major governmental funds, proprietary funds, and fiduciary funds:

The General Fund – The General Fund accounts for all financial resources except those required to be accounted for in another fund. The General Fund's fund balance is available to the County for any purpose provided it is expended or transferred according to the general laws of Colorado.

Special Revenue Funds

Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The term "proceeds of specific revenue sources" establishes that one or more specific restricted or committed revenues should be the foundation for a special revenue fund. The County reports the following major special revenue funds:

Road and Bridge Fund – State law empowers the County to levy property taxes for the purposes of construction and maintenance of County roads and bridges. This fund accounts for those taxes and all State and Federal monies received to maintain County roads and bridges.

Human Services Fund – This fund accounts for Federal and State welfare grant revenue. In addition, the County is required by Colorado Revised Statutes to levy property taxes to defray a portion of the cost of administering the grants.

Capital Projects Funds

Capital Projects Funds account for financial resources collected and used for the acquisition or construction of major capital facilities. The County reports one capital projects fund.

Capital Expenditures Fund – This fund accounts for resources assessed to be used to acquire capital assets and for the construction of major capital projects, excluding capital assets acquired by proprietary funds.

Garfield County, Colorado
Notes to the Basic Financial Statements
December 31, 2017
(Continued)

1B. Measurement Focus, Basis of Accounting and Financial Statement Presentation (continued)

Proprietary Funds – Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position and cash flows. The two proprietary funds are classified as an enterprise fund and as an internal service fund.

Solid Waste Fund (Enterprise Fund) – The Solid Waste Fund accounts for the County's landfill operations which are primarily funded by site collections.

Motor Pool Fund (Internal Service Fund) – The Motor Pool Fund accounts for transportation services provided by the Motor Pool Department to all other departments or agencies of the County on a cost reimbursement basis.

Fiduciary Funds – These funds include agency funds which account for monies held on behalf of other governments and agencies that use the County as a depository or for property taxes collected on behalf of the other governments or agencies. Agency funds are excluded from reporting in the government-wide financial statements. No budgets are adopted for the County's agency funds.

Certain eliminations have been made in regard to interfund activities, payables and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities, internal service fund transactions have been eliminated except for interfund services and those transactions between governmental and business-type activities, which have not been eliminated.

Reconciliation of the fund financial statements to the government-wide financial statements is provided in the financial statements to explain the differences created by the integrated approach of GASB Statement No. 34.

1C. Cash, Cash Equivalents, and Investments

Except for departmental cash draws, cash held for third parties (i.e., DHS Child Welfare), and cash held by separate legal entities which are included in the County reporting entity, all cash is deposited with the County Treasurer. The Treasurer invests this cash to achieve the best possible return on the investments. Cash, cash equivalents, and investments are accounted for as cash and investments in all funds. Interest revenue is allocated to funds as designated by the Board of County Commissioners.

Cash and cash equivalents include amounts in demand deposits as well as short-term investments with a maturity date within 3 months of the date acquired by the County.

Investments include amounts invested in securities and are stated at fair market value based on quoted market prices or net asset value.

The County's investment policy permits investments in the following type of obligations:

- U.S. Treasury Obligations (maximum maturity of 60 months)
- Federal Instrumentality Securities (maximum maturity of 60 months)
- FDIC-insured Certificates of Deposit (maximum maturity of 18 months)
- Corporate Bonds (maximum maturity of 36 months)
- Prime Commercial Paper (maximum maturity of 9 months)
- Eligible Bankers Acceptances
- Repurchase Agreements
- General Obligations and Revenue Obligations
- Local Government Investment Pools
- Money Market Mutual Funds

Garfield County, Colorado
Notes to the Basic Financial Statements
December 31, 2017
(Continued)

1D. Receivables

All trade and property tax receivables are reported net of an allowance for uncollectibles, where applicable.

1E. Interfund Balances

On the fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables/interfund payables." These amounts are eliminated in the governmental and business-type activities columns of the Statement of Net Position, except for any net residual amounts due between governmental and business-type activities, which are reclassified and presented as internal balances.

1F. Consumable Inventories

On the government-wide financial statements, inventories are presented at the lower of cost or market on a first-in, first-out basis and are expensed when used (i.e. the consumption method).

On the fund financial statements, inventories of governmental funds are stated at cost while inventories of proprietary 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 an expenditure in the governmental fund types when consumed.

1G. Prepaid Expenses

Payments made to vendors for services that will benefit periods beyond December 31, 2017, 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. At the fund reporting level, an equal amount of fund balance is reported as non-spendable as this amount is not available for general appropriation.

1H. Capital Assets

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in governmental funds. The County reports these assets in the governmental activities column of the government-wide Statement of Net Position but does not report these assets in the County fund financial statements. Capital assets utilized by enterprise funds are reported both in the business-type activities column of the government-wide Statement of Net Position and in the enterprise 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 values as of the date received. The County maintains a capitalization threshold of \$5,000. 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 fund is capitalized.

Garfield County, Colorado
Notes to the Basic Financial Statements
December 31, 2017
(Continued)

1H. Capital Assets (continued)

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

Asset Class	Estimated Lives	
	Governmental Activities	Business-type Activities
Land improvements	10 - 50 Years	3 - 50 Years
Buildings	50 Years	10 - 20 Years
Building improvements	5 - 20 Years	5 - 20 Years
Machinery and equipment	3 - 20 Years	3 - 20 Years
Infrastructure and roads	20 - 50 Years	---
Intangibles	3 - 10 Years	---

1I. 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.

All compensated absence liabilities include salary-related payments, where applicable.

The total compensated absence liability is reported on the government-wide financial statements. Proprietary 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."

1J. 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 paid in a timely manner and in full from current financial resources, are reported as obligations of these funds. However, compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are "due for payment" during the current year.

1K. Fund Balance and Net Position

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 the current assets and current liabilities. Governmental accounting standards establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Fund balance classifications, include Non-spendable, Restricted, Committed, Assigned, and Unassigned. These classifications reflect not only the nature of funds, but also provide clarity to the level of restriction placed upon fund balance. Fund Balance can have different levels of restraint, such as external versus internal compliance requirements. Unassigned fund balance is a residual classification within the general fund. The general fund should be the only fund that reports a positive unassigned balance. In all other funds, unassigned is limited to negative residual fund balance. For further details of the various fund balance classifications refer to Note 3I.

Garfield County, Colorado
Notes to the Basic Financial Statements
December 31, 2017
(Continued)

1K. Fund Balance and Net Position (continued)

Net Position – Net position represents the difference between assets, liabilities, and deferred inflow (outflow) of resources. Net investment in capital assets, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net position is 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. All other net position is reported as unrestricted.

The County applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

1L. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the County, these revenues are charges for services for solid waste and the use of vehicles in the motor pool. Operating expenses are necessary costs incurred to provide the good or service that are the primary activity of each fund.

1M. Contributions of Capital

Contributions of capital in proprietary fund financial statements arise from outside contributions of capital assets, from grants or outside contributions of resources restricted to capital acquisition and construction, or from contributions with the governmental activities funds.

1N. Interfund Activity

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. 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 the non-operating revenues/expenses section in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements (i.e. they are netted).

Transfers between governmental and business-type activities on the government-wide Statement of Activities are reported as general revenues. Transfers between funds reported in the governmental activities column are eliminated. Transfers between funds reported in the business-type activities column are eliminated.

1O. 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.

Garfield County, Colorado
Notes to the Basic Financial Statements
December 31, 2017
(Continued)

1P. Deferred Outflows and Inflows of Resources

In addition to assets, the Statement of Financial Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The County doesn't have any items that qualify for reporting in this category at December 31, 2017.

In addition to liabilities, the Statement of Financial 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 future periods and so will not be recognized as an inflow of resources (revenue) until that time. The County has only one type of item that qualifies for reporting in this category. Accordingly, the item, property tax revenue, is deferred and recognized as an inflow of resources in the period that the amounts become available and earned.

Note 2 – Stewardship, Compliance and Accountability

2A. Budgetary Information – The County adopts an annual operating budget for all governmental and proprietary funds. Budgets for the governmental fund types are adopted on a basis consistent with GAAP. The proprietary fund types adopt budgets using a non-GAAP budgetary basis.

The County's original budget legislation begins with combining historical data, assessment of needs for the upcoming year and the Board's platform to review, and/or make changes to each department's budget. Before year end, a budgetary committee will meet again with each department for final review and approval of preliminary budget. The Budget is then formally presented to the Board via an advertised public process for their review, revisions and final approval by year end. All subsequent budget requests made during the year, after Board approval, must be presented via a public process and again approval by the Board.

The legal level of control (the level at which expenditures may not legally exceed appropriations) for each adopted annual operating budget generally is the individual fund level. Any change in total to a fund requires approval of the Board of County Commissioners. The County approved changes to budgeted appropriations as necessary throughout the year for the year ended December 31, 2017. For the year ended December 31, 2017, the Oil and Gas Mitigation Fund exceeded appropriations by \$2,908,735.

All unexpended annual appropriations lapse at year-end.

Note 3 – Detailed Notes on All Funds

3A. Deposits and Investments

The County's deposits are entirely covered by federal depository insurance ("FDIC") or by collateral held under Colorado's Public Deposit Protection Act ("PDPA"). The FDIC insures the first \$250,000 of the County's deposits at each financial institution. Deposit balances over \$250,000 are collateralized as required by PDPA. The carrying amount of the County's demand deposits was \$13,922,190 at year end.

Garfield County, Colorado
Notes to the Basic Financial Statements
December 31, 2017
(Continued)

3A. Deposits and Investments (continued)

The County had the following cash and investments with the following maturities:

	Standard & Poors Rating	Carrying Amounts	Less than one year	One to five years
<i>Deposits:</i>				
Cash on hand	<i>Not Rated</i>	\$ 5,610	\$ 5,610	\$ -
Checking and savings	<i>Not Rated</i>	13,912,867	13,912,867	-
Savings	<i>Not Rated</i>	3,713	3,713	-
<i>Investments:</i>				
Money market	<i>Not Rated</i>	50,977	50,977	-
Pools	<i>AAAm</i>	28,972,091	28,972,091	-
Corporate bonds	<i>AA+/AA-</i>	8,129,316	4,619,336	3,509,980
Agencies	<i>AA+</i>	28,237,536	14,218,318	14,019,218
Treasuries	<i>AA+</i>	50,222,866	7,317,961	42,904,905
Total		<u>\$ 129,534,976</u>		

The Investment Pool represents investments in COLOTRUST, which is a 2a7-like pool. The fair value of the pool is determined by the pool's net asset value. The County has no regulatory oversight for the pool. At December 31, 2017, the County's investments in COLOTRUST were 22% of the County's investment portfolio.

Fair Value of Investments

The County measures and records its investments using fair value measurement guidelines 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.

Garfield County, Colorado
Notes to the Basic Financial Statements
December 31, 2017
(Continued)

3A. Deposits and Investments (continued)

At December 31, 2017 the County had the following recurring measurements:

Investments Measured at Fair Value	Total	Level 1	Level 2	Level 3
US Treasuries	\$ 50,222,866	\$ 50,222,866	\$ -	\$ -
US Agencies	28,237,536	28,237,536	-	-
Corporate Bonds	8,129,316	8,129,316	-	-
	<u>86,589,718</u>	<u>86,589,718</u>	<u>-</u>	<u>-</u>
Investments Measured at Net Asset Value				
Colotrust	28,972,091			
Money Market Mutual Fund	50,977			
	<u>29,023,068</u>			
Total Investments	<u>\$ 115,612,786</u>			

Investments classified in Level 1 are valued using prices quoted in active markets for those securities. Investments classified in Level 2 are valued using the following approaches:

- Commercial Paper: quoted prices for identical securities in markets that are not active;
- Repurchase Agreements, Negotiable Certificates of Deposit, and Collateralized Debt Obligations: matrix pricing based on the securities' relationship to benchmark quoted prices;
- Money Market, Bond, and Equity Mutual Funds: published fair value per share (unit) for each fund.

Interest Rate Risk. As a means of limiting its exposure to interest rate risk, the County diversifies its investments by security type and institution, and limits holdings in any one type of investment with any one issuer and type of issuer. The County coordinates its investment maturities to closely match cash flow needs and restricts the maximum investment term to less than five years (less in some cases) from the purchase date. As a result of the limited length of maturities the County has limited its interest rate risk.

Credit Risk. County investment policy limits investments to those authorized by State statutes as listed in Note 1C. The County's general investment policy is to apply the prudent-person rule: investments are made as a prudent person would be expected to act, with discretion and intelligence, to seek reasonable income, preserve capital, and, in general, avoid speculative investments.

Concentration of Credit Risk. The County diversifies its investments by security type and institution. Financial institutions holding County funds must provide the County a copy of the certificate from the Banking Authority that states that the institution is an eligible public depository. At December 31, 2017, the County's investments in Fannie Mae, Freddie Mac, Federal Home Loan Bank, United States Treasuries, and Corporate Bonds were 10%, 5%, 5%, 39%, and 6% of the County's investment portfolio, respectively.

At December 31, 2017, unrealized gains or (losses) were (\$797,448), which reflects changes in the fair market value of investments from 2016 to 2017.

Garfield County, Colorado
Notes to the Basic Financial Statements
December 31, 2017
(Continued)

3B. Receivables

Receivables at December 31, 2017, consisted of taxes, interest, accounts, and intergovernmental receivables arising from grants. Receivables are net of an allowance for uncollectibles. The allowance for uncollectibles at December 31, 2017 was \$37,340 .

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, collectibility.

The County had the following receivables at year end:

	Governmental Funds				Nonmajor Governmental Funds
	General Fund	Road and Bridge	Human Services	Capital Expenditures	
Accounts	\$ 471,563	\$ 4,655	\$ 723,130	\$ 128	\$ 322,682
Taxes	24,330,253	4,693	-	4,035,049	1,441,069
Other	14,046	-	271,229	-	7,340
Due from other governments	263,295	484,890	-	-	59,965
Gross receivables	25,079,157	494,238	994,359	4,035,177	1,831,056
Less: Allow ance for uncollectibles	-	-	(30,000)	-	(7,340)
Total	<u>\$ 25,079,157</u>	<u>\$ 494,238</u>	<u>\$ 964,359</u>	<u>\$ 4,035,177</u>	<u>\$ 1,823,716</u>

	Proprietary Funds	
	Solid Waste Disposal	Motor Pool
Accounts	\$ 159,964	\$ 60,831
Gross receivables	159,964	60,831
Less: Allow ance for uncollectibles	-	-
Total	<u>\$ 159,964</u>	<u>\$ 60,831</u>

3C. Property Taxes

Property taxes are levied on or before December 15 of each year and attach as an enforceable lien on the property on January 1. Taxes are payable in full on April 30 or in two installments on February 28 and June 15. The County bills and collects its own property taxes and the taxes for various other entities. In accordance with generally accepted accounting principles, the assessed but uncollected property taxes have been recorded as a receivable and deferred inflow of resources.

Garfield County, Colorado
Notes to the Basic Financial Statements
December 31, 2017
(Continued)

3D. Capital Assets

Governmental Activities capital asset activity for the year ended December 31, 2017 follows:

	Balance			Balance
	1/1/17	Additions	Deductions	12/31/17
Governmental Activities:				
Capital assets not being depreciated:				
Construction in progress	\$ 1,623,222	\$ 2,049,555	\$ (3,219,631)	\$ 453,146
Land	16,177,723	609,148	(617,200)	16,169,671
Total assets not being depreciated	<u>17,800,945</u>	<u>2,658,703</u>	<u>(3,836,831)</u>	<u>16,622,817</u>
Depreciable capital assets:				
Land improvements	60,240,279	2,212,355	-	62,452,634
Buildings	61,017,402	754,184	(804,251)	60,967,335
Building improvements	8,942,581	2,418,289	(11,848)	11,349,022
Machinery and equipment	27,475,700	2,647,895	(1,214,861)	28,908,734
Intangibles	2,747,657	96,295	-	2,843,952
Infrastructure	290,407,752	1,000,267	-	291,408,019
Total depreciable capital assets	<u>450,831,371</u>	<u>9,129,285</u>	<u>(2,030,960)</u>	<u>457,929,696</u>
Total capital assets	<u>468,632,316</u>	<u>11,787,988</u>	<u>(5,867,791)</u>	<u>474,552,513</u>
Accumulated depreciation and amortization:				
Land improvements	(11,203,271)	(1,925,400)	-	(13,128,671)
Buildings	(18,647,173)	(1,110,442)	252,405	(19,505,210)
Building improvements	(3,068,192)	(530,201)	11,256	(3,587,137)
Machinery and equipment	(17,843,765)	(2,452,541)	1,071,491	(19,224,815)
Intangibles	(1,551,563)	(226,478)	-	(1,778,041)
Infrastructure	(121,406,368)	(6,368,546)	-	(127,774,914)
Total accumulated depreciation & amortization	<u>(173,720,332)</u>	<u>(12,613,608)</u>	<u>1,335,152</u>	<u>(184,998,788)</u>
Governmental activities capital assets, net	<u>\$ 294,911,984</u>	<u>\$ (825,620)</u>	<u>\$ (4,532,639)</u>	<u>\$ 289,553,725</u>

Governmental Activities depreciation and amortization expense classified by function follows:

General government	\$ 300,695
Public safety	1,523,676
Public works	10,284,562
Culture and recreation	309,884
Health and welfare	194,791
	<u>194,791</u>
Total	<u>\$ 12,613,608</u>

Garfield County, Colorado
Notes to the Basic Financial Statements
December 31, 2017
(Continued)

3D. Capital Assets (continued)

Business-type Activities capital asset activity for the year ended December 31, 2017 was as follows:

	Balance 1/1/17	Additions	Deductions	Balance 12/31/17
Business-type Activities:				
Capital assets not being depreciated:				
Land	\$ 300,000	\$ -	\$ -	\$ 300,000
Total assets not being depreciated	300,000	-	-	300,000
Depreciable capital assets:				
Land improvements	1,803,946	97,786	-	1,901,732
Buildings	768,258	-	-	768,258
Building improvements	17,800	-	-	17,800
Machinery and equipment	2,297,043	233,133	(30,000)	2,500,176
Total depreciable capital assets	4,887,047	330,919	(30,000)	5,187,966
Total capital assets	5,187,047	330,919	(30,000)	5,487,966
Accumulated depreciation:				
Land improvements	(170,400)	(106,085)	-	(276,485)
Buildings	(358,844)	(36,304)	-	(395,148)
Building improvements	(7,564)	(1,386)	-	(8,950)
Machinery and equipment	(1,591,154)	(181,502)	30,000	(1,742,656)
Total accumulated depreciation	(2,127,962)	(325,277)	30,000	(2,423,239)
Business-type activities capital assets, net	\$ 3,059,085	\$ 5,642	\$ -	\$ 3,064,727

At December 31, 2017, the County had \$19,998,696 of fully depreciated capital assets.

3E. Interfund Balances and Transfers

Interfund balances at December 31, 2017, consisted of the following amounts and 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.

	Due From	Due To
General fund	\$ 85,030	\$ 325,215
Road and bridge fund	78,923	14,056
Human services fund	-	42,570
Capital expenditures fund	414	19,351
Nonmajor governmental funds	34,402	23,617
Solid waste fund	91,696	934
Motor pool fund	137,278	2,000
Total	\$ 427,743	\$ 427,743

Garfield County, Colorado
Notes to the Basic Financial Statements
December 31, 2017
(Continued)

3E. Interfund Balances and Transfers (continued)

Interfund transfers for the year ended December 31, 2017, consisted of the following:

	Transfer In	Transfer (Out)
General fund	\$ 850,000	\$ (3,374,874)
Road and bridge fund	83,875	-
Human services fund	-	(50,000)
Nonmajor governmental funds	2,500,000	(83,875)
Solid waste fund	74,874	-
Total	\$ 3,508,749	\$ (3,508,749)

Transfers are used to (1) move revenues from the fund that 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) segregate money for anticipated capital projects, (4) provide additional resources for current operations or debt service, and (5) 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.

3F. Landfill Closure and Postclosure Care Costs

State and Federal laws and regulations require the County to place final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the County reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each Balance Sheet date. Total closure and postclosure care costs are currently estimated to be \$2,366,996, with closure costs estimated to be \$1,661,083 and postclosure care cost estimated to be \$705,913. The \$1,410,730 reported as landfill closure and postclosure care liability at December 31, 2017, represents the cumulative amount reported to date based on the use of 59.6% of the capacity of the landfill. The County will recognize the remaining estimated cost of closure and postclosure care of \$956,266 as the remaining estimated capacity is filled. These amounts are based on estimates of what it would cost to perform all closure and postclosure care in 2017. The County expects to close the landfill in the year 2040. Actual cost may be higher due to inflation, changes in technology, or changes in applicable laws or regulations.

The County is required by State and Federal laws and regulations to provide assurance that the County has the ability to meet its financial obligations relating to closure and postclosure monitoring of the landfill. The County is in compliance with these requirements. However, if the County's financial position significantly changes in the future and resources are not available, or costs significantly change (due to changes in technology or applicable laws or regulations, for example) these costs may need to be covered by charges to future landfill users or from future tax revenue.

Garfield County, Colorado
Notes to the Basic Financial Statements
December 31, 2017
(Continued)

3G. Long-term Obligations

Changes in the County's long-term obligations consisted of the following for the year ended December 31, 2017:

	<u>Outstanding</u> <u>1/1/17</u>	<u>Additions</u>	<u>Reductions</u>	<u>Outstanding</u> <u>12/31/17</u>	<u>Amounts Due</u> <u>in One Year</u>
Governmental Activities:					
Compensated absences	\$ 2,166,843	\$ 771,145	\$ (650,053)	\$ 2,287,935	\$ 571,984
Total Governmental Activities	<u>\$ 2,166,843</u>	<u>\$ 771,145</u>	<u>\$ (650,053)</u>	<u>\$ 2,287,935</u>	<u>\$ 571,984</u>
Business-type Activities:					
Landfill closure & postclosure	\$ 1,346,615	\$ 64,115	\$ -	\$ 1,410,730	\$ -
Compensated absences	<u>26,739</u>	<u>29,474</u>	<u>(8,022)</u>	<u>48,191</u>	<u>12,048</u>
Total Business-type Activities	<u>\$ 1,373,354</u>	<u>\$ 93,589</u>	<u>\$ (8,022)</u>	<u>\$ 1,458,921</u>	<u>\$ 12,048</u>

The landfill closure and postclosure care liability is being retired by the Solid Waste Fund. The compensated absences liability will be paid from the following funds from which the employees' salaries are paid: General Fund, Public Health Fund, Road & Bridge Fund, Human Services Fund, and Airport Fund.

Conduit Debt Obligations: From time to time, the County has issued Private Activity Bonds to provide financial assistance to private sector entities for the acquisition and construction of housing and commercial facilities deemed to be in the public interest.

The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private sector entity served by the bond issuance. Neither the County, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

3H. Retirement Plans

Defined Contribution Plan 401(a): The County participates in the Colorado County Officials and Employees Retirement Association ("CCOERA"), a non-profit, multiple-employer public employee retirement system which is a qualified plan as defined by IRS Code Section 401(a) and Colorado Revised Statutes (CRS) 24.54. The plan provides retirement benefits through a defined contribution plan to participating Colorado counties, municipalities and special districts. Plan investment purchases are determined by the plan participant and therefore, the plan's investment concentration varies between participants.

State statute assigns the authority to establish and amend the benefit provisions and contribution requirements of the plans that participate in CCOERA to the respective employer governments.

Garfield County, Colorado
Notes to the Basic Financial Statements
December 31, 2017
(Continued)

3H. Retirement Plans (continued)

There are no unfunded past service liabilities. All full-time or part-time employees (employment status of working at least 30 hours per week for a continuous period of six months or more) are required to participate in the 401(a) retirement plan. The County and the employee are required to contribute 5% of employee compensation, excluding items defined in the CCOERA Plan Document (such as overtime) until the employee's tenth anniversary of employment with the County, after which the contribution from each increases to 6%. The County's contribution for each employee, including earnings thereon allocated to the employee's account, vest at the rate of 20% for each year (five year vesting schedule) of participation in the plan. County contributions and earnings forfeited by employees who leave employment before fully vesting are returned to Garfield County. The County allows 401a loans, but distributions are not available to employees until termination, retirement, or death.

During 2017, there were 529 total participants. The County and employees made the required contribution amounting to \$1,469,837 each.

Defined Contribution Plan 457: The County offers its employees a voluntary deferred compensation plan created in accordance with Internal Revenue Code Section 457 that is administered by CCOERA. The plan is available to all full-time or part-time employees (employment status of working at least 30 hours per week for a continuous period of six months or more) and permits them to defer a portion of their salary until future years. Contributions to the plan can be made before-tax or after-tax (i.e. Roth). However, the total contributions are limited to the annual IRS retirement plan limits or 100% of net pay, whichever is less. The County allows 457b loans, but distributions are only available for qualified unforeseeable emergencies, separation of service, retirement, or death. There are no provisions for in-service withdrawals and Roth assets are not eligible for emergency withdrawals. All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are to be held in trust for the exclusive benefit of the plan participants and their beneficiaries. Plan investment purchases are determined by the plan participant and therefore, the plan's investment concentration varies between participants. In 2017, there were 97 total participants.

Retirement Plan Loan Program: Garfield County's preference is that loans are used for: education expenses for the employee, spouse, or child; to prevent eviction from an employee's home or defaulting on a mortgage; to pay unreimbursed medical expenses; to buy a primary residence; debt consolidation; and unforeseen emergencies. All CCOERA loans are made in accordance with Article 8 of the plan and the adopted procedures by the Plan Administrator.

All eligible participants are allowed to borrow from their 401(a) and/or 457 accounts, but may only have one outstanding loan per retirement plan at any given time. Loans can be made up to 50% of an eligible participant's vested account balance with a required minimum loan amount of \$2,500 and maximum loan amount of \$50,000, not to exceed a combined loan amount of \$50,000 on both plans (401(a) and 457 plans). The loan interest charged by the Plan Administrator is Prime + 1% which is determined on the day of loan approval plus additional fees.

Refinancing is allowed for loans (length of loan may not change) with a minimum balance of \$2,500 (additional fees applied). An eligible participant is only allowed to have one new loan or one refinance of an existing loan in a 12-month period and refinancing can't occur in the final year of the loan.

While employed by Garfield County, participant loans will be paid via payroll deductions (one to five years for General Purpose loans and up to fifteen years for Principal Residence loans). Participants can make additional payments to pay off the loan early without penalty. Upon separation of employment, the participant's loan(s) are 100% payable. If unpaid the remainder of the loan will become a taxable distribution to the IRS and subject to potential tax penalties. Participants are advised to contact the Plan Administrator to offset the loan to avoid consequences of potential default.

Garfield County, Colorado
Notes to the Basic Financial Statements
December 31, 2017
(Continued)

3I. Fund Balance Disclosure

The County classifies governmental fund balances as follows:

Non-spendable - includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual requirements.

Spendable Fund Balance:

Restricted – includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts constrained due to constitutional provisions or enabling legislation.

Committed – includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through adoption of a formal Resolution, the highest level of decision making authority which is the Board of County Commissioners. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (i.e. the adoption of another resolution to remove or revise the limitation).

Assigned – includes spendable fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Assigned fund balance represents amounts constrained by the County's intent to use them for a specific purpose. The authority to assign has been delegated to the Board of County Commissioners or its management designee (i.e. County Manager). An intended use of any amount may also be expressed by the Board and recorded in the minutes of a Board meeting.

Unassigned - includes residual positive fund balance within the General Fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

The County uses restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the County would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

The County does not have a formal minimum fund balance policy. However, the County's budget includes a calculation of a targeted reserve positions and the Administration calculates targets and report them annually to the Board.

Garfield County, Colorado
Notes to the Basic Financial Statements
December 31, 2017
(Continued)

3I. Fund Balance Disclosure (continued)

As of December 31, 2017, fund balances are composed of the following:

	General Fund	Other Governmental Funds	Total Governmental Funds	Description
Non-spendable:				
Inventories	\$ -	\$ 93,634	\$ 93,634	
Prepays	45,000	-	45,000	
Restricted:				
Public health	-	3,174,877	3,174,877	Legislative Restriction
Road and bridge	-	28,900,555	28,900,555	Legislative Restriction
Human services	-	18,449,250	18,449,250	Legislative Restriction
Conservation trust	-	429,359	429,359	Legislative Restriction
Emergency reserve	3,018,434	-	3,018,434	Legislative Restriction
Grants	-	99,924	99,924	Federal and State Grant Restriction
Other capital projects	-	3,741,863	3,741,863	Legislative Restriction
Committed:				
Airport	-	2,212,465	2,212,465	BOCC Resolution
Human services	-	238,806	238,806	Grant Restriction
Community events	988,798	-	988,798	BOCC Resolution
Clerk and recorder EFTF	-	41,230	41,230	BOCC Resolution
Traffic study	-	232,395	232,395	Traffic Impact Fees Resolution
Livestock auction	40,856	-	40,856	BOCC Resolution
Commissary	53,252	-	53,252	BOCC Resolution
Retirement	-	3,404,043	3,404,043	BOCC Resolution
Oil and gas mitigation	-	9,307,234	9,307,234	BOCC Resolution
Traveler's highland PID	-	81,961	81,961	BOCC Resolution
Unassigned	32,549,950	-	32,549,950	
Total Fund Balances	<u>\$ 36,696,290</u>	<u>\$ 70,407,596</u>	<u>\$ 107,103,886</u>	

Note 4 - Other Notes

4A. Risk Management

The County participates in two risk management pools.

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

Garfield County, Colorado
Notes to the Basic Financial Statements
December 31, 2017
(Continued)

4A. Risk Management (continued)

Colorado Counties Casualty and Property Pool - The County is exposed to various risks of loss related to casualty and property losses. The County has joined together with other counties in the State of Colorado to form the Colorado Counties Casualty and Property Pool ("CAPP"), a public entity risk pool currently operating as a common risk management and insurance program for member counties.

The intergovernmental agreement of formation of CAPP provides that the pool will be financially self-sustaining through member contributions and additional assessments, if necessary, and that the pool will purchase insurance through commercial companies for members' claims in excess of a specified self-insured retention, which is determined each policy year. There were no significant reductions in insurance coverage from prior year, and there have been no settlements that exceed the County's insurance coverage during the past three years.

4B. 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 a defendant in several lawsuits at December 31, 2017. In the opinion of County management, the outcome of these contingencies will not have a material effect on the financial position of the County.

4C. TABOR Amendment

Colorado voters passed an amendment to the State Constitution, Article X, Section 20, which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local governments. The Amendment is complex and subject to judicial interpretation. The County believes it is in compliance with the requirements of the amendment. However, the County has made certain interpretations of the amendment's language in order to determine its compliance. The County placed a question on the November 1994 ballot that would permit the County to keep and spend state grants, all sales tax and property tax revenues without limiting in any year the amount of other revenues that may be collected. The ballot question was approved by the County's voters.

One of the requirements of TABOR is for emergency reserves to be used for declared emergencies only. Emergencies, as defined by TABOR, exclude economic conditions, revenue shortfalls, or salary or fringe benefit increases. These reserves are required to be 3% or more of fiscal year revenue (excluding bonded debt service). The County has restricted a portion of its December 31, 2017 year end fund balance in the General Fund for emergencies as required under TABOR in the amount of \$3,018,434.

Garfield County, Colorado
Notes to the Basic Financial Statements
December 31, 2017
(Continued)

4D. Construction Commitments

The County had the following contractual commitments at year end:

Fund	Project	Vendor	Contract Commitment	Completed	Retainage	Remaining
CF	GWS Sheriff's Office Jail Remodel	Reilly Johnson Architects	\$ 54,300	\$ -	\$ -	\$ 54,300
Air	Airport Snow Removal Equipment	M-B Companies	712,846	-	-	712,846
DHS	TANF Education Classes/ Supportive Services	Colorado Mountain College	228,143	(119,260)	-	108,883
DHS	Senior Meal Services Program	City of Rifle	105,000	(47,617)	-	57,383
Total			\$ 1,100,289	\$ (166,877)	\$ -	\$ 933,412

REQUIRED SUPPLEMENTARY INFORMATION

General Fund – accounts for financing general administration and most of the services in Garfield County. Primary sources of revenue are sales tax, property tax, grants and fees.

Special Revenue Funds:

Road & Bridge Fund – accounts for financing County road and bridge construction and maintenance. Primary sources of revenue are the Highway User Tax (HUTF), sales tax, contributions and grants.

Human Services Fund – accounts for financing public welfare programs in Garfield County. Primary sources of revenue are from federal and state grants.

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Garfield County, Colorado
General Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2017

	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)
Revenues				
Taxes				
Property tax revenue	\$ 22,466,019	\$ 22,466,019	\$ 22,434,929	\$ (31,090)
Specific ownership tax	1,800,000	1,800,000	1,735,458	(64,542)
Delinquent tax and interest	90,000	90,000	217,083	127,083
Sales tax	6,839,688	6,839,688	6,685,910	(153,778)
Other taxes	11,500	11,500	9,066	(2,434)
Licenses and permits	3,000	3,000	7,360	4,360
Intergovernmental				
Payment in lieu of taxes	3,050,000	3,050,000	3,127,876	77,876
Federal grants	55,000	75,000	82,406	7,406
State grants	425,518	462,574	667,858	205,284
Local grants	68,910	68,910	68,910	-
Charges for services				
Clerk and recorder	1,252,100	1,252,100	1,375,303	123,203
Community development	455,000	455,000	504,665	49,665
Sheriff's fees	396,000	396,000	397,777	1,777
Treasurer's fees	2,257,275	2,257,275	1,736,313	(520,962)
Livestock	445,000	445,000	397,956	(47,044)
Other fees	2,630,535	2,630,535	1,046,552	(1,583,983)
Fines and forfeitures	115,000	115,000	112,914	(2,086)
Interest income	1,000,460	1,000,460	1,926,083	925,623
Investment earnings (loss)	-	-	(140,580)	(140,580)
Unrealized gain (loss) on investments	-	-	(797,448)	(797,448)
Contributions	924,625	924,625	644,366	(280,259)
Miscellaneous	582,948	657,980	642,476	(15,504)
Total Revenues	44,868,578	45,000,666	42,883,233	(2,117,433)
Expenditures				
General government				
General	110,531	4,981	650	4,331
Board of county commissioners	2,860,178	3,101,205	3,033,446	67,759
District attorney	2,206,611	2,206,611	2,191,353	15,258
Assessor	1,963,586	2,063,586	1,827,686	235,900
Clerk and recorder	1,763,123	1,799,633	1,697,720	101,913
Treasurer	800,353	802,055	664,079	137,976
Public trustee	31,647	31,647	20,413	11,234
Surveyor	52,400	52,400	49,606	2,794
County attorney	1,583,924	1,583,924	1,258,222	325,702
County manager	1,259,974	1,229,974	1,008,645	221,329
Finance	1,026,625	1,028,372	972,193	56,179
Human resources	683,946	683,946	596,015	87,931
Information technology	1,732,795	1,734,856	1,689,973	44,883
Procurement	675,614	675,614	627,266	48,348
Oil and gas	282,508	282,508	190,221	92,287
Community development	1,411,347	1,456,347	1,306,218	150,129
Communications	448,725	448,725	432,706	16,019
Contingency and fund administration	449,320	449,320	587,876	(138,556)
Sales tax distribution	5,206,250	5,206,250	5,081,826	124,424
Public safety				
Sheriff	10,075,051	10,176,564	9,487,488	689,076
Animal rescue	837,052	837,052	838,141	(1,089)
Emergency management	751,949	806,865	535,119	271,746
Fire suppression	71,000	71,000	56,696	14,304
Jail	7,812,782	7,582,742	7,139,947	442,795
Search and rescue	38,850	44,596	52,433	(7,837)
Coroner	438,545	473,545	424,553	48,992
Criminal justice services	2,456,463	2,497,135	2,309,587	187,548
Commissary	100,000	107,000	105,769	1,231
Public works				
Facilities management	1,917,134	1,961,473	1,828,813	132,660
Vegetation management	666,501	666,501	557,851	108,650
Health and welfare				
Health and welfare grants	512,268	512,268	594,700	(82,432)
Culture and recreation				
Extension	274,500	274,500	275,311	(811)
Fairgrounds	1,180,533	1,237,641	1,175,361	62,280
Livestock	453,000	453,000	403,821	49,179
Total Expenditures	52,135,085	52,543,836	49,021,704	3,522,132
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	(7,266,507)	(7,543,170)	(6,138,471)	1,404,699
Other Financing Sources (Uses)				
Transfers in	800,000	850,000	850,000	-
Transfers out	(3,388,000)	(3,388,000)	(3,374,874)	13,126
Total Other Financing Sources (Uses)	(2,588,000)	(2,538,000)	(2,524,874)	13,126
Net Change in Fund Balances	\$ (9,854,507)	\$ (10,081,170)	\$ (8,663,345)	\$ 1,417,825
Fund Balances Beginning of Year			45,359,635	
Fund Balances End of Year			\$ 36,696,290	

The accompanying notes are an integral part of these financial statements.

Garfield County, Colorado
Road and Bridge Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2017

	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)
Revenues				
Taxes				
Property tax revenue	\$ -	\$ -	\$ 16,920	\$ 16,920
Delinquent tax and interest	-	-	30,954	30,954
Sales tax	2,812,500	2,812,500	2,762,750	(49,750)
Other taxes	136,000	136,000	147,292	11,292
Licenses and permits	130,000	130,000	148,347	18,347
Intergovernmental				
State grants	3,750,650	3,750,650	3,610,939	(139,711)
Contributions	1,500	1,500	1,300	(200)
Miscellaneous	135,000	135,000	232,093	97,093
Total Revenues	6,965,650	6,965,650	6,950,595	(15,055)
Expenditures				
Public works				
Operations	4,128,824	4,158,789	4,007,280	151,509
Maintenance	5,008,500	5,040,329	4,259,939	780,390
Contingency	-	-	2,503	(2,503)
Capital outlay	2,051,000	4,215,856	2,232,945	1,982,911
Total Expenditures	11,188,324	13,414,974	10,502,667	2,912,307
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,222,674)	(6,449,324)	(3,552,072)	2,897,252
Other Financing Sources (Uses)				
Transfers in	-	83,875	83,875	-
Total Other Financing Sources (Uses)	-	83,875	83,875	-
Net Change in Fund Balances	\$ (4,222,674)	\$ (6,365,449)	\$ (3,468,197)	\$ 2,897,252
Fund Balances Beginning of Year			32,462,386	
Fund Balances End of Year			\$ 28,994,189	

The accompanying notes are an integral part of these financial statements.

Garfield County, Colorado
Human Services Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2017

	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)
Revenues				
Taxes				
Property tax revenue	\$ 2,212,311	\$ 2,212,311	\$ 2,208,992	\$ (3,319)
Specific ownership tax	300,000	300,000	170,897	(129,103)
Delinquent tax and interest	45,000	45,000	14,058	(30,942)
Intergovernmental				
Federal grants	16,480,258	16,478,858	14,054,457	(2,424,401)
State grants	2,007,144	2,002,744	1,985,533	(17,211)
Local grants	269,296	272,970	232,073	(40,897)
Charges for services	-	-	43	43
Fines and forfeitures	-	20,000	13,431	(6,569)
Investment income	100,000	100,000	104,392	4,392
Miscellaneous	81,410	83,536	258,049	174,513
Total Revenues	21,495,419	21,515,419	19,041,925	(2,473,494)
Expenditures				
Health and welfare				
Administration	3,004,496	2,998,687	2,525,255	473,432
Child care assistance	880,927	880,927	1,037,973	(157,046)
Child care quality and licensing	221,891	221,991	208,138	13,853
Child support enforcement	937,022	957,136	914,777	42,359
Child welfare block grant	4,313,427	4,331,268	4,047,925	283,343
Colorado works	1,438,182	1,438,182	1,063,111	375,071
CORE services	722,730	725,868	584,983	140,885
Aid to needy disabled	65,000	87,000	86,570	430
Food benefits assistance	7,000,000	7,000,000	4,830,607	2,169,393
General assistance	10,000	10,000	-	10,000
Home care allowance	38,000	38,000	25,731	12,269
Low-income energy assistance program	253,164	253,164	212,580	40,584
Old age pension	968,000	968,000	709,684	258,316
Single entry point	1,035,395	1,035,395	996,962	38,433
Independent living	17,458	17,458	9,446	8,012
DHS - local grants	22,702	25,447	21,547	3,900
DHS excess IV-E	5,000	5,000	-	5,000
Senior programs	966,343	966,343	961,240	5,103
Rural runaway homeless youth	8,173	8,173	3,083	5,090
DHS excess parental fees	41,200	51,700	32,912	18,788
Promoting safe and stable families	34,770	21,525	3,414	18,111
Employment first	252,091	252,091	239,860	12,231
Other programs	9,500	12,500	13,615	(1,115)
Capital outlay	93,000	23,000	7,507	15,493
Total Expenditures	22,338,471	22,328,855	18,536,920	3,791,935
Excess (Deficiency) of Revenues Over (Under) Expenditures	(843,052)	(813,436)	505,005	1,318,441
Other Financing Sources (Uses)				
Transfers out	-	(50,000)	(50,000)	-
Total Other Financing Sources (Uses)	-	(50,000)	(50,000)	-
Net Change in Fund Balances	\$ (843,052)	\$ (863,436)	\$ 455,005	\$ 1,318,441
Fund Balances Beginning of Year			18,233,051	
Fund Balances End of Year			\$ 18,688,056	

The accompanying notes are an integral part of these financial statements.

Garfield County, Colorado
Note to Required Supplementary Information
For the Year Ended December 31, 2017

Budgetary Information – The budget is prepared in accordance with accounting principles generally accepted in the United States of America by the County's Finance Department and approved by the Board of County Commissioners following a public hearing.

Any change in the total to a fund's budget requires approval of the Board of County Commissioners. All unexpended annual appropriations lapse at year-end. Budgets for these projects are appropriated in the following year.

SUPPLEMENTARY INFORMATION

Capital Projects Fund:

Capital Expenditures Fund – accounts for financing various capital improvement projects in Garfield County. Sources of revenue include property tax, grants and contributions.

Special Revenue Funds:

Airport Fund – accounts for operations at the County airport.

Oil and Gas Mitigation Fund – accounts for resources accumulated to offset the effects of oil and gas exploration and production within the County. The Colorado Department of Local Affairs distributes revenue derived from energy and mineral extraction statewide. This revenue comes from State Severance Tax receipts.

Conservation Trust Fund – accounts for lottery revenues received from the State of Colorado to be used for the acquisition and development of parks and recreational sites within Garfield County.

Grant Fund – accounts for monies that Garfield County has received through grant funding to be used on behalf of Garfield County.

Clerk & Recorder EFTF Fund – accounts for the revenues and expenditures related to the collection of a surcharge, which is to be used solely to defray the costs of implementing and providing electronic filing and recording capabilities.

Traffic Study Fund – accounts for revenues received from building & planning activity related to subdivision development. The revenues are to be used to address traffic/road concerns in the areas in which the subdivisions were approved.

Retirement Fund – accounts for the activities of the County retirement plan. The County levies a portion of property tax to fund its contribution to the plan.

Traveler's Highland PID – accounts for all revenues and expenditures of real and personal property tax dollars collected from property located within the district for specific purposes supported by statute and governing documents of the PID.

Public Health Fund – accounts for all revenues and expenditures related to the administration of public health services and programs. This fund was set up pursuant to Senate Bill 08-194.

Garfield County, Colorado
Capital Expenditures Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2017

	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)
Revenues				
Taxes				
Property tax revenue	\$ 4,092,775	\$ 4,092,775	\$ 4,087,694	\$ (5,081)
Specific ownership tax	150,000	150,000	316,159	166,159
Delinquent tax and interest	20,000	20,000	17,786	(2,214)
Intergovernmental				
Federal grants	25,000	25,000	-	(25,000)
State grants	-	-	880	880
Total Revenues	4,287,775	4,287,775	4,422,519	134,744
Expenditures				
General government	2,868,720	3,832,822	3,121,067	711,755
Public safety	580,000	1,026,179	234,891	791,288
Public works	-	439,472	360,703	78,769
Culture and recreation	1,685,000	2,540,782	2,234,398	306,384
Total Expenditures	5,133,720	7,839,255	5,951,059	1,888,196
Excess (Deficiency) of Revenues Over (Under) Expenditures	(845,945)	(3,551,480)	(1,528,540)	2,022,940
Other Financing Sources (Uses)				
Sale of capital assets	350,000	588,912	588,912	-
Total Other Financing Sources (Uses)	350,000	588,912	588,912	-
Net Change in Fund Balances	\$ (495,945)	\$ (2,962,568)	\$ (939,628)	\$ 2,022,940
Fund Balances Beginning of Year			4,681,491	
Fund Balances End of Year			\$ 3,741,863	

Garfield County, Colorado
Combining Balance Sheet
Non-major Governmental Funds
December 31, 2017

	Airport	Oil and Gas Mitigation	Conservation Trust	Grant	Clerk and Recorder EFTF
Assets					
Cash and investments	\$ 2,260,840	\$ 12,455,854	\$ 427,294	\$ 99,053	\$ 38,812
Accounts receivable	201,130	-	-	-	2,291
Due from other governments	-	-	-	-	-
Due from other funds	10,581	6,850	2,065	871	127
Total Assets	\$ 2,472,551	\$ 12,462,704	\$ 429,359	\$ 99,924	\$ 41,230
Liabilities					
Accounts payable	\$ 47,024	\$ 3,155,470	\$ -	\$ -	\$ -
Accrued expenditures	29,880	-	-	-	-
Unearned revenue	181,061	-	-	-	-
Due to other funds	2,121	-	-	-	-
Total Liabilities	260,086	3,155,470	-	-	-
Deferred Inflow of Resources					
Property tax revenue	-	-	-	-	-
Total Deferred Inflow of Resources	-	-	-	-	-
Fund Balances					
Spendable:					
Restricted	-	-	429,359	99,924	-
Committed	2,212,465	9,307,234	-	-	41,230
Total Fund Balances	2,212,465	9,307,234	429,359	99,924	41,230
Total Liabilities, Deferred Inflow of Resources, and Fund Balances	\$ 2,472,551	\$ 12,462,704	\$ 429,359	\$ 99,924	\$ 41,230

Traffic Study	Retirement	Traveler's Highland PID	Public Health	Total Non-major Governmental Funds
\$ 230,489	\$ 3,449,742	\$ 98,452	\$ 3,295,189	\$ 22,355,725
-	1,417,721	23,349	119,260	1,763,751
-	-	-	59,965	59,965
1,906	-	-	12,002	34,402
<u>\$ 232,395</u>	<u>\$ 4,867,463</u>	<u>\$ 121,801</u>	<u>\$ 3,486,416</u>	<u>\$ 24,213,843</u>
\$ -	\$ -	\$ 16,491	\$ 93,395	\$ 3,312,380
-	45,700	-	137,136	212,716
-	-	-	59,512	240,573
-	-	-	21,496	23,617
<u>-</u>	<u>45,700</u>	<u>16,491</u>	<u>311,539</u>	<u>3,789,286</u>
-	1,417,720	23,349	-	1,441,069
<u>-</u>	<u>1,417,720</u>	<u>23,349</u>	<u>-</u>	<u>1,441,069</u>
-	-	-	3,174,877	3,704,160
232,395	3,404,043	81,961	-	15,279,328
<u>232,395</u>	<u>3,404,043</u>	<u>81,961</u>	<u>3,174,877</u>	<u>18,983,488</u>
<u>\$ 232,395</u>	<u>\$ 4,867,463</u>	<u>\$ 121,801</u>	<u>\$ 3,486,416</u>	<u>\$ 24,213,843</u>

Garfield County, Colorado
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-major Governmental Funds
For the Year Ended December 31, 2017

	Airport	Oil and Gas Mitigation	Conservation Trust	Grant	Clerk and Recorder EFTF
Revenues					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	135,887	631,587	206,503	43,639	-
Charges for services	764,476	-	-	-	-
Fines and forfeitures	-	-	-	-	-
Investment income	-	-	168	-	17
Contributions	-	-	-	-	-
Miscellaneous	41,647	53,391	-	-	13,662
Total Revenues	942,010	684,978	206,671	43,639	13,679
Expenditures					
General government	-	4,269,373	-	3,231	9,374
Public safety	-	-	-	-	-
Public works	1,270,152	-	-	61,416	-
Health and welfare	-	-	-	-	-
Culture and recreation	-	-	162,838	-	-
Total Expenditures	1,270,152	4,269,373	162,838	64,647	9,374
Excess (Deficiency) of Revenues Over (Under) Expenditures	(328,142)	(3,584,395)	43,833	(21,008)	4,305
Other Financing Sources (Uses)					
Transfers in	1,000,000	-	-	-	-
Transfers out	-	-	-	-	-
Total Other Financing Sources (Uses)	1,000,000	-	-	-	-
Net Change in Fund Balances	671,858	(3,584,395)	43,833	(21,008)	4,305
Fund Balances Beginning of Year	1,540,607	12,891,629	385,526	120,932	36,925
Fund Balances End of Year	\$ 2,212,465	\$ 9,307,234	\$ 429,359	\$ 99,924	\$ 41,230

Traffic Study	Retirement	Traveler's Highland PID	Public Health	Total Non-major Governmental Funds
\$ -	\$ 1,551,777	\$ 27,280	\$ 341,550	\$ 1,920,607
-	309	-	1,230,767	2,248,692
232,319	-	-	333,285	1,330,080
-	28,969	-	-	28,969
76	-	-	-	261
-	-	-	50,000	50,000
-	-	-	38,530	147,230
232,395	1,581,055	27,280	1,994,132	5,725,839
-	434,543	-	-	4,716,521
-	524,387	-	-	524,387
-	170,286	16,998	-	1,518,852
-	88,115	-	3,351,765	3,439,880
-	-	-	-	162,838
-	1,217,331	16,998	3,351,765	10,362,478
232,395	363,724	10,282	(1,357,633)	(4,636,639)
-	-	-	1,500,000	2,500,000
(83,875)	-	-	-	(83,875)
(83,875)	-	-	1,500,000	2,416,125
148,520	363,724	10,282	142,367	(2,220,514)
83,875	3,040,319	71,679	3,032,510	21,204,002
\$ 232,395	\$ 3,404,043	\$ 81,961	\$ 3,174,877	\$ 18,983,488

Garfield County, Colorado
Airport Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2017

	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)
Revenues				
Intergovernmental				
Federal grants	\$ 600,000	\$ 600,000	\$ -	\$ (600,000)
State grants	191,135	191,135	135,887	(55,248)
Charges for services	536,291	536,291	764,476	228,185
Miscellaneous	38,500	38,500	41,647	3,147
Total Revenues	<u>1,365,926</u>	<u>1,365,926</u>	<u>942,010</u>	<u>(423,916)</u>
Expenditures				
Public works				
Personnel	472,745	473,872	468,799	5,073
Purchased services	125,168	125,168	119,451	5,717
Operating costs	321,297	321,297	314,870	6,427
Other expenses	-	-	525	(525)
Capital outlay	1,693,223	1,218,324	366,507	851,817
Total Expenditures	<u>2,612,433</u>	<u>2,138,661</u>	<u>1,270,152</u>	<u>868,509</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,246,507)	(772,735)	(328,142)	444,593
Other Financing Sources (Uses)				
Gain (loss) on sale of capital assets	500	500	-	(500)
Transfers in	1,000,000	1,000,000	1,000,000	-
Total Other Financing Sources (Uses)	<u>1,000,500</u>	<u>1,000,500</u>	<u>1,000,000</u>	<u>(500)</u>
Net Change in Fund Balances	<u>\$ (246,007)</u>	<u>\$ 227,765</u>	<u>\$ 671,858</u>	<u>\$ 444,093</u>
Fund Balances Beginning of Year			<u>1,540,607</u>	
Fund Balances End of Year			<u>\$ 2,212,465</u>	

Garfield County, Colorado
Oil and Gas Mitigation Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Final Budget Variance Positive (Negative)</u>
Revenues				
Intergovernmental				
State grants	\$ 1,200,000	\$ 621,587	\$ 621,587	\$ -
Local grants	-	-	10,000	10,000
Miscellaneous	-	-	53,391	53,391
Total Revenues	<u>1,200,000</u>	<u>621,587</u>	<u>684,978</u>	<u>63,391</u>
Expenditures				
General government	<u>1,000,000</u>	<u>1,360,638</u>	<u>4,269,373</u>	<u>(2,908,735)</u>
Total Expenditures	<u>1,000,000</u>	<u>1,360,638</u>	<u>4,269,373</u>	<u>(2,908,735)</u>
Net Change in Fund Balances	<u>\$ 200,000</u>	<u>\$ (739,051)</u>	<u>\$ (3,584,395)</u>	<u>\$ (2,845,344)</u>
Fund Balances Beginning of Year			<u>12,891,629</u>	
Fund Balances End of Year			<u>\$ 9,307,234</u>	

Garfield County, Colorado
Conservation Trust Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2017

	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)
Revenues				
Intergovernmental				
State grants	\$ 190,000	\$ 190,000	\$ 206,503	\$ 16,503
Investment income	90	90	168	78
Total Revenues	<u>190,090</u>	<u>190,090</u>	<u>206,671</u>	<u>16,581</u>
Expenditures				
Culture and recreation	-	501,247	162,838	338,409
Total Expenditures	<u>-</u>	<u>501,247</u>	<u>162,838</u>	<u>338,409</u>
Net Change in Fund Balances	<u>\$ 190,090</u>	<u>\$ (311,157)</u>	<u>\$ 43,833</u>	<u>\$ 354,990</u>
Fund Balances Beginning of Year			<u>385,526</u>	
Fund Balances End of Year			<u>\$ 429,359</u>	

Garfield County, Colorado
Grant Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Final Budget Variance Positive (Negative)</u>
Revenues				
Intergovernmental				
State grants	\$ -	\$ 68,026	\$ 43,639	\$ (24,387)
Total Revenues	<u>-</u>	<u>68,026</u>	<u>43,639</u>	<u>(24,387)</u>
Expenditures				
General government	-	-	3,231	(3,231)
Public works	-	84,035	61,416	22,619
Total Expenditures	<u>-</u>	<u>84,035</u>	<u>64,647</u>	<u>19,388</u>
Net Change in Fund Balances	<u>\$ -</u>	<u>\$ (16,009)</u>	<u>\$ (21,008)</u>	<u>\$ (4,999)</u>
Fund Balances Beginning of Year			<u>120,932</u>	
Fund Balances End of Year			<u>\$ 99,924</u>	

Garfield County, Colorado
Clerk and Recorder EFTF Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2017

	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)
Revenues				
Investment income	\$ 15	\$ 15	\$ 17	\$ 2
Miscellaneous	14,000	14,000	13,662	(338)
Total Revenues	14,015	14,015	13,679	(336)
Expenditures				
General government				
Clerk and recorder	10,000	10,000	9,374	626
Total Expenditures	10,000	10,000	9,374	626
Net Change in Fund Balances	<u>\$ 4,015</u>	<u>\$ 4,015</u>	\$ 4,305	<u>\$ 290</u>
Fund Balances Beginning of Year			<u>36,925</u>	
Fund Balances End of Year			<u>\$ 41,230</u>	

Garfield County, Colorado
Traffic Study Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2017

	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)
Revenues				
Charges for services	\$ 8,000	\$ 49,527	\$ 232,319	\$ 182,792
Investment income	10	10	76	66
Total Revenues	<u>8,010</u>	<u>49,537</u>	<u>232,395</u>	<u>182,858</u>
Expenditures				
General government	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	8,010	49,537	232,395	182,858
Other Financing Sources (Uses)				
Transfers (out)	-	(83,875)	(83,875)	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>(83,875)</u>	<u>(83,875)</u>	<u>-</u>
Net Change in Fund Balances	<u>\$ 8,010</u>	<u>\$ (34,338)</u>	<u>\$ 148,520</u>	<u>\$ 182,858</u>
Fund Balances Beginning of Year			<u>83,875</u>	
Fund Balances End of Year			<u>\$ 232,395</u>	

Garfield County, Colorado
Retirement Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2017

	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)
Revenues				
Taxes				
Property tax revenue	\$ 1,438,002	\$ 1,438,002	\$ 1,436,052	\$ (1,950)
Specific ownership tax	100,000	100,000	111,083	11,083
Delinquent tax and interest	15,000	15,000	4,642	(10,358)
Intergovernmental				
State grants	-	-	309	309
Fines and forfeitures	-	50,000	28,969	(21,031)
Miscellaneous	50,000	-	-	-
Total Revenues	<u>1,603,002</u>	<u>1,603,002</u>	<u>1,581,055</u>	<u>(21,947)</u>
Expenditures				
General government	468,312	463,762	434,543	29,219
Public safety	539,940	543,268	524,387	18,881
Public works	172,806	173,813	170,286	3,527
Health and welfare	89,497	90,391	88,115	2,276
Total Expenditures	<u>1,270,555</u>	<u>1,271,234</u>	<u>1,217,331</u>	<u>53,903</u>
Net Change in Fund Balances	<u>\$ 332,447</u>	<u>\$ 331,768</u>	<u>\$ 363,724</u>	<u>\$ 31,956</u>
Fund Balances Beginning of Year			<u>3,040,319</u>	
Fund Balances End of Year			<u>\$ 3,404,043</u>	

Garfield County, Colorado
Traveler's Highland PID
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2017

	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)
Revenues				
Taxes				
Property tax revenue	\$ 27,591	\$ 27,591	\$ 25,083	\$ (2,508)
Specific ownership tax	2,000	2,000	1,936	(64)
Delinquent tax and interest	-	-	261	261
Total Revenues	<u>29,591</u>	<u>29,591</u>	<u>27,280</u>	<u>(2,311)</u>
Expenditures				
Public works	<u>27,440</u>	<u>27,440</u>	<u>16,998</u>	<u>10,442</u>
Total Expenditures	<u>27,440</u>	<u>27,440</u>	<u>16,998</u>	<u>10,442</u>
Net Change in Fund Balances	<u>\$ 2,151</u>	<u>\$ 2,151</u>	<u>\$ 10,282</u>	<u>\$ 8,131</u>
Fund Balances Beginning of Year			<u>71,679</u>	
Fund Balances End of Year			<u>\$ 81,961</u>	

Garfield County, Colorado
Public Health Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2017

	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)
Revenues				
Taxes				
Sales tax	\$ 347,813	\$ 347,813	\$ 341,550	\$ (6,263)
Intergovernmental				
Federal grants	357,769	372,769	286,991	(85,778)
State grants	645,529	817,541	713,127	(104,414)
Local grants	264,743	284,759	230,649	(54,110)
Charges for services	280,000	280,000	333,285	53,285
Contributions	-	50,000	50,000	-
Miscellaneous	5,000	5,000	38,530	33,530
Total Revenues	<u>1,900,854</u>	<u>2,157,882</u>	<u>1,994,132</u>	<u>(163,750)</u>
Expenditures				
Health and welfare	<u>3,522,435</u>	<u>3,798,705</u>	<u>3,351,765</u>	<u>446,940</u>
Total Expenditures	<u>3,522,435</u>	<u>3,798,705</u>	<u>3,351,765</u>	<u>446,940</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,621,581)	(1,640,823)	(1,357,633)	283,190
Other Financing Sources (Uses)				
Transfers in	<u>1,500,000</u>	<u>1,500,000</u>	<u>1,500,000</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>1,500,000</u>	<u>1,500,000</u>	<u>1,500,000</u>	<u>-</u>
Net Change in Fund Balances	<u>\$ (121,581)</u>	<u>\$ (140,823)</u>	<u>\$ 142,367</u>	<u>\$ 283,190</u>
Fund Balances Beginning of Year			<u>3,032,510</u>	
Fund Balances End of Year			<u>\$ 3,174,877</u>	

PROPRIETARY FUNDS

Enterprise Fund

Enterprise funds are used to account for any activity for which a fee is charged to external users for good or services.

Solid Waste Disposal Fund – accounts for all the expenses of Garfield County's solid waste management operations. Sources of revenue include fees, grants and miscellaneous revenues from recycled goods.

Internal Service Fund

Internal service funds are used to account for services to other departments or agencies of the government, or to other governments on a cost-reimbursement basis.

Motor Pool Fund – accounts for the repair and maintenance costs for all the County's vehicles and equipment. The primary source of revenue is charges to various departments based on actual usage.

Garfield County, Colorado
Solid Waste Fund
Schedule of Revenues, Expenditures and Changes in Net Position -
Budget (Non-GAAP Basis) and Actual With Reconciliation to GAAP Basis
For the Year Ended December 31, 2017

	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)
Revenues				
Charges for services	\$ 1,783,000	\$ 1,783,000	\$ 1,692,481	\$ (90,519)
Other	-	-	41	41
Sale of capital assets	80,000	80,000	-	(80,000)
Transfers in	88,000	88,000	74,874	(13,126)
Total Revenues	<u>1,951,000</u>	<u>1,951,000</u>	<u>1,767,396</u>	<u>(183,604)</u>
Expenditures				
Personnel	699,640	699,640	725,809	(26,169)
Purchased services	438,498	518,661	468,003	50,658
Materials and supplies	145,720	149,157	146,377	2,780
Capital outlay	400,000	331,400	342,522	(11,122)
Total Expenditures	<u>1,683,858</u>	<u>1,698,858</u>	<u>1,682,711</u>	<u>16,147</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures - Non-GAAP Basis	<u>\$ 267,142</u>	<u>\$ 252,142</u>	<u>\$ 84,685</u>	<u>\$ (167,457)</u>
Add:				
Capitalized purchases			330,919	
Less:				
Closure/post-closure care			(64,115)	
Depreciation expense			<u>(325,277)</u>	
Change in Net Position - GAAP Basis			<u>\$ 26,212</u>	

Garfield County, Colorado
Motor Pool Fund
Schedule of Revenues, Expenditures and Changes in Net Position -
Budget (Non-GAAP Basis) and Actual With Reconciliation to GAAP Basis
For the Year Ended December 31, 2017

	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)
Revenues				
Charges for services	\$ 1,738,198	\$ 1,738,198	\$ 1,639,118	\$ (99,080)
Other	-	-	10,609	10,609
Sale of capital assets	77,000	77,000	93,893	16,893
Total Revenues	<u>1,815,198</u>	<u>1,815,198</u>	<u>1,743,620</u>	<u>(71,578)</u>
Expenditures				
Personnel	271,967	271,967	276,801	(4,834)
Purchased services	194,520	194,520	197,765	(3,245)
Materials and supplies	330,650	380,650	440,582	(59,932)
Capital outlay	580,000	626,880	512,816	114,064
Total Expenditures	<u>1,377,137</u>	<u>1,474,017</u>	<u>1,427,964</u>	<u>46,053</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures - Non-GAAP Basis	<u>\$ 438,061</u>	<u>\$ 341,181</u>	<u>\$ 315,656</u>	<u>\$ (25,525)</u>
Add:				
Capitalized purchases			512,816	
Less:				
Capital sale			(26,327)	
Depreciation expense			(647,207)	
Change in Net Position - GAAP Basis			<u>\$ 154,938</u>	

FIDUCIARY FUNDS

Agency Funds

Agency funds are used to account for short-term custodial collections on resources on behalf of another individual, entity, or government.

Section 125 Plan Fund – accounts for employee flex benefit transactions.

Jail Inmate Fund – accounts for the monies held on behalf of clients (inmates) while they are serving their sentences.

Grants Fund – accounts for monies held on behalf of various entities that have received grant funding for which Garfield County's role is to administer.

Agency Fund – accounts for monies held on behalf of clients in Community Correction residential facilities; asset forfeiture funds; and the Collaborative Management Program serving "at risk" youth.

County Treasurer Fund – accounts for the monies collected (principally tax collections) by the Garfield County Treasurer for various local government entities within the County.

County Clerk Fund – accounts for the monies collected by the Garfield County Clerk for recording, licenses, and motor vehicle transactions.

Garfield County, Colorado
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended December 31, 2017

	Balance 1/1/17	Additions	Deductions	Balance 12/31/17
Section 125 Plan				
Assets				
Cash and investments	\$ 85,309	\$ 333,672	\$ (319,333)	\$ 99,648
Liabilities				
Due to others	\$ 85,309	\$ 333,672	\$ (319,333)	\$ 99,648
Jail Inmate				
Assets				
Cash and investments	\$ 844	\$ 11,069	\$ -	\$ 11,913
Liabilities				
Due to others	\$ 844	\$ 11,069	\$ -	\$ 11,913
Grants				
Assets				
Cash and investments	\$ -	\$ 447,727	\$ (447,727)	\$ -
Liabilities				
Due to others	\$ -	\$ 447,727	\$ (447,727)	\$ -
Agency				
Assets				
Cash and investments	\$ 809,014	\$ 4,927,415	\$ (5,302,250)	\$ 434,179
Liabilities				
Due to others	\$ 809,014	\$ 4,927,415	\$ (5,302,250)	\$ 434,179
County Treasurer				
Assets				
Cash and investments	\$ 1,883,378	\$ 100,428,452	\$ (98,046,516)	\$ 4,265,314
Liabilities				
Due to other governments	\$ 1,883,378	\$ 100,428,452	\$ (98,046,516)	\$ 4,265,314
County Clerk				
Assets				
Cash and investments	\$ 1,486,461	\$ 21,468,106	\$ (21,371,750)	\$ 1,582,817
Liabilities				
Due to other governments	\$ 1,486,461	\$ 21,468,106	\$ (21,371,750)	\$ 1,582,817
Total				
Assets				
Cash and investments	\$ 4,265,006	\$ 127,616,441	\$ (125,487,576)	\$ 6,393,871
	\$ 4,265,006	\$ 127,616,441	\$ (125,487,576)	\$ 6,393,871
Liabilities				
Due to others	\$ 895,167	\$ 5,719,883	\$ (6,069,310)	\$ 545,740
Due to other governments	3,369,839	121,896,558	(119,418,266)	5,848,131
	\$ 4,265,006	\$ 127,616,441	\$ (125,487,576)	\$ 6,393,871

**ANNUAL SCHEDULE OF REVENUES AND
EXPENDITURES FOR ROADS, BRIDGES, AND
STREETS**

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

LOCAL HIGHWAY FINANCE REPORT		City or County: Garfield County	
		YEAR ENDING : December 2017	
This Information From The Records of Garfield County, Colorado		Prepared By: Bob Prendergast, Finance Administrator Phone: (970) 625-5912	

I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE				
ITEM	A. Local Motor-Fuel Taxes	B. Local Motor-Vehicle Taxes	C. Receipts from State Highway-User Taxes	D. Receipts from Federal Highway Administration
1. Total receipts available				
2. Minus amount used for collection expenses				
3. Minus amount used for nonhighway purposes				
4. Minus amount used for mass transit				
5. Remainder used for highway purposes				

II. RECEIPTS FOR ROAD AND STREET PURPOSES		III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES	
ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway disbursements:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	776,931
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	5,319,345
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	
2. General fund appropriations	1,410,157	b. Snow and ice removal	2,038,473
3. Other local imposts (from page 2)	3,190,139	c. Other	0
4. Miscellaneous local receipts (from page 2)	221,308	d. Total (a. through c.)	2,038,473
5. Transfers from toll facilities		4. General administration & miscellaneous	2,367,918
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	1,410,157
a. Bonds - Original Issues		6. Total (1 through 5)	11,912,824
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	
7. Total (1 through 6)	4,821,604	b. Redemption	
B. Private Contributions		c. Total (a. + b.)	0
C. Receipts from State government (from page 2)	3,623,023	2. Notes:	
D. Receipts from Federal Government (from page 2)	0	a. Interest	
E. Total receipts (A.7 + B + C + D)	8,444,627	b. Redemption	
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	0
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total disbursements (A.6 + B.3 + C + D)	11,912,824

IV. LOCAL HIGHWAY DEBT STATUS (Show all entries at par)				
	Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)				0
1. Bonds (Refunding Portion)				
B. Notes (Total)				0

V. LOCAL ROAD AND STREET FUND BALANCE					
	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	32,462,387	8,444,627	11,912,824	28,994,190	0

Notes and Comments:
Highway law enforcement and safety per the County Sheriff is approximately 33% of the Patrol operating expenditures for the year.
Ending Balance for Local Road and Street Fund Balance agrees to audited R&B 120 fund as of 12/31/17.

LOCAL HIGHWAY FINANCE REPORT		STATE: Colorado YEAR ENDING (mm/yy): December 2017	
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	47,874	a. Interest on investments	0
b. Other local imposts:		b. Traffic Fines & Penalties	0
1. Sales Taxes	2,762,751	c. Parking Garage Fees	0
2. Infrastructure & Impact Fees	83,875	d. Parking Meter Fees	0
3. Liens	0	e. Sale of Surplus Property	157,950
4. Licenses (permits)	295,639	f. Charges for Services	63,358
5. Specific Ownership &/or Other	0	g. Other MR for CR113 Cattle Creek Inter	0
6. Total (1. through 5.)	3,142,265	h. Other Misc. Receipts for O&G reimb	0
c. Total (a. + b.)	3,190,139	i. Total (a. through h.)	221,308
	(Carry forward to page 1)		(Carry forward to page 1)
III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL			
ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	3,610,939	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	0
a. State bond proceeds		b. FEMA	0
b. Project Match		c. HUD	0
c. Motor Vehicle Registrations	0	d. Federal Transit Admin	0
d. Other (Specify) DOLA	0	e. U.S. Corps of Engineers	0
e. Other (Specify)	12,084	f. Other Federal	0
f. Total (a. through e.)	12,084	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	3,623,023	3. Total (1. + 2.g)	
			(Carry forward to page 1)
III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL			
	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs		0	0
b. Engineering Costs		111,231	111,231
c. Construction:			
(1). New Facilities		0	0
(2). Capacity Improvements		665,700	665,700
(3). System Preservation		0	0
(4). System Enhancement & Operation		0	0
(5). Total Construction (1) + (2) + (3) + (4)	0	665,700	665,700
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	776,931	776,931
			(Carry forward to page 1)
Notes and Comments:			

STATISTICAL SECTION

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

The information in this Statistical Section of the comprehensive annual financial report is intended, when possible, to provide information about Garfield County's economic condition in the following areas.

Financial Trends - information used to understand and assess how a government's financial position has changed over time.

Revenue Capacity - information used to understand and assess the government's ability to generate own-source revenue.

Debt Capacity - information used to understand and assess the government's debt burden and its ability to issue additional debt.

Demographic and Economic Data - information used to understand the government's socioeconomic environment and facilitate comparisons of financial statement information of time or among governments.

Operating Information - information used to understand the government's operations and resources, therefore providing a context for understanding and assessing its economic condition.

Most of the data comes directly from current and prior Garfield County financial reports. Data which comes from other sources is noted on the individual tables.

Garfield County, Colorado
Net Position by Component
Last Ten Fiscal Years

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Government Activities										
Invested in Capital Assets	\$ 289,553,725	\$ 294,911,984	\$ 296,524,819	\$ 292,987,403	\$ 292,692,304	\$ 292,192,199	\$ 280,838,459	\$ 283,156,057	\$ 250,489,399	\$ 220,875,579
Restricted										
Pubic Health	3,174,877	3,032,510	2,765,480	2,395,584	1,865,700	1,514,597	-	-	-	-
Road and Bridge	28,900,555	32,355,558	32,976,501	24,868,563	25,472,161	23,319,842	-	-	-	-
Human Services	18,449,250	17,982,325	15,551,739	13,007,658	10,591,099	9,007,835	-	-	-	-
Conservation Trust	429,359	385,526	435,015	247,490	215,871	16,256	-	-	-	-
Emergency Reserve	3,018,434	3,018,434	3,018,434	3,018,434	3,018,434	3,368,434	3,168,434	2,283,434	2,183,434	1,183,434
Grant	99,924	120,932	99,925	99,925	99,925	99,925	-	-	-	-
Capital Expenditure	3,741,863	4,681,491	7,113,473	14,429,117	10,490,462	13,170,017	-	-	-	-
Debt Service	See 2017 categories above	See 2016 categories above	See 2015 categories above	See 2014 categories above	See 2013 categories above	See 2012 categories above	1,715,136	1,715,136	1,715,136	1,698,566
Other Purposes							78,002,261	-	-	2,168,542
Unrestricted	52,048,559	62,931,275	59,735,438	65,530,536	75,834,116	64,712,631	37,018,493	102,199,806	74,468,083	57,803,515
<i>Subtotal</i>	399,416,546	419,420,035	418,220,824	416,584,710	420,280,072	407,401,736	400,742,783	389,354,433	328,856,052	283,729,636
Business-Type Activities										
Invested in Capital Activities	3,064,727	3,059,085	3,332,842	2,841,099	2,808,721	2,390,059	2,147,854	2,449,485	2,534,580	2,206,023
Unrestricted	4,380,014	4,359,444	3,772,832	3,710,172	3,527,910	3,995,405	4,309,557	3,955,161	4,122,576	4,921,490
<i>Subtotal</i>	7,444,741	7,418,529	7,105,674	6,551,271	6,336,631	6,385,464	6,457,411	6,404,646	6,657,156	7,127,513
Total Net Position	\$ 406,861,287	\$ 426,838,564	\$ 425,326,498	\$ 423,135,981	\$ 426,616,703	\$ 413,787,200	\$ 407,200,194	\$ 395,759,079	\$ 335,513,208	\$ 290,857,149

Source:
Garfield County Finance Department (CAFR)
Statement of Net Position includes GASB 34 Adjustments

GASB #54 redefined the components of fund balance which in turn changed the "Restricted for" categories on the Statement of Net Position. You will see the change in the 2012 compared to prior years.

Garfield County, Colorado
Changes in Net Position
Last Ten Fiscal Years

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Program Revenues										
Governmental Activities										
Taxes (including severance tax)	\$ 43,399,022	\$ 58,496,903	\$ 57,388,663	\$ 54,578,141	\$ 64,966,210	\$ 66,249,425	\$ 60,278,224	\$ 81,248,448	\$ 66,374,680	\$ 53,837,077
Charges for Services:										
General government	3,694,055	5,824,156	3,973,090	3,606,231	4,212,722	4,366,878	3,887,039	5,027,586	4,301,231	4,278,503
Public safety	456,166	542,513	562,123	447,677	519,384	541,817	585,749	852,418	870,048	997,190
Public works	1,149,551	825,403	715,442	726,724	606,731	534,365	617,133	516,827	657,436	846,880
Health and welfare	346,759	352,451	268,902	210,355	187,059	144,546	192,590	193,125	213,468	272,035
Culture and recreation	607,980	670,379	544,257	572,984	516,599	490,960	494,391	532,808	483,090	608,532
Operating Grants	27,498,668	27,452,507	27,141,100	26,707,457	26,864,746	30,523,566	24,503,184	25,110,324	24,081,281	18,846,379
Unrestricted Grants			-	-	-	8,794	-	-	-	15,061
Capital Grants and contributions	621,252	1,170,130	1,580,188	1,622,873	1,687,247	2,377,253	5,420,767	31,779,071	27,499,105	8,924,108
Investment Income	1,092,711	942,809	620,896	878,589	39,118	610,429	840,967	805,113	1,564,116	3,104,676
Loss on disposal of capital assets	-	-	-	-	-	(832,114)	-	-	-	-
Gain on sale of capital assets	(551,130)	28,049	113,917	-	1,519,360	-	-	-	-	-
Miscellaneous Revenues and transfers	(74,874)	(86,064)	(82,863)	(88,936)	(83,352)	(68,374)	(42,387)	(25,000)	-	27,943
Total Governmental Revenues	78,240,160	96,219,236	92,825,715	89,262,095	101,035,824	104,947,545	96,777,657	146,040,720	126,044,455	91,758,384
Business Type Activities										
Charges for Services:										
Solid waste disposal	1,692,481	1,643,297	1,521,516	1,789,399	1,282,819	1,101,790	1,295,525	1,308,440	1,363,718	2,306,000
Operating Grants	41	17,786	-	668	2,325	3,340	30,508	7,862	45,110	13,654
Capital Grants	-	-	285,000	-	-	-	-	-	-	-
Gain on sale of capital assets	-	65,378	-	-	-	-	-	-	-	-
Miscellaneous Revenues and transfers	74,874	86,064	82,863	88,936	83,352	68,374	42,387	25,000	-	(27,943)
Total Business Type Revenues	1,767,396	1,812,525	1,889,379	1,879,003	1,368,496	1,173,504	1,368,420	1,341,302	1,408,828	2,291,711
Total Primary Government Revenues	\$ 80,007,556	\$ 98,031,761	\$ 94,715,094	\$ 91,141,098	\$ 102,404,320	\$ 106,121,049	\$ 98,146,077	\$ 147,382,022	\$ 127,453,283	\$ 94,050,095
Program Expenses										
Governmental Activities										
General Government	\$ 28,133,188	\$ 24,596,283	\$ 23,171,168	\$ 24,319,885	\$ 23,665,114	\$ 26,171,545	\$ 22,744,858	\$ 21,528,329	\$ 17,605,504	\$ 17,699,368
Public Safety	22,756,808	22,126,678	22,761,179	21,564,522	21,978,817	22,492,864	21,947,452	21,446,288	21,164,697	17,958,161
Public Works	22,447,525	23,584,988	21,509,213	21,195,359	19,885,117	25,950,121	18,576,728	19,661,900	20,732,738	20,351,512
Health and Welfare	22,600,413	22,598,603	22,181,053	21,485,469	21,573,669	21,440,584	21,315,277	20,864,969	19,260,828	15,331,392
Culture and Recreation	2,305,715	2,113,473	1,566,988	1,520,033	1,273,353	1,536,630	1,194,341	1,275,899	1,294,917	1,363,837
Interest	-	-	-	-	-	696,848	757,738	764,954	859,356	734,037
Total Governmental Expenses	98,243,649	95,020,025	91,189,601	90,085,268	88,376,070	98,288,592	86,536,394	85,542,339	80,918,040	73,438,307
Business Type Activities										
Solid Waste	1,741,184	1,499,670	1,334,976	1,559,741	1,436,183	1,245,451	1,315,655	1,593,812	1,879,185	1,419,793
Total Business Type Expenses	1,741,184	1,499,670	1,334,976	1,559,741	1,436,183	1,245,451	1,315,655	1,593,812	1,879,185	1,419,793
Total Primary Government Expenses	\$ 99,984,833	\$ 96,519,695	\$ 92,524,577	\$ 91,645,009	\$ 89,812,253	\$ 99,534,043	\$ 87,852,049	\$ 87,136,151	\$ 82,797,225	\$ 74,858,100
Net Revenue (Expense)										
Governmental Activities	\$ (20,003,489)	\$ 1,199,211	\$ 1,636,114	\$ (823,173)	\$ 12,659,754	\$ 6,658,953	\$ 10,241,263	\$ 60,498,381	\$ 45,126,415	\$ 18,320,077
Business-Type Activities	26,212	312,855	554,403	319,262	(67,687)	(71,947)	52,765	(252,510)	(470,357)	871,918
Total Primary Government	(19,977,277)	1,512,066	2,190,517	(503,911)	12,592,067	6,587,006	10,294,028	60,245,871	44,656,058	19,191,995
Change in Net Position	(19,977,277)	1,512,066	2,190,517	(503,911)	12,592,067	6,587,006	10,294,028	60,245,871	44,656,058	19,191,995
Net Position Beginning	426,838,564	425,326,498	423,135,981	426,616,703	413,787,200	407,200,194	395,759,079	335,513,208	290,857,150	271,665,154
Restatement of Capital Assets				-	-	-	-	-	-	-
Prior Period Adjustment	-	-	-	(2,976,811)	237,436	-	1,147,087	-	-	-
Net Position Ending	\$ 406,861,287	\$ 426,838,564	\$ 425,326,498	\$ 423,135,981	\$ 426,616,703	\$ 413,787,200	\$ 407,200,194	\$ 395,759,079	\$ 335,513,208	\$ 290,857,149

Garfield County, Colorado
Fund Balances - Governmental Funds
Last Ten Fiscal Years

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
General Fund Balances										
Non-spendable	\$ 45,000	\$ 39,960	\$ 19,960	\$ 29,960	\$ 29,960	\$ 29,960	\$ 29,658	\$ 5,000	\$ 5,000	\$ 5,000
Spendable:										
Restricted	3,018,434	3,018,434	3,018,434	3,018,434	3,018,434	3,368,434	3,168,434	-	-	-
Committed	1,082,906	1,008,686	815,857	621,899	444,442	211,574	139,728	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	750,501
Unassigned	32,549,950	41,292,555	36,559,256	45,047,961	53,171,485	39,956,305	33,469,539	25,668,175	18,237,620	16,891,743
Total General Fund Balances	36,696,290	45,359,635	40,413,507	48,718,254	56,664,321	43,566,273	36,807,359	25,673,175	18,242,620	17,647,244
Other Governmental Fund Balances										
Non-spendable	93,634	106,828	176,951	100,131	218,592	91,652	58,166	80,371	110,164	69,255
Spendable:										
Restricted	54,795,828	58,558,342	58,942,133	55,048,337	48,735,218	47,128,472	50,459,038	3,998,570	3,898,570	2,882,000
Committed	15,518,134	17,665,034	19,671,720	17,404,344	19,684,666	22,533,846	25,593,157	-	-	-
Assigned	-	250,726	258,892	262,471	264,151	266,474	4,922,955	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-	-
Restricted/Committed (Special Rev Funds)	**	**	**	**	**	**	**	74,818,953	54,876,891	41,289,004
Total Other Governmental Fund Balances	70,407,596	76,580,930	79,049,696	72,815,283	68,902,627	70,020,444	81,033,316	78,897,894	58,885,625	44,240,259
Total Fund Balances	\$ 107,103,886	\$ 121,940,565	\$ 119,463,203	\$ 121,533,537	\$ 125,566,948	\$ 113,586,717	\$ 117,840,675	\$ 104,571,069	\$ 77,128,245	\$ 61,887,503

Source:
Garfield County Finance Department (CAFR)
Statement of Fund Balances does not include GASB 34 Adjustments.

** Prior to 2011 were Unreserved, Undesignated: Special Revenue Funds and are now categorized as Restricted/Committed since a breakdown was unavailable for prior years.

Garfield County, Colorado
Changes in Fund Balance
Governmental Funds
Last Ten Fiscal Years

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
REVENUES										
Taxes	\$ 42,776,555	\$ 57,798,500	\$ 54,584,506	\$ 51,989,692	\$ 63,168,261	\$ 64,104,264	\$ 58,345,702	\$ 77,695,901	\$ 54,886,105	\$ 50,713,122
Licenses and Permits	155,707	161,692	147,721	216,984	253,874	255,456	313,256	276,702	307,342	389,330
Intergovernmental	26,079,625	26,415,032	28,882,947	28,078,027	27,689,428	32,177,069	29,062,531	57,167,499	41,800,237	29,290,487
Charges for services	6,788,688	8,813,210	6,677,673	6,101,349	6,667,042	6,461,865	6,126,498	7,561,750	6,492,155	6,997,362
Fines and forfeitures	155,314	119,142	112,170	109,128	123,867	126,912	113,150	131,621	92,809	38,086
Interest	1,092,708	942,809	620,896	878,591	39,103	610,398	854,215	805,117	1,592,133	3,123,801
Contributions	695,666	1,103,386	1,011,885	1,073,688	700,014	1,219,142	934,536	1,450,810	19,115,900	282,009
Miscellaneous	1,279,848	947,376	776,210	903,565	958,215	884,113	1,156,241	1,056,321	1,757,774	881,184
TOTAL REVENUES	79,024,111	96,301,147	92,814,008	89,351,024	99,599,804	105,839,219	96,906,129	146,145,721	126,044,455	91,715,381
CURRENT EXPENDITURES										
General Government	31,073,702	28,979,479	28,793,887	25,234,331	24,480,457	26,279,455	23,584,853	18,130,293	17,802,193	17,485,665
Public safety	21,709,011	21,090,020	22,421,659	20,894,417	22,370,763	21,589,177	20,893,394	23,832,515	21,618,762	26,379,461
Public works	14,768,886	18,832,830	19,305,628	21,401,432	17,977,108	22,910,087	16,286,982	52,926,697	48,412,993	21,045,605
Public health and welfare	22,571,500	22,758,009	22,256,254	21,581,850	21,618,763	21,580,768	21,405,521	21,100,046	19,177,014	15,237,693
Culture and recreation	4,251,729	2,041,012	2,100,875	4,183,469	2,204,142	1,692,244	1,343,177	1,470,398	1,218,442	1,293,037
Debt Service										
Principal	-	-	-	-	-	15,560,000	515,000	495,000	1,760,000	850,000
Interest	-	-	-	-	-	417,666	708,096	718,559	810,111	850,986
Other	-	-	-	-	-	4,200	4,200	4,389	4,200	-
Intergovernmental	-	-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	94,374,828	93,701,350	94,878,303	93,295,499	88,651,233	110,033,597	84,741,223	118,677,897	110,803,715	83,142,447
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(15,350,717)	2,599,797	(2,064,295)	(3,944,475)	10,948,571	(4,194,378)	12,164,906	27,467,824	15,240,740	8,572,934
Transfers In	3,433,875	3,300,000	7,041,415	2,300,000	3,145,920	11,766,872	4,368,469	8,270,412	7,000,000	2,155,000
Transfers Out	(3,508,749)	(3,460,268)	(7,124,278)	(2,388,936)	(3,229,272)	(11,835,246)	(4,410,856)	(8,295,412)	(7,000,000)	(2,155,000)
Insurance Proceeds	-	-	76,824	-	-	-	-	-	-	-
Net debt proceeds	-	-	-	-	-	-	-	-	-	-
Sales of Assets	588,912	37,833	-	-	1,098,686	8,794	-	-	-	15,061
	514,038	(122,435)	(6,039)	(88,936)	1,015,334	(59,580)	(42,387)	(25,000)	-	15,061
NET CHANGE IN FUND BALANCE	(14,836,679)	2,477,362	(2,070,334)	(4,033,411)	11,963,905	(4,253,958)	12,122,519	27,442,824	15,240,740	8,587,995
Fund Balance January 1	121,940,565	119,463,203	121,533,537	125,566,948	113,586,717	117,840,675	104,571,069	77,128,245	61,887,505	53,299,510
Restatement of Accounts Receivable	-	-	-	-	-	-	-	-	-	-
Prior Period Adjustment	-	-	-	-	16,326	-	1,147,087	-	-	-
Fund Balance December 31	\$ 107,103,886	\$ 121,940,565	\$ 119,463,203	\$ 121,533,537	\$ 125,566,948	\$ 113,586,717	\$ 117,840,675	\$ 104,571,069	\$ 77,128,245	\$ 61,887,505
Ratio of Debt Service Expenditures/ Total Non-Capital Expenditures	0.00%	0.00%	0.00%	0.00%	0.00%	15.37%	1.58%	1.64%	3.46%	2.53%
Source: Garfield County Finance Department (CAFR) Revenues, Expenditures and Changes in Fund Balance does not include GASB 34 adjustments										
Ratio calculation										
Debt service expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,981,866	\$ 1,227,296	\$ 1,217,948	\$ 2,574,311	\$ 1,700,986
Total expenditures	94,374,828	93,701,350	94,878,303	93,295,499	88,651,233	110,033,597	84,741,223	118,677,897	110,803,715	83,142,447
Capital outlay per p. C6 of Fin Stmt	8,134,419	9,459,775	13,850,001	13,203,901	9,830,157	6,069,022	7,210,287	44,270,895	36,400,507	15,908,643
Adjusted Non capital expenditures	\$ 86,240,409	\$ 84,241,575	\$ 81,028,302	\$ 80,091,598	\$ 78,821,076	\$ 103,964,575	\$ 77,530,936	\$ 74,407,002	\$ 74,403,208	\$ 67,233,804

Garfield County, Colorado
General Government Tax Revenues By Source (1)
Last Ten Fiscal Years

Fiscal Year	Current Property Tax	Sales Tax	Specific Ownership Tax	Other / Severance Taxes	Total
2017	\$ 30,494,454	\$ 9,790,210	\$ 2,335,533	\$ 778,825	\$ 43,399,022
2016	46,744,301	8,651,100	2,250,263	851,239	58,496,903
2015	42,996,188	8,994,648	2,443,128	2,954,699	57,388,663
2014	31,885,686	8,860,822	2,436,939	2,739,209	45,922,656
2013	54,274,821	6,175,259	2,575,968	1,940,162	64,966,210
2012	52,387,855	9,085,232	2,488,204	2,288,134	66,249,425
2011	47,811,401	7,937,089	2,450,430	2,079,304	60,278,224
2010	71,027,575	4,076,742	2,447,030	3,697,101	81,248,448
2009	46,242,238	5,739,317	2,753,079	11,640,046	66,374,680
2008	39,053,677	7,954,973	3,539,875	3,288,552	53,837,077
	(3)	(2)			

Source:

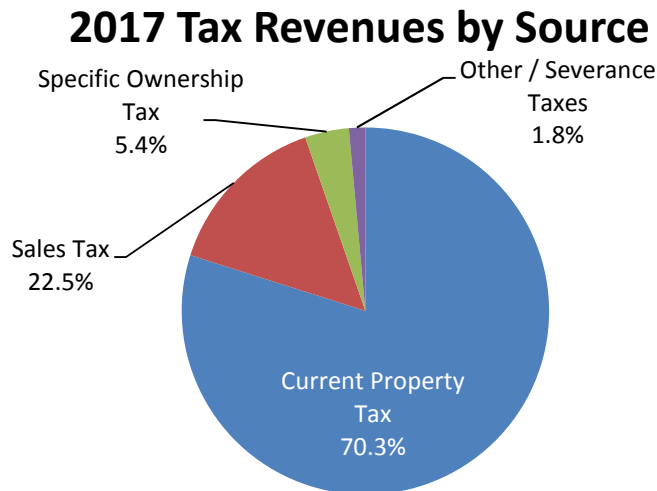
Garfield County Finance Department (CAFR)

General Government Tax Revenues by Source does not include GASB 34 adjustments

(1) The TABOR (Article X Section 20) amendment to the Colorado State Constitution limits revenue increases and has other specific requirements.

(2) Sales tax is collected by the vendor on most classes of goods and is remitted to the State of Colorado. The State distributes Garfield County's percentage, which is set by statute, or that remittance to the County on a monthly basis.

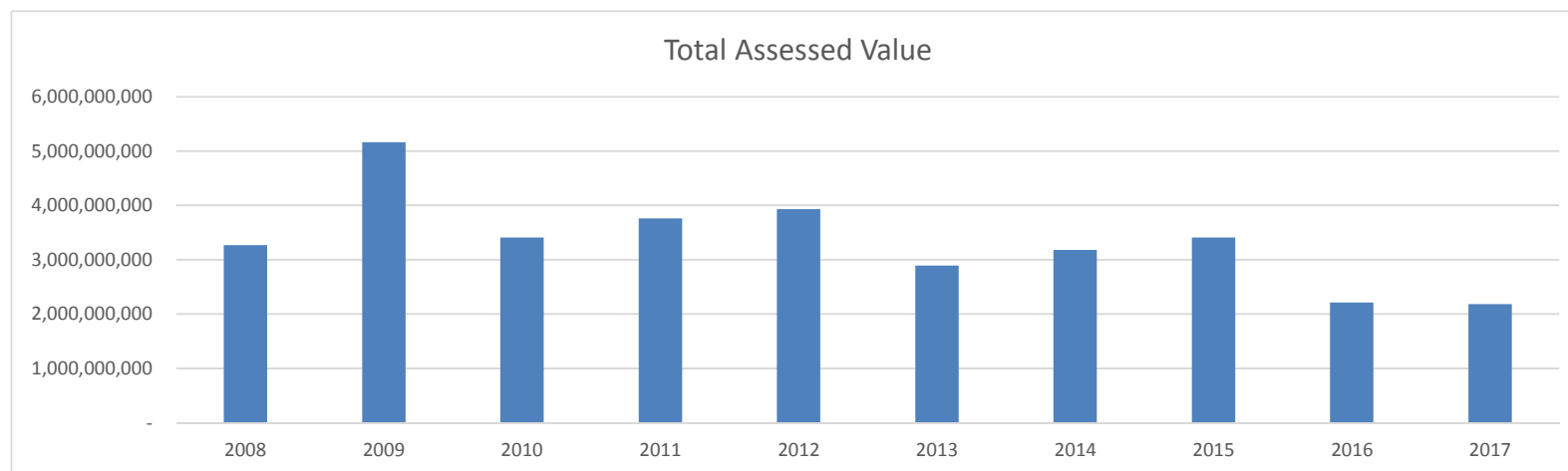
(3) Full reappraisals of all Garfield County properties are completed on a bi-yearly basis.



Garfield County, Colorado
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

Year	Real Property	Personal Property	Oil and Gas Production	State Assessed and Other Property	Total Assessed Value	Total Direct Tax Rate	Estimated Actual Value	Ratio of Assessed Value to Estimated Actual Value	Tax Collected Year
2017	\$ 930,308,740	\$ 599,599,660	\$ 539,640,240	\$ 111,072,500	\$ 2,181,107,390	13.655%	\$ 11,705,856,850	18.63%	2017
2016	878,725,390	631,800,330	596,449,390	107,384,500	2,214,359,610	13.655%	10,742,290,520	20.61%	2016
2015	870,913,790	707,877,190	1,726,669,450	105,676,700	3,411,137,130	13.655%	12,213,109,100	27.93%	2015
2014	723,370,250	716,243,810	1,643,051,580	96,660,700	3,179,326,340	13.655%	10,597,407,360	30.00%	2014
2013	722,210,880	765,559,120	1,311,795,190	95,430,300	2,894,995,490	13.655%	10,364,778,390	27.93%	2013
2012	926,930,520	782,538,290	2,134,729,290	86,893,100	3,931,091,200	13.655%	12,931,685,170	30.40%	2012
2011	915,790,250	701,997,730	2,062,362,640	83,748,900	3,763,899,520	13.655%	12,498,816,110	30.11%	2011
2010	1,249,223,080	643,428,730	1,439,552,250	78,238,900	3,410,442,960	13.655%	14,431,798,760	23.63%	2010
2009	1,230,812,312	787,335,350	3,069,871,590	76,407,700	5,164,426,952	13.655%	16,570,909,484	31.17%	2009
2008	933,425,320	448,851,040	1,826,010,970	62,297,700	3,270,585,030	13.655%	11,503,072,591	28.43%	2008

Source: Garfield County Assessor's Office, Abstract of Assessments



Garfield County, Colorado
Property Tax Rates - Direct and Overlapping Governments
Per \$1,000 Assessed Valuation (Mill Levy)
Last Ten Fiscal Years

Levy Year	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Collection Year	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Garfield County	13.655	13.655	13.655	13.655	13.655	13.655	13.655	13.655	13.655	13.655
School Districts										
Roaring Fork (RE-1)	44.038	45.245	46.300	42.149	42.445	38.388	39.589	30.992	30.984	33.942
Rifle (RE-2)	23.104	19.805	15.545	15.842	15.477	13.762	14.653	14.465	14.132	15.730
Parachute (16)	14.978	14.250	8.555	9.012	8.928	6.766	6.602	7.698	5.233	7.199
Debeque (JT-49)	9.111	8.767	7.551	4.108	4.026	3.984	4.491	5.762	5.638	7.646
Eagle (RE-50J)	24.912	25.209	20.331	21.517	20.826	21.362	21.601	19.474	19.402	20.414
Cities and Towns										
Town of Carbondale	3.594	3.594	3.594	3.594	3.594	3.594	3.594	3.594	3.594	3.594
City of Glenwood Springs	6.513	6.179	6.126	7.022	7.051	4.654	4.852	3.752	3.721	4.641
Town of New Castle	8.634	8.786	8.966	9.506	9.206	8.534	8.540	7.899	7.670	6.908
Town of Parachute	13.562	13.562	13.562	13.562	13.562	13.562	13.247	10.016	8.366	11.372
City of Rifle	5.261	5.261	5.261	5.261	5.261	5.261	5.261	5.261	5.261	5.261
Town of Silt	8.973	8.973	8.973	8.973	8.973	8.973	8.973	8.973	8.973	8.973
Town of Carbonate	30.000	30.000	30.000							
Fire Districts										
Burning Mountains Fire	-	-	-	-	6.102	6.102	6.102	6.102	6.102	6.102
Carbondale Fire	9.306	9.483	9.516	8.203	8.207	9.965	10.041	7.246	7.229	7.694
Colorado River Fire	6.102	6.102	6.102	6.102	-	-	-	-	-	-
Debeque Fire	4.000	4.000	4.000	3.862	4.000	3.930	4.000	4.000	2.555	4.000
Glenwood & Rural Fire	10.197	10.313	10.302	10.588	11.465	8.338	8.658	7.933	9.022	7.706
Grand Valley Fire	3.267	3.267	3.267	3.267	3.267	3.267	3.267	3.267	3.267	3.267
Gypsum Fire	10.500	10.504	6.846	6.926	6.915	6.892	6.946	6.833	6.833	6.833
Rifle & Rural Fire	-	-	-	-	6.102	6.102	6.284	6.284	6.284	6.259
Water and Sanitation Districts										
Basalt Water	0.039	0.039	0.039	0.044	0.044	0.044	0.044	0.044	0.044	0.055
Bluestone Water	0.006	0.006	0.005	0.005	0.006	0.005	0.005	0.006	0.006	0.009
Colo River Conservation	0.254	0.253	0.243	0.253	0.254	0.242	0.228	0.188	0.166	0.199
Consolidated Metro	-	-	-	-	-	-	-	-	-	-
Roaring Fork Water	7.400	7.400	7.400	7.400	5.723	5.723	5.723	3.790	3.791	4.111
Silt Water	0.829	0.842	0.780	0.850	0.798	0.513	0.602	0.590	0.525	0.679
Spring Valley Sanitation	4.000	4.000	4.000	4.000	4.000	4.000	4.000	4.013	4.000	4.000
West Divide Water	0.039	0.039	0.039	0.039	0.041	0.041	0.042	0.048	0.048	0.075
West Glenwood Sanitation	0.762	0.810	0.810	5.835	5.903	5.043	5.010	3.830	4.920	4.920
Yellow Jacket	0.209	0.209	0.209	0.209	0.209	0.209	0.210	0.197	0.169	0.209
Colleges										
Colorado Mountain College	3.997	3.997	3.997	3.997	3.997	3.997	3.997	3.997	3.997	3.997
Special Districts										
Glenwood GID	2.138	2.308	2.291	2.459	2.484	2.460	2.458	2.074	2.010	2.253
Grand River Hospital	9.776	5.597	5.597	5.597	5.597	5.597	5.597	5.597	5.597	5.597
Grand Valley Cemetery	0.009	0.009	0.007	0.007	0.009	0.009	0.009	0.011	0.011	0.018
Parachute/Battlement Pks & Rec	4.005	4.000	4.000	1.113	0.556	0.259	0.930	1.200	1.260	1.790
Rifle DDA	3.774	3.774	3.774	3.774	3.774	3.774	3.774	3.774	3.774	3.774
Mid Valley Metro	0.276	0.289	0.289	0.331	2.133	3.582	3.603	2.356	2.334	3.290
River Park Metro	49.650	45.000	45.000	45.000	45.000	45.000	45.000	45.000	45.000	45.000
Silt URA Dollar Gen.	-	-	-	-	-	54.807	-	-	-	-
Glenwood Meadows #2	5.000	5.000	5.000	5.000	5.000	4.000	4.000	4.000	5.000	5.000
Glenwood Meadows #3	5.000	5.000	5.000	5.000	5.000	4.000	4.000	4.000	5.000	5.000
Landis Creek Metro #1	35.000	35.000	35.000	35.000	35.000	35.000	35.000	35.000	35.000	35.000
Landis Creek Metro #2	35.000	35.000	35.000	35.000	35.000	35.000	35.000	35.000	35.000	35.000
GarCo Library	1.000	1.000	1.000	1.000	1.000	1.000	1.000	0.864	1.000	1.000
Traveler's Highland	50.000	50.000	50.000	50.000	50.000	50.000	50.000	50.000	50.000	-

Source: Garfield County Assessor's Office, Abstract of Assessment

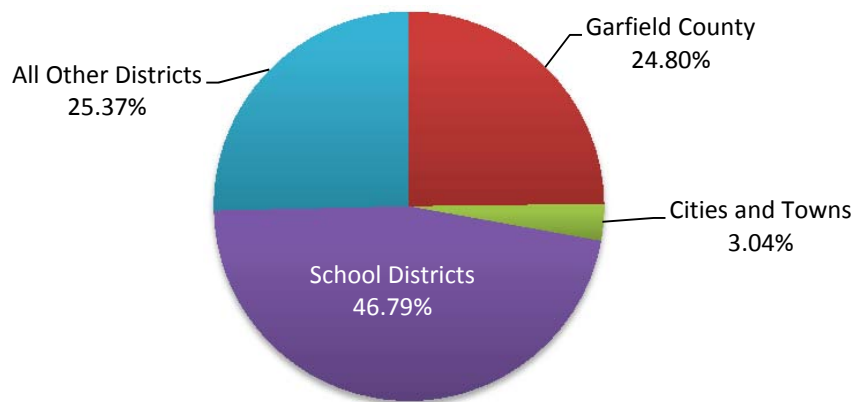
Garfield County, Colorado
Property Tax Levies - Direct and Overlapping Governments
Per \$1,000 Assessed Valuation (Mill Levy)
Last Ten Fiscal Years

Property Tax Levied

Levy Year	Collection Year	Garfield County	Cities and Towns	School Districts	All Other Districts	Total
2017	2018	\$ 29,783,021	\$ 3,653,722	\$ 56,186,421	\$ 30,456,855	\$ 120,080,019
2016	2017	30,237,079	3,404,455	53,429,163	32,946,594	120,017,291
2015	2016	46,579,092	3,423,799	60,299,749	52,028,553	162,331,193
2014	2015	43,413,700	3,142,177	51,810,814	46,003,105	144,369,796
2013	2014	39,531,163	3,074,688	48,145,099	41,325,329	132,076,279
2012	2013	53,679,053	3,276,602	55,704,823	56,795,139	169,455,617
2011	2012	51,396,049	3,180,529	55,271,198	54,313,720	164,161,496
2010	2011	46,569,598	3,792,593	52,934,023	49,664,782	152,960,996
2009	2010	70,520,252	3,649,832	65,970,392	77,226,213	217,366,689
2008	2009	44,659,836	2,958,917	51,214,791	50,322,352	149,155,896

Source: Garfield County Assessor's Office - Abstract of Assessment

Property Tax Levied 2017



**Garfield County, Colorado
Principal Taxpayers
Current Year and Ten Years Ago**

2017

Taxpayer	Type of Business	Rank	Assessed Value	Percentage of Total Assessed Value
Tep Rocky Mountain LLC	Utility	1	\$ 385,079,660	17.39%
Encana Oil & Gas (USA) INC	Utility	2	93,759,553	4.23%
URSA Resources Group II LLC	Utility	3	71,680,060	3.24%
Caerus Piceance LLC	Utility	4	42,771,000	1.93%
Vanguard Operating LLC	Utility	5	38,631,910	1.74%
Public Service Company of CO (Excel)	Utility	6	36,249,800	1.64%
Bargath, INC	Utility	7	33,859,590	1.53%
Hunter Ridge Energy Services, LLC	Utility	8	21,862,640	0.99%
Red Rock Gathering Company LLC	Utility	9	19,275,030	0.87%
Union Pacific Railroad Company RR361	Utility	10	17,614,000	0.80%
Total Principal Taxpayers			760,783,243	34.36%
All Other Taxpayers			1,453,576,367	65.64%
Total Assessed Valuation			<u>\$ 2,214,359,610</u>	<u>100.00%</u>

2008

Taxpayer	Type of Business	Rank	Assessed Value	Percentage of Total Assessed Value
Williams Production	Utility	1	\$ 1,016,093,910	39.59%
Encana Oil & Gas	Utility	2	627,957,480	24.47%
Bill Barrett Corporation	Utility	3	134,005,690	5.22%
Oxy USA Inc	Utility	4	68,573,240	2.67%
Petroleum Development	Utility	5	61,922,000	2.41%
Grand Valley Gathering	Utility	6	54,965,090	2.14%
Helmerick & Payne	Utility	7	39,129,860	1.52%
Noble energy	Utility	8	36,161,220	1.41%
Antero Resources	Utility	9	23,432,500	0.91%
Berry Petroleum Co.	Utility	10	22,628,620	0.88%
Total Principal Taxpayers			2,084,869,610	81.23%
All Other Taxpayers			481,604,010	18.77%
Total Assessed Valuation			<u>\$ 2,566,473,620</u>	<u>100.00%</u>

Source: Garfield County Assessor's Office

Garfield County, Colorado
County Property Tax Levies and Collections
Last Ten Fiscal Years

Year of Collection	Levy Year	Total Tax Levy	Current Tax Collected *	Percent of Levy Collected	Adjustments for Taxes Collected in Subsequent Years / (Net Abatements)	Total Tax Collections **	Percent of Total Tax Collected to Tax Levy
2018	2017	\$ 29,783,021	\$ 20,872,901	70.08%	\$ -	\$ 20,872,901	70.08%
2017	2016	30,237,080	30,204,471	99.89%	-	30,200,883	99.88%
2016	2015	46,579,078	46,522,914	99.88%	(374,889)	46,148,025	99.07%
2015	2014	43,413,700	43,386,532	99.94%	(1,908,157)	41,478,375	95.54%
2014	2013	39,531,163	39,435,374	99.76%	9,500	39,444,874	99.78%
2013	2012	53,679,053	53,667,457	99.98%	(217,344)	53,450,113	99.57%
2012	2011	51,396,049	51,338,743	99.89%	(14,072)	51,324,671	99.86%
2011	2010	46,569,598	46,480,084	99.81%	(65,969)	46,414,115	99.67%
2010	2009	70,520,252	69,065,977	97.94%	14,252	69,080,229	97.96%
2009	2008	44,659,836	43,890,163	98.28%	226,529	44,116,692	98.78%

Source:

Garfield County Assessor's Office

Garfield County Treasurer's Office

* Current Tax Collected reflects all amounts collected as of May 22, 2018 and December 31 for prior years.

** Total Tax Collections reflects all amounts collected as of May 22, 2018.

Garfield County, Colorado
General Government Revenues By Source
Last Ten Fiscal Years

Fiscal Year	Taxes	Licenses and Permits	Intergovernmental	Charges for Services	Fines and Forfeitures	Misc.	Contributions	Interest	Total
2017	\$ 42,776,555	\$ 155,707	\$ 26,079,625	\$ 6,788,688	\$ 155,314	\$ 1,279,848	\$ 695,666	\$ 1,092,708	\$ 79,024,111
2016	57,798,500	161,692	26,415,032	8,813,210	119,142	947,376	1,103,386	942,809	96,301,147
2015	54,584,506	147,721	28,882,947	6,677,673	112,170	776,210	1,011,885	620,896	92,814,008
2014	51,989,692	216,984	28,078,027	6,101,349	109,128	903,565	1,073,688	878,591	89,351,024
2013	63,168,261	253,874	27,689,428	6,667,042	123,867	958,215	700,014	39,103	99,599,804
2012	64,104,264	255,456	32,177,069	6,461,865	126,912	884,113	1,219,142	610,398	105,839,219
2011	58,345,702	313,256	29,062,531	6,126,498	113,150	1,156,241	934,536	854,215	96,906,129
2010	81,248,448	276,702	57,167,499	7,561,750	131,621	1,056,321	1,450,810	805,117	149,698,268
2009	66,374,680	307,342	41,800,237	6,492,155	92,809	1,757,774	19,115,900	1,592,133	137,533,030
2008	53,837,077	389,330	29,290,487	6,997,362	38,086	881,184	282,009	3,123,801	94,839,336

Source:

Garfield County Finance Department (CAFR)

General Government Revenues by Source does not include GASB 34 adjustments

Garfield County, Colorado
Direct and Overlapping Governmental Activities Debt
December 31, 2017

	Net General Obligation Debt Outstanding	Percentage Applicable to Garfield County	County Share of Direct and Overlapping Debt
Taxing Jurisdiction			
Direct: Garfield County	-	100%	-
Overlapping:			
School Districts			
Garfield County School District No. 16	\$ 49,825,256	100%	\$ 49,825,256
Roaring Fork School District No. RE-1	184,789,984	60.51%	111,816,419
Garfield County School District No. RE-2	80,735,000	100%	80,735,000
			-
Cities and Towns			-
City of Glenwood Springs	725,000	100%	725,000
Town of New Castle	714,527	100%	714,527
Fire Districts			
Carbondale & Rural Fire Protection District	3,750,000	88%	3,300,000
Glenwood Rural Fire	90,000	100%	90,000
Special Districts			
Glenwood Meadows Metropolitan District No. 3	10,302,489	100%	10,302,489
Grand River Hospital	3,610,000	99%	3,573,900
Total Overlapping Debt	<u>334,542,256</u>		<u>261,082,592</u>
Total Direct and Overlapping Debt	<u><u>\$ 334,542,256</u></u>		<u><u>\$ 261,082,592</u></u>

Source: Debt amounts and percentages are provided by each taxing entity.

Garfield County, Colorado
Computation of Legal Debt Margin
General Obligation Debt
Last Ten Fiscal Years

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Computation of legal debt limit:										
Taxable assessed valuation	\$ 2,181,107,390	\$ 2,214,359,610	\$ 3,411,137,130	\$ 3,179,326,340	\$ 2,894,995,490	\$ 3,931,091,200	\$ 3,763,899,520	\$ 3,410,442,960	\$ 5,164,426,952	\$ 3,270,585,030
Plus exempt property	200,184,010	188,685,320	233,321,190	227,630,540	200,431,430	243,840,650	210,773,500	249,245,270	193,607,070	193,319,840
Total assessed value	2,381,291,400	2,403,042,330	3,644,458,320	3,406,956,880	3,095,426,920	4,174,931,850	3,974,673,020	3,659,688,230	5,358,034,022	3,463,904,870
Legal debt limit percentage	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
	35,719,371	36,045,635	54,666,875	51,104,353	46,431,404	62,623,978	59,620,095	54,895,323	80,370,510	51,958,573
Amount of debt applicable to debt limit:										
Total long-term borrowings	-	-	-	-	-	-	15,560	16,075	16,075,000	18,330,000
Less:										
Certificates of participation	-	-	-	-	-	-	(15,560)	(16,075)	(16,075,000)	(18,330,000)
Lease purchase obligations	-	-	-	-	-	-	-	-	-	-
Net borrowings applicable to the debt limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	\$ 35,719,371	\$ 36,045,635	\$ 54,666,875	\$ 51,104,353	\$ 46,431,404	\$ 62,623,978	\$ 59,620,095	\$ 54,895,323	\$ 80,370,510	\$ 51,958,573

Source:
Colorado Revised Statute 30-26-301
Garfield County Finance Department (CAFR)

Note: Garfield County has had no general obligation bonded debt in the last ten years. Therefore, the historical table "Ratios of General Bonded Debt" is not included.

Garfield County, Colorado
Ratios Of Outstanding Debt By Type
Last Ten Fiscal Years

Governmental Activities				Business-Type Activities				
Fiscal Year	General Obligation Bonds	Certificates of Participation	Capital Leases	General Obligation Bonds	Capital Leases	Total Primary Government	Percentage of Personal Income *	Per Capita
2017	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0%	\$ -
2016	-	-	-	-	-	-	0%	-
2015	-	-	-	-	-	-	0%	-
2014	-	-	-	-	-	-	0%	-
2013	-	-	-	-	-	-	0%	-
2012	-	-	-	-	-	-	0%	-
2011	-	15,560,000	-	-	-	15,560,000	0.73%	277
2010	-	16,075,000	-	-	-	16,075,000	1.18%	285
2009	-	16,075,000	-	-	-	16,075,000	1.07%	286
2008	-	18,330,000	-	-	-	18,330,000	1.10%	321

Source: Garfield County Finance Department (CAFR)

* See the Schedule of Demographic and Economic Statistics on page G15 for personal income and population data.

Garfield County, Colorado
Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	(1) Population	(2) Fall School Enrollment (PK-12)	Percent of School Enrollment to Population	(3) Total Labor Force	(3) Un-employment Rate	(4) Total Personal Income (in thousands)	(4) Per Capita Income	(5) Retail Sales
2017	59,118	11,630	19.67%	31,778	2.90%	**	**	*
2016	58,887	10,133	17.21%	31,760	3.90%	3,252,159	55,227	*
2015	58,095	11,576	19.93%	31,315	4.00%	2,937,046	50,556	2,629,755
2014	57,461	11,479	19.98%	25,905	3.60%	2,725,300	47,429	2,655,257
2013	57,302	11,496	20.06%	32,800	5.80%	2,359,201	41,171	2,588,920
2012	56,953	11,292	19.83%	33,230	8.00%	2,238,523	39,305	2,607,905
2011	56,270	11,275	20.04%	32,971	9.10%	2,130,264	37,858	2,658,287
2010	56,389	11,325	20.08%	33,006	10.10%	1,363,951	37,277	2,159,779
2009	56,298	11,508	20.44%	34,731	7.90%	1,508,517	37,099	2,040,464
2008	57,050	11,578	20.29%	37,035	3.10%	1,661,981	41,890	2,785,872

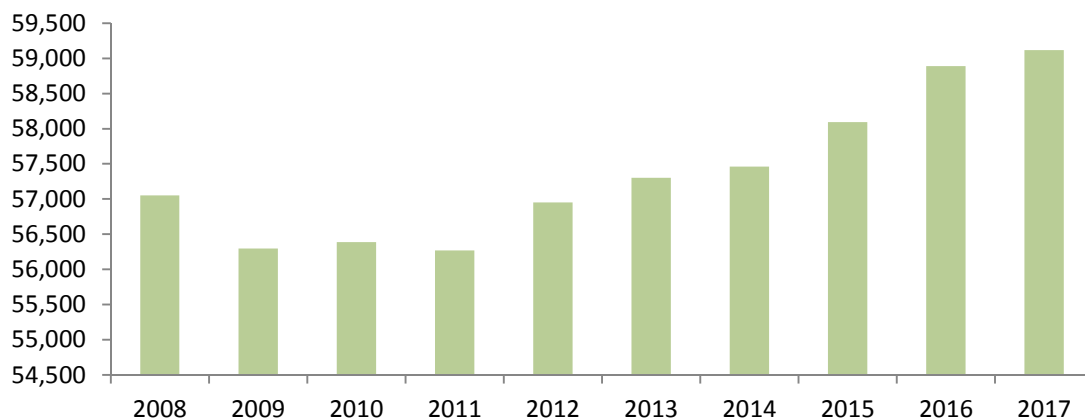
Source:

- (1) US Census Bureau Estimate
- (2) Colorado Department of Education
- (3) Colorado Department of Labor and Employment website - Labor Statistics section
- (4) Bureau of Economic Analysis - Regional Economic Accounts section
- (5) Colorado Department of Revenue

* Information will become available in July 2018

** Information will become available November 20th 2018

Population for Garfield County



Garfield County, Colorado
Principal Employers
Current Year and Eight Years Ago *

2017 Principal Employers

Employer	Rank	Type of Business	Number of Employees	Percentage of Total
Valley View Hospital	1	Healthcare	859	2.94%
Grand River Health	2	Healthcare	520	1.78%
Grand River Hospital District	3	Healthcare	440	1.51%
Colorado West Regional Mental Health	4	Healthcare	350	1.20%
Colorado Mountain College	5	Colleges	300	1.03%
Valley View Hospital Professional Billing	6	Healthcare	300	1.03%
Walmart Supercenter	7	Retail	261	0.89%
Schmueser & Assoc Inc	8	Construction	242	0.83%
Garfield County School District RE-16	9	Schools	198	0.68%
Sunlight Mountain Resort	10	Hotels	165	0.57%
Total employed by principal employers			3,635	12.46%
Employed by other employers			30,863	87.54%
Total employed in Garfield County			<u>34,498</u>	<u>100%</u>

2009 Principle Employers

Employer	Rank	Type of Business	Number of Employees 2009	Percentage of Total 2009
Valley View Hospital	1	Healthcare	820	2.37%
Garfield County	2	Government	496	1.43%
Wal-Mart	3	Retail	456	1.32%
City Market	4	Retail	369	1.07%
City of Glenwood Springs	5	Government	353	1.02%
Glenwood Hot Springs Lodge	6	Hospitality	205	0.59%
Garfield County School Districts	7	Schools	198	0.57%
Holy Cross Energy	8	Services	163	0.47%
Heritage Park Care Center	9	Healthcare	146	0.42%
Target	10	Retail	134	0.39%
Total employed by principal employers			3,340	9.66%
Employed by other employers			33,695	90.34%
Total employed in Garfield County			<u>37,035</u>	<u>100%</u>

* A 10-year comparison was not provided due to statistics prior to 2008 not being available from all employers.

Source: Colorado Department of Labor website & individual employers

Garfield County, Colorado
Positions by Department
Last Ten Fiscal Years

	2017		2016		2015		2014		2013		2012		2011		2010		2009		2008	
	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
General Government																				
Board of Commissioners	3	-	3	-	3	-	3	-	3	-	3	-	3	-	3	-	3	-	3	-
Assessor	19	-	19.33	-	20	-	20	-	21	-	22	-	21	-	23	1	23	1	20	1
Clerk and Recorder	22.33	1	22.33	1	22	1	22	2	22	1	22	2	23	1	25	2	25	3	24	3
Treasurer	7	-	7.33	-	8	1	8	1	9	1	9	1	8	1	7	1	7	1	7	1
Surveyor	1	-	1	-	1	-	1	-	1	-	1	-	1	-	1	-	1	-	1	-
County Attorney	10	1	10	1	10	1	10	1	10	1	10	1	10	1	10	1	10	-	10	-
County Manager	5	-	4	-	4	-	3	-	2	-	5	-	5	-	6	-	6	-	6	-
Finance	8	1	8	1	8	1	8	1	8	1	9	1	9	1	9	1	9	-	8	-
Human Resources	5	-	5	-	5	-	5	-	5	-	5	-	5	-	4	1	4	1	4	1
Information Technology	10	-	10	-	9	1	9	-	8	-	9	-	11	-	11	-	10	-	9	-
Procurement	6	-	5	-	4	-	4	-	4	-	3	-	3	-	3	-	3	-	2	-
Oil & Gas	2	-	2	-	2	-	2	-	2	-	2	-	2	-	3	-	3	-	2	-
General Services																				
General Ops	-	-	-	-	-	-	-	-	1	-	1	-	1	-	1	-	1	-	1	-
Facilities Maintenance	6	-	6	-	-	-	-	-	1	-	1	-	2	-	2	-	2	-	2	-
Vegetation Management	2	2	2	2	-	-	-	-	1	-	1	-	-	-	-	-	-	-	-	-
Communications	4	-	4	-	4	-	4	-	4	-	1	-	-	-	-	-	-	-	-	-
Community Development	13	-	13	-	13	-	13	-	14	-	13	1	13	1	16	1	17	-	16	-
Community Events	2	-	1	-	1	-	1	-	-	-	-	-	-	-	-	-	-	-	-	-
Engineering	-	-	-	-	-	-	-	-	2	-	2	-	2	-	2	-	2	-	2	-
Total General Government	126	5	123	5	114	5	113	5	118	4	119	6	119	5	126	8	126	6	117	6
Culture and Recreation																				
Fairgrounds	4	-	4	-	2	-	3	-	3	-	3	-	3	-	3	-	3	-	3	-
Total Culture and Recreation	4	-	4	-	2	-	3	-	3	-	3	-	3	-	3	-	3	-	3	-
Health and Welfare																				
Public Health	30	2	30	2	26	4	25	5	24	5	25	5	25	5	23	6	22	5	22	5
Dept of Human Services	111	1	109	3	104	1	98	2	89	2	84	2	84	1	89	4	87	8	87	5
Total Health and Welfare	141	3	139	5	130	5	123	7	113	7	109	7	109	6	112	10	109	13	109	10
Public Safety																				
Coroner	2	4	2	4	1	-	1	-	1	-	1	-	1	-	1	-	1	-	1	-
Criminal Justice Services	22	-	22	-	20	-	19	-	19	-	19	-	19	-	19	-	19	-	18	-
Commissary	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2	-	2	-
Sheriff	145	-	142	-	144	-	144	-	151	-	151	-	151	-	149	2	145	2	143	4
Total Public Safety	169	4	166	4	165	-	164	-	171	-	171	-	171	-	169	2	165	4	162	6
Public Works																				
Public Works	-	-	2	1	11	1	8	5	2	5	2	1	1	1	-	-	-	-	-	-
Road and Bridge	45	2	45	3	44	3	44	3	44	3	43	7	47	3	48	2	49	1	44	2
Airport	5	-	5	-	4	-	4	-	4	-	4	-	3	-	3	-	2	2	1	2
Total Public Works	50	2	52	4	59	4	56	8	50	8	49	8	51	4	51	2	51	3	45	4
Business-type Activities																				
Solid Waste Disposal	9	-	8	-	8	-	8	-	8	-	9	-	9	-	14	-	8	4	7	4
Total Solid Waste	9	-	8	-	8	-	8	-	8	-	9	-	9	-	14	-	8	4	7	4
Intergovernmental Services																				
Motor Pool	3	-	3	-	4	-	4	-	4	-	4	-	4	-	4	-	4	-	4	-
Total Intergovernmental	3	-	3	-	4	-	4	-	4	-	4	-	4	-	4	-	4	-	4	-
Total Budgeted Employees	502	14	495	18	482	14	471	20	467	19	464	21	466	15	479	22	466	30	447	30

Source: Garfield County Adopted Budget Documents

Garfield County, Colorado
Capital Assets By Function/Program
Last Ten Fiscal Years

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
General Government										
Buildings	5	6	5	5	5	2	2	2	2	2
Public Safety										
Buildings	7	7	7	7	7	6	6	6	4	4
Equipment (pieces)	128	131	124	121	112	119	115	113	107	93
Public Works										
Buildings	14	14	13	13	12	12	12	12	11	10
Infrastructure (road miles maintained)	745	756	965	1,056	702	697	698	695	695	700
Road Maintenance Equipment	215	224	215	213	192	191	177	181	179	161
Public Health and Welfare										
Buildings	6	5	5	5	5	5	4	4	3	3
Culture and Recreation										
Buildings	12	12	12	12	6	6	6	6	6	6
Business-Type Activities										
Buildings	2	2	2	2	2	2	2	2	2	2
Waste Compaction/Movement (pieces)	24	22	25	22	22	19	19	19	17	15
Intergovernmental										
Buildings	1	1	1	1	1	1	1	1	1	1

Source: Garfield County Finance Department

Garfield County, Colorado
Operating Indicators By Function/Program
Last Ten Fiscal Years

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
General Government										
Number of Employees	131	128	119	118	122	125	124	134	132	123
Building(s) Sq. footage	53,746	58,030	57,697	57,697	57,697	38,322	38,322	38,322	38,322	38,322
Service Level										
Tax notices	29,414	29,376	29,311	29,267	29,217	29,530	29,350	29,316	30,289	51,471
Documents recorded	14,509	15,160	14,186	12,985	15,521	16,672	16,026	16,584	19,085	20,562
Number of active voters	32,611	32,038	29,542	28,873	27,480	25,579	21,081	24,047	23,851	22,955
Parcels assessed	31,601	31,520	31,449	31,450	31,447	31,635	31,468	30,289	51,471	50,586
Building permits issued	227	233	224	246	197	246	311	218	293	401
Public Safety										
Number of Employees	173	170	165	164	171	171	171	171	169	168
Building(s) Sq. footage	147,912	172,905	172,905	172,905	172,905	172,665	172,665	172,665	152,765	152,765
Service Level										
Calls for Law Enforcement Service	105,249	99,133	96,892	100,440	98,832	91,516	90,754	93,276	92,203	83,624
Jail bookings	2,719	2,612	2,502	2,284	2,285	2,591	2,717	2,515	2,899	3,231
Useful Public Service Clients Sentenced	1,000	742	700	731	797	1,056	1,156	1,087	1,183	1,674
Public Works										
Number of Employees	52	56	63	64	58	57	55	53	54	49
Building(s) Sq. footage	60,455	99,840	93,440	93,440	93,240	93,240	93,240	93,240	88,196	87,966
Service Level										
Miles of road maintained	742	756	965	1,056	702	697	698	695	695	700
Health and Welfare										
Number of Employees	144	144	135	130	120	116	115	122	122	119
Building(s) Sq. footage	41,577	57,101	55,693	55,693	55,693	55,693	53,438	53,438	38,362	38,362
Service Level										
Immunizations	5,615	6,554	6,902	6,576	6,909	9,195	12,660	12,349	14,801	9,213
Birth Certificates	698	784	697	812	769	833	818	866	964	992
Death Certificates	334	323	344	318	288	248	297	281	292	261
Human Services Caseload	12,028	13,103	11,657	10,136	8,669	9,050	6,090	5,707	4,763	3,428
Culture and Recreation										
Number of Employees	4	4	2	3	3	3	3	3	3	3
Building(s) Sq. footage	113,596	103,014	103,014	103,014	58,314	58,314	58,314	58,314	58,314	58,314
Service Level										
Fairground service days	355	355	355	355	365	365	365	365	365	365
County Fair attendance (ticket sales)	6,255	8,405	6,519	7,308	7,382	3,249	3,091	*4000	*4000	*3000
Business-type Activities										
Number of Employees	9	8	8	8	8	9	9	14	12	11
Building(s) Sq. footage	2,500	6,760	6,760	6,760	6,760	6,760	6,760	6,760	6,760	6,760
Service Level										
Cubic yds of landfill space consumed	114,671	114,052	106,230	119,704	84,230	78,567	72,589	77,127	53,800	87,106
Intergovernmental										
Number of Employees	3	3	4	4	4	4	4	4	4	4
Building(s) Sq. footage						Information not available				

Sources:
Garfield County Offices/Departments and documents
Colorado Department of Public Health and Environment

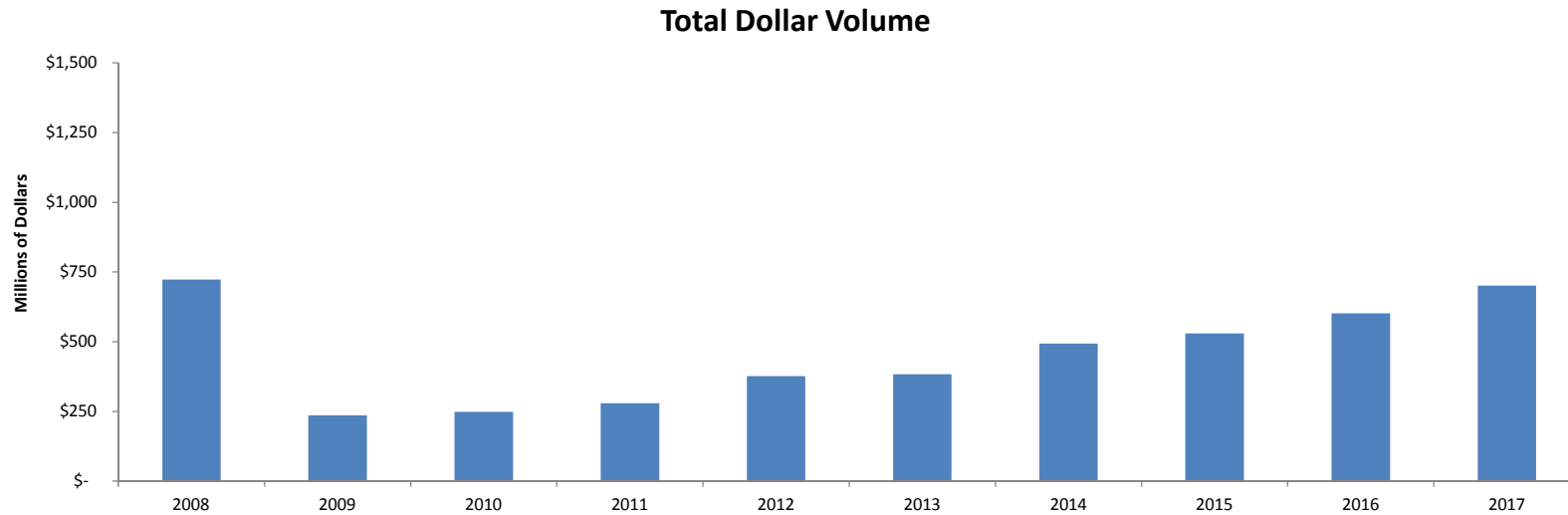
Numbers are projected for year based on seven months of data for current year.

*Numbers from 2009 and previous are estimates of total attendance because ticket sales data was not available.

Garfield County, Colorado
Property Transfers (All Types) - Total Dollar Volume
Last Ten Fiscal Years
Dollar Volume

Month	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
January	\$ 75,754,700	\$ 29,408,700	\$ 23,996,800	\$ 26,864,925	\$ 23,657,100	\$ 22,066,900	\$ 17,481,300	\$ 11,461,500	\$ 16,624,800	\$ 69,205,900
February	22,991,800	27,034,000	22,399,300	30,023,600	18,961,800	20,486,100	16,374,200	12,503,900	14,143,900	102,818,300
March	42,567,000	32,750,800	25,338,900	27,564,600	18,584,400	28,487,050	26,954,300	24,342,200	10,759,800	48,078,900
April	47,478,200	42,547,300	39,861,900	31,087,200	33,594,160	19,483,259	24,004,500	21,940,200	20,680,100	85,697,500
May	63,942,545	59,813,400	48,246,950	40,434,600	41,220,050	35,977,400	18,828,200	17,487,500	15,653,500	61,858,400
June	69,506,700	66,028,900	52,511,100	51,175,800	26,888,300	33,223,399	22,964,600	20,376,300	28,415,500	72,589,200
July	89,802,300	71,188,700	69,439,700	49,114,288	39,482,800	38,158,000	27,370,900	24,709,600	24,760,700	68,893,800
August	60,681,500	60,908,600	46,496,708	43,238,000	49,376,700	45,076,180	35,724,600	21,049,700	21,537,650	56,415,900
September	53,304,800	46,671,900	63,816,300	41,916,200	32,667,800	29,378,700	18,404,300	17,782,700	17,315,200	55,872,200
October	40,773,900	48,435,300	52,928,572	72,606,200	33,600,400	43,073,850	26,725,300	20,320,900	18,898,900	35,180,900
November	55,017,500	59,968,500	34,370,100	34,152,700	28,487,265	32,741,970	22,498,600	19,163,600	13,072,600	28,896,600
December	79,855,100	56,499,400	50,196,400	45,211,700	36,496,800	28,185,216	21,741,800	37,739,700	34,301,900	37,660,100
Total	\$ 701,676,045	\$ 601,255,500	\$ 529,602,730	\$ 493,389,813	\$ 383,017,575	\$ 376,338,024	\$ 279,072,600	\$ 248,877,800	\$ 236,164,550	\$ 723,167,700

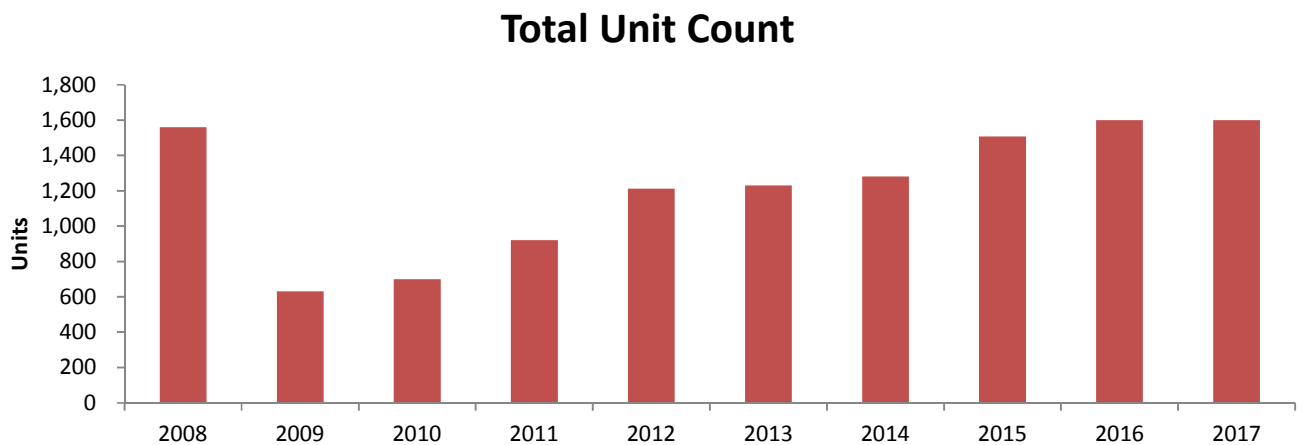
Source: Land Title Market Analysis Report



Garfield County, Colorado
Property Transfers (All Types) - Total Unit Count
Last Ten Fiscal Years

	Unit Count									
Month	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
January	106	94	71	59	86	71	56	34	38	169
February	75	87	76	74	84	61	43	33	46	125
March	131	100	87	89	78	114	80	61	33	120
April	120	128	125	101	102	83	87	63	43	171
May	157	149	142	119	118	117	68	61	43	179
June	169	174	157	125	103	106	72	68	75	153
July	167	174	174	130	105	97	83	69	64	153
August	173	168	146	117	134	123	92	56	57	140
September	129	136	140	111	107	112	83	55	61	120
October	125	132	162	125	108	119	91	60	57	95
November	117	125	97	95	85	109	77	58	46	65
December	131	133	131	136	120	101	89	81	68	70
Total	1,600	1,600	1,508	1,281	1,230	1,213	921	699	631	1,560

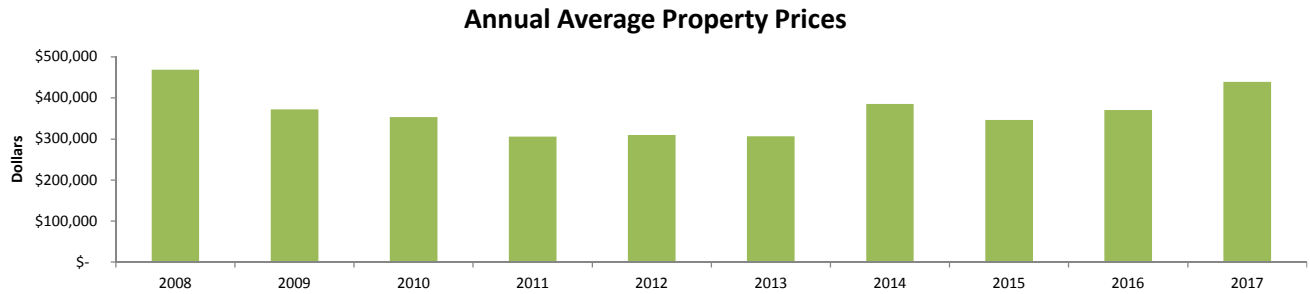
Source: Land Title Market Analysis Report



Garfield County, Colorado
Property Transfers (All Types) - Average Property Prices
Last Ten Fiscal Years

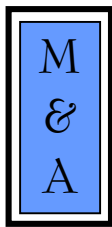
Average Property Prices										
Month	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
January	\$ 714,667	\$ 312,859	\$ 337,983	\$ 455,338	\$ 275,083	\$ 310,801	\$ 312,166	\$ 337,103	\$ 437,495	\$ 409,502
February	306,557	310,736	294,728	405,724	225,736	335,838	380,795	378,906	307,476	822,546
March	324,939	327,508	291,252	309,715	238,262	249,886	336,929	399,052	326,055	400,658
April	395,652	332,401	318,895	307,794	329,355	234,738	275,914	348,257	480,933	501,155
May	407,277	401,432	339,767	339,787	349,322	307,499	276,885	286,680	364,035	345,578
June	411,282	379,476	334,466	409,406	261,051	313,428	318,953	299,651	378,873	474,439
July	537,738	409,130	399,079	377,802	376,027	393,381	329,770	358,110	386,886	450,286
August	350,760	362,551	318,471	369,556	368,483	366,473	388,311	375,888	377,854	402,971
September	413,216	343,176	455,831	377,623	305,307	262,310	221,739	323,322	283,856	465,602
October	326,191	366,934	326,720	580,850	311,115	361,965	293,685	338,682	331,560	370,325
November	470,235	479,748	354,331	359,502	335,144	300,385	292,190	330,407	284,187	444,563
December	609,581	424,808	383,179	332,439	304,140	279,062	244,290	465,922	504,440	538,001
Annual Average	\$ 439,008	\$ 370,897	\$ 346,225	\$ 385,461	\$ 306,585	\$ 309,647	\$ 305,969	\$ 353,498	\$ 371,971	\$ 468,802

Source: Land Title Market Analysis Report



STATUTORY REPORT SECTION

Single Audit Reports and Schedules



McMAHAN AND ASSOCIATES, L.L.C.

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

Independent Auditor's Report

**To the Board of County Commissioners
Garfield 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 Garfield County, Colorado (the "County") as of and for the year ended December 31, 2017, 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 4, 2018.

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 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

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Compliance and Other Matters

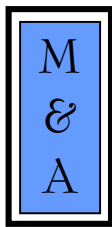
As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect 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 *Governmental Auditing Standards* in considering the County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in blue ink that reads "McMahan and Associates, L.L.C." in a cursive script.

**McMahan and Associates, L.L.C.
June 4, 2018**



McMAHAN AND ASSOCIATES, L.L.C.

Certified Public Accountants and Consultants

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REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY UNIFORM GUIDANCE

Independent Auditor's Report

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

Report on Compliance for Each Major Program

We have audited Garfield County, Colorado's (the "County") compliance 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, 2017. 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* ("Uniform Guidance"), and the Audit Guide. Those standards and 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.

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, 2017.

Member: American Institute of Certified Public Accountants

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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, 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 our 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 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 or 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 in 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 Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in blue ink that reads "McMahan and Associates, L.L.C.".

McMahan and Associates, L.L.C.
June 4, 2018

Garfield County, Colorado
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2017

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 programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Title 2 U.S. Code of Federal Regulations Part 200	None noted
Major programs:	
Foster Care - Title IV-E	CFDA #93.658
Food Assistance Administration	CFDA #10.561
Dollar threshold used to identify Type A from Type B programs	\$750,000
Identified as low-risk auditee	Yes

Part II: Findings Related to Financial Statements

Findings related to financial statements as required by Government Auditing Standards	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

Garfield County, Colorado
SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2017
(Continued)

Note: There were no findings for the fiscal year ended December 31, 2016.

Garfield County, Colorado
Schedule of Expenditures of Federal Awards
For the Year Ended December 2017

Program Title	Pass-Through Entity Identifying Number	Federal CFDA Number	Expenditures
Department of Agriculture:			
Passed through Colorado Department of Human Services:			
Food Assistance Administration	CDHS -FFA	10.561	\$ 759,283
Passed through Colorado Department of Public Health and Environment:			
Special Supplemental Nutrition Program for Women, Infants and Children (non-cash incentives)	N/A	10.557	632,692
Special Supplemental Nutrition Program for Women, Infants and Children	N/A	10.557	278,269
Passed through U.S. Forest Service:			
White River National Forest - Noxious Weed Treatments	N/A	10.699	10,000
Total Department of Agriculture			<u>1,680,244</u>
Department of Health and Human Services:			
Passed through Colorado Department of Health Care Policy and Financing:			
State Medicaid Fraud and Control Units	N/A	93.775	13,226 B
Children's Health Insurance Program	N/A	93.767	1,323
Medical Assistance Program	CDHS -FFA	93.778	1,355,289 B
Passed through Colorado Department of Human Services:			
Guardianship Assistance - Title IV-E (ARRA)	CDHS -FFA	93.090	5,426
Affordable Care Act (ACA) Personal Responsibility Education Program	CDHS -FFA	93.092	142,354
Substance Abuse and Mental Health Services Administration	CDHS -FFA	93.243	11,953
Family Preservation and Support	CDHS -FFA	93.556	5,369
Temporary Assistance for Needy Families	CDHS -FFA	93.558	855,691
Child Support Enforcement (Title IV-D - Administration)	CDHS -FFA	93.563	846,601
Child Support Enforcement research	CDHS -FFA	93.564	5,218
Low-Income Home Energy Assistance	CDHS -FFA	93.568	1,269
Child Care and Development Block Grant	CDHS -FFA	93.575	573,515 A
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	CDHS -FFA	93.596	326,870 A
Child Welfare Services - State Grants	CDHS -FFA	93.645	33,487
Foster Care - Title IV-E	CDHS -FFA	93.658	884,321
Adoption Assistance	CDHS -FFA	93.659	74,797
Social Services Block Grant	CDHS -FFA	93.667	299,333
Child Abuse and Neglect Discretionary Activities	CDHS -FFA	93.670	13,784
Independent Living	CDHS -FFA	93.674	9,446
Adjustment to Federal Assistance	CDHS -FFA	93.XXX	436
Passed through Colorado Department of Public Health and Environment:			
Hospital Preparedness Program (HPP) and Public Health Emer Preparedness (PHEP) Aligned Cooperative Agreements	N/A	93.074	51,106
Support Oral Health Workforce Activities	N/A	93.236	63,760
Immunization Cooperative Grants	N/A	93.268	19,975
Preventive Health and Health Services Block Grant	N/A	93.758	7,500
Maternal and Child Health Services Block Grant	N/A	93.994	55,313
Passed through Mesa County, Colorado:			
Special Programs for the Aging Title III, Part C Nutrition Services	N/A	93.045	109,553 C
Nutrition Services Incentive Program	N/A	93.053	10,959 C
Passed through Colorado Department of Local Affairs:			
Community Service Block Grant	N/A	93.569	66,234
Total Department of Health and Human Services			<u>5,844,108</u>

Garfield County, Colorado
Schedule of Expenditures of Federal Awards
For the Year Ended December 2017
(Continued)

Program Title	Pass-Through Entity Identifying Number	Federal CFDA Number	Expenditures
Department of Justice:			
Passed through Colorado Department of Public Safety:			
Bulletproof Vest Partnership Program	N/A	16.607	7,512
Passed through City of Glenwood Springs, Colorado:			
High Intensity Drug Trafficking Assistance (HIDTA)	N/A	16.729	23,395
Total Department of Justice			<u>30,907</u>
Department of Environmental Protection Agency:			
Performance Partnership Grants	N/A	66.605	7,202
Total of Department of Environmental Protection Agency			<u>7,202</u>
Department of Homeland Security Federal Emergency Management Agency (FEMA):			
Emergency Management Performance Grants	N/A	97.042	41,500
Total of Department of Homeland Security Federal Emergency Management Agency (FEMA)			<u>41,500</u>
Total Federal Financial Assistance			<u>\$ 7,603,961</u>

Additional Information for Clusters:

	Amount
<i>A - Child Care Cluster</i>	\$ 900,385
<i>B - Medical Assistance Cluster</i>	1,368,515
<i>C - Nutrition Services Cluster</i>	120,512

Notes to the Schedule of Expenditures of Federal Awards For the Year Ended December 31, 2017

Note 1. Basis of Presentation:

The Schedule of Expenditures of Federal Awards includes the federal grant activity of Garfield County and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of 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 general purpose financial statements.

Note 2. Determining the Name of Non-cash Awards Expended:

Fair market value of assistance at the time of disbursement to the recipient, or the assessed value provided by the state or federal agency.

Note 3. Pass Through Sub recipients:

The County provided the following federal funds listed in the Schedule of Expenditures of Federal Awards to sub-recipients:

Program Title	Federal CFDA Number	Amount provided to Sub-recipients
Affordable Care Act (ACA) Personal Responsibility Education Program	93.092	\$ 142,354
Substance Abuse and Mental Health Services Administration	93.243	11,745
Nutrition Services Incentive Program	93.053	10,959
Community Service Block Grant	93.569	16,937

Note 4. Indirect Facilities and Administration costs:

The County does not use the 10% de minimis cost rate allowed in Title 2 U.S. Code of Federal Regulations (CFR) Part 200.414, indirect (F & A) costs. Instead, the County prepares an annual cost allocation plan to allocate indirect costs.