

**Rio Blanco County
Colorado**



**Basic Financial Statements
and
Supplementary Information**

December 31, 2017



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RIO BLANCO COUNTY

FINANCIAL STATEMENTS

December 31, 2017

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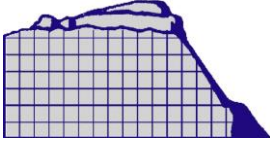
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Paul D. Miller CPA, LLC.

Certified Public Accountant

INDEPENDENT AUDITOR'S REPORT

Board of County Commissioners
Rio Blanco County
Meeker, CO

Report on the Financial Statements

I have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Rio Blanco County, Colorado, 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

My responsibility is to express opinions on these financial statements based on my audit. I conducted my 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 I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Opinions

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Rio Blanco 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.

-1-

Paul D. Miller, C.P.A.
pauldmiller@live.com

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, on page A-1, information for governments using the Modified Approach on page D-1, and the budgetary comparison information on pages D-2 – D-5, 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. I have applied certain limited procedures to the required supplementary information on pages A-1 and D-1, 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 my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I 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 on pages D-2 – D-5 has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Rio Blanco County, Colorado's basic financial statements. The Schedules on pages E-1 – E-4, combining and individual major funds not included in RSI, and nonmajor fund financial statements and other information including the Local Highway Finance Report are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and is also not a required part of the basic financial statements.

The combining and individual major funds not included in RSI, nonmajor fund financial statements, the Local Highway Finance Report, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report dated May 18, 2018 on my consideration of the Rio Blanco County, Colorado's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Rio Blanco County, Colorado's internal control over financial reporting and compliance.

Paul D. Miller, CPA, LLC

Grand Junction, CO
May 18, 2018

Management's Discussion and Analysis

Unaudited

The management of Rio Blanco County presents this narrative overview and analysis of the financial activities of the County for the fiscal year ended December 31, 2017. We encourage readers to consider the information presented here along with the additional information in the basic financial statements to gain a better understanding of the financial position of Rio Blanco County.

Financial Highlights

- Rio Blanco County's assets (\$172.2 million) exceeded liabilities plus deferred inflows (\$9.7 million) by \$162.5 million at the end of 2017. This compares to \$163.8 million in 2016. The difference of \$1.3 million is a decrease of 0.8%. The amount invested in net capital assets increased by \$3.6 million while restricted funds decreased by \$2.6 million and unrestricted funds decreased by \$2.2 million.
- Growth in net capital assets and reductions in restricted and unrestricted net positions relates almost entirely to continuing momentum in a plan of capital investment and improvement. During 2017, cash and cash equivalents reduced by \$2.5 million while \$13.5 million in new assets were completed and capitalized. At the end of 2017, costs of \$2.9 million had been spent on capital projects that were still in progress. And, an additional \$1.8 million had been set aside to complete those projects in 2018.
- Revenues of \$23.6 million were under expenditures of \$24.8 million for the current year change in net position. This was a decrease of \$7.9 million in revenue and an increase of \$4.8 million in expenditures from the prior year. Charges for services and fees decreased by \$2.1 million, capital grants and contributions decreased \$2.6 million, and general revenues decreased by \$3.2 million. Judicial and public safety expenditures increased by \$2.5 million and public works increased by \$1.5 million. All business type expenditures decreased by \$0.2 million.
- Construction on the courthouse renovation and Meeker Fairgrounds enhancement project were complete in early 2017. Construction of expanded broadband services continued through 2017 and will continue through 2018. Renovation of the Fairfield Complex for the Health and Human Services departments will continue through 2018. The Colorado Department of Local Affairs (DOLA) Energy Impact Assistance Fund (EIAF) is supporting all of these projects with grants. County funds used to fund the balance of these projects accumulated between 2008 and 2014.
- Rio Blanco County has no outstanding long-term debt other than its liability for employees' compensated absences and for the landfill closure and post-closure costs.
- The County's solid waste landfill at Wray Gulch continued to operate without any County tax revenue transfers in 2017. As of December 31, 2017, the County recognized future closure and post-closure care liability in the total amount of \$617,465 and maintained \$1,133,135 more as restricted fund balance for financial assurance. The County's other two enterprise funds required support similar to the prior year via transfers from governmental funds. The county-wide portion of the Weed & Pest Control Fund received \$130,000 while the Fairfield Complex Fund received \$80,000 (in addition to the \$42,552 paid by the County in the form of rent). These financial statements include the activity of the Piceance Creek Pest Control District and the Lower White River Pest Control District within the County's Weed and Pest Control Fund. Page E-16 delineates the activity and ending balances of these two districts.
- Governmental funds reported combined ending fund balances of \$54.7 million, a decrease of \$3.4 million in comparison with the prior year. The County's General Fund balance was \$19.1 million as of December 31, 2017 and \$18.8 million as of December 31, 2016, an increase of \$0.3 million. The following decreased: Use Tax Fund \$0.06 million, County Capital Improvement Trust Fund \$1.7 million, and Capital Improvement Plan Fund \$2.5 million.

- The County’s General Fund policy is to have an unreserved fund balance equal to at least three months of annual General Fund expenditures. At December 31, 2017 the County’s unassigned General Fund balance was \$13.2 million, an increase of \$2 million, which would cover 15 months of current level General Fund expenditures.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to Rio Blanco County’s basic financial statements, which are comprised of: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains required and other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements

The *government-wide financial statements* are designed to provide readers with a broad overview of Rio Blanco County finances and in a manner similar to a private sector business.

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

The *statement of activities* presents information showing how the County’s net assets changed over the past year. All changes in net position are reported as soon as an “event” causing a change occurs, regardless of when related cash flows actually take place. As a result, revenues and expenses are reported in this statement for some items that will only result in cash flows in future financial periods; for example, grant expenditures not yet reimbursed or vacation leave which has been earned but not yet used.

Both of the government-wide financial statements distinguish activities of Rio Blanco County that are primarily supported by taxes and state/federal monies (intergovernmental activities) from activities that are intended to be funded primarily from user fees and charges. The governmental activities of the County include general government, health and welfare, judicial and public safety, public works, and recreation and culture. The business-type activities of the County include solid waste landfill, weed and pest control, and Fairfield Complex operations.

Reconciling “schedules” are used in the financial statements to reconcile the “government-wide” financial statements to the “fund” financial statements. These schedules show reconciling amounts caused by the differences in measurement focus and basis of accounting between the two types of financial statements.

Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been set aside for specific activities or purposes. Rio Blanco County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the County’s funds can be categorized into three fund types: governmental, proprietary, and fiduciary funds.

Governmental Funds - *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, governmental fund financial statements focus on near-term flows of spendable resources, as well as on balances of spendable resources available at the end of the year. This information is helpful in evaluating the County’s near-term financing requirements.

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

Rio Blanco County maintains six governmental funds. Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balance for the *General Fund*, *the Road and Bridge Fund*, *the Use Tax Fund*, *the County Capital Improvement Trust Fund*, *the Capital Expenditure Fund*, and *the Capital Improvement Plan Fund*, all of which are considered to be major funds. Information from an additional five governmental funds, *the Impact Fee Trust Fund*, *Human Services Fund*, *Public Health Agency Fund*, *Conservation Trust Fund*, and *Contingent Fund*, are combined into a single, aggregated presentation.

Proprietary Funds - Rio Blanco County maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The County uses enterprise funds to account for solid waste landfill, weed and pest control, and the Fairfield Complex. The landfill is considered a major fund while the latter two are combined into a single aggregate presentation for the enterprise fund financial statements. *Internal Service funds* are an accounting device used to accumulate and allocate costs internally among the County's various functions. The *Fleet Management Fund* is used to account for the County's motorized vehicles and the *Central Services Fund* is used to account for shared services like property and casualty insurance, annual audit services, cost allocation report, etc. Because these services predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

Fiduciary Funds - Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not included in the government-wide financial statements because the resources of these funds are not available to support the County's operations. Rio Blanco County has two fiduciary funds. The Treasurer's Agency Fund is used to account for cash held by the County Treasurer for distribution to other governments. The Sheriff's Inmate Agency Fund is used to account for inmate cash held by the Sheriff for distribution upon release.

Budgetary Comparisons - Rio Blanco County adopts an annual appropriated budget for all of its funds. Budget to actual comparisons for each fund are provided in this report.

Notes to the Financial Statements - These notes provide additional information that is necessary in gaining a full understanding of the data provided in the government-wide and fund financial statements.

Other Information - The combining statements referred to earlier in connection with non-major governmental, enterprise and internal service funds are presented immediately following the notes to the financial statements. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information.

COUNTY-WIDE FINANCIAL ANALYSIS

Net Position - Net assets may serve over time as a useful indicator of a government's financial position. As of December 31, 2017, assets exceeded liabilities plus deferred inflows by \$162.5 million.

The following table provides a summary comparison of the County's governmental and business-type net position for 2017 and a comparison to 2016.

Net Position						
	Governmental		Business Type		Total Primary Government	
	Activities		Activities		(Net of Internal Balances)	
	2017	2016	2017	2016	2017	2016
Assets						
Current and other assets	\$ 66,474,307	\$ 71,145,408	\$ 7,911,874	\$ 8,696,992	\$ 74,386,181	\$ 79,842,400
Capital assets	94,275,874	90,825,816	3,553,276	3,434,493	97,829,150	94,260,309
Total assets	160,750,181	161,971,224	11,465,150	12,131,485	172,215,331	174,102,709
Liabilities						
Current and other liabilities	906,744	1,135,846	42,179	12,248	948,923	1,148,094
Long-term liabilities	485,919	528,764	626,201	392,791	1,112,120	921,555
Total liabilities	1,392,663	1,664,610	668,380	405,039	2,061,043	2,069,649
Deferred Inflows						
Property tax	7,450,039	8,039,956	209,260	229,031	7,659,299	8,268,987
Total deferred inflows	7,450,039	8,039,956	209,260	229,031	7,659,299	8,268,987
Invested in capital assets	94,275,874	90,825,816	3,553,276	3,434,493	97,829,150	94,260,309
Restricted	21,250,483	24,241,032	1,133,135	763,803	22,383,618	25,004,835
Unrestricted	36,381,122	37,199,810	5,901,099	7,299,119	42,282,221	44,498,929
Total net position	\$ 151,907,479	\$ 152,266,658	\$ 10,587,510	\$ 11,497,415	\$ 162,494,989	\$ 163,764,073

Rio Blanco County's total assets were 17.72 times the County's total liabilities plus deferred inflows at December 31, 2017. Rio Blanco County had no long-term liabilities from borrowing or other financing at the end of the year. The total amount of the long-term liabilities was a combination of accrued compensated absences due to employees at year-end and amounts expensed and accrued for closure and post-closure costs for the County's landfills.

At the end of 2017, Rio Blanco County had a total net position of \$162.5 million. 60% was invested in capital assets. 12% was held by the General Fund, 11% by the County Capital Improvement Trust Fund, 1% by the Use Tax Fund, 7% by the Road & Bridge Fund, 1% by the Capital Improvement Plan Fund and a balance of 8% in the remaining governmental funds and business-type funds.

The 60% invested in capital is being used in the operation of the County and includes new infrastructure assets that are provided and maintained by the County. Infrastructure assets completed and in place before January 1, 2002 are not included in capital assets. The County has elected to use the modified approach of reporting infrastructure assets placed in service since 2001. There have been no significant changes in the assessed condition of eligible infrastructure assets beyond that which is attributable to normal use.

The portion of total net position which may be used to meet the County's ongoing obligations to citizens (unrestricted) is 26% of the total. This is comparable to 27% in the prior year. The use of 14% was restricted as of December 31, 2017 as compared to 15% the prior year. Current restrictions are generally statutory, but some are imposed by an outside entity relative to grant requirements or specific requirements placed on private contributions.

Changes in Net Position - Governmental and business-type activities decreased the County's net position by \$1.3 million in 2017. The following table indicates the changes in net position for governmental and business-type activities for 2017. Comparative data is provided for analysis.

Changes in Net Position						
	Governmental Activities		Business Type Activities		Total Primary Government (Net of Internal Balances)	
	2017	2016	2017	2016	2017	2016
REVENUES						
Program revenues:						
Charges for services	\$ 3,313,203	\$ 3,717,722	\$ 586,972	\$ 2,312,676	\$ 3,900,175	\$ 6,030,398
Operating grants/contrib.	5,496,059	5,597,864	87,299	96,159	5,583,358	5,694,023
Capital grants/contrib.	1,226,881	3,725,622	-	-	1,226,881	3,725,622
General revenues:						
Property taxes	8,030,358	10,969,367	229,026	592,648	8,259,384	11,562,015
Other taxes	2,589,932	2,011,950	36,064	92	2,625,996	2,012,042
Other revenues	1,962,552	2,466,379	-	-	1,962,552	2,466,379
Total revenues	22,618,985	28,488,904	939,361	3,001,575	23,558,346	31,490,479
EXPENSES						
General government	6,589,790	6,029,943	-	-	6,589,790	6,029,943
Health and welfare	3,197,658	2,976,298	-	-	3,197,658	2,976,298
Intergovernmental	691,989	479,528	-	-	691,989	479,528
Judicial and public safety	4,706,834	2,223,460	-	-	4,706,834	2,223,460
Public works	7,026,340	5,546,045	-	-	7,026,340	5,546,045
Recreation and culture	555,552	502,937	-	-	555,552	502,937
Solid waste landfill	-	-	1,042,871	1,137,613	1,042,871	1,137,613
Weed and pest control	-	-	717,599	741,409	717,599	741,409
Fairfield complex	-	-	298,796	408,794	298,796	408,794
Total expenditures	22,768,163	17,758,211	2,059,266	2,287,816	24,827,429	20,046,027
Increase before transfers	(149,179)	10,730,693	(1,119,905)	713,759	(1,269,084)	11,444,452
Transfers	(210,000)	(160,000)	210,000	160,000	-	-
Increase in net position	(\$359,179)	\$10,570,693	(\$909,905)	\$873,759	(\$1,269,084)	\$11,444,452

During 2017, total revenues for combined governmental and business-type activities were 45% direct program revenues and 55% general revenues. This is a 4% shift to general revenues from program revenues compared to the prior year.

- The major program revenues for governmental activities were as follows:
 - ❖ Charges for services were 15% of total revenues. Sources of this revenue are charges for permits, fees, fines, goods and services. A significant portion of this revenue is Treasurer, Clerk and Sheriff.
 - ❖ Operating grants and contributions were 24% of total revenues. Major funding came from State shared Highway Users Taxes of \$3.12 million. Federal and state grants are significant revenue sources for operations of Human Services, Public Health and senior nutrition service totaling \$2.1 million.
 - ❖ Capital grants and contributions were 5% of total revenues. \$0.4 million of this revenue was from DOLA for broadband expansion, \$0.5 million was from DOLA for the courthouse renovation, and \$0.3 million was from federal/state for Meeker and Rangely airport entitlement projects.
- The major program revenues for business-type activities were:
 - ❖ Charges for services were 62% of total revenues for 2017 as compared to 77% of total revenues for 2016. The majority of revenues for each business-type activity are charges for the specific products and/or services for which the fund was established, the landfill being \$0.4 million (a decrease of \$1.8 million in 2016).
 - ❖ Operating grants and contributions were 9% of total revenues.

- ❖ Capital grants and contributions were 0% of total revenues.
- All general revenues except for those collected on behalf of two pest control districts of \$229,026 were credited to governmental activities. A transfer of \$130,000 was made from the Use Tax Fund to the Weed and Pest Control Fund, a transfer of \$50,000 was made from the General Fund to the Fairfield Complex Fund and a transfer of \$30,000 was made from the Use Tax Fund to the Fairfield Complex Fund. These transfers represent the County Government's annual contributions to business type operations. The General Fund also contributed an additional \$49,552 to the Fairfield Complex Fund as rent for the space the county government offices occupy in the community center.

The major sources of general revenues for 2017 were:

- ❖ Property taxes were 36% of total revenues (vs. 39% for 2016), 64% of general revenues (vs. 71% for 2016).
- ❖ Other taxes included \$1,097,582 of sales tax (vs. \$855,733 for 2016) and \$773,608 of use tax (vs. \$475,022 for 2016). These two taxes were 15% of general revenues (vs. 8% for 2016).
- ❖ All other general revenues combined were 22% of general revenues (vs. 20% for 2016). The sources of these revenues were: investment earnings \$442,947, Federal Mineral Leasing (FML) \$1,713,312, Payment in Lieu of Taxes (PILT) \$552,914, Severance Taxes \$258,153, and \$129,930 of miscellaneous revenues.

The total expenditures for combined governmental and business-type activities were made up of \$22,768,163 of expenditures for governmental activities (an increase of \$5,009,952 as compared to 2016) and \$2,059,266 of expenses for business-type activities (a decrease of \$228,550 as compared to 2016). Of the total expenditures 92% were for governmental activities and 8% for business-type activities.

- The percentage of total County expenses for each type of governmental activity is:
 - ❖ 29% – Governmental
 - ❖ 14% – Health and welfare
 - ❖ 3% – Intergovernmental
 - ❖ 21% – Judicial and public safety
 - ❖ 31% – Public works
 - ❖ 2% – Recreation and culture
- The percentage of total County expenses for each business-type activity is:
 - ❖ 51% – Solid Waste Landfill
 - ❖ 35% – Weed and Pest Control (includes activity of two pest control districts)
 - ❖ 15% – Fairfield Complex (Community Center)
- During 2017 the County's combined business-type activities had a loss of \$1,119,905 from normal operations as compared to the 2016 income of \$713,759. The difference reflects a decrease in landfill commercial user fees of \$1,773,358 in 2017 and \$454,602 of landfill capital contributions in 2017.

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

Rio Blanco County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds - The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of resources. Such information is useful in assessing the County's financing requirements.

Governmental Accounting Standards Board (GASB), Statement No. 54 developed a hierarchy based on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. "Nonspendable" is for those resources that are not in the form of cash. "Restricted" can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation. "Committed" can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. The Rio Blanco County Commissioners have made a one time commitment of all use taxes collected starting January 1, 2011 to the general purposes of the use tax fund. The RBC Commissioners annually commit a portion of property taxes to operation of the Road & Bridge Fund, the Human Services Fund and the Public Health Fund. "Assigned" are intended uses by the government for specific purposes that do not meet the criteria to be classified as either restricted or committed. Rio Blanco County has assignments as broad as the general purpose of a specific fund, but specific assignments are also made for the completion of projects-in-progress, projects for which funds are being saved over a number of years, and amounts needed to cover budgeted deficits projected for the subsequent year. "Unassigned" is the last category. The only fund allowed to have an unassigned positive fund balance is the General Fund.

As of the end of 2017, the combined ending fund balance of Rio Blanco County's governmental funds was \$54,735,160, a decrease of 4% (\$3,445,954) from the prior year. Two funds had million dollar declines, related to capital projects. Of the total governmental fund balance, 4% is nonspendable, 39% is restricted, 16% is committed, 17% is assigned and 24% is unassigned. Rio Blanco County had no governmental funds reporting negative unassigned fund balances at December 31, 2017.

The County has six major governmental funds. These are: (1) General Fund, (2) Road and Bridge Fund, (3) Use Tax Fund, (4) County Capital Improvement Trust Fund, (5) Capital Expenditure Fund, and (6) Capital Improvement Plan Fund.

1. *General Fund*

The *General Fund* is the primary operating fund for Rio Blanco County. It accounts for many core services and ordinary operations such as public safety, personnel and administration. The fund balance of the general fund was \$19,076,890 at December 31, 2017. This was a 1% increase from 2016. 69% or \$13,210,398 of the total balance was unassigned. 26% or \$4,904,048 was assigned for projects and to cover budgeted deficit spending in 2018. 3% or \$521,643 was reserved for emergencies in compliance with Title-X of the Colorado constitution, and 2% or \$440,801 was nonspendable in the form of inventories and prepaids.

The unassigned fund balance is available for working capital and to be used for subsequent operations. Working capital is: cash, cash equivalents, and receivables (soon to be converted to cash) that can be used to eliminate short-term accrued liabilities and deferred inflows of property taxes receivable as well as cash disbursements in subsequent periods.

A comparison of unreserved fund balance to total fund expenditures is often a useful measure of the General Fund's ability to continue financial operations without major changes in spending level and/or additional financing. The total of assigned and unassigned fund balances in the General Fund represented 171% of the General Fund expenditures for the year ended December 31, 2017. Unassigned funds were available to cover expenditures for 15.0 months at December 31, 2017 versus 13.2 months at the end of 2016 and 12.1 months at the end of 2015. For the near term, the general fund will need to conserve its resources as reserve for operations to avoid trouble until the local economy begins to improve.

Most of the ratios that are used to aid in the financial analysis of business organizations provide only very limited information in an analysis of any governmental type fund; however, governmental funds in severely bad liquidity condition can often be recognized by such an analysis. Therefore the following items and relationships are presented for the Rio Blanco County's General Fund at December 31, 2017:

a. **Working Capital: \$18,114,446**

Governmental funds do not show fixed assets or long-term liabilities on the fund balance sheet; therefore the fund balance is the fund's "working capital." However, a portion of the fund balance may not be available for use as working capital. Therefore, the total of assigned and unassigned fund balance is substituted for "working capital" as a measure of liquidity for the General Fund.

b. **Current Ratio** (current assets divided by current liabilities plus deferred inflows) **6.1:1**

Modified Current Ratio (current assets less property tax accrual and less long-term prepaid expenses divided by current liabilities and not including deferred inflows of property tax) **185.2:1**. The current ratio is used, by business organizations, to display the ability to meet currently maturing obligations.

While the analysis provided above should be combined with other information in order to develop a conclusion as to the liquidity and the probability of continuation of financial operations by the Rio Blanco County General Fund, little would prevent the County's General Fund from continuing operations as it has in the past at least for the subsequent year.

2. *Road and Bridge Fund*

The *Road and Bridge Fund* records costs related to County road and bridge construction and maintenance. By State law, Colorado counties are required to maintain a road and bridge fund. A portion of road and bridge property taxes is allocated to cities and towns for use in their road and street activities.

The fund balance in the Road and Bridge Fund at December 31, 2017 was \$10,710,271. Of the total fund balance: 16% was invested in inventory and prepaids, 1% was held for future Federal Forest Reserve Title III projects, 27% was assigned to cover budgeted deficit spending, and the remaining 56% is committed to the general purpose of the fund.

The fund balance increased \$804,212 over the prior year. CR 73 bridge construction grant was not awarded in 2017 and budgets will be carried over to 2018. The CR 5/SH 64 intersection/bridge project was also not awarded in 2017. This project was not re-budgeted in 2018. \$10,326 was spent on the CR 73 bridge design in 2017.

The total of committed fund balances was 96% of the 2017 expenditures. This could provide working capital (in addition to inventory) for about eleven months of operations.

Because of a somewhat regular cash flow for operations, limited working capital is needed for operations to continue as normal, except when the fund is used for large projects or incurs unforeseen expenditures. For this reason, cost reimbursement grant funded projects are of special interest, and temporary loans from other sources may be needed in some situations (as transfers in/out of the Road & Bridge Fund are not allowed by statute).

3. *Use Tax Fund*

The *Use Tax Fund* accounts for all County use tax collections, the fiscal management of the use tax revenues and for various other special revenues and the associated programs.

The fund balance in the Use Tax Fund at December 31, 2017 was \$2,364,902. This was a decrease of \$61,006 from 2016. 69% of the ending fund balance was committed to the general purpose of the fund.

The Use Tax Fund continues to provide internal operating transfers as well as grants to non-taxing public entities. This fund has operated as a funding source for other funds and for sponsored county-wide programs for many years. These grants, programs, and special projects for the citizens of the County are dependent on the continued collection of use tax.

4. *County Capital Improvement Trust Fund*

The *County Capital Improvement Trust Fund* is a special revenue fund established to account for cash received from the State of Colorado Oil Shale Trust Fund (special mineral leasing receipts sources). The original amounts received from the State have been held by the County for investment purposes only. Historically, the income from these investments has been allocated, on an annual basis, to local government organizations, including Rio Blanco County for county-wide capital improvements.

Of the \$18,463,757 total fund balance 100% is restricted by statute for capital improvement projects. This was a decrease of \$1.7 million from 2016. \$1.5 million was budgeted and used for the broadband project in 2017 due to an overall increase in the take-rate of this project and the Commissioners push to complete the build-out for the citizens of Rio Blanco County.

Due to the state of the economy, the amount of annual grants from this fund has dropped throughout the years, but an increase in awards happened in 2016 and 2017. (\$799,000 in 2009, \$313,000 in 2010, \$136,000 in 2011, \$120,000 in 2012, \$50,000 in 2013, \$60,000 in 2014, \$102,000 in 2015, \$376,135 in 2016, \$261,887 in 2017). Future grants are dependent on future investment earnings.

5. *Capital Expenditure Fund*

The *County Capital Expenditure Fund* is used to record the expenditure of specific general governmental capital related projects and acquisition of specific general government capital assets. The fund is primarily designed to “break even” i.e. for use as a “pass through” accounting tool. The fund is not intended to be used for operations. Specific funding must be provided for each individual project/purchase.

The Capital Expenditure Fund transferred \$0.3 million to the Capital Improvement Plan Fund in 2017 to fund larger projects. Treasurer’s fees of \$51,611 were paid by the Capital Expenditures Fund (such fees on property taxes collected are paid by this fund before any subsequent transfer to the Capital Improvement Plan Fund are made).

2017 projects/purchases included: \$147,909 in technology, \$18,775 for Road & Bridge, \$6,000 for Sheriff, \$81,546 for Clerk and Recorder and \$320,510 for maintenance.

The fund balance in the Capital Expenditure Fund at December 31, 2017 was \$445,942 (as compared to \$304,696 in 2017). The increase in the fund balance is a result of projects not completed in 2017 being carried over to 2018 and funds in contingency not being utilized.

6. *Capital Improvement Plan Fund*

The *Capital Improvement Plan Fund* is a continuation of the Capital Expenditure fund with similar requirements, but it provides funding for larger projects that help the County provide for its facility and infrastructure needs based on an annual review of a five year plan. The fund balance in the Capital Improvement Plan Fund at December 31, 2017 was \$689,401 (as compared to \$3,227,610 in 2016). This fund paid Treasurer’s fees of \$25,374 on grant revenues it received in 2017.

2017 projects included: \$1,752,812 (offset by \$391,024 DOLA grant) on Courthouse renovation, \$1,830,544 (offset by \$472,090 DOLA grant) on the Meeker Fairgrounds projects, \$380,363 (offset by \$68,845 DOLA grant) \$264,616 at the Rangely and Meeker Airports respectively (offset by \$228,626 in FAA/CDOT grants), and \$111,380 on the R&B Generators.

7. *Other Governmental Funds*

This summary category includes four funds that are not considered major: *Impact Fee Trust Fund, Human Services Fund, Public Health Fund, Conservation Trust Fund and Contingent Fund.*

Proprietary Funds - The County’s proprietary funds statements provide the same type of information found in the government-wide financial statements, but in greater detail.

The County has one major proprietary fund – the *Solid Waste Landfill Fund*. The net assets (equity) in the Solid Waste Landfill at December 31, 2017 was \$7,239,870 (as compared to \$7,652,047 in 2016).

These financial statements also include two additional enterprise funds and two internal service funds that are not reported as major funds: *Weed & Pest Control Fund, Fairfield Complex Fund, Central Services Fund and Fleet Management Fund.*

CAPITAL ASSET AND DEBT ADMINISTRATION

The County's capital assets at December 31, 2017 are presented in the following table.

	Governmental	Business Type	
	Activities	Activities	Total
Land	\$ 2,480,498	\$ 303,605	\$ 2,784,103
Land improvements	14,882,425	483,511	15,365,937
Buildings and building improvements	33,563,965	2,172,377	35,736,341
Equipment and furniture	6,801,082	573,989	7,375,071
Infrastructure	23,108,379	-	23,108,379
Construction-in-progress	13,439,526	19,793	13,459,320
	\$ 94,275,874	\$ 3,553,275	\$ 97,829,150

None of the above capital assets have any associated debt as of December 31, 2017.

Rio Blanco County uses the modified approach to account for infrastructure and, since the modified approach does not require depreciation of these assets, the County committed to preserving and maintaining eligible road and bridge assets at a level of 5 on a scale of 1 to 10 with 10 being very good. All of the eligible assets are fairly new and normal use has not yet brought any of them near to a rating of 5 (no amounts are needed to prevent ratings from dropping below a 5).

BUDGETARY HIGHLIGHTS

The County's budget was prepared in compliance with the State of Colorado statutes. In December of 2017, the Rio Blanco County Commissioners budgeted total expenditures (including transfers out) of \$56,430,717 for 2017. During 2017 supplemental budgets were approved, decreasing the budgeted expenditures by \$207,559 to \$56,638,276. At year end, 57% of the total budget was utilized, or \$32,289,506.

In general, Rio Blanco County budgets revenue conservatively and includes additional expenditures (like contingency) to prevent budget law violations and to insure adequate fund balance (and cash) availability. Both revenues and expenditures can be significantly impacted by capital projects. Capital projects are normally budgeted in full to insure the County's match has been fully appropriated, but some projects cannot be completed in one year (or don't get started in the year budgeted). Unused expenditures and related grant reimbursements are re-budgeted in the following year.

	Original Budget	Amendments	Final Budget	Actual	%	Variance (Under)/Over
Revenues & Transfers In						
General	\$ 7,575,372	\$ 2,715,024	\$ 10,290,396	\$ 11,198,557	109%	\$ 908,161
Road and Bridge	18,027,564	302,879	18,330,443	7,028,856	38%	(11,301,587)
Use Tax	582,100	-	582,100	893,458	153%	311,358
County Capital Imp. Trust	118,320	-	118,320	78,709	67%	(39,611)
Impact Fee Trust	155,405	(154,405)	1,000	16,119	1612%	15,119
Capital Expenditure	1,054,436	-	1,054,436	1,069,266	101%	14,830
Capital Improvement Plan	3,298,377	(300,000)	2,998,377	1,826,881	61%	(1,171,496)
Human Services	2,169,042	-	2,169,042	1,931,121	89%	(237,921)
Public Health	291,380	24,677	316,057	325,498	103%	9,440
Conservation Trust	9,110	-	9,110	8,966	98%	(144)
Contingent	-	-	-	-	0%	-
Solid Waste Landfill	488,000	-	488,000	363,168	74%	(124,832)
Weed and Pest Control	573,716	-	573,716	622,335	108%	48,620
Fairfield Complex	169,552	-	169,552	163,858	97%	(5,694)
Central Services	67,108	-	67,108	65,765	98%	(1,343)
Fleet Management	2,470,781	-	2,470,781	2,778,211	112%	307,430
	\$ 37,050,263	\$ 2,588,175	\$ 39,638,439	\$ 28,370,769	72%	\$ (11,267,669)
Expenditures & Transfers Out						
General	\$ 14,006,902	\$ 329,656	\$ 14,336,557	\$ 10,946,863	76%	\$ (3,389,694)
Road and Bridge	21,047,986	302,879	21,350,864	6,224,644	29%	(15,126,220)
Use Tax	1,067,930	17,430	1,085,361	954,463	88%	(130,897)
County Capital Imp. Trust	1,792,687	-	1,792,687	1,762,754	98%	(29,933)
Impact Fee Trust	1,371,844	-	1,371,844	49,060	4%	(1,322,784)
Capital Expenditure	1,270,333	-	1,270,333	928,020	73%	(342,313)
Capital Improvement Plan	7,510,483	(992,683)	6,517,801	4,365,090	67%	(2,152,711)
Human Services	2,475,148	-	2,475,148	2,212,474	89%	(262,674)
Public Health	449,998	24,677	474,675	350,003	74%	(124,672)
Conservation Trust	63,274	-	63,274	30,013	47%	(33,260)
Contingent	100,000	-	100,000	-	0%	(100,000)
Solid Waste Landfill	767,487	525,600	1,293,087	1,042,871	81%	(250,216)
Weed and Pest Control	1,105,836	-	1,105,836	717,599	65%	(388,237)
Fairfield Complex	241,315	-	241,315	298,796	124%	57,481
Central Services	229,026	-	229,026	221,723	97%	(7,303)
Fleet Management	2,930,467	-	2,930,467	2,185,132	75%	(745,335)
	\$ 56,430,717	\$ 207,559	\$ 56,638,276	\$ 32,289,506	57%	\$ (24,348,769)

The original budgeted expenditures plus transfers out for the General Fund was \$14,006,902 and it was increased by amendments of \$329,656 for a final budget of \$14,336,557. \$103,500 (offset by \$63,750 of grants) of the budget increase in the General Fund relates to Economic Development projects. Due to there being more activity flowing through the Public Trustee in 2017, expenditures and revenues were both increased by \$100,000. This budget change was necessary to avoid a budget law violation but has no impact on County fund balance. The remaining is related to reducing budgeted contingency in the General Fund in order to cover unanticipated additional expenditures in other funds.

In 2017, there was a difference of \$3,389,694 between amended budget and actual expenditures plus transfers out in the General Fund. \$324,028 relates to contracts/grants that were not complete by 2017 and will be re-budgeted for in 2018. \$2,071,980 was due to budgeted contingency amounts not being needed. The balance of the difference of \$993,686 was normal operations coming in under budget as is required by law (the largest unspent amounts being Economic Development, Finance and Budget, Meeker Airport and Rangely Airport).

The large difference between amended budget and actuals in the Road and Bridge Fund of \$15.1 million is due to the CR 73 bridge construction (\$1.4 million) and CR 5/SH 64 intersection/bridge project (\$10.1 million) not being awarded in 2017. The CR 73 bridge construction project was re-budgeted for 2018.

There was a difference of \$2.2 million between amended budget and actuals in the Capital Improvement Plan Fund. The difference reflects budgeted projects not being completed in 2017. All incomplete projects will carry over to 2018, the largest of which is broadband, budgeted at \$1.6 million in 2018.

FUTURE SIGNIFICANCE

Property tax accounted for 35% of the County's total revenues in 2017. This source of revenue decreased 29% or \$3,302,631 from 2016. Property assessed valuations always fluctuate, but changes in the oil/gas and industrial categories have the greatest impact on the County property tax revenues. Together, these categories made up 76% of total assessed value in 2016 and 2017. Oil and gas was 44% of total assessed value in 2016, and decreased to 43% in 2017. Industrial valuations had been 32% of total assessed value in 2016, and stayed the same in 2017. Total assessed values in 2016 were \$888.4 million and decreased to \$823.2 million in 2017 for a 7% decrease. This change will be reflected in the taxes collected in 2017, budgeted to decrease \$322.8 million. The preliminary certification of values for 2018 that will be the basis for the revenues collected in 2019 will not be distributed until late August; thus expected decline cannot yet be quantified.

Sales taxes increased 28% in 2017 after being down 16% in 2016. Use taxes increased in 2017 by 63% overall after decreasing in 2016 by 64%. The big swing in use tax was from a settlement received in 2015 that made 2016 use tax collected seem low when comparing the two years.

Impact fees were suspended in early 2015. That suspension has now been extended into mid-year 2018. The County no longer has match money for grants to accomplish projects along CR 5 from impact fees. For 2016, the County appropriated \$2.2 million via property taxes within the Road and Bridge fund to pursue a \$10.1 million federal grant for a \$12.3 million project to replace the intersection/bridge at CR 5 and SH 64. The match money for this grant is still in Road & Bridge fund balance for when the grant is awarded. It is anticipated such a grant, if awarded, would not be in place in time for construction until 2019 or later.

In January of 2018, Rio Blanco County will take over as network operator (for the broadband project). An enterprise fund was created in the 2018 budget process to properly account for all transactions. Revenue collected will provide for future growth and replacement of equipment. To make this transition complete, \$1,163,057 was paid for in 2017 and \$334,914 was budgeted in 2018 to pay for the assets acquired.

In the March 2018 Economic Outlook by the Colorado Office of State Planning and Budgeting, Federal Mineral Lease (FML) revenue for FY 2017-18 was projected to decrease 4.4%. However, since HB18-1249 was passed, Rio Blanco County will be receiving a portion of previously withheld FML revenue (around \$7.2 million between 2018 and 2019). Severance Tax was projected to come in at a low level in FY 2017-18 due to the ad valorem tax credit and ongoing claims for refunds from the April 2016 Colorado Supreme Court's ruling. Since both of these revenue streams have direct distributions that pass through to Counties (also municipalities and schools), Rio Blanco County can expect to see less from these two sources in August 2018 than in 2017.

Departments continue to manage within flat budgets from year-to-year. There were no health insurance increases, but a one-time bonus was budgeted for in 2018. Efforts to expand broadband throughout the county will remain a primary focus in 2018, with completion of the renovation of the Fairfield Complex.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of Rio Blanco County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Finance Office, Finance Director, P.O. Box 1047, Meeker, CO 81641.

BASIC FINANCIAL STATEMENTS

RIO BLANCO COUNTY, COLORADO
STATEMENT OF NET POSITION
December 31, 2017

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 55,509,038	\$ 7,637,846	\$ 63,146,884
Property taxes receivable	7,450,039	209,260	7,659,299
Other receivables	134,772	21,856	156,628
Due from other governmental units	878,980	14,238	893,218
Prepays and deposits	988,010	-	988,010
Inventories	1,513,468	28,674	1,542,142
Capital assets, net	94,275,874	3,553,276	97,829,150
Total assets	160,750,181	11,465,150	172,215,331
LIABILITIES			
Accounts payable	441,143	42,179	483,322
Due to other governmental units	362,871	-	362,871
Unearned revenue	102,730	-	102,730
Long-term liabilities			
Due more than one year:			
Compensated absences	485,919	8,736	494,655
Closure and postclosure care	-	617,465	617,465
Total liabilities	1,392,663	668,380	2,061,043
DEFERRED INFLOW OF RESOURCES			
Unavailable property tax	7,450,039	209,260	7,659,299
Total deferred inflows of resources	7,450,039	209,260	7,659,299
NET POSITION			
Invested in capital assets, net of debt	94,275,874	3,553,276	97,829,150
Restricted	21,250,483	1,133,135	22,383,618
Unrestricted	36,381,122	5,901,099	42,282,221
Total net position	\$ 151,907,479	\$ 10,587,510	\$ 162,494,989

See accompanying notes to the basic financial statements.

RIO BLANCO COUNTY, COLORADO
STATEMENT OF ACTIVITIES
Year Ended December 31, 2017

Functions/Programs	Expenses	Program Revenues		
		Charges for Services and Fees	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 6,589,790	\$ 2,654,578	\$ 77,958	\$ 863,114
Health and welfare	3,197,658	14,544	2,148,084	-
Intergovernmental - Grants, etc.	691,989	87,880	2,893	-
Judicial and public safety	4,706,834	171,856	69,857	-
Public works	7,026,340	345,661	3,188,368	294,922
Recreation and culture	555,552	38,684	8,899	68,845
Total governmental activities	22,768,163	3,313,203	5,496,059	1,226,881
Business-type activities:				
Solid Waste Landfill	1,042,871	347,507	15,662	-
Weed and Pest Control	717,599	185,607	41,637	-
Fairfield Complex	298,796	53,858	30,000	-
Total business type activities	2,059,266	586,972	87,299	-
Total primary government	\$ 24,827,429	\$ 3,900,175	\$ 5,583,358	\$ 1,226,881

General revenues:

Taxes:

Property

Sales

Use

Specific ownership

Other

Unrestricted investment earnings

Federal - unrestricted

Other general revenues

Gain/(loss) on disposition of assets

Transfers in/(out) -- internal activities

Total general revenues and transfers

Changes in net position

Net position, January 1

Net position, December 31

See accompanying notes to the basic financial statements.

**Net (Expense)/Revenue and
Changes in Net Assets**

Primary Government		
Governmental Activities	Business-type Activities	Total
\$ (2,994,140)	\$ -	\$ (2,994,140)
(1,035,030)	-	(1,035,030)
(601,216)	-	(601,216)
(4,465,121)	-	(4,465,121)
(3,197,389)	-	(3,197,389)
(439,124)	-	(439,124)
<u>(12,732,020)</u>	<u>-</u>	<u>(12,732,020)</u>
-	(679,702)	(679,702)
-	(490,355)	(490,355)
-	(214,938)	(214,938)
-	<u>(1,384,995)</u>	<u>(1,384,995)</u>
<u>(12,732,020)</u>	<u>(1,384,995)</u>	<u>(14,117,015)</u>
8,030,358	229,026	8,259,384
1,097,582	-	1,097,582
773,608	-	773,608
298,469	8,503	306,972
420,273	27,561	447,834
442,947	-	442,947
2,548,122	-	2,548,122
129,930	-	129,930
(1,158,447)	-	(1,158,447)
(210,000)	210,000	-
<u>12,372,842</u>	<u>475,090</u>	<u>12,847,932</u>
(359,179)	(909,905)	(1,269,084)
<u>152,266,658</u>	<u>11,497,415</u>	<u>163,764,073</u>
<u>\$ 151,907,479</u>	<u>\$ 10,587,510</u>	<u>\$ 162,494,989</u>

See accompanying notes to the basic financial statements.

RIO BLANCO COUNTY, COLORADO
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2017

	<u>Major Special Revenue Funds</u>		
	General Fund	Road and Bridge Fund	Use Tax Fund
ASSETS			
Cash and cash equivalents	\$ 18,415,368	\$ 8,980,812	\$ 2,360,425
Property taxes receivable	3,659,163	2,881,231	-
Accrued interest receivable	11,722	-	-
Due from other governmental units	262,387	3,267	14,288
Other receivables	47,445	19,842	63
Inventories	-	1,162,961	-
Prepays and deposits	441,285	544,000	-
Total assets	\$ 22,837,370	\$ 13,592,113	\$ 2,374,776
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 95,716	\$ 611	\$ 9,874
Due to other governmental units	-	-	-
Unearned revenue	5,601	-	-
Total liabilities	101,317	611	9,874
Deferred inflow of resources:			
Unavailable property taxes	3,659,163	2,881,231	-
Total deferred inflow of resources	3,659,163	2,881,231	-
Fund balances:			
Nonspendable	440,801	1,706,961	-
Restricted	521,643	144,806	-
Committed	-	5,949,619	1,635,402
Assigned	4,904,048	2,908,885	729,500
Unassigned	13,210,398	-	-
Total fund balances	19,076,890	10,710,271	2,364,902
Total liabilities, deferred inflows and fund balances	\$ 22,837,370	\$ 13,592,113	\$ 2,374,776

See accompanying notes to the basic financial statements.

Major Capital Projects Funds				
County Capital Improvement Trust Fund	Capital Expenditure Fund	Capital Improvement Plan Fund	Other Governmental Funds	Total Governmental Funds
\$ 18,420,835	\$ 463,914	\$ 830,369	\$ 2,991,531	\$ 52,463,254
-	576,246	-	333,399	7,450,039
42,922	-	-	-	54,644
-	802	148,941	449,295	878,980
-	-	6,000	2,492	75,842
-	-	-	-	1,162,961
-	-	-	824	986,109
<u>\$ 18,463,757</u>	<u>\$ 1,040,962</u>	<u>\$ 985,310</u>	<u>\$ 3,777,541</u>	<u>\$ 63,071,829</u>
\$ -	\$ 18,774	\$ 295,909	\$ 145	\$ 421,029
-	-	-	362,871	362,871
-	-	-	97,129	102,730
<u>-</u>	<u>18,774</u>	<u>295,909</u>	<u>460,145</u>	<u>886,630</u>
-	576,246	-	333,399	7,450,039
-	576,246	-	333,399	7,450,039
-	-	-	824	2,148,586
18,463,757	-	580,495	1,539,782	21,250,483
-	-	-	1,061,595	8,646,616
-	445,942	108,906	381,796	9,479,077
-	-	-	-	13,210,398
<u>18,463,757</u>	<u>445,942</u>	<u>689,401</u>	<u>2,983,997</u>	<u>54,735,160</u>
<u>\$ 18,463,757</u>	<u>\$ 1,040,962</u>	<u>\$ 985,310</u>	<u>\$ 3,777,541</u>	<u>\$ 63,071,829</u>

See accompanying notes to the basic financial statements.

RIO BLANCO COUNTY, COLORADO
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO THE STATEMENT OF NET POSITION
December 31, 2017

Total governmental fund balances	\$ 54,735,160
Amounts reported for governmental activities in the statement of activities are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	89,784,454
Long-term liabilities and compensated absences, are not due and payable in the current period and therefore are not reported in the governmental funds.	(451,543)
Internal service funds are used by management to charge the costs of insurance and other services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	<u>7,839,408</u>
Net position of governmental activities	<u><u>\$ 151,907,479</u></u>

See accompanying notes to the basic financial statements.

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RIO BLANCO COUNTY, COLORADO
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended December 31, 2017

	<u>Major Special Revenue Funds</u>		
	General Fund	Road and Bridge Fund	Use Tax Fund
REVENUES			
Property taxes	\$ 3,726,796	\$ 3,105,663	\$ -
Specific ownership taxes	138,516	115,430	-
Sales taxes	1,097,582	-	-
Use taxes	-	-	773,608
Other taxes	67,942	60,724	-
Intergovernmental revenues	2,778,563	3,488,926	77,683
Licenses and permits	36,488	-	-
Charges for services	812,182	3,247	42,166
Interest earnings	348,051	-	-
Fees, fines and forfeits	1,902,261	95,795	-
Inter-fund charges	175,941	155,805	-
Miscellaneous	114,235	3,266	-
Total revenues	11,198,557	7,028,856	893,457
EXPENDITURES			
Current:			
General government	5,557,978	-	109,542
Judicial and public safety	3,984,791	-	-
Health and welfare	201,416	-	430,871
Recreation and culture	351,916	-	116,930
Intergovernmental (Grants, etc)	292,982	-	137,120
Public Works	207,780	6,214,318	-
Capital outlay	-	10,326	-
Total expenditures	10,596,863	6,224,644	794,463
Excess (deficiency) of revenues over expenditures	601,694	804,212	98,994
OTHER FINANCING SOURCES/(USES)			
Transfers in	-	-	-
Transfers out	(350,000)	-	(160,000)
Total other financing sources/(uses)	(350,000)	-	(160,000)
Net change to fund balance	251,694	804,212	(61,006)
Fund balance, January 1	18,825,196	9,906,059	2,425,908
Fund balance, December 31	\$ 19,076,890	\$ 10,710,271	\$ 2,364,902

See accompanying notes to the basic financial statements.

Major Capital Projects Funds				
County Capital Improvement Trust Fund	Capital Expenditure Fund	Capital Improvement Plan Fund	Other Governmental Funds	Total Governmental Funds
\$ -	\$ 1,020,432	\$ -	\$ 177,466	\$ 8,030,357
-	37,927	-	6,596	298,469
-	-	-	-	1,097,582
-	-	-	-	773,608
-	10,907	-	7,643	147,216
-	-	1,226,881	2,066,579	9,638,632
-	-	-	-	36,488
-	-	-	4,536	862,131
78,709	-	-	16,186	442,946
-	-	-	-	1,998,056
-	-	-	-	331,746
-	-	-	2,698	120,199
<u>78,709</u>	<u>1,069,266</u>	<u>1,226,881</u>	<u>2,281,704</u>	<u>23,777,430</u>
867	431,136	58,160	498	6,158,181
-	-	-	-	3,984,791
-	-	-	2,562,477	3,194,764
-	-	-	-	468,846
261,887	-	-	-	691,989
-	-	-	-	6,422,098
<u>1,500,000</u>	<u>196,884</u>	<u>4,306,930</u>	<u>78,575</u>	<u>6,092,715</u>
<u>1,762,754</u>	<u>628,020</u>	<u>4,365,090</u>	<u>2,641,550</u>	<u>27,013,384</u>
(1,684,045)	441,246	(3,138,209)	(359,846)	(3,235,954)
-	-	600,000	-	600,000
-	(300,000)	-	-	(810,000)
-	(300,000)	600,000	-	(210,000)
(1,684,045)	141,246	(2,538,209)	(359,846)	(3,445,954)
20,147,802	304,696	3,227,610	3,343,843	58,181,114
<u>\$ 18,463,757</u>	<u>\$ 445,942</u>	<u>\$ 689,401</u>	<u>\$ 2,983,997</u>	<u>\$ 54,735,160</u>

See accompanying notes to the basic financial statements.

RIO BLANCO COUNTY, COLORADO
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
Year Ended December 31, 2017

Net change in fund balances - total governmental funds \$ (3,445,954)

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 and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Fixed assets current additions	5,867,010	
Depreciation expense	(1,973,753)	
Excess of capital outlay over depreciation and other adjustments		3,893,259

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, donations and dispositions) is to decrease net assets		(1,287,755)
--	--	-------------

Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Decrease/(increase) in compensated absences		44,151
---	--	--------

Internal service funds are used by management to charge the costs of certain activities, such as insurance and fleet services, to individual funds.

The net revenue/(expense) of the internal service funds is reported with activities as a "lookback" adjustment.		437,121
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Change in net position of governmental activities	\$ (359,179)
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See accompanying notes to the basic financial statements.

RIO BLANCO COUNTY, COLORADO
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2017

	Business-type Activities			Governmental
	Solid Waste Landfill Fund	Non-major Enterprise Funds	Total Enterprise Funds	Internal Service Funds
ASSETS				
Current Assets:				
Cash and cash equivalents	\$ 6,403,597	\$ 1,234,249	\$ 7,637,846	\$ 3,045,784
Taxes receivable	-	209,260	209,260	-
Due from other governmental units	14,058	180	14,238	-
Other receivables	20,660	1,196	21,856	4,286
Inventories	-	28,674	28,674	350,507
Prepays and deposits	-	-	-	1,901
Total current assets	6,438,315	1,473,559	7,911,874	3,402,478
Noncurrent assets:				
Capital assets:				
Land	33,395	270,210	303,605	-
Buildings, improvements, equipment, net	768,160	2,481,511	3,249,671	4,491,421
Total noncurrent assets	801,555	2,751,721	3,553,276	4,491,421
Total assets	7,239,870	4,225,280	11,465,150	7,893,899
LIABILITIES				
Current liabilities:				
Accounts payable	41,038	1,141	42,179	20,115
Total current liabilities	41,038	1,141	42,179	20,115
Noncurrent liabilities:				
Accrued compensated absences	914	7,822	8,736	34,376
Closure and postclosure care	617,465	-	617,465	-
Total noncurrent liabilities	618,379	7,822	626,201	34,376
Total liabilities	659,417	8,963	668,380	54,491
DEFERRED INFLOW OF RESOURCES				
Unavailable property tax	-	209,260	209,260	-
Total deferred inflows of resources	-	209,260	209,260	-
NET POSITION				
Invested in capital assets	801,555	2,751,721	3,553,276	4,491,420
Restricted for closure & post-closure care	1,133,135	-	1,133,135	-
Unrestricted	4,645,763	1,255,336	5,901,099	3,347,988
Total net position	\$ 6,580,453	\$ 4,007,057	\$ 10,587,510	\$ 7,839,408

See accompanying notes to the basic financial statements.

RIO BLANCO COUNTY, COLORADO
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
Year Ended December 31, 2017

	Business-type Activities			Governmental
	Solid Waste Landfill Fund	Non-major Enterprise Funds	Total Enterprise Funds	Internal Service Funds
Operating revenues:				
Property taxes	\$ -	\$ 229,026	\$ 229,026	\$ -
Specific ownership taxes	-	8,503	8,503	-
Other taxes	-	27,562	27,562	-
Charges for services	363,168	239,465	602,633	2,322,159
Grants and private contributions	-	30,000	30,000	-
Intergovernmental revenues	-	41,637	41,637	-
Total operating revenues	363,168	576,193	939,361	2,322,159
Operating expenses:				
Personnel	206,127	196,546	402,673	569,682
Supplies	24,897	208,303	233,200	621,599
Purchased services	64,478	410,104	474,582	72,331
Special dues, permits and fees	9,506	-	9,506	-
Closure and post-closure costs	274,577	-	274,577	-
Rent and utilities	4,396	38,055	42,451	7,862
Repairs and maintenance	-	10,789	10,789	19,902
Insurance and claims	-	-	-	164,893
Interdepartmental charges	235,001	40,669	275,670	83,823
Depreciation	73,454	111,929	185,383	866,762
Total operating expenses	892,436	1,016,395	1,908,831	2,406,854
Operating income/(loss)	(529,268)	(440,202)	(969,470)	(84,695)
Nonoperating revenues/(expenses):				
Capital contributed revenue	-	-	-	521,817
Total nonoperating revenues/(expenses)	(150,435)	-	(150,435)	521,817
Income/(loss) before transfers in/(out)	(679,703)	(440,202)	(1,119,905)	437,122
Transfers in/(out)	-	210,000	210,000	-
Change in net position	(679,703)	(230,202)	(909,905)	437,122
Total net position, January 1	7,260,156	4,237,259	11,497,415	7,402,286
Total net position, December 31	\$ 6,580,453	\$ 4,007,057	\$ 10,587,510	\$ 7,839,408

See accompanying notes to the basic financial statements.

RIO BLANCO COUNTY, COLORADO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended December 31, 2017

	Business-type Activities			Governmental
	Solid Waste Landfill Fund	Non-major Enterprise Funds	Total Enterprise Funds	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from external customers	\$ 353,870	\$ 488,907	\$ 842,777	\$ 58,731
Cash received from internal customers	5,208	96,409	101,617	2,263,958
Cash payments to external suppliers for goods and services	(258,559)	(678,444)	(937,003)	(929,486)
Cash payments to internal suppliers for goods and services	(235,001)	(40,669)	(275,670)	(83,823)
Cash payments to employees for services	(208,332)	(199,808)	(408,140)	(568,376)
Net cash provided/(used) by operating activities	(342,814)	(333,605)	(676,419)	741,004
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers from other funds	-	210,000	210,000	-
Net cash provided by noncapital financing activities	-	210,000	210,000	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition of fixed assets	(304,167)	-	(304,167)	(1,289,302)
Proceeds from disposal of assets	-	-	-	99,800
Net cash (used) by capital and related financing activities	(304,167)	-	(304,167)	(1,189,502)
Net increase/(decrease) in cash and equivalents	(646,981)	(123,605)	(770,586)	(448,498)
Cash balances, January 1	7,050,578	1,357,855	8,408,433	3,494,282
Cash balances, December 31	\$ 6,403,597	\$ 1,234,250	\$ 7,637,847	\$ 3,045,784
Reconciling of operating income/(loss) to net cash provided/(used) by operating activities:				
Operating income/(loss)	\$ (529,268)	\$ (440,202)	\$ (969,470)	\$ (84,695)
Adjustments to reconcile operating income/(loss) to net Cash provided/(used) by operating activities:				
Depreciation expense	73,454	111,929	185,383	866,762
Miscellaneous nonoperating revenues/(expenses)	(150,435)	-	(150,435)	-
Assets (increase)/decrease:				
Taxes receivable	-	19,771	19,771	-
Other receivables	2,702	(1,084)	1,618	530
Due from other governments	(6,792)	10,207	3,415	-
Inventories	-	(10,272)	(10,272)	(59,822)
Prepays and deposits	-	-	-	(901)
Liabilities increase/(decrease):				
Accounts payable	30,849	(921)	29,928	17,824
Taxes not yet available	-	(19,771)	(19,771)	-
Accrued compensated absences	(2,205)	(3,262)	(5,467)	1,306
Closure and postclosure care	238,881	-	238,881	-
Total adjustments	186,454	106,597	293,051	825,699
Net cash provided/(used) by operating activities	\$ (342,814)	\$ (333,605)	\$ (676,419)	\$ 741,004

See accompanying notes to the basic financial statements.

RIO BLANCO COUNTY, COLORADO
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND
December 31, 2017

Treasurer's agency funds	\$ 307,098
Sheriff's inmate balances	<u>6,685</u>
Cash and investments	<u><u>\$ 313,783</u></u>

Due to other governments	\$ 307,098
Due to inmates	<u>6,685</u>
Due to other governments	<u><u>\$ 313,783</u></u>

See accompanying notes to the basic financial statements.

NOTES TO THE FINANCIAL STATEMENTS

Rio Blanco County, Colorado
Notes to Basic Financial Statements
December 31, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting policies of Rio Blanco County, Colorado conform to generally accepted accounting principles (GAAP) as applicable to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following summary of significant accounting policies is presented to assist the reader in evaluating the County's financial statements.

A. Reporting Entity

Rio Blanco County is located in northwestern Colorado with a population of approximately 6,512. The two principal towns are Rangely and Meeker. Rio Blanco County is a political subdivision of the State of Colorado, governed by an elected three-member Board of County Commissioners. The County has six other elected officials; the Assessor, the Clerk and Recorder, the Coroner, the Sheriff, the Surveyor and the Treasurer. Rio Blanco County is included in the Ninth Judicial District. An elected District Attorney serves Garfield, Pitkin and Rio Blanco Counties.

The County's General Fund accounts for all financial operating transactions of the offices of elected officials and all Rio Blanco County contributions to the Ninth Judicial District Attorney's office. The County's Capital Expenditure Fund and Capital Improvement Plan Fund account for the capital expenditures and capital projects for the elected offices and the County government in general. The County Capital Improvement Trust Fund contributes to capital projects within the boundaries of the county – occasionally projects for the County government, but usually projects for the municipalities, school districts and special taxing districts in the form of grants.

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

These financial statements include two legal entities in addition to the County: Piceance Creek Pest Control District and Lower White River Pest Control District. The Pest Control Districts are integrated into the Weed & Pest Control Fund, with all moneys being tracked by separate departments to keep activity and running balances for each district separate from each other and separate from county-wide pursuits as required by state statute.

At December 31, 2017, Rio Blanco County's total taxable assessed valuation was approximately \$823 million. Of this, approximately \$605 million (or 74%) was owned by ten taxpayers: Enterprise Gas Processing LLC, \$217 million; Chevron U. S. A., Inc., \$121 million; Willow Creek, \$75 million; XTO Energy, Inc., \$66 million; TEP Rocky Mountain, LLC, \$43 million; Bargath, LLC, \$23 million; ARP Rangely Production LLC, \$18 million; Blue Mountain Energy, Inc., \$17 million; EnCana Oil & Gas (USA) Inc., \$13 million; and, Rockies Express Pipeline \$12 million.

Approximately 43% of the County's assessed value is derived from oil and gas activities, and an additional 32% is derived from industrial activities. The assessed value of this property is dependent, to a large extent, on quantities of oil and gas production and upon the market price.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and user charges for support.

Rio Blanco County, Colorado
Notes to Basic Financial Statements
December 31, 2017

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) 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 that are not properly included among program revenues are reported as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting* as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. The County considers revenues to be available if they are collectible within 180 days except for property taxes which are considered available if they are collectible within sixty days after year-end. Property taxes, sales taxes, licenses, and interest associated with the current year are considered to be susceptible to accrual and so have been recognized as revenues of the current year. 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 when payment is due.

Under the terms of grant agreements, the County funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted funding available to finance the program. It is the County's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then by general revenues.

The government reports the following major governmental funds:

- The General Fund is the County's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- The Road and Bridge Fund records costs related to County road and bridge construction and maintenance. By State law, Colorado counties are required to maintain a road and bridge fund. A portion of road and bridge taxes is allocated to cities and towns for use in their road and street activities.
- The Use Tax Fund accounts for all County use tax collections, the fiscal management of the use tax revenues and various other special revenues.
- The County Capital Improvement Trust Fund was established to account for cash received from the State for oil shale mineral leasing receipts. The original State receipts have been held for investment only. The income from these investments has been allocated to local governmental entities, including Rio Blanco County, for countywide capital improvements.
- The Capital Expenditure Fund is used to record the expenditures of various capital purchases of general capital assets up to \$100,000.
- The Capital Improvement Plan Fund is used to record the expenditures of various capital purchases of general capital assets over \$100,000.

The government reports the following major proprietary funds:

Rio Blanco County, Colorado
Notes to Basic Financial Statements
December 31, 2017

- The Solid Waste Landfill Fund accounts for the County's landfill operations.

The balance of governmental funds are considered non-major, and account for impact fee trust fund, human services, public health, and conservation trust activities. The balance of proprietary funds are considered non-major, and account for weed and pest control and Fairfield Complex activities.

The government reports the following fund types:

Internal service funds are considered non-major proprietary funds, and account for insurance, audit fees, rent, telephone and internet services, copies, postage, and fleet management services on a cost reimbursement basis.

Fiduciary funds account for resources held for other parties outside the government. The County has two kinds of fiduciary funds. The Treasurer's agency funds are used to account for cash held by the County Treasurer for distribution to other governments. The Sheriff's inmate balances are cash held for prisoners until release.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are certain charges between the County's enterprise funds and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

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

D. Assets, Liabilities, Deferred Inflows and Net Assets or Equity

1. Investments

Investments at December 31, 2017, consisted of treasury notes states at fair market value, C-SAFE, CSIP and money market mutual funds stated at amortized cost, and ColoTrust stated at net asset value.

2. Cash and Cash Equivalents

The County considers cash and cash equivalents to be cash on hand in demand accounts. Because the treasury pool is sufficiently liquid to permit withdrawal of cash at any time without prior notice or penalty, equity in the pool is also deemed to be a cash equivalent.

3. Disaggregation of Receivable and Payable Balances

Significant components of receivables and payables are disaggregated in the financial statements. All receivables are expected to be collected within one year. All material payables are expected to be paid within one year with the exception of the amounts for the accrual for compensated absences and liabilities for landfill closure and post-closure costs.

4. Prepaid Expenses and Deposits

Of the prepaid expenses and deposits shown on the statement of net position, 44% (\$434,880) is a prepaid IRU to link broadband service directly between the towns of Meeker and Rangely, 53% (\$520,000) is a prepayment for gravel to be taken from the Wakara pit over a period of 30 years ending December 31, 2043, 2% (\$24,000) is prepayments of royalties for gravel being extracted from other pits, and the balance (\$3,325) is prepayment for HR laws, (\$2,500) is extended license for GIS equipment, (\$1,000) is prepayment of postage, (\$901) is extended subscription for fleet

Rio Blanco County, Colorado
Notes to Basic Financial Statements
December 31, 2017

motor grader GPS, (\$824) is prepayment for CYMA software support, and (\$95) is prepayment for RBC Domain Name.

5. Property Taxes

Property taxes are levied in December and attach as an enforceable lien on property as of January 1 of the following year. Taxes are payable either in two installments due on February 28 and June 15 or in full on April 30. The County, through the Rio Blanco County Treasurer, bills and collects its own property taxes as well as property taxes of all other taxing authorities within the County. Taxes levied in 2017 for collection in 2018 are recorded in governmental funds as taxes receivable and deferred inflow of resources as of December 31, 2017 since the amount is measurable but not available until 2018. An allowance for un-collectible taxes is not provided as the uncollectible amounts were determined to be negligible based upon an analysis of historical trends.

Current general local property taxes levied in 2016 and collected in 2017 are as follows:

Fund	Assessed Valuations	Mill Levy	Taxes Levied	Taxes Collected	Percent Collected
General	\$ 888,392,910	4.200	\$ 3,731,250	\$ 3,726,796	99.9%
Road and Bridge	888,392,910	3.500	3,109,375	3,105,663	99.9%
Human Services	888,392,910	-	-	-	-
Public Health Agency	888,392,910	0.200	177,679	177,466	99.9%
Capital Expenditures	888,392,910	1.150	1,021,652	1,020,432	99.9%

6. Interfund Transactions

Transactions between funds that would be treated as revenues, expenditures, or expenses if they involved organizations external to the County are accounted for as revenues, expenditures, or expenses in the funds involved. Transactions which constitute reimbursements of a fund for expenditures or expenses initially made from that fund which are properly applicable to another fund are recorded as expenditures or expenses in the reimbursing fund and as reductions of the expenditure or expense in the fund that is reimbursed. At year end, outstanding balances between funds are reported as “due to/from other funds.”

7. Inventories

Inventories in most governmental funds are recorded as expenditures when purchased. Inventories in the Road and Bridge Fund, and chemicals in the Weed & Pest Control Fund are adjusted to reflect expenditures when consumed rather than when purchased. The material and supplies inventory (except gravel) held by the Road and Bridge Fund is stated at average cost. The weighted average method is used for gravel inventory. The parts and supplies inventory held by the Fleet Management Fund are stated at the lower of cost or market using the first-in, first-out method. The chemical inventory held by the Weed & Pest Control Fund is valued at cost, which is determined using the first-in, first-out method.

8. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The County defines capital assets, other than infrastructure assets, as assets with an initial, individual cost of more than \$5,000 and a useful life of more than one year. Infrastructure assets are not recorded as capital assets unless the cost is greater than \$5,000. All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are recorded at fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized.

Depreciation on capital assets, with the exception of infrastructure, is provided on the straight-line basis over the following estimated useful lives:

Buildings and improvements	20 to 50 Years
Land improvements (depreciable)	25 to 30 Years

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Equipment and Furniture

5 to 40 Years

For reporting infrastructure assets, a modified approach is allowed by GASB 34. This approach is in lieu of the depreciation of infrastructure assets. The County has elected to use this method of reporting infrastructure assets. The County must maintain two requirements in order to qualify to use this approach:

1. The County must manage the eligible infrastructure assets using an asset management system with specific characteristics.
2. The County must document that the eligible infrastructure assets are being preserved approximately at (or above) a condition level established and disclosed by the County.

The County has developed and implemented an asset management system to measure, at least every third year by class of infrastructure asset, if the minimum standards are being maintained. Additional required disclosures are included as part of the Required Supplementary Information.

Rio Blanco qualified as a Phase III county as per GASB Statement 34 and elected not to report infrastructure assets which were acquired and in service at January 1, 2002. Infrastructure assets, acquired subsequent to January 1, 2002, are included with other fixed assets and the disclosure provisions are shown below.

At December 31, 2017 Rio Blanco County has recognized only twelve items of infrastructure; five bridges and seven road sections. The following information is presented in regard to these assets:

1. The Rio Blanco County Commissioners have made the commitment to preserve and maintain these eligible infrastructure assets at a level of 5 on a maintenance scale of 1 to 10.
2. The Rio Blanco County Commissioners are responsible for determining the appropriate condition level at which these assets are rated.
3. No depreciation expense is reported for these assets, nor are amounts capitalized in connection with improvements that lengthen the life of the assets, unless the improvement also increases the service potential of these assets.
4. Rio Blanco County maintains an inventory of these assets and performed condition assessments during 2017 to establish that the specified condition level (1 above) has been maintained. The assessment for 2017 provided condition assessments equal to or greater than 8 for all twelve items currently on the eligible asset list. These high levels of condition are primarily due to the very limited use (low traffic) of the assets and their relatively new installation.
5. The County's estimate of the amount to be expended to preserve and maintain these assets, at the stated condition level of 5, is included in the County's subsequent annual budget.

9. Future Compensated Absences

County employees accumulate sick leave and vacation benefits at rates of 8 hours per month and 8 to 16 hours per month, respectively, depending on position and length of service. In the event of retirement or termination, an employee is paid 100% of accumulated vacation pay, and those with five or more years of continuous service are paid a percentage of their accumulated sick leave from 5% to 20% dependent upon number of years of service. 240 hours of annual vacation accrual may be carried over from one year to the next. 960 hours of sick leave accrual may be carried over from one year to the next. Compensatory time is granted (except for official, professional, and administrative positions) at the rate of one and one-half hours for each overtime hour worked, with various limitations. The entire compensated absence liability is reported on the government-wide financial statements as long-term debt.

10. Long-term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. At December 31, 2017, the only long term debt that Rio Blanco County had was from the accrual of compensated absences and the recognition and recording of closure and post-closure costs related to County landfills.

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11. Deferred Inflows of Resources

In addition to liabilities, the statement of net position reports a separate section of 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 will not be recognized as an inflow of resources (revenue) until that time.

12. Fund Equity

Net Position

Net position represents the difference between assets and liabilities plus deferred inflows in the government-wide financial statements. Net investment in capital assets consist of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on its 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. The County first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

Fund Balance

In the fund financial statements, governmental funds report designations of fund balance for amounts that are non-spendable, legally restricted by laws or outside parties, committed internally by the Board of County Commissioners, assigned internally by an appointed body/official (County Finance/Budget Director), or remain unassigned. These classifications comprise a hierarchy based primarily on the extent to which the government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. When funds in more than one classification could be used for an expenditure, the funds highest in the hierarchy (most constrained) are used first.

13. Emergency Reserve

The reserve for emergencies, as required by Section 20 to Article X of the Colorado Constitution, also known as the Taxpayer's Bill of Rights (TABOR), is classified as restricted on the entity-wide statements. It is recorded as restricted in the General Fund even though the calculation of the amount required includes portions for other governmental funds and small amounts for some of the proprietary funds.

14. Contraband Proceeds

The Colorado Contraband Forfeiture Act requires the proceeds from the seizure of contraband be audited although they are not subject to the appropriations process. During 2017, the County had no proceeds from the seizures of contraband.

15. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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.

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

Annual budgets are adopted for all funds, except agency funds, of the County. The Budget Office submits a proposed operating budget for the following calendar year to the County Commissioners prior to October 15 of each year. The budget is prepared using the modified accrual basis of accounting. The operating budget includes proposed expenditures/expenses and anticipated revenues. As required by statute, public hearings are conducted to obtain citizen's comments. Prior to the levy of property tax, the budget is legally adopted through the passage of budget adoption and appropriation resolutions prior to December 15 of each year.

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B. Budgeted Level of Expenditures

The budgetary control is maintained at the department level for the General Fund, Use Tax Fund and Weed & Pest Control Fund and at specific fund level for all other funds. Although the budget shows various classifications by object and by function, the department directors are authorized to transfer budgeted amounts within each of the object classifications; however, use of any budgeted contingency amounts must be specifically authorized by the Board of County Commissioners. All annual appropriations lapse at year-end. During 2017, the County Commissioners adopted one supplemental appropriations which did not include any transfer appropriations between funds.

For the budget to actual reporting required by state statutes, the proprietary funds present the adjustments necessary to reconcile ending net income/(loss) on the budgetary basis to the GAAP basis net change in fund equity.

All budget amounts presented in the accompanying required supplementary information reflect the original budget and the final amended budget.

NOTE 3 - CASH AND INVESTMENTS

A. Deposits

Title 11, Article 10.5 of the Colorado Revised Statutes, (the Public Deposit Protection Act of 1989), require all public monies to be deposited in financial institutions that have been designated as eligible public depositories. Eligible public depositories must pledge eligible collateral, as promulgated by the State banking board, having a market value in excess of 102% of the aggregate uninsured public deposits. Eligible collateral must be held in a single financial institution collateral pool in the custody of any federal reserve bank or any branch thereof or of any depository trust company which is a member of the federal reserve system, and which is supervised by the State banking board. The Statutes further restrict such deposits to eligible public depositories having their principal offices within the State of Colorado. Collateral in the pool is considered to be equal to depository insurance pursuant to definitions listed in GASB Statement No. 40. At year end the County's deposits were not exposed to credit risk, as all deposits were insured by the Federal Deposit Insurance Commission (FDIC) or collateralized in accordance with PDPA. As of December 31, 2017, the carrying amount of the County's Primary Government's Funds demand account deposits were \$16,966,152 and the bank balance was \$18,213,396. Of the bank balance \$1,000,000 was covered by FDIC insurance and the excess was collateralized in accordance with PDPA.

B. Investments

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local government entities may invest. Authorized investments include obligations of the United States and certain U.S. government agency securities; certain international agency securities; general obligation and revenue bonds of U.S. local government entities; bankers' acceptances of certain banks; commercial paper; written repurchase agreements collateralized by certain authorized securities; certain money market funds; guaranteed investment contracts and local government investment pools.

Rio Blanco County currently has funds invested in the following investment pools:

- (1) Colorado Government Liquid Asset Trust (COLOTRUST) is an investment vehicle established by local government entities in Colorado to pool surplus funds for investment purposes. The State Securities Commission oversees this pool. COLOTRUST operates similarly to money market funds and each share is valued at \$1.00. The investment pool is routinely monitored by the Colorado Division of Securities with regard to operations and investments. Investments consist of U.S. Treasury bills, notes and note strips, and repurchase agreements collateralized by U.S. Treasury Notes. The designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions of each pooled investment. All securities owned by the pooled investments are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by each pool investor. The custodian's internal records identify the investments owned by COLOTRUST. These pools are not required to be (and are not) registered with the SEC. COLOTRUST's

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funds are rated AAA by Standard and Poor’s, Fitch’s and Moody’s rating services. Information on COLOTRUST can be obtained at www.colotrust.com.

- (2) Colorado Surplus Asset Fund Trust (CSAFE) is an original Local Government Investment Pool (LGIP) established in 1988 under Colorado State Statutes CRS 25-75-601 and 701. This pool is an investment vehicle established by local government entities in Colorado to pool operating & surplus funds for overnight investment purposes. The State Securities Commission oversees this pool. CSAFE operates similarly to money market funds and each share is valued at \$1.00. The investment pool is monitored quarterly by the Colorado Division of Securities with regard to operations and investments and audited annually. Investments consist of U.S. Treasury bills, notes and note strips, and repurchase agreements collateralized by U.S. Treasury Notes, Government Agencies, Colorado Rated Bank Deposits that are collateralized at 102% and A1+, A1 and P1 (AAA rated) Commercial Paper. The designated custodial bank, US Bank, provides safekeeping and depository services in connection with the direct investment and withdrawal functions of each pooled investment. All securities owned by the pooled investments are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian’s internal records identify the investments owned by each pool investor. CSAFE is not required to be registered with the SEC. CSAFE’s fund is rated AAA by Standard and Poor’s rating service. Additional information on CSAFE can be obtained at www.csafe.org.
- (3) PFM Funds Prime Series, Colorado Investors Class is a money market mutual fund marketed as the Colorado Statewide Investment Program (CSIP). The Prime Series is a separate investment portfolio of PFM Funds (the Trust). The Trust is an open-end, diversified, management investment company registered under the Investment Company Act of 1940. The PFM Funds Prime Series invests in obligations of the United States Government and its agencies, high quality debt obligations of U.S. companies and obligations of financial institutions and is rated AAA by Standard & Poor’s. PFM Asset Management, LLC serves as the investment advisor, administrator and transfer agent. Shares of the Fund are distributed by PFM Fund Distributors, Inc., member Financial Industry Regulatory Authority (FINRA). U.S. Bank N.A. serves as the custodian and acts as safekeeping agent. To obtain financial statements for PFM Funds Prime Series, Colorado Investors Class, you may visit its website at www.csipinvest.com.

The County’s investment policy follows all statutory requirements, concentrates on investments with maturities of 60 months or less in order to limit principal risk caused by changes in interest rates and encourages diversification of the portfolio. The County invests its funds in a manner which will provide the highest investment return while ensuring preservation of capital and protection of investment principal. The County reports investments at fair value. The County’s investments are registered in the name of the government.

Summary of Cash and Investments Held by County for Primary Government’s Funds

Cash on hand	\$ 14,896
Demand accounts (bank and money markets)	1,591,004
ColoTrust, CSafe, CSIP	31,325,170
Certificates of deposit	15,375,148
Sigma-Money Market Fund	1,323
U.S. Treasury Notes	14,839,343
	<u>\$ 63,146,884</u>

Cash and Investments Held by County for Others (Treasury Agency Fund)

Demand accounts	<u>\$ 307,098</u>
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Fair Value

The County categorized its fair value measurements within the fair value hierarchy established by generally accepted accounting principles.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of

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observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value.

- Level 1: Quoted prices (unadjusted) in active markets for an identical asset or liability that a government can access at the measurement date.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities
- Level 3: Unobservable inputs for an asset or liability.

The County has the following fair value measurements as of December 31, 2017:

	12/31/2017	Level 1	Level 2	Level 3
Investments by Fair Value Level:				
Treasury Notes	\$ 14,839,343	\$ -	\$ 14,839,343	\$ -
Investments Measured at Amortized Costs:				
Money Market Mutual Funds	1,323			
CSAFE, CSIP	13,289,468			
Investments Measured at Net Asset Value:				
ColoTrust	18,035,702			
Total Investments	\$ 46,165,836			

NOTE 4 – INTERFUND TRANSACTIONS

The County reports internal transactions between its funds. Certain eliminations have been made in regards to interfund activities. All internal balances in the Statement of Net Position have been eliminated. 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 business-type activities column are eliminated.

Due To/Due From Other Funds

Due to and due from balances result from interfund transactions for which the related transfer has not yet occurred, creating a receivable in one fund and an offsetting payable in another fund. There were no outstanding due to/due from interfund transactions at year-end.

Interfund Transfers

Transfers are indicative of funding for capital projects, subsidies of various County operations, and re-allocation of special revenues. The following schedule briefly summarizes the County’s transfer activity:

	Transfers in:					
	Capital Expenditures Fund	Capital Improvement Plan Fund	County Capital Improvement Trust Fund	Weed & Pest Control Fund	Fairfield Complex Fund	Transfers Total
Transfers out:						
General Fund	\$ -	\$ 300,000	\$ -	\$ -	\$ 50,000	\$ 350,000
Use Tax Fund	-	-	-	130,000	30,000	\$ 160,000
Capital Exp Fund	-	300,000	-	-	-	300,000
	\$ -	\$ 600,000	\$ -	\$ 130,000	\$ 80,000	\$ 810,000

Rio Blanco County normally allocates a portion of its 9.050 mill levy for capital projects each year. The full amount is receipted into the Capital Expenditure Fund. But, because Rio Blanco County maintains two separate capital funds (one for projects under \$100,000 and one for projects over \$100,000), the portion needed for the larger projects in the

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Capital Improvement Plan Fund must be transferred from the Capital Expenditure Fund. This amount was \$300,000 in 2017. \$300,000 was also budgeted to transfer from the General Fund to the Capital Improvement Plan Fund to be used on the broadband project.

Rio Blanco County currently subsidizes two of its three enterprise (business type) funds.

- (1) The Solid Waste Landfill Fund continued to be self-sustaining in 2017 due to its level of fund balance.
- (2) Because the Weed & Pest Control Fund includes two districts that have a cap of 2.0 mills on residents within their borders, the County cannot assess additional mills for county-wide weed/pest control efforts; thus, the General Fund's property tax revenues can't be used for this purpose. So, the County transfers funds from the Use Tax Fund to support this function. In 2017, \$130,000 was transferred to the Weed & Pest Control Fund. This amount has fluctuated between \$100,000 and \$200,000 for a number of years.
- (3) In 2017, the County contributed \$80,000 to the Fairfield Complex Fund in the form of transfers plus an additional \$49,552 in the form of internal rent for the spaces the government occupies in the community center. The County's contributions to this fund have been increasing over the years as the Town of Meeker's contributions declined and then stopped, and as the contributions from the Freeman E. Fairfield Trust have become more restrictive and less frequent. \$30,000 is transferred annually from the Use Tax Fund with the balance needed for operations and projects being transferred from the General Fund. Generally, about \$100,000 combined is needed to support operations and more is contributed in years when projects are planned.

NOTE 5 - CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2017, was as follows:

<i>Governmental activities:</i>	Balance 1/1/2017	Additions	Deletions	Balance 12/31/2017
Capital assets not being depreciated:				
Land	\$ 2,365,752	\$ 114,745	\$ -	\$ 2,480,498
Land Improvements	620,797	-	-	620,797
Infrastructure	23,108,379	-	-	23,108,379
Construction-In-Progress	19,024,520	2,881,757	8,466,751	13,439,526
Total capital assets not being depreciated	45,119,448	2,996,503	8,466,751	39,649,200
Capital assets being depreciated:				
Land Improvements	20,458,716	234,379	-	20,693,096
Buildings and Improvements	28,653,673	10,564,399	1,379,139	37,838,933
Equipment and Furniture	14,829,743	2,320,822	1,279,050	15,871,515
Total capital assets being depreciated	63,942,132	13,119,600	2,658,189	74,403,543
Less accumulated depreciation:				
Land Improvements	5,771,973	659,494	-	6,431,467
Buildings and Improvements	3,716,530	806,684	248,246	4,274,968
Equipment and Furniture	8,747,261	1,374,337	1,051,165	9,070,433
Total accumulated depreciation	18,235,764	2,840,515	1,299,411	19,776,869
Total capital assets being depreciated, net	45,706,367	10,279,085	1,358,778	54,626,674
Governmental activities capital assets, net	<u>\$ 90,825,816</u>	<u>\$ 13,275,588</u>	<u>\$ 9,825,529</u>	<u>\$ 94,275,874</u>

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<i>Business-type activities:</i>	Balance 1/1/2017	Additions	Deletions	Balance 12/31/2017
Capital assets not being depreciated:				
Land	\$ 303,605	\$ -	\$ -	\$ 303,605
Construction-In-Progress	-	19,793	-	19,793
Total capital assets not being depreciated	303,605	19,793	-	323,398
Capital assets being depreciated:				
Land Improvements	490,979	284,373	7,115	768,237
Buildings and Improvements	3,290,639	-	-	3,290,639
Equipment and Furniture	900,275	-	-	900,275
Total capital assets being depreciated	4,681,893	284,373	7,115	4,959,152
Less accumulated depreciation:				
Land Improvements	247,232	44,609	7,115	284,726
Buildings and Improvements	1,022,893	95,370	-	1,118,263
Equipment and Furniture	280,881	45,405	-	326,286
Total accumulated depreciation	1,551,006	185,383	7,115	1,729,274
Total capital assets being depreciated, net	3,130,887	98,990	-	3,229,877
Business-type activities capital assets, net	\$ 3,434,492	\$ 118,783	\$ -	\$ 3,553,275

Depreciation expense was charged to functions/programs of the primary government as follows:

<i>Governmental activities:</i>				
General Government				\$ 335,463
Health and Welfare				23,838
Judicial and Public Safety				772,204
Public Works				751,064
Recreation and Culture				91,184
Total depreciation expense - governmental activities				1,973,753
Central Services				6,971
Fleet Management				859,791
Total depreciation expense - governmental activities including internal services				\$ 2,840,515
<i>Business-type activities:</i>				
Solid Waste Landfill Fund				\$ 73,454
Weed & Pest Control Fund				2,352
Fairfield Complex Fund				109,577
Total depreciation expense - business-type activities				\$ 185,383

The County maintains a fixed asset capitalization threshold of \$5,000.

NOTE 6 - RISK MANAGEMENT AND SELF-INSURANCE

Colorado Counties Casualty and Property Pool

The County is exposed to various risks of loss related to property and casualty 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 Pool provides the County with general property, vehicle comprehensive and collision, and various liability insurance coverage. The County pays an annual contribution to CAPP for its property and casualty insurance coverage. During 2017, the County paid contributions of \$164,893 as compared to \$117,695 in the prior year. 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

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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 the prior year by major categories of risk, and there have been no settlements that exceed the County's insurance coverage during the past three years.

County Workers' Compensation Pool

The County is exposed to various risks of loss related to injuries of employees while on the job. In 1985, 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 County pays an annual contribution to CWCP for its workers' compensation insurance coverage. During 2017, the County paid contributions of \$223,482 as compared to \$236,309 in the prior year. 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. There were no significant reductions in insurance coverage from the prior year by major categories of risk, and there have been no settlements that exceed the County's insurance coverage during the past three years.

NOTE 7 - CLOSURE AND POSTCLOSURE CARE COST OF LANDFILLS

The U. S. Environmental Protection Agency rule of October 9, 1991 is the primary basis for Municipal Solid Waste Landfill (SWL) closure care requirements. The Solid Waste Regulations promulgated by the Colorado Board of Health with authority under the Solid Waste Disposal Act of 30-20-104.5 of the Colorado Revised Statutes also apply.

The costs associated with SWL closure and post closure care are properly accounted for by utilizing procedures that are established to insure compliance with Generally Accepted Accounting Principles as outlined in Statement No. 18 of the Governmental Accounting Standards Board. This statement was published in August of 1993 and is effective for financial statements for all periods beginning after June 15, 1993.

Rio Blanco County's estimates of "current total closure and post-closure costs" are based upon current technology and engineering techniques. Due to an increase in drill cuttings, a new estimate of closure and post-closure costs were obtained in 2016 from a Registered Professional Engineer. While the estimates applicable for December 31, 2017 are as accurate as possible, changes in these estimates due to inflation or deflation, technology or changes to laws and regulations will continue and will be subject to annual reevaluation and adjustment during each year.

The "current estimate of total combined closure and post closure cost," for all landfills, as last revised, is \$1,750,600. This amount includes \$314,233 for the Rangely Landfill and \$1,436,367 for the Meeker (Wray Gulch) Landfill. The total expense that has been recognized for the currently operating landfills in all years through 2017 is \$963,855 (\$437,437 for Rangely, \$526,418 for Meeker). All previously recorded expense, which has not been disbursed, is carried in the books as a noncurrent liability of \$617,465. The Fund has available cash of \$617,465 to pay for recognized closure and post-closure costs for all County landfills. The portion of total costs that have been recognized as expense and recorded as a liability is based upon the portion of landfill capacity used.

The percentages of each landfill's capacity used to date and the estimated remaining landfill lives in years are shown below:

<u>Landfill</u>	<u>Percent of capacity used</u>	<u>Remaining life</u>
Rangely	22.8%	0 years
Meeker (Wray Gulch)	38.0%	50 years

Expense recognition, for landfill closure and post closure costs, is further complicated by the Colorado State Health Department's requirements that the reserves be based upon time (20-year maximum amortization) rather than upon usage of landfill space as per Generally Accepted Accounting Principles (GAAP). The County continues to hold reserves in excess of recognized expenses per GAAP in order to insure compliance with the State of Colorado's statutes and regulations. The differences in calculations would require that \$1,750,600 (\$314,233 for Rangely,

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\$1,436,367 for Meeker) be held vs. the \$617,465 liability recognition that is required by GAAP for operating landfills. At the end of 2017, reserves are also held in the Solid Waste Landfill Fund in the amount of \$1,133,135 to insure adequate reserves for all closure/post-closure costs. By providing these reserves, Rio Blanco County has mostly eliminated the risks of not being financially prepared for unanticipated catastrophic losses.

Calculations of the estimated total current cost of closure/post-closure care applicable to each landfill are as follows:

	Meeker	Rangely
Final cover closure cost	\$ 784,921	\$ -
Post closure-care cost	651,446	314,233
Total closure and post closure costs	\$ 1,436,367	\$ 314,233

NOTE 8 - LONG-TERM LIABILITIES

The only long term debt Rio Blanco County had was from the accrual of compensated absences (vacation, sick and comp time to be used at some future date) and the recognition of closure and post-closure costs for landfills.

	Balance 1/1/2017	Changes	Balance 12/31/2017
Governmental activities			
Compensated absences	\$ 528,764	\$ (42,846)	\$ 485,918
Total governmental	528,764	(42,846)	485,918
Business type activities			
Compensated absences	14,204	(5,469)	8,735
Closure/post-closure costs	378,584	238,881	617,465
Total business type	392,788	233,412	626,200
Total long-term obligations	\$ 921,552	\$ 190,566	\$ 1,112,118

NOTE 9 – COMMITMENTS

The County entered into contractual agreements during the year with amounts outstanding at December 31, 2017 for the following projects: economic development strategy implementation – Meeker \$72,798; economic development strategy implementation - Rangely \$57,810; planning contract \$11,919; records digitization \$35,778; broadband security doors and gates \$5,826; Meeker Airport beacon and fence project \$109,386; engineering for various road and bridge projects \$204,423. The completion of all of these projects/commitments is included in the 2018 budget.

NOTE 10 - RESERVATIONS OF FUND BALANCE

Reservations of fund balance either indicate that a portion of fund balance is legally segregated for a specific future use or indicate that a portion of fund balance is not available for appropriation.

Fund balances reserved for prepaid expenditures and inventories do not represent available resources, thus, they are considered non-spendable. For committed fund balances, the Board of County Commissioners is the decision-making authority, and the action required to commit funds or release committed funds is a resolution. For assigned fund balances, the Board of County Commissioners authorized by resolution the County Finance/Budget Director to designate funds for intended uses to be reviewed bi-annually (for the finalization of financial statements and budget). Also defined by resolution, in any case where there are various components of fund balance available to be spent for a specific purpose, the most restricted funds shall be spent first in the order of restricted, then committed, then assigned and unassigned last.

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Fund balance reserved for emergencies represents a 3% legal restriction pursuant to Article X, Section 20 of the State Constitution (Tabor Amendment). This requirement applies to the majority of the funds to some extent, but the total is set aside in the General Fund for the sake of simplicity.

		Major Special Revenue Funds			
		General Fund	Road & Bridge Fund	Use Tax Fund	Other Governmental Funds
Fund balances:					
Nondisposable:					
	Inventory	\$ -	\$ 1,162,961	\$ -	\$ -
	Prepays	440,801	544,000	-	\$ 824
	Nondisposable	440,801	1,706,961	-	824
Restricted for:					
	General Purpose of Fund	-	-	-	9,336
	Emergencies	521,643	-	-	100,000
	Forest Service Title III Projects	-	144,806	-	-
	Capital Projects	-	-	-	1,405,446
	Grant Match Requirements	-	-	-	25,000
	Restricted	521,643	144,806	-	1,539,783
Committed to:					
	General Purpose of Fund	-	5,949,619	1,635,402	1,061,596
	Committed	-	5,949,619	1,635,402	1,061,596
Assigned to:					
	General Purpose of Fund	-	-	-	-
	Electric Sales Tax Grants	189,499	-	-	-
	Incomplete Capital Projects	-	22,284	-	-
	Future Capital Projects	-	2,000,000	105,000	-
	Projected Budget Deficit	4,714,549	886,601	624,500	381,796
	Assigned	4,904,048	2,908,885	729,500	381,796
Unassigned:		13,210,398	-	-	-
	Unassigned	13,210,398	-	-	-
	Total funds	\$ 19,076,890	\$ 10,710,271	\$ 2,364,902	\$ 2,983,998

Rio Blanco County, Colorado
Notes to Basic Financial Statements
December 31, 2017

		Major Capital Projects Funds		
		County Capital Improvement Trust Fund	Capital Expenditure Fund	Capital Improvement Plan Fund
Fund balances:				
Nonspendable:				
	Inventory	\$ -	\$ -	\$ -
	Prepays	-	-	-
	Nonspendable	-	-	-
Restricted for:				
	General Purpose of Fund	-	-	-
	Emergencies	-	-	-
	Forest Service Title III Projects	-	-	-
	Capital Projects	18,463,757	-	-
	Grant Match Requirements	-	-	580,495
	Restricted	18,463,757	-	580,495
Committed to:				
	General Purpose of Fund	-	-	-
	Committed	-	-	-
Assigned to:				
	General Purpose of Fund	-	87,879	3,623
	Electric Sales Tax Grants	-	-	-
	Incomplete Capital Projects	-	206,569	257,753
	Future Capital Projects	-	-	-
	Projected Budget Deficit	-	151,494	(152,471)
	Assigned	-	445,942	108,905
Unassigned:				
	Unassigned	-	-	-
	Total funds	\$ 18,463,757	\$ 445,942	\$ 689,401

Rio Blanco County, Colorado
Notes to Basic Financial Statements
December 31, 2017

NOTE 11 - RETIREMENT PLAN

Rio Blanco County is a member employer of the Colorado County Officials and Employees Retirement Association (CCOERA). This association was formed by Colorado State Statute to provide retirement benefits to employees of Colorado local governments. CCOERA administers two different retirement plans a 401(a) Defined Contribution Plan and a 457 Deferred Compensation Plan.

Rio Blanco County provides pension benefits for all of its full-time employees and all regular part-time employees who work more than 20 hours per week through a defined contribution plan with the Colorado County Officials and Employees Retirement Association Retirement Plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are eligible to participate one year from the date of employment. Elected officials are eligible to participate immediately. Participation is mandatory for all eligible employees and for all elected officials. Both the County and the employee contribute 6% of the employee's monthly base salary to the plan. Employees may also make additional contributions up to a maximum of 10% of compensation.

The County's contribution for each employee (and interest allocated to the employee's account) is 100% vested after five years. If an elected official fails to become re-elected, they immediately become fully vested. Any non-vested County contributions forfeited by an employee who leaves the County's employment are remitted to the County. For the year ended December 31, 2017 the County's total payroll was \$7,483,080, the total payroll covered by the retirement plan was \$6,308,481 and the total contribution paid was \$757,018. The County's portion of the contribution was \$378,509 and the employee's portion was \$378,059. The County has no liability for losses under the plan. Complete financial statements for the retirement plans may be obtained from CCOERA, 4949 S. Syracuse St., Suite 400, Denver, Colorado, 80237.

NOTE 12 - POST EMPLOYMENT BENEFITS

The County provides no post-employment benefits to employees who retire from the County other than those mandated by the State and Federal governments. The "Consolidated Omnibus Budget Reconciliation Act of 1985" (COBRA), that is mandated by the Federal Government, requires that employers allow eligible employees the opportunity to purchase medical and dental insurance for various periods of time after their employment is discontinued. Rio Blanco County complies with the Federal Statutes.

NOTE 13 – COMPONENT UNIT TRANSACTIONS

The financial activity and balances of the Piceance Creek Pest Control District and the Lower White River Pest Control District are included as separate departments within the Weed and Pest Control Fund. The revenues, expenses and ending fund balances for each is detailed on page E-16 of this report.

NOTE 14 - RELATED PARTY TRANSACTIONS

Due to the size of the County, certain related party transactions are unavoidable. During the year various amounts of goods and services were purchased from related parties, these include County Commissioners, elected officials and various department heads. The amounts are not considered to be material to these financial statements.

NOTE 15 – SUBSEQUENT EVENTS

Subsequent to December 31, 2017, and prior to publication of these financial statements, the County has entered into contractual agreements for the following significant amounts:

Rio Blanco County, Colorado
Notes to Basic Financial Statements
December 31, 2017

- Contract for CR 13 & 15 resurfacing \$1,998,081, contract for chip seal project \$833,511, contract for herbicide \$116,749, contract for dust control \$302,174, contract for Lower White River Pest District aerial spraying \$165,000, contract for IT server/SAN replacement \$205,244, and
- Resolution extending temporary suspension of impact fees into June 2018.

NOTE 16 - BUDGET AMENDMENTS

During 2017 the County amended its budget. The following is a schedule of the changes to the original budget:

Fund	Original Budget	Amendment	Final Budget
General	\$ 13,656,902	\$ 329,656	\$ 13,986,558
Road and Bridge	21,047,986	302,879	21,350,865
Use Tax	802,930	17,430	820,360
County Capital Imp. Trust	1,792,687	-	1,792,687
Impact Fee Trust	1,371,844	-	1,371,844
Capital Expenditure	970,333	-	970,333
Capital Improvement Plan	7,510,483	(992,683)	6,517,800
Human Services	2,475,148	-	2,475,148
Public Health	449,998	24,677	474,675
Conservation Trust	63,274	-	63,274
Contingent	100,000	-	100,000
Solid Waste Landfill	767,487	525,600	1,293,087
Weed and Pest Control	1,105,836	-	1,105,836
Fairfield Complex	241,315	-	241,315
Central Services	229,026	-	229,026
Fleet Management	2,930,467	-	2,930,467
Total expenditures	<u>\$ 55,515,716</u>	<u>\$ 207,559</u>	<u>\$ 55,723,275</u>

NOTE 17 - TAX, SPENDING AND DEBT LIMITATIONS

Colorado voters passed an amendment to the State Constitution, Article X, Section 20, which has several limitations including revenue raising, spending abilities and other specific requirements of state and local governments. The Amendment is complex and subject to judicial interpretation. The County believes it is in compliance with the requirements of the amendment. However, the entity has made certain interpretations of the amendment’s language in order to determine its compliance. The Amendment requires that emergency reserves be established. These reserves must be at least three percent of fiscal year spending. Emergency reserves at December 31, 2017 were \$521,643.

REQUIRED SUPPLEMENTARY INFORMATION

RIO BLANCO COUNTY, COLORADO
 REQUIRED SUPPLEMENTARY INFORMATION
 FOR GOVERNMENTS USING THE MODIFIED APPROACH


Year Ended December 31, 2017

Eligible Asset	Life	Condition (scale of 1 to 10)								Maintenance							2018	Description of Repairs Needed		
	Placed in Service	Condition Assessed								Last Assessment	Actual Cost									
		Average Daily Traffic (ADT)									Estimated Cost									
		Age of Asset (years)	12/31/11	12/31/12	12/31/13	12/31/14	12/31/15	12/31/16	12/31/17		Current Change	Rating and/or comment	2011	2012	2013	2014			2015	2016
County Road 5 Mile Post 10.75 - 11.71	2012	10	10	10	10	10	10	10	0	Constructed in 2012										2018: Chip Seal
	4	970	970	970	970	441	441	0	Excellent			\$0	\$0	\$0	\$0	\$0				
County Road 5 & 24 Mile Post 26.60 - 27.34	2012	10	10	10	10	10	10	0	Constructed in 2012											2018: Chip Seal
	4	611	611	611	611	437	437	0	Excellent			\$0	\$0	\$0	\$0	\$0				
County Road 5 (SP 7) Mile Post 18.9 to 19.41	2015					10	10	10	0	Constructed in 2015										2018: Chip Seal
	1					700	495	495	0	New, excellent					\$0	\$0				
County Road 5 (SP 4) Mile Post 15.2	2016						10	10	0	Constructed in 2016										2018: Chip Seal
	0						467	467	0	New, excellent								\$0		
County Road 5 & 3 Mile Post 17.31 to 18.12	2015					10	10	10	0	Constructed in 2015										2018: Chip Seal
	1					700	436	436	0	New, excellent					\$0	\$0				
County Road 5 & 20 (SP 17) Mile Post 36.27-36.95	2015					10	10	10	0	Constructed in 2015										2018: Chip Seal
	1					600	336	336	0	New, excellent					\$0	\$0				
County Road 0 Bridge RIOB-000-00.01	2016						10	10	0	Constructed in 2016										None
	0						153	153	0	New, excellent, Sufficiency Rating 85									\$0	
County Road 10 Bridge RIOB-010-07.27	2015					10	10	10	0	Constructed in 2015										None
	1					67	50	50	0	New, excellent, Sufficiency Rating 94					\$0	\$0				
County Road 14 Bridge RIOB 014-00.23	2004	10	9.5	9.5	9.5	9.5	9.5	9.5	0	Lonco Engineering in 2012										None
	12	15	23	23	23	23	27	27	0	Sufficiency 94 (excellent)	\$0	\$0	\$0	\$0	\$0	\$0	\$0			
County Road 27 Bridge RIOB 027-00.20	2011	10	9.5	9.5	9.5	9.5	9.5	9.5	0	Lonco Engineering in 2012										None
	5	50	75	75	75	75	153	153	0	Sufficiency 94 (Excellent)		\$0	\$0	\$0	\$0	\$0	\$0			
County Road 54 Bridge RIOB 054-00.06	2003	8	8	8	8	8	8	8	0	Lonco Engineering in 2012	\$0	\$0	\$36,234	\$0	\$0	\$0	\$0			None
	13	66	116	116	116	116	98	98	0	Sufficiency 83 (good)	\$0	\$0	\$0	\$0	\$0	\$0	\$0			
County Road 72 All 1.4 Miles to WGLF	2014				10	10	10	10	0	Constructed in 2014						\$37,075				None
	2				100	100	34	34	0	New, excellent				\$0	\$0	\$37,075	\$0			

The Rio Blanco County Commissioners are responsible for determining the appropriate condition level at which infrastructure assets are to be maintained. They made the commitment to preserve and maintain eligible road and bridge assets at a level of 5 on a maintenance scale of 1 to 10, with 10 being very good condition. The Rio Blanco County Road & Bridge Department maintains an inventory of these assets and performs condition assessments to insure the specified condition level is being maintained.


 David Morlan, Director of Public Facilities


 Date


 Van Pilaud, County Engineer


 Date

RIO BLANCO COUNTY, COLORADO
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year Ended December 31, 2017

	Budgeted		Actual	Variance
	Original	Final		
REVENUES				
Property taxes	\$ 3,731,250	\$ 3,731,250	\$ 3,726,796	\$ (4,454)
Specific ownership taxes	119,735	119,735	138,516	18,781
Sales taxes	630,000	630,000	1,097,582	467,582
Other taxes	-	-	67,942	67,942
Intergovernmental revenues	223,204	2,834,228	2,778,563	(55,665)
Licenses and permits	10,550	10,550	36,488	25,938
Charges for services	682,702	782,702	812,182	29,480
Interest earnings	175,300	175,300	348,051	172,751
Fees, fines and forfeits	1,798,390	1,798,390	1,902,261	103,871
Inter-fund charges	175,941	175,941	175,941	-
Private contributions	10,900	10,900	5,238	(5,662)
Miscellaneous	17,400	21,400	108,997	87,597
Total revenues	7,575,372	10,290,396	11,198,557	908,161
EXPENDITURES				
General government				
Assessor	637,583	637,583	544,643	92,940
Board of County Commissioners	2,813,178	2,825,588	732,186	2,093,402
C.D. Project Management	-	-	-	-
C.D. Economic Development	444,611	548,111	327,061	221,050
C.D. Natural Resources	117,375	122,875	121,867	1,008
C.D. Planning	68,597	103,597	69,116	34,481
Clerk and Recorder	568,172	572,172	546,994	25,178
County Attorney	162,429	162,429	152,354	10,075
County Surveyor	64,348	64,348	63,841	507
Financial	408,178	408,178	265,499	142,679
Human Resources	190,303	190,303	155,574	34,729
Information Management	802,419	802,419	723,332	79,087
Graphic Information Systems	143,671	143,671	139,881	3,790
Maintenance of Buildings	894,302	900,151	777,827	122,324
Treasurer	956,148	1,056,148	937,803	118,345
Total general government	8,271,314	8,537,573	5,557,978	2,979,595
Judicial and public safety				
Emergency Management	118,149	118,149	116,695	1,454
C.D. Building Inspection	264,396	274,396	224,445	49,951
Coroner	101,833	101,833	101,819	14
Dispatch	548,958	548,958	526,216	22,742
District Attorney	240,320	240,320	240,319	1
Jail	1,001,245	1,028,745	989,163	39,582
Sheriff	1,964,985	1,979,881	1,786,134	193,747
Total judicial and public safety	4,239,886	4,292,282	3,984,791	307,491
Health and welfare				
Extension	204,732	204,732	188,777	15,955
Veteran Services	12,593	13,593	12,639	954
Total health and welfare	217,325	218,325	201,416	16,909
Intergovernmental				
Water Related Programs & Projects	292,985	292,985	292,982	3
Total intergovernmental	292,985	292,985	292,982	3

RIO BLANCO COUNTY, COLORADO
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
(Continued)
Year Ended December 31, 2017

	Budgeted		Actual	Variance
	Original	Final		
Recreation and Culture				
County Fair	32,471	32,471	30,527	1,944
Meeker Fairgrounds	280,070	290,070	279,389	10,681
White River Museum	42,000	42,000	42,000	-
Total recreation and culture	354,541	364,541	351,916	12,625
Public Works				
Meeker Airport	103,578	103,578	79,093	24,485
Rangely Airport	177,273	177,273	128,687	48,586
Total public works	280,851	280,851	207,780	73,071
Total general fund expenditures	13,656,902	13,986,557	10,596,863	3,389,694
Excess (deficiency) of revenues over expenditures	(6,081,530)	(3,696,161)	601,694	4,297,855
OTHER FINANCING SOURCES/(USES)				
Transfers out	(350,000)	(350,000)	(350,000)	-
Total other financing sources/(uses)	(350,000)	(350,000)	(350,000)	-
Net change to fund balance	(6,431,530)	(4,046,161)	251,694	4,297,855
Fund balance, January 1	17,779,042	17,779,042	18,825,196	1,046,154
Fund balance, December 31	\$ 11,347,512	\$ 13,732,881	\$ 19,076,890	\$ 5,344,009

RIO BLANCO COUNTY, COLORADO
ROAD AND BRIDGE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year Ended December 31, 2017

	Budgeted		Actual	Variance
	Original	Final		
REVENUES				
Property taxes	\$ 3,109,375	\$ 3,109,375	\$ 3,105,663	\$ (3,712)
Specific ownership taxes	99,779	99,779	115,430	15,651
Other taxes	-	-	60,724	60,724
Charges for services	5,000	5,000	3,247	(1,753)
Federal shared revenues	42,186	324,083	324,083	-
State shared revenues	3,021,700	3,021,700	3,143,682	121,982
Intergovernmental	11,535,724	11,556,706	21,161	(11,535,545)
Inter-fund charges	131,501	131,500	155,805	24,305
Licenses, permits, fees	80,000	80,000	95,795	15,795
Miscellaneous	2,300	2,300	3,266	966
Total revenues	18,027,565	18,330,443	7,028,856	(11,301,587)
EXPENDITURES				
Operations	6,055,487	6,337,384	-	6,337,384
Engineering	-	-	10,326	(10,326)
Construction	14,309,647	14,330,628	77,441	14,253,187
Maintenance of condition	-	-	4,746,658	(4,746,658)
Snow and ice removal	-	-	497,770	(497,770)
Traffic services	-	-	232,587	(232,587)
Administration	682,852	682,852	659,862	22,990
Total expenditures	21,047,986	21,350,864	6,224,644	15,126,220
Excess (deficiency) of revenues over expenditures	(3,020,421)	(3,020,421)	804,212	3,824,633
OTHER FINANCING SOURCES/(USES)				
Total other financing sources	-	-	-	-
Net change to fund balance	(3,020,421)	(3,020,421)	804,212	3,824,633
Fund balance, January 1	9,869,824	9,869,824	9,906,059	36,235
Fund balance, December 31	\$ 6,849,403	\$ 6,849,403	\$ 10,710,271	\$ 3,860,868

RIO BLANCO COUNTY, COLORADO
USE TAX FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year Ended December 31, 2017

	Budgeted		Actual	Variance
	Original	Final		
REVENUES				
Charges/donations for services	\$ 40,900	\$ 40,900	\$ 42,166	\$ 1,266
Intergovernmental revenues	64,200	64,200	77,683	13,483
Use taxes	475,000	475,000	773,608	298,608
Miscellaneous	2,000	2,000	-	(2,000)
Total revenues	582,100	582,100	893,457	311,357
EXPENDITURES				
General Government	112,102	112,103	109,542	2,561
Intergovernmental	139,450	139,450	137,120	2,330
Public health and welfare	426,412	443,842	430,871	12,971
Public works	-	-	-	-
Recreation and culture	124,966	124,966	116,930	8,036
Total expenditures	802,930	820,361	794,463	25,898
Excess (deficiency) of revenues over expenditures	(220,830)	(238,261)	98,994	337,255
OTHER FINANCING SOURCES/(USES)				
Transfers out	(265,000)	(265,000)	(160,000)	105,000
Total other financing sources/(uses)	(265,000)	(265,000)	(160,000)	105,000
Net change to fund balance	(485,830)	(503,261)	(61,006)	442,255
Fund balance, January 1	2,452,756	2,452,756	2,425,908	(26,848)
Fund balance, December 31	\$ 1,966,926	\$ 1,949,495	\$ 2,364,902	\$ 415,407

RIO BLANCO COUNTY, COLORADO
COUNTY CAPITAL IMPROVEMENT TRUST FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year Ended December 31, 2017

	Budgeted		Actual	Variance
	Original	Final		
REVENUES				
Interest earnings	\$ 126,814	\$ 126,814	\$ 181,769	\$ 54,955
Amortized Discounts/(Premiums)	(8,494)	(8,494)	1,133	9,627
Change in fair value of investments	-	-	(104,193)	(104,193)
Total revenues	118,320	118,320	78,709	(39,611)
EXPENSES				
Administration and fees	800	800	867	(67)
Intergovernmental	1,791,887	1,791,887	1,761,887	30,000
Total expenditures	1,792,687	1,792,687	1,762,754	29,933
Excess (deficiency) of revenues over expenditures	(1,674,367)	(1,674,367)	(1,684,045)	(9,678)
OTHER FINANCING SOURCES/(USES)				
Total other financing sources/(uses)	-	-	-	-
Net change to fund balance	(1,674,367)	(1,674,367)	(1,684,045)	(9,678)
Fund balance, January 1	20,108,015	20,108,015	20,147,802	39,787
Fund balance, December 31	\$ 18,433,648	\$ 18,433,648	\$ 18,463,757	\$ 30,109

RIO BLANCO COUNTY, COLORADO
CAPITAL EXPENDITURE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year Ended December 31, 2017

	Budgeted		Actual	Variance
	Original	Final		
REVENUES				
Property taxes	\$ 1,021,652	\$ 1,021,652	\$ 1,020,432	\$ (1,220)
Specific ownership taxes	32,785	32,785	37,927	5,142
Other taxes	-	-	10,907	10,907
Total revenues	1,054,437	1,054,437	1,069,266	14,829
EXPENDITURES				
Treasury fees	52,722	52,722	51,611	1,111
Central Service Charges	1,669	1,669	1,669	-
Contingency	83,268	83,268	-	83,268
General government:				
Clerk & Recorder	100,000	100,000	81,546	18,454
Maintenance	416,000	416,000	320,510	95,490
Information Systems	225,175	225,175	147,909	77,266
Judicial and public safety:				
Sheriff	6,000	6,000	6,000	-
Public works:				
Road & Bridge	22,000	22,000	18,775	3,225
Recreation and culture:				
Columbine Park	63,500	63,500	-	63,500
Total expenditures	970,334	970,334	628,020	342,314
Excess (deficiency) of revenues over expenditures	84,103	84,103	441,246	357,143
OTHER FINANCING SOURCES/(USES)				
Transfers out	(300,000)	(300,000)	(300,000)	-
Total other financing sources/(uses)	(300,000)	(300,000)	(300,000)	-
Net change to fund balance	(215,897)	(215,897)	141,246	357,143
Fund balance, January 1	280,795	280,795	304,696	23,901
Fund balance, December 31	\$ 64,898	\$ 64,898	\$ 445,942	\$ 381,044

RIO BLANCO COUNTY, COLORADO
CAPITAL IMPROVEMENT PLAN FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year Ended December 31, 2017

	Budgeted		Actual	Variance
	Original	Final		
REVENUES				
Intergovernmental	\$ 2,593,377	\$ 2,293,377	\$ 1,226,881	\$ (1,066,496)
Total revenues	2,593,377	2,293,377	1,226,881	(1,066,496)
EXPENDITURES				
Treasury fees	114,220	114,219	25,374	88,845
Contingency	84,413	84,413	-	84,413
Broadband Improvement/Expansion	3,419,783	2,907,392	1,752,812	1,154,580
Justice Center	125,000	125,000	(0)	125,000
Courthouse Remodel	2,579,606	1,830,496	1,830,544	(49)
Meeker Fairgrounds	107,988	381,427	380,363	1,064
Rangely Airport Projects	10,000	10,000	6,920	3,080
Meeker Airport Projects	333,333	333,333	257,697	75,636
Columbine Park	305,000	305,000	-	305,000
Fairfield Complex Remodeling	315,141	315,141	-	315,141
Generators for Meeker & Rangely Shops	116,000	111,380	111,380	-
Total expenditures	7,510,484	6,517,801	4,365,090	2,152,711
Excess (deficiency) of revenues over expenditures	(4,917,107)	(4,224,424)	(3,138,209)	1,086,215
OTHER FINANCING SOURCES/(USES)				
Transfers in	705,000	705,000	600,000	(105,000)
Total other financing sources/(uses)	705,000	705,000	600,000	(105,000)
Net change to fund balance	(4,212,107)	(3,519,424)	(2,538,209)	981,215
Fund balance, January 1	4,253,079	4,253,079	3,227,610	(1,025,469)
Fund balance, December 31	\$ 40,972	\$ 733,655	\$ 689,401	\$ (44,254)

OTHER SUPPLEMENTARY INFORMATION

RIO BLANCO COUNTY, COLORADO
EXPLANATION OF NON-MAJOR FUNDS

Year Ended December 31, 2017

Governmental Funds - Special Revenue

The *Impact Fee Trust Fund* accounts for the collection and spending of impact fees. Impact fees were established to require new development to pay a reasonable, fair, and equitable share of the growth related costs incurred by the County.

The *Human Services Fund* accounts for activities and programs related to family and individual independence and well-being in Rio Blanco County. Primary sources of funds are property taxes and federal/state grants.

The *Public Health Agency Fund* accounts for activities and programs related to public health in Rio Blanco County. Primary sources of funds are property taxes, federal/state grants, charges, and fees.

The *Conservation Trust Fund* accounts for funds received from Colorado Lottery proceeds.

The *Contingent Fund* accounts for the funds the County would use to cover unforeseen contingencies.

Proprietary Funds Enterprise Funds

The *Weed and Pest Control Fund* accounts for the County's weed and pest control programs, cost sharing sales of herbicides to County landowners and to control programs established by Federal, State and local organizations. The *Piceance Creek Pest Control District* and the *Lower White River Pest Control District* are included within this fund.

The *Fairfield Complex Fund* accounts for Meeker's community center which provides a location for the senior nutrition program, meeting rooms and a large hall/kitchen for public use and community activities as well as senior housing. The community center also rents space to the County government for administrative offices.

Proprietary Funds - Internal Service Funds

The *Central Services Fund* accounts for all county wide charges, such as insurances, audit fees, and internet access.

The *Fleet Management Fund* accounts for the County's vehicles and heavy equipment.

**RIO BLANCO COUNTY, COLORADO
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
December 31, 2017**

	Non-Major Special Revenue Funds					Total Nonmajor Governmental Special Rev. Funds
	Impact Fee Trust Fund	Human Services Fund	Public Health Fund	Conservation Trust Fund	Contingent Fund	
ASSETS						
Cash and cash equivalents	\$ 1,403,802	\$ 1,076,473	\$ 376,920	\$ 34,336	\$ 100,000	\$ 2,991,531
Taxes receivable	-	205,802	127,597	-	-	333,399
Due from other governmental units	-	420,589	28,706	-	-	449,295
Other receivables	1,644	-	848	-	-	2,492
Prepays and deposits	-	824	-	-	-	824
Total assets	\$ 1,405,446	\$ 1,703,688	\$ 534,071	\$ 34,336	\$ 100,000	\$ 3,777,541
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ -	\$ -	\$ 145	\$ -	\$ -	\$ 145
Due to other governmental units	-	362,871	-	-	-	362,871
Unearned revenue	-	97,129	-	-	-	97,129
Total liabilities	-	460,000	145	-	-	460,145
Deferred inflow of resources:						
Unavailable property taxes	-	205,802	127,597	-	-	333,399
Total deferred inflow of resources	-	205,802	127,597	-	-	333,399
Fund balances:						
Nonspendable	-	824	-	-	-	824
Restricted	1,405,446	-	-	34,336	100,000	1,539,782
Committed	-	840,976	220,619	-	-	1,061,595
Assigned	-	196,086	185,710	-	-	381,796
Total fund balance	1,405,446	1,037,886	406,329	34,336	100,000	2,983,997
Total liabilities, deferred inflows and fund balances	\$ 1,405,446	\$ 1,703,688	\$ 534,071	\$ 34,336	\$ 100,000	\$ 3,777,541

RIO BLANCO COUNTY, COLORADO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
Year Ended December 31, 2017

	Non-Major Special Revenue Funds					Total Nonmajor Governmental Special Rev. Funds
	Impact Fee Trust Fund	Human Services Fund	Public Health Fund	Conservation Trust Fund	Contingent Fund	
REVENUES						
Property taxes	\$ -	\$ -	\$ 177,466	\$ -	\$ -	\$ 177,466
Specific ownership taxes	-	-	6,596	-	-	6,596
Other taxes	-	4,389	3,254	-	-	7,643
Intergovernmental	-	1,926,733	130,947	8,899	-	2,066,579
Charges for service	-	-	4,536	-	-	4,536
Interest earnings	16,119	-	-	67	-	16,186
Miscellaneous	-	-	2,698	-	-	2,698
Total revenues	16,119	1,931,122	325,497	8,966	-	2,281,704
EXPENDITURES						
Current:						
General government	498	-	-	-	-	498
Health and welfare	-	2,212,474	350,003	-	-	2,562,477
Recreation	-	-	-	30,013	-	30,013
Capital outlay	48,562	-	-	-	-	48,562
Total expenditures	49,060	2,212,474	350,003	30,013	-	2,641,550
Excess (deficiency) of revenues over expenditures	(32,941)	(281,352)	(24,506)	(21,047)	-	(359,846)
OTHER FINANCING SOURCES/(USES)						
Total other financing sources/(uses)	-	-	-	-	-	-
Net change to fund balance	(32,941)	(281,352)	(24,506)	(21,047)	-	(359,846)
Fund balance, January 1	1,438,387	1,319,238	430,835	55,383	100,000	3,343,843
Fund balance, December 31	\$ 1,405,446	\$ 1,037,886	\$ 406,329	\$ 34,336	\$ 100,000	\$ 2,983,997

RIO BLANCO COUNTY, COLORADO
IMPACT FEE TRUST FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year Ended December 31, 2017

	Budgeted		Actual	Variance
	Original	Final		
REVENUES				
Impact fees	\$ 154,405	\$ -	\$ -	\$ -
Interest earnings	1,000	1,000	16,119	15,119
Total revenues	155,405	1,000	16,119	15,119
EXPENDITURES				
Road & Bridge Capital Projects	120,300	120,300	48,562	71,738
Refunds	1,250,000	1,250,000	-	1,250,000
Treasury fees	1,544	1,544	498	1,046
Total expenditures	1,371,844	1,371,844	49,060	1,322,784
Excess (deficiency) of revenues over expenditures	(1,216,439)	(1,370,844)	(32,941)	1,337,903
OTHER FINANCING SOURCES/(USES)				
Total other financing sources/(uses)	-	-	-	-
Net change to fund balance	(1,216,439)	(1,370,844)	(32,941)	1,337,903
Fund balance, January 1	1,451,003	1,451,003	1,438,387	(12,616)
Fund balance, December 31	\$ 234,564	\$ 80,159	\$ 1,405,446	\$ 1,325,287

RIO BLANCO COUNTY, COLORADO
HUMAN SERVICES FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year Ended December 31, 2017

	Budgeted		Actual	Variance
	Original	Final		
REVENUES				
Other taxes	-	-	4,389	4,389
Intergovernmental	2,169,042	2,169,042	1,926,733	(242,309)
Total revenues	2,169,042	2,169,042	1,931,122	(237,920)
EXPENDITURES				
Health and welfare	2,475,148	2,475,148	2,212,474	262,674
Total expenditures	2,475,148	2,475,148	2,212,474	262,674
Net change to fund balance	(306,106)	(306,106)	(281,352)	24,754
Fund balance, January 1	1,324,038	1,324,038	1,319,238	(4,800)
Fund balance, December 31	\$ 1,017,932	\$ 1,017,932	\$ 1,037,886	\$ 19,954

RIO BLANCO COUNTY, COLORADO
PUBLIC HEALTH AGENCY FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year Ended December 31, 2017

	Budgeted		Actual	Variance
	Original	Final		
REVENUES				
Property taxes	\$ 177,679	\$ 177,679	\$ 177,466	\$ (213)
Specific ownership taxes	5,702	5,702	6,596	894
Other taxes	-	-	3,254	3,254
Intergovernmental	100,000	124,677	130,947	6,270
Charges for service	6,000	6,000	4,536	(1,464)
Miscellaneous	2,000	2,000	2,698	698
Total revenues	291,381	316,058	325,497	9,439
EXPENDITURES				
Health and welfare	449,999	474,676	350,003	124,673
Total expenditures	449,999	474,676	350,003	124,673
Excess (deficiency) of revenues over expenditures	(158,618)	(158,618)	(24,506)	134,112
OTHER FINANCING SOURCES/(USES)				
Total other financing sources/(uses)	-	-	-	-
Net change to fund balance	(158,618)	(158,618)	(24,506)	134,112
Fund balance, January 1	336,761	336,761	430,835	94,074
Fund balance, December 31	\$ 178,143	\$ 178,143	\$ 406,329	\$ 228,186

RIO BLANCO COUNTY, COLORADO
CONSERVATION TRUST FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year Ended December 31, 2017

	Budgeted		Actual	Variance
	Original	Final		
REVENUES				
Intergovernmental	\$ 9,100	\$ 9,100	\$ 8,899	\$ (201)
Interest earnings	10	10	67	57
Total revenues	9,110	9,110	8,966	(144)
EXPENDITURES				
Recreation	63,274	63,274	30,013	33,261
Total expenditures	63,274	63,274	30,013	33,261
Net change to fund balance	(54,164)	(54,164)	(21,047)	33,117
Fund balance, January 1	54,164	54,164	55,383	1,219
Fund balance, December 31	\$ -	\$ -	\$ 34,336	\$ 34,336

RIO BLANCO COUNTY, COLORADO
CONTINGENT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year Ended December 31, 2017

	Budgeted		Actual	Variance
	Original	Final		
REVENUES	\$ -	\$ -	\$ -	\$ -
EXPENDITURES	100,000	100,000	-	100,000
Net change to fund balance	(100,000)	(100,000)	-	100,000
Fund balance, January 1	100,000	100,000	100,000	-
Fund balance, December 31	\$ -	\$ -	\$ 100,000	\$ 100,000

RIO BLANCO COUNTY, COLORADO
COMBINING STATEMENT OF NET POSITION
NON-MAJOR ENTERPRISE FUNDS
December 31, 2017

	Weed and Pest Control Fund	Fairfield Complex Fund	Total Non-major Enterprise Funds
ASSETS			
Current Assets:			
Cash and cash equivalents	\$ 852,095	\$ 382,154	\$ 1,234,249
Taxes receivable	209,260	-	209,260
Due from other governmental units	180	-	180
Other receivables	230	966	1,196
Inventories	28,674	-	28,674
Total current assets	1,090,439	383,120	1,473,559
Noncurrent assets:			
Capital assets:			
Land	-	270,210	270,210
Buildings and equipment, net	40,303	2,441,208	2,481,511
Total noncurrent assets	40,303	2,711,418	2,751,721
Total assets	1,130,742	3,094,538	4,225,280
LIABILITIES			
Current liabilities:			
Accounts payable	269	872	1,141
Total current liabilities	269	872	1,141
Noncurrent liabilities:			
Compensated absences	1,991	5,831	7,822
Total noncurrent liabilities	1,991	5,831	7,822
Total liabilities	2,260	6,703	8,963
DEFERRED INFLOW OF RESOURCES			
Unavailable property tax	209,260	-	209,260
Total deferred inflows of resources	209,260	-	209,260
NET POSITION			
Invested in capital assets	40,303	2,711,418	2,751,721
Unrestricted (deficit)	878,919	376,417	1,255,336
Total net position	\$ 919,222	\$ 3,087,835	\$ 4,007,057

RIO BLANCO COUNTY, COLORADO
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
NON-MAJOR ENTERPRISE FUNDS
Year Ended December 31, 2017

	Weed and Pest Control Fund	Fairfield Complex Fund	Total Non-major Enterprise Funds
Operating revenues:			
Property taxes	\$ 229,026	\$ -	\$ 229,026
Specific ownership taxes	8,503	-	8,503
Other taxes	27,562	-	27,562
Charges for services	63,772	4,306	68,078
Private contributions	-	30,000	30,000
Intergovernmental revenues	41,637	-	41,637
Interdepartmental fees	36,650	49,552	86,202
Miscellaneous operating	85,185	-	85,185
Total operating revenues	492,335	83,858	576,193
Operating expenses:			
Salaries and wages	84,230	54,098	138,328
Employee benefits	19,789	38,429	58,218
Supplies	56,338	28,201	84,539
Chemicals	122,365	-	122,365
Purchased services	400,909	9,195	410,104
Utilities	-	38,055	38,055
Repairs and maintenance	-	10,789	10,789
Interdepartmental charges	30,217	10,452	40,669
Depreciation	2,352	109,577	111,929
Other	1,399	-	1,399
Total operating expenses	717,599	298,796	1,016,395
Income/(loss) before transfers in/(out)	(225,264)	(214,938)	(440,202)
Transfers in/(out)	130,000	80,000	210,000
Change in net position	(95,264)	(134,938)	(230,202)
Total net position, January 1	1,014,486	3,222,773	4,237,259
Total net position, December 31	\$ 919,222	\$ 3,087,835	\$ 4,007,057

RIO BLANCO COUNTY, COLORADO
SOLID WASTE LANDFILL FUND
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND EQUITY
BUDGET AND ACTUAL
Year Ended December 31, 2017

	Budgeted		Actual	Variance
	Original	Final		
REVENUES				
Charges for sales and services	\$ 472,000	\$ 472,000	\$ 335,506	\$ (136,494)
Interdepartmental fees	12,000	12,000	12,000	-
Miscellaneous	4,000	4,000	15,662	11,662
Total revenues	488,000	488,000	363,168	(124,832)
EXPENSES				
Salaries and wages	147,865	147,865	143,784	4,081
Employee benefits	67,598	67,598	62,343	5,255
Supplies	36,000	36,000	24,897	11,103
Purchased services	41,840	41,840	64,478	(22,638)
Special dues, permits and fees	10,000	10,000	9,506	494
Closure and post-closure costs	27,030	257,030	274,577	(17,547)
Utilities	6,000	6,000	4,396	1,604
Interdepartmental charges	263,654	263,654	235,001	28,653
Total operating expenses	599,987	829,987	818,982	11,005
Capital outlay	167,500	463,100	150,435	312,665
Total expenses	767,487	1,293,087	969,417	323,670
Income/(loss) before other financing sources/(uses)	(279,487)	(805,087)	(606,249)	198,838
TRANSFERS AND CONTRIBUTED CAPITAL				
Total other financing sources/(uses)	-	-	-	-
Net income/(loss)	\$ (279,487)	\$ (805,087)	(606,249)	\$ 198,838

Adjustments to Reconcile Budgetary Basis to GAAP Basis - Adjustment for:

Capital purchased by this fund	150,435
Capital contributed to another fund from this fund	(150,435)
Depreciation (not budgeted)	(73,454)
Total adjustments to basis	(73,454)
Net change in fund equity	(679,703)
Fund equity, January 1	7,260,156
Fund equity, December 31	<u>\$ 6,580,453</u>

RIO BLANCO COUNTY, COLORADO
SOLID WASTE LANDFILL FUND
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND EQUITY
BUDGET AND ACTUAL
Year Ended December 31, 2017

	Budgeted		Actual	Variance
	Original	Final		
REVENUES				
Charges for sales and services	\$ 472,000	\$ 472,000	\$ 335,506	\$ (136,494)
Interdepartmental fees	12,000	12,000	12,000	-
Miscellaneous	4,000	4,000	15,662	11,662
Total revenues	488,000	488,000	363,168	(124,832)
EXPENSES				
Salaries and wages	147,865	147,865	143,784	4,081
Employee benefits	67,598	67,598	62,343	5,255
Supplies	36,000	36,000	24,897	11,103
Purchased services	41,840	41,840	64,478	(22,638)
Special dues, permits and fees	10,000	10,000	9,506	494
Closure and post-closure costs	27,030	257,030	274,577	(17,547)
Utilities	6,000	6,000	4,396	1,604
Interdepartmental charges	263,654	263,654	235,001	28,653
Total operating expenses	599,987	829,987	818,982	11,005
Capital outlay	167,500	463,100	150,435	312,665
Total expenses	767,487	1,293,087	969,417	323,670
Income/(loss) before other financing sources/(uses)	(279,487)	(805,087)	(606,249)	198,838
TRANSFERS AND CONTRIBUTED CAPITAL				
Total other financing sources/(uses)	-	-	-	-
Net income/(loss)	\$ (279,487)	\$ (805,087)	(606,249)	\$ 198,838

Adjustments to Reconcile Budgetary Basis to GAAP Basis - Adjustment for:

Capital purchased by this fund	150,435
Capital contributed to another fund from this fund	(150,435)
Depreciation (not budgeted)	(73,454)
Total adjustments to basis	(73,454)
Net change in fund equity	(679,703)
Fund equity, January 1	7,260,156
Fund equity, December 31	<u>\$ 6,580,453</u>

RIO BLANCO COUNTY, COLORADO
WEED AND PEST CONTROL FUND
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND EQUITY
BUDGET AND ACTUAL
Year Ended December 31, 2017

	Budgeted		Actual	Variance
	Original	Final		
REVENUES				
Property taxes	\$ 229,031	\$ 229,031	\$ 229,026	\$ (5)
Specific ownership taxes	14,484	14,484	8,503	(5,981)
Other taxes	-	-	27,562	27,562
Charges for sales and services	40,000	40,000	63,772	23,772
Intergovernmental revenues	35,000	35,000	41,637	6,637
Interdepartmental charges	40,200	40,200	36,650	(3,550)
Miscellaneous	85,000	85,000	85,185	185
Total revenues	443,715	443,715	492,335	48,620
EXPENSES				
Salaries and Wages	96,525	96,525	84,230	12,295
Employee benefits	26,092	26,092	19,789	6,303
Supplies	107,100	107,100	56,338	50,762
Chemicals	133,000	133,000	122,365	10,635
Purchased services	694,333	694,333	400,909	293,424
Interdepartmental charges	47,485	47,485	30,217	17,268
Other	1,300	1,300	1,399	(99)
Total operating expenses	1,105,835	1,105,835	715,247	390,588
Capital outlay	-	-	-	-
Total expenses	1,105,835	1,105,835	715,247	390,588
Income/(loss) before other financing sources/(uses)	(662,120)	(662,120)	(222,912)	439,208
TRANSFERS AND CONTRIBUTED CAPITAL				
Transfers in	130,000	130,000	130,000	-
Total other financing sources/(uses)	130,000	130,000	130,000	-
Net income/(loss)	\$ (532,120)	\$ (532,120)	(92,912)	\$ 439,208

Adjustments to Reconcile Budgetary Basis to GAAP Basis - Adjustment for:

Depreciation (not budgeted)	(2,352)
Total adjustments to basis	(2,352)
Net change in fund equity	(95,264)
Fund equity, January 1	1,014,486
Fund equity, December 31	\$ 919,222

The above includes all county-wide efforts and the efforts of two pest control districts in accordance with Title 35 Agriculture, Article 5 Pest Control Districts. C.R.S. 35-5-111(2) states, "moneys derived from a particular district shall be used only in that district, and moneys derived on a county-wide basis shall be used for the whole county". The segregation of these funds is being tracked in separate departments within this fund.

	County-wide	Piceance Creek Pest Control Dist.	Lower White River Pest Control Dist.	Total
Fund equity, January 1	\$ 248,160	\$ 646,361	\$ 119,964	\$ 1,014,485
Total revenues	272,060	160,893	189,383	622,336
Total expenses	(270,754)	(241,636)	(205,209)	(717,599)
Fund equity, December 31	\$ 249,466	\$ 565,618	\$ 104,138	\$ 919,222

RIO BLANCO COUNTY, COLORADO
FAIRFIELD COMPLEX FUND
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND EQUITY
BUDGET AND ACTUAL
Year Ended December 31, 2017

	Budgeted		Actual	Variance
	Original	Final		
REVENUES				
Charges for sales and services	\$ 10,000	\$ 10,000	\$ 4,306	\$ (5,694)
Private contributions	30,000	30,000	30,000	-
Interdepartmental charges	49,552	49,552	49,552	-
Total revenues	89,552	89,552	83,858	(5,694)
EXPENSES				
Salaries and wages	66,974	66,974	54,098	12,876
Employee benefits	45,258	45,258	38,429	6,829
Supplies	27,860	27,860	28,201	(341)
Purchased services	20,740	20,740	9,195	11,545
Utilities	44,230	44,230	38,055	6,175
Repairs and maintenance	20,000	20,000	10,789	9,211
Interdepartmental charges	16,253	16,253	10,452	5,801
Total expenses	241,315	241,315	189,219	52,096
Income/(loss) before other financing sources/(uses)	(151,763)	(151,763)	(105,361)	46,402
TRANSFERS AND CONTRIBUTED CAPITAL				
Transfers in	80,000	80,000	80,000	-
Total other financing sources/(uses)	80,000	80,000	80,000	-
Net income/(loss)	\$ (71,763)	\$ (71,763)	(25,361)	\$ 46,402

Adjustments to Reconcile Budgetary Basis to GAAP Basis - Adjustment for:

Depreciation (not budgeted)	(109,577)
Total adjustments to basis	(109,577)
Net change in fund equity	(134,938)
Fund equity, January 1	3,222,773
Fund equity, December 31	<u>\$ 3,087,835</u>

RIO BLANCO COUNTY, COLORADO
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
December 31, 2017

	Central Service Fund	Fleet Management Fund	Total Internal Service Funds
ASSETS			
Current Assets:			
Cash and cash equivalents	\$ 198,279	\$ 2,847,505	\$ 3,045,784
Other receivables	65	4,221	4,286
Inventories	-	350,507	350,507
Prepays and deposits	1,000	901	1,901
Total current assets	199,344	3,203,134	3,402,478
Noncurrent assets:			
Capital assets:			
Buildings and equipment, net	33,323	4,458,098	4,491,421
Total noncurrent assets	33,323	4,458,098	4,491,421
Total assets	232,667	7,661,232	7,893,899
LIABILITIES			
Current liabilities:			
Accounts payable	-	20,115	20,115
Total current liabilities	-	20,115	20,115
Noncurrent liabilities:			
Compensated absences	-	34,376	34,376
Total noncurrent liabilities	-	34,376	34,376
Total liabilities	-	54,491	54,491
NET POSITION			
Invested in capital assets	33,323	4,458,097	4,491,420
Unrestricted	199,344	3,148,644	3,347,988
Total net position	\$ 232,667	\$ 7,606,741	\$ 7,839,408

RIO BLANCO COUNTY, COLORADO
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
Year Ended December 31, 2017

	Central Service Fund	Fleet Management Fund	Total Internal Service Funds
Operating revenues:			
Charges for services-internal	\$ 65,113	\$ 2,186,185	\$ 2,251,298
Charges for services-external	652	58,201	58,853
Miscellaneous operating	-	12,008	12,008
Total operating revenues	65,765	2,256,394	2,322,159
Operating expenses:			
Salaries and wages	-	370,408	370,408
Employee benefits	-	199,274	199,274
Supplies	10,903	610,696	621,599
Purchased services	37,389	34,942	72,331
Rent	1,041	-	1,041
Utilities	-	6,821	6,821
Repairs and maintenance	525	19,377	19,902
Insurance and claims	164,893	-	164,893
Interdepartmental charges	-	83,823	83,823
Depreciation	6,971	859,791	866,762
Total operating expenses	221,722	2,185,132	2,406,854
Operating income/(loss)	(155,957)	71,262	(84,695)
Nonoperating revenues:			
Capital contributions	-	521,817	521,817
Total nonoperating revenues/(expenses)	-	521,817	521,817
Income/(loss) before contributions and transfers in/(out)	(155,957)	593,079	437,122
Change in net position	(155,957)	593,079	437,122
Total net position, January 1	388,624	7,013,662	7,402,286
Total net position, December 31	\$ 232,667	\$ 7,606,741	\$ 7,839,408

RIO BLANCO COUNTY, COLORADO
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
Year Ended December 31, 2017

	Central Service Fund	Fleet Management Fund	Total Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from external customers	\$ (6)	\$ 58,737	\$ 58,731
Cash received from internal customers	65,765	2,198,193	2,263,958
Cash payments to external suppliers for goods and services	(214,751)	(714,735)	(929,486)
Cash payments to internal suppliers for goods and services	-	(83,823)	(83,823)
Cash payments to employees for services	-	(568,376)	(568,376)
Net cash provided/(used) by operating activities	(148,992)	889,996	741,004
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers from/(to) other funds	-	-	-
Net cash provided by noncapital financing activities	-	-	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition of fixed assets	-	(1,289,302)	(1,289,302)
Proceeds from disposal of assets and reimbursements	-	99,800	99,800
Net cash (used) by capital and related financing activities	-	(1,189,502)	(1,189,502)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest on investments	-	-	-
Net increase/(decrease) in cash and equivalents	(148,992)	(299,506)	(448,498)
Cash balances, January 1	347,271	3,147,011	3,494,282
Cash balances, December 31	\$ 198,279	\$ 2,847,505	\$ 3,045,784

Reconciling of operating income to net cash provided/(used) by operating activities:

Operating income/(loss)	\$ (155,957)	\$ 71,262	\$ (84,695)
Adjustments to reconcile operating income/(loss) to net cash provided/(used) by operating activities:			
Depreciation expense	6,971	859,791	866,762
Miscellaneous nonoperating revenues/(expenses)	-	-	-
Assets (increase)/decrease:			
Other receivables	(6)	536	530
Due from other funds	-	-	-
Inventories	-	(59,822)	(59,822)
Prepays and deposits	-	(901)	(901)
Liabilities increase/(decrease):			
Accounts payable	-	17,824	17,824
Accrued compensated absences	-	1,306	1,306
Total Adjustments	6,965	818,734	825,699
Net cash provided/(used) by operating activities	\$ (148,992)	\$ 889,996	\$ 741,004

RIO BLANCO COUNTY, COLORADO
CENTRAL SERVICES FUND
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year Ended December 31, 2017

	Budgeted		Actual	Variance
	Original	Final		
REVENUES				
Interfund Charges	\$ 65,108	\$ 65,108	\$ 65,113	\$ 5
Charges for sales and services	2,000	2,000	652	(1,348)
Total revenues	67,108	67,108	65,765	(1,343)
EXPENSES				
Supplies	15,621	15,621	10,903	4,718
Contracted services	13,330	13,330	13,802	(472)
Audit services	23,000	23,000	23,000	-
Rent	1,094	1,094	1,041	53
Repairs and maintenance	811	811	525	286
Pass thru costs	2,000	2,000	587	1,413
Insurance	163,170	163,170	164,893	(1,723)
Total operating expenses	219,026	219,026	214,751	4,275
Capital outlay	10,000	10,000	-	10,000
Total expenses	229,026	229,026	214,751	14,275
Income/(loss) before other financing sources/(uses)	(161,918)	(161,918)	(148,986)	12,932
TRANSFERS AND CONTRIBUTED CAPITAL				
Total other financing sources/(uses)	-	-	-	-
Net income/(loss)	\$ (161,918)	\$ (161,918)	(148,986)	\$ 12,932

Adjustments to Reconcile Budgetary Basis to GAAP Basis - Adjustment for:

Depreciation (not budgeted)	(6,971)
Total adjustments to basis	(6,971)
Net change in fund equity	(155,957)
Fund equity, January 1	388,624
Fund equity, December 31	\$ 232,667

RIO BLANCO COUNTY, COLORADO
FLEET MANAGEMENT FUND
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND EQUITY
BUDGET AND ACTUAL
Year Ended December 31, 2017

	Budgeted		Actual	Variance
	Original	Final		
REVENUES				
Interdepartmental fees	\$ 2,395,781	\$ 2,395,781	\$ 2,186,185	\$ (209,596)
Charges for sales and services	65,000	65,000	58,201	(6,799)
Miscellaneous	10,000	10,000	12,008	2,008
Total revenues	2,470,781	2,470,781	2,256,394	(214,387)
EXPENSES				
Salaries and wages	367,434	367,434	370,408	(2,974)
Employee benefits	201,917	201,917	199,274	2,643
Supplies	901,460	901,460	610,696	290,764
Purchased services	32,730	32,730	34,942	(2,212)
Utilities	10,450	10,450	6,821	3,629
Repairs and maintenance	32,000	32,000	19,377	12,623
Interdepartmental charges	84,476	84,476	83,823	653
Total operating expenses	1,630,467	1,630,467	1,325,341	305,126
Capital outlay	1,300,000	1,300,000	1,189,502	110,498
Total expenses	2,930,467	2,930,467	2,514,843	415,624
Income/(loss) before other financing sources/(uses)	(459,686)	(459,686)	(258,449)	201,237
TRANSFERS AND CONTRIBUTED CAPITAL				
Total other financing sources/(uses)	-	-	-	-
Net income/(loss)	\$ (459,686)	\$ (459,686)	(258,449)	\$ 201,237

Adjustments to Reconcile Budgetary Basis to GAAP Basis - Adjustment for:

Capital purchased by this fund	1,189,502
Capital contributed to this fund by another fund	521,817
Depreciation (not budgeted)	(859,791)
Total adjustments to basis	851,528
Net change in fund equity	593,079
Fund equity, January 1	7,013,662
Fund equity, December 31	<u>\$ 7,606,741</u>

ADDITIONAL REPORTS

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

LOCAL HIGHWAY FINANCE REPORT

City or County:
Rio Blanco County
YEAR ENDING :
December 2017

This Information From The Records Of (example - City of _ or County of _) Prepared By: Janae Stanworth, Finance & Budget Director
Phone: (970) 878-9442

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)	87,766
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	4,746,660
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	232,587
2. General fund appropriations		b. Snow and ice removal	497,770
3. Other local imposts (from page 2)	3,377,613	c. Other	
4. Miscellaneous local receipts (from page 2)	162,318	d. Total (a. through c.)	730,357
5. Transfers from toll facilities		4. General administration & miscellaneous	659,862
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	
a. Bonds - Original Issues		6. Total (1 through 5)	6,224,644
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)	3,539,930	b. Redemption	
B. Private Contributions		c. Total (a. + b.)	0
C. Receipts from State government (from page 2)	3,143,682	2. Notes:	
D. Receipts from Federal Government (from page 2)	345,244	a. Interest	
E. Total receipts (A.7 + B + C + D)	7,028,856	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)	6,224,644

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

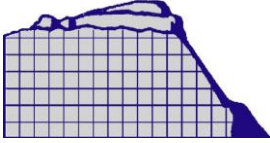
V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	9,906,059	7,028,856	6,224,644	10,710,271	0

Notes and Comments:

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	3,166,388	a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes		c. Parking Garage Fees	
2. Infrastructure & Impact Fees		d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses	95,795	f. Charges for Services	159,052
5. Specific Ownership &/or Other	115,430	g. Other Misc. Receipts	3,266
6. Total (1. through 5.)	211,225	h. Other Private Contribution	0
c. Total (a. + b.)	3,377,613	i. Total (a. through h.)	162,318
	(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	3,121,813	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	345,244
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	18,662	d. Federal Transit Admin	
d. Other (Specify) Imp Asst Wildlife	3,207	e. U.S. Corps of Engineers	
e. Other (Specify) State Bridge Grant	0	f. Other Federal	0
f. Total (a. through e.)	21,869	g. Total (a. through f.)	345,244
4. Total (1. + 2. + 3.f)	3,143,682	3. Total (1. + 2.g)	
			(Carry forward to page 1)
III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL			
	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs			0
b. Engineering Costs		10,326	10,326
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements			0
(3). System Preservation		77,441	77,441
(4). System Enhancement & Operation			0
(5). Total Construction (1) + (2) + (3) + (4)	0	77,441	77,441
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	87,766	87,766
			(Carry forward to page 1)
Notes and Comments:			

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Paul D. Miller CPA, LLC.

Certified Public Accountant

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

Board of County Commissioners
Rio Blanco County
Meeker, CO

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *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 Rio Blanco County, Colorado as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise Rio Blanco County, Colorado's basic financial statements, and have issued my report thereon dated May 18, 2018.

Internal Control over Financial Reporting

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

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

My 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 my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Rio Blanco County, Colorado's financial statements are free from material misstatement, I 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 my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

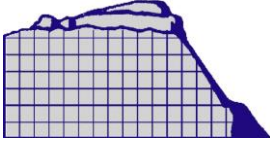
Purpose of this Report

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

Paul D. Miller, CPA, LLC

Grand Junction, CO

May 18, 2018



Paul D. Miller CPA, LLC.

Certified Public Accountant

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

Board of County Commissioners
Rio Blanco County
Meeker, CO

Report on Compliance for Each Major Federal Program

I have audited Rio Blanco County, Colorado's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Rio Blanco County, Colorado's major federal programs for the year ended December 31, 2017. Rio Blanco County, Colorado's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

My responsibility is to express an opinion on compliance for each of Rio Blanco County, Colorado's major federal programs based on my audit of the types of compliance requirements referred to above. I conducted my 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, Costs Principles, and Audit Requirements of Federal Awards (Uniform Guidance). Those standards and the Uniform Guidance require that I 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 Rio Blanco County, Colorado's compliance with those requirements and performing such other procedures as I considered necessary in the circumstances.

I believe that my audit provides a reasonable basis for my opinion on compliance for each major federal program. However, my audit does not provide a legal determination of Rio Blanco County, Colorado's compliance.

Opinion on Each Major Federal Program

In my opinion, Rio Blanco County, Colorado 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.

Report on Internal Control over Compliance

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

Paul D. Miller, C.P.A.
pauldmiller@live.com

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of 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 a 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.

My consideration of 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. I did not identify any deficiencies in internal control over compliance that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

Paul D. Miller, CPA, LLC

Grand Junction, CO

May 18, 2018

RIO BLANCO COUNTY
 Schedule of Findings and Questioned Costs
 For the Year Ended December 31, 2017

SECTION 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
 that is not considered material
 weaknesses. 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

that is not considered material
 weaknesses. NONE NOTED

Type of auditor's report issued:

Any auditing findings that are
 required to be reported in
 accordance with the Uniform Guidance UNMODIFIED

accordance with the Uniform Guidance NONE NOTED

Identification of major program:

10.665 Forest Service Title I & II

20.106 Airport Improvement Grant

Rio Blanco County
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2017

Dollar threshold used to distinguish between Type A and type B programs	\$750,000
Auditee qualified as low-risk auditee.	YES

SECTION II – FINANCIAL STATEMENT FINDINGS

There were no financial findings for the year ended December 31, 2017

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There were no Federal Award Findings or Questioned Costs for the year ending December 31, 2017.

SECTION IV – PRIOR YEAR FINDINGS AND QUESTIONED COSTS.

There were no prior year findings or questioned costs.

Rio Blanco County
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2017

C.F.D.A. PROGRAM TITLE	C.F.D.A. PROGRAM NUMBER	AMOUNT OF EXPENDITURES
U.S. DEPARTMENT OF AGRICULTURE		
<i>Passed through State Agencies</i>		
State Administrative Matching Grants for Food Stamp Program	10.561	79,098
		<u>79,098</u>
<i>Passed through CO Dept. Public Health & Environment</i>		
Special Supplemental Nutrition Program for Women, Infants and Children	10.557	33,466
Special Supplemental Nutrition Program for Women, etc. - Non-Cash	10.557	68,490
		<u>101,956</u>
<i>Passed through CO Division of Local Affairs</i>		
Forest Service Title I	10.665 *	281,897
Forest Service Title II	10.665 *	42,186
		<u>324,083</u>
Total		<u><u>505,137</u></u>
U.S. DEPARTMENT OF THE INTERIOR		
<i>Direct assistance</i>		
Recreational Resource Management	15.225	2,893
Invasive and Noxious Plant Management	15.230	31,637
		<u>34,530</u>
U.S. DEPARTMENT OF TRANSPORTATION		
<i>Direct assistance</i>		
Airport Improvement Grants (Meeker)	20.106 *	214,263
Airport Improvement Grants (Rangely)	20.106 *	2,329
		<u>216,592</u>
Total		<u><u>216,592</u></u>
U.S. DEPARTMENT OF HOMELAND SECURITY		
<i>Passed through CO DOLA - Division of Emergency Management</i>		
Emergency Management Performance Grant (EMS Coordinator)	97.042	45,000
		<u>45,000</u>
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES		
<i>Passed through CO Dept. Public Health & Environment</i>		
Family Planning	93.217	3,229
Immunization Grants	93.268	1,866
PPHF Capacity Building Assist to Strengthen PH Imm Infrastructure & Performance	93.539	467
Maternal and Child Health Services Block Grant to the States	93.994	6,477
Emergency Preparedness and Response	93.069	2,576
Hospital Preparedness & Public Health Emergency Preparedness	93.074	21,496
Preventive Health and Health Services Block Grant solely PPHF	93.758	5,000
		<u>41,111</u>
<i>Passed through Mesa County Department of Human Services</i>		
Special Programs for the Aging Title III, Part C Nutrition	93.045	31,184
<i>Passed through CO Division of Local Affairs</i>		
Community Services Block Grant Formula and Discretionary Awards		
- Community Food and Nutrition Programs (NSIP)	93.569	8,523
- Community Food and Nutrition Programs (CDBG)	93.569	22,310
		<u>30,833</u>
<i>Passed through CO Dept. of Human Services</i>		
Guardianship Assistance	93.090	3,980
Temporary Assistance for Needy Families	93.558	85,212
Child Support Enforcement	93.563	60,884
Low-Income Home Energy Assistance (administered by Moffat County)	93.568	785
Child Care and Development Block Grant	93.575	20,611
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	173
Child Welfare Services - State Grants	93.645	6,411
Foster Care - Title IV-E	93.658	155,249
Adoption Assistance	93.659	19,362
Social Services Block Grant	93.667	51,533
Medical Assistance Program	93.778	89,954
Adjustment to Federal Assistance	93.XXX	541
		<u>494,695</u>
Total		<u><u>597,823</u></u>
Grand Total		<u><u><u>1,399,082</u></u></u>

* Denotes Major Programs

Rio Blanco County, Colorado
Note to Schedule of Expenditures of Federal Awards
December 31, 2017

NOTE A – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes federal grant activity of Rio Blanco County, Colorado and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Uniform Guidance, *Title 2 US Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in, the preparation of the basic financial statements. The 10% de Minimis rule is not used.