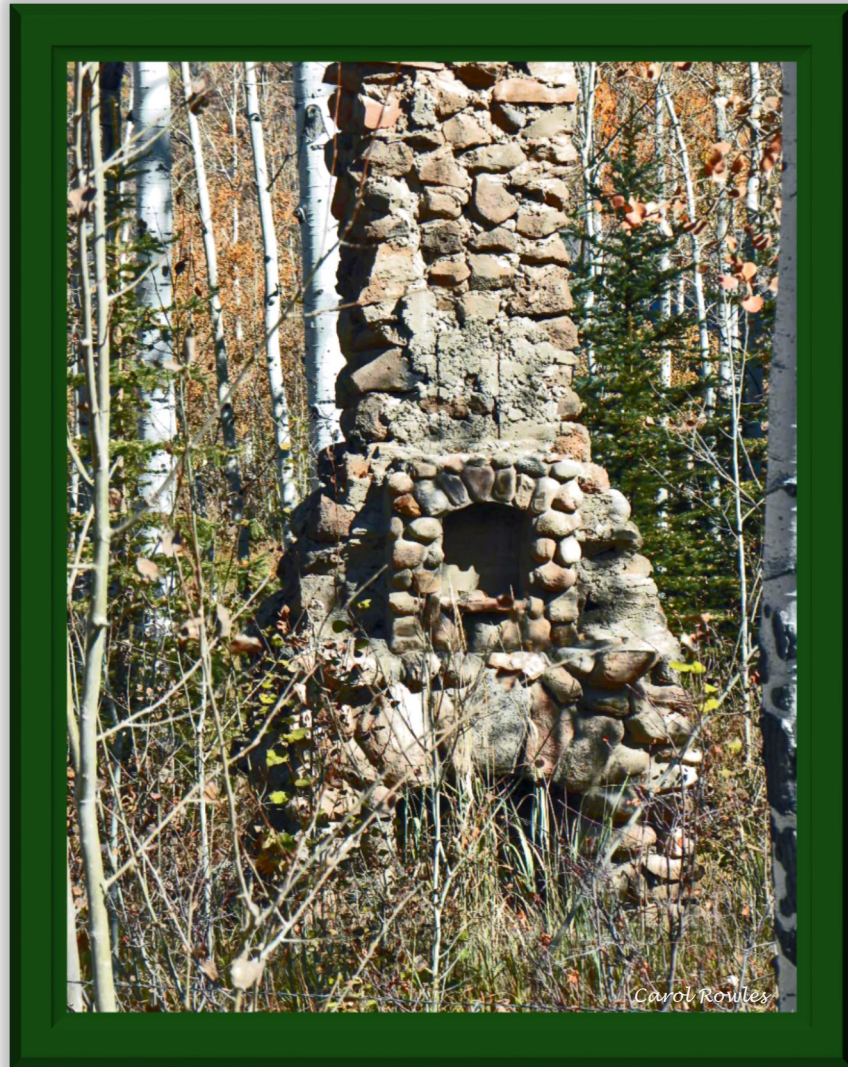


RIO BLANCO COUNTY COLORADO



BASIC FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

DECEMBER 31, 2018

RIO BLANCO COUNTY
FINANCIAL STATEMENTS
December 31, 2018

[Print/View Format](#)

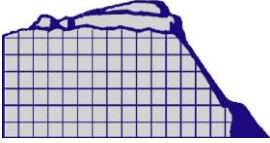
This document is set up to print double-sided. The following pages are intended to be viewed side-by-side: B-2&3, B-4&5, B-7&8, C-14&15, D-2&3, F-1&2, H-1&I1.

**RIO BLANCO COUNTY, COLORADO
TABLE OF CONTENTS**

Independent Auditor’s Report	1
Management’s Discussion and Analysis (RSI).....	A-1
Basic Financial Statements	
Government-Wide Financial Statements	
Statement of Net Position	B-1
Statement of Activities	B-2&3
Governmental Fund Financial Statements	
Balance Sheet	B-4&5
Reconciliation of Total Governmental Fund Balances to the Statement of Net Position	B-6
Statement of Revenues, Expenditures and Changes in Fund Balances	B-7&8
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	B-9
Proprietary Fund Financial Statements	
Statement of Net Position	B-10
Statement of Revenues, Expenses and Changes in Net Position – Proprietary Funds	B-11
Statement of Cash Flows	B-12
Fiduciary Fund Financial Statements	
Statement of Fiduciary Net Position.....	B-13
Notes to the Financial Statements.....	C-1
Required Supplementary Information (other than MD&A)	
Information for Governments Using The Modified Approach.....	D-1
Schedules of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	
General Fund	D-2&3
Road & Bridge Fund.....	D-4
Human Services Fund.....	D-5
Use Tax Fund	D-6
Other Supplementary Information	
Schedules of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	
Capital Projects Funds (major funds not included in RSI)	
County Capital Improvement Trust Fund	E-1
Capital Improvement Plan Fund.....	E-2
Explanation of Non-major funds	E-3
Combining Statements of Non-major Governmental Funds	
Combining Balance Sheet	E-4
Combining Statement of Revenues, Expenditures and Changes in Fund Balance	E-5
Schedules of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	
Non-major Capital Projects Funds	
Capital Expenditure Fund.....	E-6
Non-major Special Revenue Funds	
Impact Fee Trust Fund	E-7
Public Health Fund.....	E-8
Conservation Trust.....	E-9
Contingent.....	E-10

TABLE OF CONTENTS
Continued

Combining Statements of Non-major Enterprise Funds	
Combining Statement of Net Position	E-11
Combining Statement of Revenues, Expenses, and Changes in Net Position	E-12
Combining Statement of Cash Flows	E-13
Schedule of Revenues, Expenses and Changes in Fund Equity – Budget and Actual	
Enterprise Funds	
Solid Waste Landfill (major fund)	E-14
Weed and Pest Control (with pest control districts as blended component units).....	E-15
(includes Piceance Creek Pest Control District and Lower White River Pest Control District)	
Communications Fund.....	E-16
Fairfield Complex	E-17
Combining Statements of Internal Service Funds	
Combining Statement of Net Position	E-18
Combining Statement of Revenues, Expenses and Changes in Net Position	E-19
Combining Statement of Cash Flows	E-20
Schedule of Revenues, Expenses and Changes in Fund Equity – Budget and Actual	
Internal Service Funds	
Central Services	E-21
Fleet Management.....	E-22
Additional Reports	
Local Highway Finance Report.....	F-1&2
Single Audit Reports and Schedules	G-1
Schedule of Expenditures of Federal Awards	H-1
Note to the Schedule of Expenditures of Federal Awards	I-1



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, 2018, 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, 2018, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the 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 24, 2019 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 24, 2019

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, 2018. 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 (\$176.5 million) exceeded liabilities plus deferred inflows (\$9.6 million) by \$166.9 million at the end of 2018. This compares to \$162.5 million in 2017. The difference of \$4.4 million is an increase of 2.7%. The amount invested in net capital assets decreased by \$0.7 million while restricted funds increased by \$5.4 million and unrestricted funds decreased by \$0.4 million.
- Growth in restricted net position relates to the County receiving a percentage of Anvil Point funds which was receipted into the County Capital Improvement Trust Fund in 2018. The decrease in net capital assets and unrestricted funds relates to the completion of capital investment and improvement except for the Broadband project. During 2018, cash and cash equivalents increased by \$4.5 million while \$2.9 million in new assets were completed and capitalized. At the end of 2018, costs of \$0.8 million had been spent on capital projects that were still in progress. An additional \$1.0 million had been set aside to complete those projects in 2019.
- Revenues of \$31.6 million were over expenditures of \$27.2 million for the current year change in net position. This was an increase of \$8.0 million in revenue and an increase of \$2.4 million in expenditures from the prior year. Charges for services and fees decreased by \$0.2 million, capital grants and contributions decreased \$0.6 million, and general revenues increased by \$8.2 million. Public works expenditures increased by \$2.4 million, while general government decreased by \$0.6 million. All business type expenditures increased by \$0.2 million, mainly due to the County taking over as network operator and creating the Communications Fund in 2018.
- Construction of expanded broadband services continued through 2018 and will continue through 2019 with the completion of the secondary towers. Renovation of the Fairfield Complex for the Health and Human Services departments was completed in 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 2018. As of December 31, 2018, the County recognized future closure and post-closure care liability in the total amount of \$643,201 and maintained \$1,138,910 more as restricted fund balance for financial assurance. The remaining three County 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 \$140,000 while the Fairfield Complex Fund received \$98,500 (in addition to the \$30,378 paid by the County in the form of rent). The Communications Fund required \$150,000 for starting fund balance and an additional \$669,633 was transferred during 2018 for capital projects and additional employee costs. 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-15 delineates the activity and ending balances of these two districts.
- Governmental funds reported combined ending fund balances of \$60.1 million, an increase of \$5.3 million in comparison with the prior year. The County's General Fund balance was \$20.4 million as of December 31, 2018 and \$19.1 million as of December 31, 2017, an increase of \$1.3 million. The County Capital Improvement Trust Fund increased by \$5.5 million. The Road & Bridge Fund decreased by \$1.1 million, and Use Tax Fund, Human Services Fund, Public Health Fund decreased by \$0.5 million combined.

- The County’s General Fund policy is to have an unreserved fund balance equal to at least twelve months of annual General Fund expenditures. At December 31, 2018 the County’s unassigned General Fund balance was \$15.5 million, an increase of \$2.3 million, which would cover 19 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, communications, 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*, *Human Services Fund*, *the Use Tax Fund*, *the County Capital Improvement Trust Fund*, *the Capital Improvement Plan Fund*, all of which are considered to be major funds. Information from an additional five governmental funds, *the Capital Expenditure Fund*, *the Impact Fee Trust 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, communications, and the Fairfield Complex. The landfill is considered a major fund while the other three 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, 2018, assets exceeded liabilities plus deferred inflows by \$166.9 million.

The following table provides a summary comparison of the County's governmental and business-type net position for 2018 and a comparison to 2017.

Net Position						
	Governmental Activities		Business Type Activities		Total Primary Government (Net of Internal Balances)	
	2018	2017	2018	2017	2018	2017
Assets						
Current and other assets	\$ 71,569,283	\$ 66,474,307	\$ 7,717,580	\$ 7,911,874	\$ 79,286,863	\$ 74,386,181
Capital assets	93,193,561	94,275,874	3,982,372	3,553,276	97,175,933	97,829,150
Total assets	164,762,844	160,750,181	11,699,952	11,465,150	176,462,796	172,215,331
Liabilities						
Current and other liabilities	630,842	906,744	17,522	42,179	648,364	948,923
Long-term liabilities	513,745	485,919	661,735	626,201	1,175,480	1,112,120
Total liabilities	1,144,587	1,392,663	679,257	668,380	1,823,844	2,061,043
Deferred Inflows						
Property tax	7,466,771	7,450,039	271,616	209,260	7,738,387	7,659,299
Total deferred inflows	7,466,771	7,450,039	271,616	209,260	7,738,387	7,659,299
Invested in capital assets	93,193,561	94,275,874	3,982,372	3,553,276	97,175,933	97,829,150
Restricted	26,660,357	21,250,483	1,138,910	1,133,135	27,799,267	22,383,618
Unrestricted	36,297,568	36,381,122	5,627,797	5,901,099	41,925,365	42,282,221
Total net position	\$ 156,151,486	\$ 151,907,479	\$ 10,749,079	\$ 10,587,510	\$ 166,900,565	\$ 162,494,989

Rio Blanco County's total assets were 18.45 times the County's total liabilities plus deferred inflows at December 31, 2018. 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 2018, Rio Blanco County had a total net position of \$166.9 million. 58% was invested in capital assets. Of the remaining, 12% was held by the General Fund, 14% by the County Capital Improvement Trust Fund, 1% by the Use Tax Fund, 6% by the Road & Bridge Fund, 1% by the Human Services Fund and a balance of 7% in the remaining governmental funds and business-type funds.

The 58% 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 25% of the total. This is comparable to 26% in the prior year. The use of 17% was restricted as of December 31, 2018 as compared to 14% 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 increased the County's net position by \$4.4 million in 2018. The following table indicates the changes in net position for governmental and business-type activities for 2018. Comparative data is provided for analysis.

Changes in Net Position						
	Governmental Activities		Business Type Activities		Total Primary Government (Net of Internal Balances)	
	2018	2017	2018	2017	2018	2017
REVENUES						
Program revenues:						
Charges for services	\$ 2,738,917	\$ 3,313,203	\$ 917,156	\$ 586,972	\$ 3,656,073	\$ 3,900,175
Operating grants/contrib.	6,174,434	5,496,059	68,676	87,299	6,243,110	5,583,358
Capital grants/contrib.	467,799	1,226,881	139,555	-	607,354	1,226,881
General revenues:						
Property taxes	7,407,528	8,030,358	209,245	229,026	7,616,773	8,259,384
Other taxes	3,128,754	2,589,932	40,089	36,064	3,168,843	2,625,996
Other revenues	10,306,557	1,962,552	-	-	10,306,557	1,962,552
Total revenues	30,223,989	22,618,985	1,374,721	939,361	31,598,710	23,558,346
EXPENSES						
General government	6,031,642	6,589,790	-	-	6,031,642	6,589,790
Health and welfare	3,500,427	3,197,658	-	-	3,500,427	3,197,658
Intergovernmental	449,327	691,989	-	-	449,327	691,989
Judicial and public safety	4,695,153	4,706,834	-	-	4,695,153	4,706,834
Public works	9,381,428	7,026,340	-	-	9,381,428	7,026,340
Recreation and culture	863,873	555,552	-	-	863,873	555,552
Solid waste landfill	-	-	794,944	1,042,871	794,944	1,042,871
Weed and pest control	-	-	607,119	717,599	607,119	717,599
Communications	-	-	562,211	-	562,211	-
Fairfield complex	-	-	307,011	298,796	307,011	298,796
Total expenditures	24,921,850	22,768,163	2,271,285	2,059,266	27,193,135	24,827,429
Increase before transfers	5,302,140	(149,178)	(896,564)	(1,119,905)	4,405,576	(1,269,083)
Transfers	(1,058,133)	(210,000)	1,058,133	210,000	-	-
Increase in net position	\$4,244,007	(\$359,178)	\$161,569	(\$909,905)	\$4,405,576	(\$1,269,083)

During 2018, total revenues for combined governmental and business-type activities were 33% direct program revenues and 67% general revenues. This is a 12% shift from program revenues to general revenues compared from the prior year.

- The major program revenues for governmental activities were as follows:
 - ❖ Charges for services were 9% 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 20% of total revenues. Major funding came from State shared Highway Users Taxes of \$3.6 million. Federal and state grants are significant revenue sources for operations of Human Services, Public Health and senior nutrition service totaling \$2.4 million.
 - ❖ Capital grants and contributions were 2% of total revenues. \$0.3 million of this revenue was from DOLA for broadband expansion, Fairfield remodel and rock feature, and \$0.1 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 67% of total revenues for 2018 as compared to 62% of total revenues for 2017. 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 majority of this revenue is communications (\$0.5 million) and landfill (\$0.3 million).

- ❖ Operating grants and contributions were 5% of total revenues.
- ❖ Capital grants and contributions were 10% of total revenues.
- The major sources of general revenues for 2018 were:
 - ❖ Property taxes were 24% of total revenues (vs. 35% for 2017), 36% of general revenues (vs. 64% for 2017).
 - ❖ Other taxes included \$1,341,468 of sales tax (vs. \$1,097,582 for 2017) and \$899,432 of use tax (vs. \$773,608 for 2017). These two taxes were 11% of general revenues (vs. 15% for 2017).
 - ❖ All other general revenues combined were 54% of general revenues (vs. 22% for 2017). The sources of these revenues were: investment earnings \$1,041,341, Federal Mineral Leasing (FML) \$1,588,286, Payment in Lieu of Taxes (PILT) \$569,036, Severance Taxes \$399,274, and \$7,636,564 of miscellaneous revenues. Of the \$7.6 million, \$6.0 million was from the Anvil Points distribution receipted into the General Fund and transferred to the County Capital Improvement Trust Fund.

The total expenditures for combined governmental and business-type activities were made up of \$24,921,850 of expenditures for governmental activities (an increase of \$2,153,687 as compared to 2017) and \$1,709,074 of expenses for business-type activities (a decrease of \$350,192 as compared to 2017). Of the total expenditures 94% were for governmental activities and 6% for business-type activities.

- The percentage of total County expenses for each type of governmental activity is:
 - ❖ 24% – Governmental
 - ❖ 14% – Health and welfare
 - ❖ 2% – Intergovernmental
 - ❖ 19% – Judicial and public safety
 - ❖ 38% – Public works
 - ❖ 3% – Recreation and culture
- The percentage of total County expenses for each business-type activity is:
 - ❖ 35% – Solid Waste Landfill
 - ❖ 27% – Weed and Pest Control (includes activity of two pest control districts)
 - ❖ 25% – Communications Fund
 - ❖ 13% – Fairfield Complex (Community Center)
- During 2018 the County’s combined business-type activities had a loss of \$896,564 (before transfers) from normal operations as compared to the 2017 loss of \$1,119,905. The difference reflects a decrease in landfill commercial user fees and the start of the Communications Fund.

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 2018, the combined ending fund balance of Rio Blanco County's governmental funds was \$60,053,898, an increase of 10% (\$5,318,738) from the prior year. One fund had a million dollar decline, related to capital projects/maintenance projects. Of the total governmental fund balance, 4% is nonspendable, 44% is restricted, 12% is committed, 14% is assigned and 26% is unassigned. Rio Blanco County had no governmental funds reporting negative unassigned fund balances at December 31, 2018.

The County has six major governmental funds. These are: (1) General Fund, (2) Road and Bridge Fund, (3) Human Services, (4) Use Tax Fund, (5) County Capital Improvement Trust 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 \$20,417,749 at December 31, 2018. This was a 1% increase from 2017. 76% or \$15,496,179 of the total balance was unassigned. 19% or \$3,898,312 was assigned for projects and to cover budgeted deficit spending in 2019. 3% or \$559,816 was reserved for emergencies in compliance with Title-X of the Colorado constitution, and 2% or \$463,442 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 196% of the General Fund expenditures for the year ended December 31, 2018. Unassigned funds were available to cover expenditures for 18.8 months at December 31, 2018 versus 15.0 months at the end of 2017 and 13.2 months at the end of 2016.

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, 2018:

a. **Working Capital: \$19,394,492**

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) **6.3:1**
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) **197.9:1**. 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, 2018 was \$9,561,620. Of the total fund balance: 20% was invested in inventory and prepaids, 1% was held for future Federal Forest Reserve Title III projects, 34% was assigned to cover budgeted deficit spending, and the remaining 45% is committed to the general purpose of the fund.

The fund balance decreased \$1,148,651 over the prior year. CR 73 bridge construction grant was not awarded in 2018 and budgets will be carried over to 2019. \$1,886 was spent on the CR 73 bridge design in 2018. \$1,955,902 was spent on the 2018 overlay project.

The total of committed fund balances could provide working capital (in addition to inventory) for about six 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.

3. *Human Services Fund*

The *Human Services Fund* accounts for the 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 fund balance in the Human Services Fund at December 31, 2018 was \$987,412. Of the total fund balance, 1% is a prepaid (nonspendable), 3% was assigned to cover budgeted deficit spending, and the remaining 96% is committed for the general purpose of the fund.

This fund has a regular cash flow due to most of the programs being reimbursed 80% by state/federal grants. Because of the unique situation, this fund does not require a lot of working capital reserves to be accumulated from one year to the next. Therefore, the committed fund balance could provide around five months of operations.

4. *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, 2018 was \$2,259,433. This was a decrease of \$105,469 from 2017. 77% 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.

5. *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 \$23,933,693 total fund balance 100% is restricted by statute for capital improvement projects. This was an increase of \$5.5 million from 2017. \$770,000 was budgeted for the broadband project. The additional cost associated with this project comes from an overall increase in the take-rate.

Due to the interest rates, there is a fluctuation in grant awards given out over the years. Awards are given out based on the earnings from the prior year, therefore, future grants are dependent on future investment earnings.

6. *Capital Improvement Plan Fund*

The *Capital Improvement Plan Fund* 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, 2018 was \$815,468 (as compared to \$689,401 in 2017). This fund paid Treasurer’s fees of \$4,508 on grant revenues it received in 2018.

2018 projects included: \$295,925 (offset by \$154,002 DOLA grant) on the broadband project, \$36,674 (offset by \$30,112 DOLA grant) on the rock feature project, \$307,607 (offset by \$146,085 DOLA grant) on the Fairfield Complex remodel, and \$71,206 at the Rangely and Meeker Airports respectively (offset by \$81,787 in FAA/CDOT grants – some of the grant revenue was payment from 2015 expenditures).

7. *Other Governmental Funds*

This summary category includes four funds that are not considered major: *Capital Expenditure Fund, Impact Fee Trust 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, 2018 was \$6,042,720 (as compared to \$6,580,453 in 2017).

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, Communications Fund, Fairfield Complex Fund, Central Services Fund and Fleet Management Fund.*

CAPITAL ASSET AND DEBT ADMINISTRATION

The County’s capital assets at December 31, 2018 are presented in the following table.

	Governmental Activities	Business Type Activities	Total
Land	\$ 2,480,498	\$ 303,605	\$ 2,784,103
Land improvements	14,458,538	941,787	15,400,326
Buildings and building improvements	32,709,723	2,208,395	34,918,117
Equipment and furniture	6,858,149	528,584	7,386,733
Infrastructure	23,108,379	-	23,108,379
Construction-in-progress	13,578,275	0	13,578,276
	<u>\$ 93,193,561</u>	<u>\$ 3,982,371</u>	<u>\$ 97,175,933</u>

None of the above capital assets have any associated debt as of December 31, 2018.

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 \$39,590,196 for 2018. During 2018 supplemental budgets were approved, increasing the budgeted expenditures by \$7,713,186 to \$47,303,380. At year end, 77% of the total budget was utilized, or \$36,377,012.

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	\$ 7,803,472	\$ 9,458,652	\$ 17,262,124	\$ 17,961,091	104%	\$ 698,968
Road and Bridge	8,024,227	128,969	8,153,196	7,239,030	89%	(914,166)
Use Tax	637,500	-	637,500	1,016,883	160%	379,383
County Capital Imp. Trust	163,832	6,000,000	6,163,832	6,354,601	103%	190,769
Impact Fee Trust	1,000	-	1,000	29,486	2949%	28,486
Capital Expenditure	595,738	-	595,738	626,188	105%	30,450
Capital Improvement Plan	1,763,315	(38,329)	1,724,985	841,986	49%	(882,999)
Human Services	2,037,664	188,000	2,225,664	2,325,231	104%	99,567
Public Health	252,393	71,880	324,273	317,013	98%	(7,260)
Conservation Trust	9,710	-	9,710	9,364	96%	(346)
Contingent	-	-	-	-	0%	-
Solid Waste Landfill	343,000	-	343,000	257,210	75%	(85,790)
Weed and Pest Control	522,116	(20,000)	502,116	525,369	105%	23,253
Communications	679,086	669,633	1,348,719	1,346,922	100%	(1,797)
Fairfield Complex	168,956	-	168,956	303,350	180%	134,394
Central Services	179,096	-	179,096	178,432	100%	(664)
Fleet Management	2,482,451	45,966	2,528,417	2,350,633	93%	(177,784)
	\$ 25,663,556	\$ 16,504,770	\$ 42,168,326	\$ 41,682,790	99%	\$ (485,537)

	Original		Final			Variance
	Budget	Amendments	Budget	Actual	%	(Under)/Over
Expenditures & Transfers Out						
General	\$ 12,707,520	\$ 6,898,094	\$ 19,605,614	\$ 16,620,231	85%	\$ (2,985,382)
Road and Bridge	11,077,918	128,969	11,206,887	8,387,681	75%	(2,819,206)
Use Tax	1,262,000	-	1,262,000	1,122,352	89%	(139,648)
County Capital Imp. Trust	909,800	-	909,800	884,665	97%	(25,135)
Impact Fee Trust	1,276,341	-	1,276,341	9,621	1%	(1,266,720)
Capital Expenditure	953,801	(726)	953,075	814,500	85%	(138,574)
Capital Improvement Plan	2,596,280	(252,188)	2,344,092	715,919	31%	(1,628,173)
Human Services	2,233,750	188,000	2,421,750	2,375,706	98%	(46,044)
Public Health	438,103	71,880	509,983	431,911	85%	(78,072)
Conservation Trust	44,780	-	44,780	39,550	88%	(5,230)
Contingent	100,000	-	100,000	-	0%	(100,000)
Solid Waste Landfill	1,410,844	-	1,410,844	794,943	56%	(615,901)
Weed and Pest Control	892,329	(36,442)	855,887	607,118	71%	(248,769)
Communications	494,905	669,633	1,164,538	562,211	48%	(602,327)
Fairfield Complex	222,824	-	222,824	307,010	138%	84,187
Central Services	278,814	-	278,814	233,477	84%	(45,337)
Fleet Management	2,690,187	45,966	2,736,153	2,470,119	90%	(266,035)
	\$ 39,590,194	\$ 7,713,186	\$ 47,303,380	\$ 36,377,012	77%	\$ (10,926,368)

The original budgeted expenditures plus transfers out for the General Fund was \$12,707,520 and it was increased by amendments of \$6,898,094 for a final budget of \$19,605,614. \$6,615,495 increase in amendment was from the Anvil Points distribution transfer from the General Fund to County Capital Improvement Trust Fund and the Communications Fund. The remaining is related to reducing budgeted contingency in the General Fund in order to cover unanticipated additional expenditures in other funds.

In 2018, there was a difference of \$2,985,382 between amended budget and actual expenditures plus transfers out in the General Fund. \$1,230,088 was due to budgeted contingency amounts not being needed. \$340,000 was from Public Trustee withdrawals not taking place. The balance of the difference of \$1,415,294 was normal operations coming in under budget as is required by law (the largest unspent amounts being Facility Management, Economic Development, Information Systems, Sheriff, Dispatch, County Communications, Rangely Airport and Meeker Airport).

The large difference between amended budget and actuals in the Road and Bridge Fund of \$2.8 million is due to the CR 73 bridge construction (\$1.8 million) not being awarded in 2018. The CR 73 bridge construction project was re-budgeted for 2019.

There was a difference of \$1.6 million between amended budget and actuals in the Capital Improvement Plan Fund. The difference reflects budgeted projects not being completed in 2018. All incomplete projects will carry over to 2019, the largest of which is broadband, budgeted at \$1.0 million in 2019.

FUTURE SIGNIFICANCE

Property tax accounted for 24% of the County's total revenues in 2018. This source of revenue decreased 8% or \$642,611 from 2017. 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 2017 and 2018. Oil and gas was 43% of total assessed value in 2017, and increased to 45% in 2018. Industrial valuations had been 32% of total assessed value in 2017, but decreased to 31% in 2018. Total assessed values in 2017 were \$823.2 million and increased slightly to \$824.5 million in 2018 for a 0.2% increase. This change will be reflected in the taxes collected in 2019. The preliminary certification of values for 2019 that will be the basis for the revenues collected in 2020 will not be distributed until late August; thus expected decline cannot yet be quantified.

Sales and use taxes increased again from the prior year. Sales taxes increased 22% and use tax increased 16%. The Supreme Court ruling in *South Dakota v. Wayfair* allows for online sales tax collections. The full impact this will have on the County's sales tax revenue is yet to be determined.

Impact fees were suspended in early 2015. In 2018, impact fees were cancelled. Matching grants will be required to complete any projects along CR 5 with the impact fees not used. After all funds have been depleted, any future projects along CR 5 will require other revenue sources to complete. This fund will become inactive once all funds have been used.

In January of 2018, Rio Blanco County took over as network operator (for the broadband project). A one-time transfer was needed in 2018 to make sure enough fund balance was available for working capital needs. This fund is projected to provide for future growth and replacement of equipment without any additional funding sources required. The completion of the secondary tower build out will wrap up the broadband project and provide for more revenue into this fund.

In 2018, Rio Blanco County received its first payment of Anvil Points distribution in the amount of \$6.8 million. \$6.0 million was transferred to the County Capital Improvement Trust Fund for future investment earnings to be granted out. Around \$600,000 was transferred into the Communications Fund for further broadband build out and the remaining \$200,000 was kept in the General Fund for contingency purposes. In 2019, the County received the final distribution payment in the amount of \$481,609. Part of these funds will be used for some maintenance projects that were not approved during the 2019 budget due to lack of funds.

In the March 2019 Economic Outlook by the Colorado Office of State Planning and Budgeting, Federal Mineral Lease (FML) revenue is expected to increase for the FY 2018-19 and FY 2019-20. Severance Tax is projected to grow in FY 2018-19, but decline in FY 2019-20 due to larger ad valorem credits and lower oil prices. Both of these revenue sources have a direct distribution that are passed to Counties, therefore, Rio Blanco County can expect to see an increase in the August 2019 distribution compared to 2018.

Departments continue to manage within flat budgets from year-to-year. Capital projects are budgeted on a priority basis. The 2019 budget included a 3.4% increase to health insurance and a 2% cost of living increase. The completion of the broadband build out and Columbine Park multipurpose design were the main capital focus in the 2019 budget.

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, 2018

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 60,349,854	\$ 7,330,571	\$ 67,680,425
Property taxes receivable	7,462,263	271,616	7,733,879
Other receivables	187,831	84,140	271,971
Due from other governmental units	868,019	148	868,167
Prepays and deposits	994,453	-	994,453
Inventories	1,706,863	31,105	1,737,968
Capital assets, net	93,193,561	3,982,372	97,175,933
Total assets	164,762,844	11,699,952	176,462,796
LIABILITIES			
Accounts payable	171,497	17,522	189,019
Due to other governmental units	358,799	-	358,799
Unearned revenue	100,546	-	100,546
Long-term liabilities			
Due more than one year:			
Compensated absences	513,745	18,534	532,279
Closure and postclosure care	-	643,201	643,201
Total liabilities	1,144,587	679,257	1,823,844
DEFERRED INFLOW OF RESOURCES			
Unavailable property tax	7,466,771	271,616	7,738,387
Total deferred inflows of resources	7,466,771	271,616	7,738,387
NET POSITION			
Invested in capital assets, net of debt	93,193,561	3,982,372	97,175,933
Restricted	26,660,357	1,138,910	27,799,267
Unrestricted	36,297,568	5,627,797	41,925,365
Total net position	\$ 156,151,486	\$ 10,749,079	\$ 166,900,565

See accompanying notes to the basic financial statements.

RIO BLANCO COUNTY, COLORADO
STATEMENT OF ACTIVITIES
Year Ended December 31, 2018

Functions/Programs	Expenses	Program Revenues		
		Charges for Services and Fees	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 6,031,642	\$ 2,055,437	\$ 33,000	\$ 300,087
Health and welfare	3,500,427	24,804	2,360,983	-
Intergovernmental - Grants, etc.	449,327	89,919	2,500	-
Judicial and public safety	4,695,153	161,091	86,676	30,112
Public works	9,381,428	371,431	3,681,939	81,787
Recreation and culture	863,873	36,235	9,336	55,813
Capital outlay	-			
Total governmental activities	24,921,850	2,738,917	6,174,434	467,799
Business-type activities:				
Solid Waste Landfill	794,944	257,210	-	-
Weed and Pest Control	607,119	97,361	38,676	-
Communications	562,211	527,289	-	-
Fairfield Complex	307,011	35,296	30,000	139,555
Total business type activities	2,271,285	917,156	68,676	139,555
Total primary government	\$ 27,193,135	\$ 3,656,073	\$ 6,243,110	\$ 607,354

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
\$ (3,643,118)	\$ -	\$ (3,643,118)
(1,114,640)	-	(1,114,640)
(356,908)	-	(356,908)
(4,417,274)	-	(4,417,274)
(5,246,271)	-	(5,246,271)
(762,489)	-	(762,489)
		-
<u>(15,540,700)</u>	<u>-</u>	<u>(15,540,700)</u>
	(537,734)	(537,734)
	(471,082)	(471,082)
	(34,922)	(34,922)
	(102,160)	(102,160)
	<u>(1,145,898)</u>	<u>(1,145,898)</u>
<u>(15,540,700)</u>	<u>(1,145,898)</u>	<u>(16,686,598)</u>
7,407,528	209,245	7,616,773
1,341,468	-	1,341,468
899,432	-	899,432
295,815	8,309	304,124
592,038	31,780	623,818
1,041,341	-	1,041,341
2,286,291	-	2,286,291
7,045,811	-	7,045,811
(66,886)	-	(66,886)
<u>(1,058,133)</u>	<u>1,058,133</u>	<u>-</u>
<u>19,784,705</u>	<u>1,307,467</u>	<u>21,092,172</u>
4,244,006	161,569	4,405,575
151,907,479	10,587,510	162,494,989
<u>\$ 156,151,485</u>	<u>\$ 10,749,079</u>	<u>\$ 166,900,564</u>

See accompanying notes to the basic financial statements.

RIO BLANCO COUNTY, COLORADO
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2018

	Major Special Revenue Funds			
	General Fund	Road and Bridge Fund	Human Services Fund	Use Tax Fund
ASSETS				
Cash and cash equivalents	\$ 19,666,357	\$ 7,650,364	\$ 1,023,658	\$ 2,206,502
Property taxes receivable	3,759,991	3,092,098	420,525	-
Accrued interest receivable	13,655	-	-	-
Due from other governmental units	324,988	2,041	415,207	17,684
Other receivables	50,933	6,270	-	45,499
Inventories	-	1,381,900	-	-
Prepays and deposits	463,442	529,000	560	-
Total assets	\$ 24,279,366	\$ 12,661,673	\$ 1,859,950	\$ 2,269,685
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 94,294	\$ 7,955	\$ -	\$ 10,252
Due to other governmental units	-	-	358,799	-
Unearned revenue	7,332	-	93,214	-
Total liabilities	101,626	7,955	452,013	10,252
Deferred inflow of resources:				
Unavailable property taxes	3,759,991	3,092,098	420,525	-
Total deferred inflow of resources	3,759,991	3,092,098	420,525	-
Fund balances:				
Nonspendable	463,442	1,910,900	560	-
Restricted	559,816	144,806	-	-
Committed	-	4,278,810	951,377	1,726,061
Assigned	3,898,312	3,227,104	35,475	533,372
Unassigned	15,496,179	-	-	-
Total fund balances	20,417,749	9,561,620	987,412	2,259,433
Total liabilities, deferred inflows and fund balances	\$ 24,279,366	\$ 12,661,673	\$ 1,859,950	\$ 2,269,685

See accompanying notes to the basic financial statements.

Major Capital Projects Funds			
County Capital Improvement Trust Fund	Capital Improvement Plan Fund	Other Governmental Funds	Total Governmental Funds
\$ 23,874,459	\$ 781,186	\$ 2,053,981	\$ 57,256,507
-	-	189,649	7,462,263
59,234	-	-	72,889
-	79,557	28,542	868,019
-	-	3,253	105,955
-	-	-	1,381,900
-	-	-	993,002
<u>\$ 23,933,693</u>	<u>\$ 860,743</u>	<u>\$ 2,275,425</u>	<u>\$ 68,140,535</u>
\$ -	\$ 45,275	\$ 2,745	\$ 160,521
-	-	-	358,799
-	-	-	100,546
<u>-</u>	<u>45,275</u>	<u>2,745</u>	<u>619,866</u>
-	-	194,157	7,466,771
-	-	194,157	7,466,771
-	-	-	2,374,902
23,933,693	492,580	1,529,462	26,660,357
-	-	172,055	7,128,303
-	322,888	377,006	8,394,157
-	-	-	15,496,179
<u>23,933,693</u>	<u>815,468</u>	<u>2,078,523</u>	<u>60,053,898</u>
<u>\$ 23,933,693</u>	<u>\$ 860,743</u>	<u>\$ 2,275,425</u>	<u>\$ 68,140,535</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, 2018

Total governmental fund balances \$ 60,053,898

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. 88,905,677

Long-term liabilities and compensated absences, are not due and payable in the current period and therefore are not reported in the governmental funds. (472,967)

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.

7,664,878

Net position of governmental activities \$ 156,151,486

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, 2018

	<u>Major Special Revenue Funds</u>			
	General Fund	Road and Bridge Fund	Human Services Fund	Use Tax Fund
REVENUES				
Property taxes	\$ 3,638,283	\$ 2,864,790	\$ 204,628	\$ -
Specific ownership taxes	145,292	114,404	8,172	-
Sales taxes	1,341,468	-	-	-
Use taxes	-	-	-	899,432
Other taxes	62,560	77,498	2,576	-
Intergovernmental	2,873,210	3,829,866	2,109,856	80,944
Licenses and permits	66,365	-	-	-
Charges for services	263,965	14,766	-	36,507
Interest earnings	657,225	-	-	-
Fees, fines and forfeits	1,735,187	82,549	-	-
Inter-fund charges	196,303	255,156	-	-
Miscellaneous	6,981,234	-	-	-
Total revenues	17,961,092	7,239,029	2,325,232	1,016,883
EXPENDITURES				
Current:				
General government	5,106,691	-	-	113,733
Judicial and public safety	3,985,407	-	-	-
Health and welfare	213,226	-	2,375,706	435,238
Recreation and culture	254,820	-	-	120,698
Intergovernmental (Grants, etc)	182,644	-	-	127,683
Public Works	144,312	8,385,794	-	-
Capital outlay	-	1,886	-	-
Total expenditures	9,887,100	8,387,680	2,375,706	797,352
Excess (deficiency) of revenues over expenditures	8,073,992	(1,148,651)	(50,474)	219,531
OTHER FINANCING SOURCES/(USES)				
Sale of assets				
Transfers in	-	-	-	-
Transfers out	(6,733,133)	-	-	(325,000)
Total other financing sources/(uses)	(6,733,133)	-	-	(325,000)
Net change to fund balance	1,340,859	(1,148,651)	(50,474)	(105,469)
Fund balance, January 1	19,076,890	10,710,271	1,037,886	2,364,902
Fund balance, December 31	\$ 20,417,749	\$ 9,561,620	\$ 987,412	\$ 2,259,433

See accompanying notes to the basic financial statements.

Major Capital Projects Funds			
County Capital Improvement Trust Fund	Capital Improvement Plan Fund	Other Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 699,827	\$ 7,407,528
-	-	27,947	295,815
-	-	-	1,341,468
-	-	-	899,432
-	-	34,690	177,324
-	411,987	150,596	9,456,459
-	-	9,917	76,282
-	-	1,686	316,924
354,601	-	29,515	1,041,341
-	-	-	1,817,736
-	-	-	451,459
-	-	27,874	7,009,108
<u>354,601</u>	<u>411,987</u>	<u>982,052</u>	<u>30,290,876</u>
782	197,641	121,989	5,540,836
-	-	-	3,985,407
-	-	431,910	3,456,080
-	13,887	15,993	405,398
139,000	-	-	449,327
-	2,024	-	8,532,130
744,883	502,368	295,690	1,544,827
<u>884,665</u>	<u>715,920</u>	<u>865,582</u>	<u>23,914,005</u>
<u>(530,064)</u>	<u>(303,933)</u>	<u>116,470</u>	<u>6,376,871</u>
6,000,000	430,000	-	6,430,000
-	-	(430,000)	(7,488,133)
<u>6,000,000</u>	<u>430,000</u>	<u>(430,000)</u>	<u>(1,058,133)</u>
5,469,936	126,067	(313,530)	5,318,738
18,463,757	689,401	2,392,053	54,735,160
<u>\$ 23,933,693</u>	<u>\$ 815,468</u>	<u>\$ 2,078,523</u>	<u>\$ 60,053,898</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, 2018

Net change in fund balances - total governmental funds \$ 5,318,738

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	1,185,243	
Depreciation expense	(1,997,134)	
Excess of capital outlay over depreciation and other adjustments		(811,894)

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, donations and dispositions) is to decrease net assets		(66,886)
--	--	----------

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		(21,423)
---	--	----------

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.		(174,530)
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Change in net position of governmental activities	\$ 4,244,005
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See accompanying notes to the basic financial statements.

RIO BLANCO COUNTY, COLORADO
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2018

	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	\$ 5,477,902	\$ 1,852,669	\$ 7,330,571	\$ 3,093,347
Taxes receivable	-	271,616	271,616	-
Due from other governmental units	-	148	148	-
Other receivables	15,239	68,901	84,140	8,987
Inventories	-	31,105	31,105	324,963
Prepays and deposits	-	-	-	1,451
Total current assets	5,493,141	2,224,439	7,717,580	3,428,748
Noncurrent assets:				
Capital assets:				
Land	33,395	270,210	303,605	-
Buildings, improvements, equipment, net	1,177,797	2,500,970	3,678,767	4,287,885
Total noncurrent assets	1,211,192	2,771,180	3,982,372	4,287,885
Total assets	6,704,333	4,995,619	11,699,952	7,716,633
LIABILITIES				
Current liabilities:				
Accounts payable	15,839	1,683	17,522	10,976
Total current liabilities	15,839	1,683	17,522	10,976
Noncurrent liabilities:				
Accrued compensated absences	2,573	15,961	18,534	40,779
Closure and postclosure care	643,201	-	643,201	-
Total noncurrent liabilities	645,774	15,961	661,735	40,779
Total liabilities	661,613	17,644	679,257	51,755
DEFERRED INFLOW OF RESOURCES				
Unavailable property tax	-	271,616	271,616	-
Total deferred inflows of resources	-	271,616	271,616	-
NET POSITION				
Invested in capital assets	1,211,192	2,771,180	3,982,372	4,287,885
Restricted for closure & post-closure care	1,138,910	-	1,138,910	-
Unrestricted	3,692,618	1,935,179	5,627,797	3,376,993
Total net position	\$ 6,042,720	\$ 4,706,359	\$ 10,749,079	\$ 7,664,878

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, 2018

	Business-type Activities			Governmental
	Solid Waste Landfill Fund	Non-major Enterprise Funds	Total Enterprise Funds	Internal Service Funds
Operating revenues:				
Property taxes	\$ -	\$ 209,245	\$ 209,245	\$ -
Specific ownership taxes	-	8,309	8,309	-
Other taxes	-	31,779	31,779	-
Charges for services	257,211	659,946	917,157	2,570,760
Grants and private contributions	-	30,000	30,000	-
Intergovernmental revenues	-	38,676	38,676	-
Total operating revenues	257,211	977,955	1,235,166	2,570,760
Operating expenses:				
Personnel	251,423	410,181	661,604	574,351
Supplies	27,324	266,626	293,950	749,803
Purchased services	73,149	586,529	659,678	60,114
Special dues, permits and fees	7,804	-	7,804	-
Closure and post-closure costs	51,308	-	51,308	-
Rent and utilities	5,103	37,124	42,227	11,632
Repairs and maintenance	-	-	-	83,391
Insurance and claims	-	-	-	176,453
Interdepartmental charges	251,906	55,786	307,692	118,399
Capital outlay	-	-	-	4,540
Depreciation	126,927	120,095	247,022	924,911
Total operating expenses	794,944	1,476,341	2,271,285	2,703,594
Operating income/(loss)	(537,733)	(498,386)	(1,036,119)	(132,834)
Nonoperating revenues/(expenses):				
Gain/(loss) on disposition of assets and inventory	-	-	-	(41,696)
Capital contributed revenue	-	139,555	139,555	-
Total nonoperating revenues/(expenses)	-	139,555	139,555	(41,696)
Income/(loss) before transfers in/(out)	(537,733)	(358,831)	(896,564)	(174,530)
Transfers in/(out)	-	1,058,133	1,058,133	-
Change in net position	(537,733)	699,302	161,569	(174,530)
Total net position, January 1	6,580,453	4,007,057	10,587,510	7,839,408
Total net position, December 31	\$ 6,042,720	\$ 4,706,359	\$ 10,749,079	\$ 7,664,878

See accompanying notes to the basic financial statements.

RIO BLANCO COUNTY, COLORADO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended December 31, 2018

	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	\$ 250,633	\$ 849,329	\$ 1,099,962	\$ 69,808
Cash received from internal customers	26,059	60,953	87,012	2,496,251
Cash payments to external suppliers for goods and services	(164,151)	(892,169)	(1,056,320)	(1,069,077)
Cash payments to internal suppliers for goods and services	(251,906)	(55,786)	(307,692)	(118,399)
Cash payments to employees for services	(249,764)	(402,041)	(651,805)	(567,948)
Net cash provided/(used) by operating activities	(389,129)	(439,714)	(828,843)	810,634
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers from other funds	-	1,058,133	1,058,133	-
Net cash provided by noncapital financing activities	-	1,058,133	1,058,133	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition of fixed assets	(556,357)	(220,026)	(776,383)	(990,016)
Proceeds from disposal of assets	19,793	220,026	239,819	226,944
Net cash (used) by capital and related financing activities	(536,564)	-	(536,564)	(763,072)
Net increase/(decrease) in cash and equivalents	(925,693)	618,419	(307,274)	47,562
Cash balances, January 1	6,403,596	1,234,249	7,637,845	3,045,784
Cash balances, December 31	\$ 5,477,903	\$ 1,852,668	\$ 7,330,571	\$ 3,093,347
Reconciling of operating income/(loss) to net cash provided/(used) by operating activities:				
Operating income/(loss)	\$ (537,733)	\$ (498,386)	\$ (1,036,119)	\$ (132,834)
Adjustments to reconcile operating income/(loss) to net cash provided/(used) by operating activities:				
Depreciation expense	126,927	120,095	247,022	924,911
Miscellaneous nonoperating revenues/(expenses)	-	-	-	-
Assets (increase)/decrease:				
Other receivables	5,422	(67,705)	(62,283)	(4,701)
Due from other governments	14,059	32	14,091	-
Inventories	-	(2,431)	(2,431)	25,544
Prepays and deposits	-	-	-	450
Liabilities increase/(decrease):				
Accounts payable	(25,199)	541	(24,658)	(9,139)
Accrued compensated absences	1,659	8,140	9,799	6,403
Closure and postclosure care	25,736	-	25,736	-
Total adjustments	148,604	58,672	207,276	943,468
Net cash provided/(used) by operating activities	\$ (389,129)	\$ (439,714)	\$ (828,843)	\$ 810,634

See accompanying notes to the basic financial statements.

RIO BLANCO COUNTY, COLORADO
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND
December 31, 2018

Treasurer's agency funds	\$ 283,339
Sheriff's inmate balances	4,134
Cash and investments	<u>\$ 287,473</u>

Due to other governments	\$ 283,339
Due to inmates	4,134
Due to other governments	<u>\$ 287,473</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, 2018

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 6,345. 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, 2018, Rio Blanco County's total taxable assessed valuation was approximately \$825 million. Of this, approximately \$614 million (or 75%) was owned by ten taxpayers: Enterprise Gas Processing LLC, \$206 million; Chevron U. S. A., Inc., \$121 million; XTO Energy, Inc., \$86 million; Willow Creek, \$69 million; TEP Rocky Mountain, LLC, \$47 million; Bargath, LLC, \$21 million; Blue Mountain Energy, Inc., \$20 million; MMGJ Colorado, LLC, \$19 million; Utah Gas Corporation, \$14 million; and, White River Hub, LLC, \$11 million.

Approximately 45% of the County's assessed value is derived from oil and gas activities, and an additional 31% 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, 2018

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 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 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 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, 2018

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

The balance of governmental funds are considered non-major, and account for capital expenditure fund, impact fee trust fund, 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, 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, 2018, consisted of treasury notes stated 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, 41% (\$410,720) is a prepaid IRU to link broadband service directly between the towns of Meeker and Rangely, 50% (\$500,000) is a prepayment for gravel to be taken from the Wakara pit over a period of 30 years ending December 31, 2043, 5% (\$50,976) is a prepayment for Venture Technologies data support for the Server/SAN project, 3% (\$29,000) is prepayments of royalties for gravel being extracted from other pits, and of the 1% balance (\$1,663) is prepayment for HR laws, (\$1,000) is prepayment

Rio Blanco County, Colorado
Notes to Basic Financial Statements
 December 31, 2018

of postage, (\$451) is extended subscription for fleet motor grader GPS, (\$560) is prepayment for CYMA software support, and (\$83) 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 2018 for collection in 2019 are recorded in governmental funds as taxes receivable and deferred inflow of resources as of December 31, 2018 since the amount is measurable but not available until 2019. 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 2017 and collected in 2018 are as follows:

Fund	Assessed Valuations	Mill Levy	Taxes Levied	Taxes Collected	Percent Collected
General	\$ 823,208,760	4.445	\$ 3,659,163	\$ 3,638,283	99.4%
Road and Bridge	823,208,760	3.500	2,881,231	2,864,790	99.4%
Human Services	823,208,760	0.250	205,802.19	204,628.00	99.4%
Public Health Agency	823,208,760	0.155	127,597	126,869	99.4%
Capital Expenditures	823,208,760	0.700	576,246	572,958	99.4%

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

Rio Blanco County, Colorado
Notes to Basic Financial Statements
December 31, 2018

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, 2018 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 2018 to establish that the specified condition level (1 above) has been maintained. The assessment for 2018 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, 2018, 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.

Rio Blanco County, Colorado
Notes to Basic Financial Statements
December 31, 2018

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 and reported through the Department of Local Affairs Civil Asset Forfeiture electronic file and publicly published on a biannual basis. During 2018, 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.

Rio Blanco County, Colorado
Notes to Basic Financial Statements
December 31, 2018

B. Budgeted Level of Expenditures

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 2018, the County Commissioners adopted two supplemental appropriations which included 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, 2018, the carrying amount of the County's Primary Government's Funds demand account deposits were \$25,124,432 and the bank balance was \$20,605,114.13. 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

Rio Blanco County, Colorado
Notes to Basic Financial Statements
 December 31, 2018

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 rating service. 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	\$ 25,020
Demand accounts (bank and money markets)	1,763,625
ColoTrust, CSafe, CSIP	28,200,598
Certificates of deposit	23,359,162
Sigma-Money Market Fund	1,645
U.S. Treasury Notes	14,330,375
	<u>\$ 67,680,425</u>

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

Demand accounts	<u>\$ 283,339</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

Rio Blanco County, Colorado
Notes to Basic Financial Statements
 December 31, 2018

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, 2018:

	12/31/2018	Level 1	Level 2	Level 3
Investments by Fair Value Level:				
Treasury Notes	\$ 14,330,375	\$ -	\$ 14,330,375	\$ -
Investments Measured at Amortized Costs:				
Money Market Mutual Funds	1,645			
CSAFE, CSIP	10,509,724			
Investments Measured at Net Asset Value:				
ColoTrust	17,690,874			
Total Investments	\$ 42,532,618			

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 Improvement Plan Fund	County Capital Improvement Trust Fund	Weed & Pest Control Fund	Communications Fund	Fairfield Complex Fund	Transfers Total
Transfers out:						
General Fund	\$ -	\$ 6,000,000	\$ -	\$ 669,633	\$ 63,500	\$ 6,733,133
Use Tax Fund	-	-	140,000	150,000	35,000	\$ 325,000
Capital Exp Fund	430,000	-	-	-	-	430,000
	\$ 430,000	\$ 6,000,000	\$ 140,000	\$ 819,633	\$ 98,500	\$ 7,488,133

Rio Blanco County, Colorado
Notes to Basic Financial Statements
December 31, 2018

Rio Blanco County received \$6.8 million of Anvil Points funding in 2018. \$6.0 million was transferred to the County Capital Improvement Trust Fund and \$600,000 was transferred to the Communications Fund. This was the first of two payments for a total amount of \$7.2 million that will be received.

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 Capital Improvement Plan Fund must be transferred from the Capital Expenditure Fund. This amount was \$430,000 in 2018. \$105,000 was also budgeted to transfer from the Use Tax Fund to the Capital Improvement Plan Fund to be used on the Columbine Park design (this transfer was carried over to the 2019 budget).

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 2018 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 2018, \$140,000 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 2018, the County contributed \$98,500 to the Fairfield Complex Fund in the form of transfers plus an additional \$30,378 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 and Freeman E. Fairfield Trust contributions declined and then stopped. \$35,000 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, 2018, was as follows:

				Balance			Balance
<i>Governmental activities:</i>				1/1/2018	Additions	Deletions	12/31/2018
Capital assets not being depreciated:							
Land				\$ 2,480,498	\$ -	\$ -	\$ 2,480,498
Land Improvements				620,797	-	-	620,797
Infrastructure				23,108,379	-	-	23,108,379
Construction-In-Progress				13,439,526	756,109	617,360	13,578,275
Total capital assets not being depreciated				39,649,200	756,109	617,360	39,787,949
Capital assets being depreciated:							
Land Improvements				20,693,096	249,202	-	20,942,298
Buildings and Improvements				37,838,933	51,486	-	37,890,419
Equipment and Furniture				15,871,515	1,683,240	1,227,805	16,326,950
Total capital assets being depreciated				74,403,543	1,983,928	1,227,805	75,159,666
Less accumulated depreciation:							
Land Improvements				6,431,467	673,089	-	7,104,556
Buildings and Improvements				4,274,968	905,728	-	5,180,696
Equipment and Furniture				9,070,433	1,343,229	944,861	9,468,801
Total accumulated depreciation				19,776,869	2,922,046	944,861	21,754,054
Total capital assets being depreciated, net				54,626,674	(938,118)	282,944	53,405,612
Governmental activities capital assets, net				\$ 94,275,874	\$ (182,009)	\$ 900,304	\$ 93,193,561

Rio Blanco County, Colorado
Notes to Basic Financial Statements
December 31, 2018

	Balance 1/1/2018	Additions	Deletions	Balance 12/31/2018
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 303,605	\$ -	\$ -	\$ 303,605
Construction-In-Progress	19,793	-	19,793	0
Total capital assets not being depreciated	323,398	-	19,793	303,605
Capital assets being depreciated:				
Land Improvements	768,237	556,357	-	1,324,594
Buildings and Improvements	3,290,639	359,581	338,503	3,311,717
Equipment and Furniture	900,275	-	-	900,275
Total capital assets being depreciated	4,959,152	915,938	338,503	5,536,587
Less accumulated depreciation:				
Land Improvements	284,726	98,081	-	382,807
Buildings and Improvements	1,118,263	103,536	118,476	1,103,323
Equipment and Furniture	326,286	45,405	-	371,691
Total accumulated depreciation	1,729,274	247,022	118,476	1,857,820
Total capital assets being depreciated, net	3,229,877	668,916	220,027	3,678,766
Business-type activities capital assets, net	\$ 3,553,275	\$ 668,916	\$ 239,820	\$ 3,982,371

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

Governmental activities:	
General Government	\$ 444,629
Health and Welfare	23,838
Judicial and Public Safety	692,399
Public Works	739,378
Recreation and Culture	96,890
Total depreciation expense - governmental activities	1,997,134
Central Services	6,971
Fleet Management	917,940
Total depreciation expense - governmental activities including internal services	\$ 2,922,045
Business-type activities:	
Solid Waste Landfill Fund	\$ 126,927
Weed & Pest Control Fund	2,352
Fairfield Complex Fund	117,743
Total depreciation expense - business-type activities	\$ 247,022

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 2018, the County paid contributions of \$176,453 as compared to \$164,893 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 commercial companies for members' claims in excess of a specified self-insured retention, which is determined each

Rio Blanco County, Colorado
Notes to Basic Financial Statements
December 31, 2018

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 2018, the County paid contributions of \$222,977 as compared to \$223,482 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, 2018 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 \$1,782,111. This amount includes \$319,889 for the Rangely Landfill and \$1,462,222 for the Meeker (Wray Gulch) Landfill. The total expense that has been recognized for the currently operating landfills in all years through 2018 is \$1,015,163 (\$464,297 for Rangely, \$550,865 for Meeker). All previously recorded expense, which has not been disbursed, is carried in the books as a noncurrent liability of \$643,201. The Fund has available cash of \$643,201 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)	39.0%	49 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 \$1,782,111 (\$319,889 for Rangely, \$1,462,222 for Meeker) be held vs. the \$643,201 liability recognition that is required by GAAP for operating landfills. At the end of 2018, reserves are also held in the Solid Waste Landfill Fund in the amount of \$1,138,910 to insure

Rio Blanco County, Colorado
Notes to Basic Financial Statements
December 31, 2018

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	\$ 799,050	\$ -
Post closure-care cost	663,172	319,889
Total closure and post closure costs	<u>\$ 1,462,222</u>	<u>\$ 319,889</u>

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 1/1/2018	Changes	Balance 12/31/2018
Governmental activities			
Compensated absences	\$ 485,918	\$ 27,826	\$ 513,744
Total governmental	485,918	27,826	513,744
Business type activities			
Compensated absences	8,735	9,799	18,534
Closure/post-closure costs	617,465	25,736	643,201
Total business type	626,200	35,535	661,735
Total long-term obligations	<u>\$ 1,112,118</u>	<u>\$ 63,361</u>	<u>\$ 1,175,479</u>

NOTE 9 – COMMITMENTS

The County entered into contractual agreements during the year with amounts outstanding at December 31, 2018 for the following projects: economic development promotional video project \$4,000; Courthouse elevator maintenance \$1,532; after hours broadband support (NOC) \$3,480; public health STEPP \$4,355; Fairfield Complex stucco \$2,850; oil and gas appraisal of properties \$41,250; engineering for various road and bridge projects \$195,053. The completion of all of these projects/commitments is included in the 2019 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.

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.

Rio Blanco County, Colorado
Notes to Basic Financial Statements
December 31, 2018

		Major Special Revenue Funds			
Fund balances:		General Fund	Road & Bridge Fund	Human Services Fund	Use Tax Fund
Nonspendable:					
	Inventory	\$ -	\$ 1,381,900	\$ -	\$ -
	Prepays	463,442	529,000	560	-
	Nonspendable	463,442	1,910,900	560	-
Restricted for:					
	General Purpose of Fund	-	-	-	-
	Emergencies	559,816	-	-	-
	Forest Service Title III Projects	-	144,806	-	-
	Capital Projects	-	-	-	-
	Grant Match Requirements	-	-	-	-
	Restricted	559,816	144,806	-	-
Committed to:					
	General Purpose of Fund	-	4,278,811	951,376	1,726,061
	Committed	-	4,278,811	951,376	1,726,061
Assigned to:					
	General Purpose of Fund	-	-	-	-
	Electric Sales Tax Grants	334,764	-	-	-
	Incomplete Capital Projects	-	12,284	-	-
	Future Capital Projects	-	3,000,000	-	105,000
	Projected Budget Deficit	3,563,548	214,820	35,475	428,372
	Assigned	3,898,312	3,227,104	35,475	533,372
Unassigned:		15,496,180	-	-	-
	Unassigned	15,496,180	-	-	-
	Total funds	\$ 20,417,749	\$ 9,561,620	\$ 987,411	\$ 2,259,433

Rio Blanco County, Colorado
Notes to Basic Financial Statements
December 31, 2018

		Major Capital Projects Funds		
		County Capital Improvement Trust Fund	Capital Improvement Plan Fund	Other Governmental Funds
Fund balances:				
Nonspendable:				
	Inventory	\$ -	\$ -	\$ -
	Prepays	-	-	\$ -
	Nonspendable	-	-	-
Restricted for:				
	General Purpose of Fund	-	-	4,151
	Emergencies	-	-	100,000
	Forest Service Title III Projects	-	-	-
	Capital Projects	23,933,693	-	1,425,312
	Grant Match Requirements	-	492,580	-
	Restricted	23,933,693	492,580	1,529,462
Committed to:				
	General Purpose of Fund	-	-	172,055
	Committed	-	-	172,055
Assigned to:				
	General Purpose of Fund	-	34,116	28,897
	Electric Sales Tax Grants	-	-	-
	Incomplete Capital Projects	-	35,271	17,000
	Future Capital Projects	-	-	-
	Projected Budget Deficit	-	253,501	331,109
	Assigned	-	322,888	377,006
Unassigned:				
	Unassigned	-	-	-
	Total funds	\$ 23,933,693	\$ 815,468	\$ 2,078,523

Rio Blanco County, Colorado
Notes to Basic Financial Statements
December 31, 2018

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, 2018 the County's total payroll was \$7,840,002, the total payroll covered by the retirement plan was \$6,296,193 and the total contribution paid was \$755,543. The County's portion of the contribution was \$377,772 and the employee's portion was \$377,772. The County has no liability for losses under the plan.

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, 2018, and prior to publication of these financial statements, the County has entered into contractual agreements for the following significant amounts:

- Contract for EXSI Host Replacement \$123,582, contract for dust control project \$313,770, contract for herbicide \$119,675, contract for bridge maintenance \$212,246, contract for Columbine Park indoor arena

Rio Blanco County, Colorado
Notes to Basic Financial Statements
December 31, 2018

design \$159,900, contract for Piceance Creek Weed and Pest herbicide hand spraying bid \$200,000 (two contracts, each \$100,000), contract for chip seal project \$935,957, contract for CR 101 and Rangely CoLo surface treatment \$190,602, contract for secondary tower solar plant and cabinet construction \$261,870, and contract for secondary tower wireless electronics and installation \$456,466.

- Awarded a DOLA grant for the CR 5 Improvement Project \$375,725
- Refunded impact fees in the amount of \$652,860

NOTE 16 - BUDGET AMENDMENTS

During 2018 the County amended its budget. The following is a schedule of the changes to the original budget:

Fund	Original		Final
	Budget	Amendment	Budget
General	\$ 12,657,520	\$ 214,961	\$ 12,872,481
Road and Bridge	11,077,918	128,969	11,206,887
Use Tax	832,000	-	832,000
County Capital Imp. Trust	909,800	-	909,800
Impact Fee Trust	1,276,341	-	1,276,341
Capital Expenditure	523,801	(726)	523,075
Capital Improvement Plan	2,596,280	(252,188)	2,344,092
Human Services	2,233,750	188,000	2,421,750
Public Health	438,103	71,880	509,983
Conservation Trust	44,780	-	44,780
Contingent	100,000	-	100,000
Solid Waste Landfill	1,410,844	-	1,410,844
Weed and Pest Control	892,329	(36,442)	855,887
Communications	494,905	669,633	1,164,538
Fairfield Complex	222,824	-	222,824
Central Services	278,814	-	278,814
Fleet Management	2,690,187	45,966	2,736,153
Total expenditures	<u>\$ 38,680,196</u>	<u>\$ 1,030,053</u>	<u>\$ 39,710,249</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, 2018 were \$559,816.

REQUIRED SUPPLEMENTARY INFORMATION

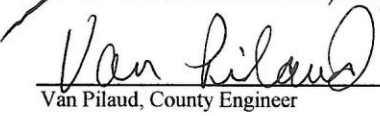
RIO BLANCO COUNTY, COLORADO
 REQUIRED SUPPLEMENTARY INFORMATION
 FOR GOVERNMENTS USING THE MODIFIED APPROACH
 Year Ended December 31, 2018

Eligible Asset	Life		Condition (scale of 1 to 10)								Last Assessment	Maintenance								Description of Repairs Needed
	Placed in Service	Age of Asset (years)	Condition Assessed									Actual Cost								
			Average Daily Traffic (ADT)									Estimated Cost								
	12/31/11	12/31/12	12/31/13	12/31/14	12/31/15	12/31/16	12/31/2017*	12/31/2018*	Current Change		2011	2012	2013	2014	2015	2016	2017	2018		
County Road 5 Mile Post 10.75 - 11.71	2012	6	10	10	10	10	10	10	10	0	Constructed in 2012			\$0	\$0	\$0	\$0	\$0	\$23,229	Chip sealed in 2018
			970	970	970	970	441	441	372	-69	Excellent			\$0	\$0	\$0	\$0	\$0	\$0	
County Road 5 & 24 Mile Post 26.60 - 27.34	2012	6	10	10	10	10	10	10	10	0	Constructed in 2012							\$17,906	Chip sealed in 2018	
			611	611	611	611	437	437	437	0	Excellent			\$0	\$0	\$0	\$0	\$0	\$0	
County Road 5 (SP 7) Mile Post 18.9 to 19.41	2015	3				10	10	10	10	0	Constructed in 2015							\$12,341	Chip sealed in 2018	
						700	495	495	429	-66	New, excellent					\$0	\$0	\$0	\$0	
County Road 5 (SP 4) Mile Post 15.2	2016	2				10	10	10	10	0	Constructed in 2016							\$6,049	Chip sealed in 2018	
						467	467	467	467	0	New, excellent							\$0	\$0	
County Road 5 & 3 Mile Post 17.31 to 18.12	2015	3				10	10	10	10	0	Constructed in 2015							\$19,600	Chip sealed in 2018	
						700	436	436	371	-65	New, excellent					\$0	\$0	\$0	\$0	
County Road 5 & 20 (SP 17) Mile Post 36.27-36.95	2015	3				10	10	10	10	0	Constructed in 2015							\$16,454	Chip sealed in 2018	
						600	336	336	295	-41	New, excellent					\$0	\$0	\$0	\$0	
County Road 0 Bridge RIOB-000-00.01	2016	2				10	10	10	10	0	Constructed in 2016									None
						153	153	153	153	0	Sufficiency 84.7 (very good)							\$0	\$0	
County Road 10 Bridge RIOB-010-07.27	2015	3				10	10	10	10	0	Constructed in 2015									None
						67	50	50	50	0	New, excellent, Sufficiency Rating 94.3					\$0	\$0	\$0	\$0	
County Road 14 Bridge RIOB 014-00.23	2004	14	10	9.5	9.5	9.5	9.5	9.5	9.5	0	Lonco Engineering in 2012									None
			15	23	23	23	23	27	27	-1	Sufficiency 93.8 (Excellent)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
County Road 27 Bridge RIOB 027-00.20	2011	7	10	9.5	9.5	9.5	9.5	9.5	9.5	0	Lonco Engineering in 2012									None
			50	75	75	75	75	153	153	-20	Sufficiency 94.3 (Excellent)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
County Road 54 Bridge RIOB 054-00.06	2003	15	8	8	8	8	8	8	8	0	Lonco Engineering in 2012	\$0	\$0	\$ 36,234	\$0	\$0	\$0	\$0	\$0	None
			66	116	116	116	116	98	98	-19	Sufficiency 69.7 (Good)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
County Road 72 All 1.4 Miles to WGLF	2014	4				10	10	10	10	0	Constructed in 2014					\$ 37,075				None
						100	100	34	34	0	New, excellent			\$0	\$0	\$0	\$0	\$0	\$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, 2018

	Budgeted		Actual	Variance
	Original	Final		
REVENUES				
Property taxes	\$ 3,659,163	\$ 3,659,163	\$ 3,638,283	\$ (20,880)
Specific ownership taxes	123,772	123,772	145,292	21,520
Sales taxes	937,000	937,000	1,341,468	404,468
Other taxes	-	-	62,560	62,560
Intergovernmental	286,820	2,888,840	2,873,210	(15,630)
Licenses and permits	30,550	40,550	66,365	25,815
Charges for services	636,112	637,519	263,965	(373,554)
Interest earnings	235,100	235,100	657,225	422,125
Fees, fines and forfeits	1,640,252	1,640,252	1,735,187	94,935
Inter-fund charges	187,303	196,303	196,303	-
Private contributions	10,000	10,000	8,093	(1,907)
Miscellaneous	57,400	6,893,624	6,973,141	79,517
Total revenues	7,803,472	17,262,123	17,961,092	698,969
EXPENDITURES				
General government				
Assessor	582,760	585,260	539,491	45,769
Board of County Commissioners	1,960,743	1,821,751	531,486	1,290,265
C.D. Economic Development	452,164	527,426	319,512	207,914
C.D. Natural Resources	121,907	121,907	121,831	76
C.D. Planning	116,136	126,136	112,942	13,194
Clerk and Recorder	605,458	615,458	561,917	53,541
County Attorney	120,852	155,557	148,754	6,803
County Surveyor	64,647	64,647	44,536	20,111
Financial	310,810	322,248	316,243	6,005
Human Resources	249,875	213,232	168,093	45,139
Information Management	763,038	708,899	630,947	77,952
Graphic Information Systems	148,190	148,190	147,741	449
Maintenance of Buildings	914,689	959,381	911,501	47,880
Treasurer	953,942	961,942	551,697	410,245
Total general government	7,365,211	7,332,034	5,106,691	2,225,343
Judicial and public safety				
Emergency Management	164,035	164,035	121,842	42,193
C.D. Building Inspection	242,932	242,932	204,657	38,275
Coroner	102,590	122,590	112,888	9,702
Dispatch	597,566	597,566	507,134	90,432
District Attorney	259,600	259,600	259,599	1
Jail	995,007	1,005,007	980,402	24,605
Sheriff	1,890,799	2,101,529	1,798,885	302,644
Total judicial and public safety	4,252,529	4,493,259	3,985,407	507,852
Health and welfare				
Extension	205,877	211,877	195,174	16,703
Veteran Services	19,998	19,998	18,052	1,946
Total health and welfare	225,875	231,875	213,226	18,649
Intergovernmental				
Water Related Programs & Projects	227,485	227,485	182,644	44,841
Total intergovernmental	227,485	227,485	182,644	44,841

RIO BLANCO COUNTY, COLORADO
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
(Continued)
Year Ended December 31, 2018

	Budgeted		Actual	Variance
	Original	Final		
Recreation and Culture				
County Fair	35,266	35,266	25,993	9,273
Meeker Fairgrounds	307,253	308,660	186,827	121,833
White River Museum	42,000	42,000	42,000	-
Total recreation and culture	384,519	385,926	254,820	131,106
Public Works				
Meeker Airport	96,919	96,919	64,982	31,937
Rangely Airport	104,982	104,982	79,330	25,652
Total public works	201,901	201,901	144,312	57,589
Total general fund expenditures	12,657,520	12,872,480	9,887,100	2,985,380
Excess (deficiency) of revenues over expenditures	(4,854,048)	4,389,643	8,073,992	3,684,349
OTHER FINANCING SOURCES/(USES)				
Transfers out	(50,000)	(6,733,133)	(6,733,133)	-
Total other financing sources/(uses)	(50,000)	(6,733,133)	(6,733,133)	-
Net change to fund balance	(4,904,048)	(2,343,490)	1,340,859	3,684,349
Fund balance, January 1	18,331,666	18,331,666	19,076,890	745,224
Fund balance, December 31	\$ 13,427,618	\$ 15,988,176	\$ 20,417,749	\$ 4,429,573

RIO BLANCO COUNTY, COLORADO
ROAD AND BRIDGE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year Ended December 31, 2018

	Budgeted		Actual	Variance
	Original	Final		
REVENUES				
Property taxes	\$ 2,881,231	\$ 2,881,231	\$ 2,864,790	\$ (16,441)
Specific ownership taxes	97,459	97,459	114,404	16,945
Other taxes	-	-	77,498	77,498
Charges for services	5,000	5,000	14,766	9,766
Federal shared revenues	25,978	154,947	154,947	-
State shared revenues	3,171,509	3,171,509	3,658,136	486,627
Intergovernmental	1,585,450	1,585,450	16,783	(1,568,667)
Inter-fund charges	176,001	176,001	255,156	79,155
Licenses, permits, fees	80,000	80,000	82,549	2,549
Miscellaneous	1,599	1,599	-	(1,599)
Total revenues	8,024,227	8,153,196	7,239,029	(914,167)
EXPENDITURES				
Operations	6,218,712	6,347,681	-	6,347,681
Engineering	-	-	1,886	(1,886)
Construction	4,166,785	4,166,785	2,095,707	2,071,078
Maintenance of condition	-	-	4,863,189	(4,863,189)
Snow and ice removal	-	-	528,958	(528,958)
Traffic services	-	-	221,426	(221,426)
Administration	692,421	692,421	676,514	15,907
Total expenditures	11,077,918	11,206,887	8,387,680	2,819,207
Excess (deficiency) of revenues over expenditures	(3,053,691)	(3,053,691)	(1,148,651)	1,905,040
OTHER FINANCING SOURCES/(USES)				
Total other financing sources	-	-	-	-
Net change to fund balance	(3,053,691)	(3,053,691)	(1,148,651)	1,905,040
Fund balance, January 1	10,429,827	10,429,827	10,710,271	280,444
Fund balance, December 31	\$ 7,376,136	\$ 7,376,136	\$ 9,561,620	\$ 2,185,484

RIO BLANCO COUNTY, COLORADO
HUMAN SERVICES FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year Ended December 31, 2018

	Budgeted		Actual	Variance
	Original	Final		
REVENUES				
Property taxes	\$ 205,802	\$ 205,802	\$ 204,628	\$ (1,174)
Specific ownership taxes	6,961	6,961	8,172	1,211
Other taxes	-	-	2,576	2,576
Intergovernmental	1,824,901	2,012,901	2,109,856	96,955
Total revenues	2,037,664	2,225,664	2,325,232	99,568
EXPENDITURES				
Health and welfare	2,233,750	2,421,750	2,375,706	46,044
Total expenditures	2,233,750	2,421,750	2,375,706	46,044
Net change to fund balance	(196,086)	(196,086)	(50,474)	145,612
Fund balance, January 1	967,604	967,604	1,037,886	70,282
Fund balance, December 31	\$ 771,518	\$ 771,518	\$ 987,412	\$ 215,894

RIO BLANCO COUNTY, COLORADO
USE TAX FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year Ended December 31, 2018

	Budgeted		Actual	Variance
	Original	Final		
REVENUES				
Charges/donations for services	\$ 40,700	\$ 40,700	\$ 36,507	\$ (4,193)
Intergovernmental	56,800	56,800	80,944	24,144
Use taxes	540,000	540,000	899,432	359,432
Total revenues	637,500	637,500	1,016,883	379,383
EXPENDITURES				
General Government	117,401	117,401	113,733	3,668
Intergovernmental	128,862	128,862	127,683	1,179
Public health and welfare	443,977	443,977	435,238	8,739
Recreation and culture	141,760	141,760	120,698	21,062
Total expenditures	832,000	832,000	797,352	34,648
Excess (deficiency) of revenues over expenditures	(194,500)	(194,500)	219,531	414,031
OTHER FINANCING SOURCES/(USES)				
Transfers out	(430,000)	(430,000)	(325,000)	105,000
Total other financing sources/(uses)	(430,000)	(430,000)	(325,000)	105,000
Net change to fund balance	(624,500)	(624,500)	(105,469)	519,031
Fund balance, January 1	2,316,290	2,316,290	2,364,902	48,612
Fund balance, December 31	\$ 1,691,790	\$ 1,691,790	\$ 2,259,433	\$ 567,643

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, 2018

	Budgeted		Actual	Variance
	Original	Final		
REVENUES				
Interest earnings	\$ 179,577	\$ 179,577	\$ 337,582	\$ 158,005
Amortized Discounts/(Premiums)	(15,745)	(15,745)	(4,437)	11,308
Change in fair value of investments	-	-	21,456	21,456
Total revenues	163,832	163,832	354,601	190,769
EXPENSES				
Administration and fees	800	800	782	18
Intergovernmental	909,000	909,000	883,883	25,117
Total expenditures	909,800	909,800	884,665	25,135
Excess (deficiency) of revenues over expenditures	(745,968)	(745,968)	(530,064)	215,904
OTHER FINANCING SOURCES/(USES)				
Transfers in	-	6,000,000	6,000,000	-
Total other financing sources/(uses)	-	6,000,000	6,000,000	-
Net change to fund balance	(745,968)	5,254,032	5,469,936	215,904
Fund balance, January 1	18,562,083	18,562,083	18,463,757	(98,326)
Fund balance, December 31	\$ 17,816,115	\$ 23,816,115	\$ 23,933,693	\$ 117,578

RIO BLANCO COUNTY, COLORADO
CAPITAL IMPROVEMENT PLAN FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year Ended December 31, 2018

	Budgeted		Actual	Variance
	Original	Final		
REVENUES				
Intergovernmental	\$ 1,228,315	\$ 1,189,985	\$ 411,987	\$ (777,998)
Total revenues	1,228,315	1,189,985	411,987	(777,998)
EXPENDITURES				
Treasury fees	53,917	53,916	4,508	49,408
Contingency	62,014	62,014	-	62,014
Broadband Improvement/Expansion	1,568,543	1,316,355	295,925	1,020,430
Justice Center	125,000	125,000	36,674	88,325
Meeker Airport Projects	166,666	166,666	71,206	95,460
Columbine Park	305,000	305,000	-	305,000
Fairfield Complex Remodeling	315,141	315,141	307,607	7,534
Total expenditures	2,596,281	2,344,092	715,920	1,628,172
Excess (deficiency) of revenues over expenditures	(1,367,966)	(1,154,107)	(303,933)	850,174
OTHER FINANCING SOURCES/(USES)				
Transfers in	535,000	535,000	430,000	(105,000)
Total other financing sources/(uses)	535,000	535,000	430,000	(105,000)
Net change to fund balance	(832,966)	(619,107)	126,067	745,174
Fund balance, January 1	855,315	855,315	689,401	(165,914)
Fund balance, December 31	\$ 22,349	\$ 236,208	\$ 815,468	\$ 579,260

OTHER SUPPLEMENTARY INFORMATION

RIO BLANCO COUNTY, COLORADO
EXPLANATION OF NON-MAJOR FUNDS

Year Ended December 31, 2018

Governmental Funds - Special Revenue

The *Capital Expenditure Fund* accounts for annual expenditures, exceeding \$5,000, for long-lived additions or betterments, which are not chargeable as an expenditure of operations and maintenance.

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 *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, 2018**

	Non-Major Cap		Non-Major Special Revenue Funds				Total Nonmajor Governmental Funds
	Project Fund	Capital Expenditure Fund	Impact Fee Trust Fund	Public Health Fund	Conservation Trust Fund	Contingent Fund	
ASSETS							
Cash and cash equivalents	\$	257,221	\$ 1,422,298	\$ 270,311	\$ 4,151	\$ 100,000	\$ 2,053,981
Taxes receivable		24,737	-	164,912	-	-	189,649
Due from other governmental units		408	-	28,134	-	-	28,542
Other receivables		-	3,013	240	-	-	3,253
Total assets	\$	282,366	\$ 1,425,311	\$ 463,597	\$ 4,151	\$ 100,000	\$ 2,275,425
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES							
Liabilities:							
Accounts payable	\$	-	\$ -	\$ 2,745	\$ -	\$ -	\$ 2,745
Total liabilities		-	-	2,745	-	-	2,745
Deferred inflow of resources:							
Unavailable property taxes		24,737	-	169,420	-	-	194,157
Total deferred inflow of resources		24,737	-	169,420	-	-	194,157
Fund balances:							
Nonspendable		-	-	-	-	-	-
Restricted		-	1,425,311	-	4,151	100,000	1,529,462
Committed		-	-	172,055	-	-	172,055
Assigned		257,629	-	119,377	-	-	377,006
Unassigned		-	-	-	-	-	-
Total fund balance		257,629	1,425,311	291,432	4,151	100,000	2,078,523
Total liabilities, deferred inflows and fund balances	\$	282,366	\$ 1,425,311	\$ 463,597	\$ 4,151	\$ 100,000	\$ 2,275,425

RIO BLANCO COUNTY, COLORADO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
Year Ended December 31, 2018

	Non-Major Cap	Non-Major Special Revenue Funds				Total Nonmajor Governmental Funds
	Project Fund	Impact Fee Trust Fund	Public Health Fund	Conservation Trust Fund	Contingent Fund	
	Capital Expenditure Fund					
REVENUES						
Property taxes	\$ 572,958	\$ -	\$ 126,869	\$ -	\$ -	\$ 699,827
Specific ownership taxes	22,881	-	5,066	-	-	27,947
Other taxes	30,349	-	4,341	-	-	34,690
Intergovernmental	-	-	141,260	9,336	-	150,596
Licenses and permits	-	-	9,917	-	-	9,917
Charges for service	-	-	1,686	-	-	1,686
Interest earnings	-	29,486	-	29	-	29,515
Miscellaneous	-	-	27,874	-	-	27,874
Total revenues	626,188	29,486	317,013	9,365	-	982,052
EXPENDITURES						
Current:						
General government	121,708	281	-	-	-	121,989
Health and welfare	-	-	431,910	-	-	431,910
Recreation	-	-	-	39,550	-	39,550
Capital outlay	262,793	9,340	-	-	-	272,133
Total expenditures	384,501	9,621	431,910	39,550	-	865,582
Excess (deficiency) of revenues over expenditures	241,687	19,865	(114,897)	(30,185)	-	116,470
OTHER FINANCING SOURCES/(USES)						
Transfers out	(430,000)	-	-	-	-	(430,000)
Total other financing sources/(uses)	(430,000)	-	-	-	-	(430,000)
Net change to fund balance	(188,313)	19,865	(114,897)	(30,185)	-	(313,530)
Fund balance, January 1	445,942	1,405,446	406,329	34,336	100,000	2,392,053
Fund balance, December 31	\$ 257,629	\$ 1,425,311	\$ 291,432	\$ 4,151	\$ 100,000	\$ 2,078,523

RIO BLANCO COUNTY, COLORADO
CAPITAL EXPENDITURE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year Ended December 31, 2018

	Budgeted		Actual	Variance
	Original	Final		
REVENUES				
Property taxes	\$ 576,246	\$ 576,246	\$ 572,958	\$ (3,288)
Specific ownership taxes	19,492	19,492	22,881	3,389
Other taxes	-	-	30,349	30,349
Total revenues	595,738	595,738	626,188	30,450
EXPENDITURES				
Treasury fees	29,787	29,788	30,166	(378)
Central Service Charges	3,749	3,749	3,749	-
Contingency	44,570	29,902	-	29,902
General government:				
Clerk & Recorder	-	12,425	12,425	-
Maintenance	90,766	92,283	87,793	4,490
Information Systems	297,429	297,428	236,367	61,061
Public works:				
Road & Bridge	15,000	15,000	14,000	1,000
Recreation and culture:				
Columbine Park	42,500	42,500	-	42,500
Total expenditures	523,801	523,075	384,501	138,575
Excess (deficiency) of revenues over expenditures	71,937	72,663	241,687	169,025
OTHER FINANCING SOURCES/(USES)				
Transfers out	(430,000)	(430,000)	(430,000)	-
Total other financing sources/(uses)	(430,000)	(430,000)	(430,000)	-
Net change to fund balance	(358,063)	(357,337)	(188,313)	169,025
Fund balance, January 1	424,893	424,893	445,942	21,049
Fund balance, December 31	\$ 66,830	\$ 67,556	\$ 257,629	\$ 190,074

RIO BLANCO COUNTY, COLORADO
IMPACT FEE TRUST FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year Ended December 31, 2018

	Budgeted		Actual	Variance
	Original	Final		
REVENUES				
Interest earnings	1,000	1,000	29,486	28,486
Total revenues	1,000	1,000	29,486	28,486
EXPENDITURES				
Road & Bridge Capital Projects	25,341	25,341	9,340	16,001
Refunds	1,250,000	1,250,000	-	1,250,000
Treasury fees	1,000	1,000	281	719
Total expenditures	1,276,341	1,276,341	9,621	1,266,720
Excess (deficiency) of revenues over expenditures	(1,275,341)	(1,275,341)	19,865	1,295,206
OTHER FINANCING SOURCES/(USES)				
Total other financing sources/(uses)	-	-	-	-
Net change to fund balance	(1,275,341)	(1,275,341)	19,865	1,295,206
Fund balance, January 1	1,401,263	1,401,263	1,405,446	4,183
Fund balance, December 31	\$ 125,922	\$ 125,922	\$ 1,425,311	\$ 1,299,389

RIO BLANCO COUNTY, COLORADO
PUBLIC HEALTH AGENCY FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year Ended December 31, 2018

	Budgeted		Actual	Variance
	Original	Final		
REVENUES				
Property taxes	\$ 127,597	\$ 127,597	\$ 126,869	\$ (728)
Specific ownership taxes	4,316	4,316	5,066	750
Other taxes	-	-	4,341	4,341
Intergovernmental	112,480	148,755	141,260	(7,495)
Licenses and permits	-	10,000	9,917	(83)
Charges for service	6,000	6,000	1,686	(4,314)
Miscellaneous	2,000	27,605	27,874	269
Total revenues	252,393	324,273	317,013	(7,260)
EXPENDITURES				
Health and welfare	438,102	509,982	431,910	78,072
Total expenditures	438,102	509,982	431,910	78,072
Excess (deficiency) of revenues over expenditures	(185,709)	(185,709)	(114,897)	70,812
OTHER FINANCING SOURCES/(USES)				
Total other financing sources/(uses)	-	-	-	-
Net change to fund balance	(185,709)	(185,709)	(114,897)	70,812
Fund balance, January 1	339,647	339,647	406,329	66,682
Fund balance, December 31	\$ 153,938	\$ 153,938	\$ 291,432	\$ 137,494

RIO BLANCO COUNTY, COLORADO
CONSERVATION TRUST FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year Ended December 31, 2018

	Budgeted		Actual	Variance
	Original	Final		
REVENUES				
Intergovernmental	\$ 9,700	\$ 9,700	\$ 9,336	\$ (364)
Interest earnings	10	10	29	19
Total revenues	9,710	9,710	9,365	(345)
EXPENDITURES				
Recreation	44,780	44,780	39,550	5,230
Total expenditures	44,780	44,780	39,550	5,230
Net change to fund balance	(35,070)	(35,070)	(30,185)	4,885
Fund balance, January 1	35,070	35,070	34,336	(734)
Fund balance, December 31	\$ -	\$ -	\$ 4,151	\$ 4,151

RIO BLANCO COUNTY, COLORADO
CONTINGENT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year Ended December 31, 2018

	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, 2018

	Weed and Pest Communications		Fairfield	Total
	Control	Communications	Complex	Non-major
	Fund	Fund	Fund	Enterprise
				Funds
ASSETS				
Current Assets:				
Cash and cash equivalents	\$ 771,332	\$ 723,932	\$ 357,405	\$ 1,852,669
Taxes receivable	271,616	-	-	271,616
Due from other governmental units	148	-	-	148
Other receivables	-	68,317	584	68,901
Inventories	31,105	-	-	31,105
Total current assets	1,074,201	792,249	357,989	2,224,439
Noncurrent assets:				
Capital assets:				
Land	-	-	270,210	270,210
Buildings and equipment, net	37,952	-	2,463,018	2,500,970
Total noncurrent assets	37,952	-	2,733,228	2,771,180
Total assets	1,112,153	792,249	3,091,217	4,995,619
LIABILITIES				
Current liabilities:				
Accounts payable	-	1,024	659	1,683
Total current liabilities	-	1,024	659	1,683
Noncurrent liabilities:				
Compensated absences	3,064	6,514	6,383	15,961
Total noncurrent liabilities	3,064	6,514	6,383	15,961
Total liabilities	3,064	7,538	7,042	17,644
DEFERRED INFLOW OF RESOURCES				
Unavailable property tax	271,616	-	-	271,616
Total deferred inflows of resources	271,616	-	-	271,616
NET POSITION				
Invested in capital assets	37,951	-	2,733,229	2,771,180
Restricted for closure & post-closure care	-	-	-	-
Unrestricted (deficit)	799,522	784,711	350,946	1,935,179
Total net position	\$ 837,473	\$ 784,711	\$ 3,084,175	\$ 4,706,359

RIO BLANCO COUNTY, COLORADO
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
NON-MAJOR ENTERPRISE FUNDS
Year Ended December 31, 2018

	Weed and Pest Communications		Fairfield	Total
	Control	Communications	Complex	Non-major
	Fund	Fund	Fund	Enterprise
				Funds
Operating revenues:				
Property taxes	\$ 209,245	\$ -	\$ -	\$ 209,245
Specific ownership taxes	8,309	-	-	8,309
Other taxes	31,779	-	-	31,779
Charges for services	66,630	526,359	4,870	597,859
Private contributions	-	-	30,000	30,000
Intergovernmental revenues	38,676	-	-	38,676
Interdepartmental fees	30,543	-	30,378	60,921
Miscellaneous operating	188	930	48	1,166
Total operating revenues	385,370	527,289	65,296	977,955
Operating expenses:				
Salaries and wages	80,455	138,637	67,359	286,451
Employee benefits	24,595	47,560	51,575	123,730
Supplies	48,107	102,609	11,814	162,530
Chemicals	102,733	-	-	102,733
Purchased services	318,015	261,571	6,943	586,529
Utilities	-	-	37,124	37,124
Interdepartmental charges	29,499	11,834	14,453	55,786
Depreciation	2,352	-	117,743	120,095
Other	1,363	-	-	1,363
Total operating expenses	607,119	562,211	307,011	1,476,341
Operating income/(loss)	(221,749)	(34,922)	(241,715)	(498,386)
Nonoperating revenues/(expenses):				
Capital contributions	-	-	139,555	139,555
Total nonoperating revenues/(expenses)	-	-	139,555	139,555
Income/(loss) before transfers in/(out)	(221,749)	(34,922)	(102,160)	(358,831)
Transfers in/(out)	140,000	819,633	98,500	1,058,133
Change in net position	(81,749)	784,711	(3,660)	699,302
Total net position, January 1	919,222	-	3,087,835	4,007,057
Total net position, December 31	\$ 837,473	\$ 784,711	\$ 3,084,175	\$ 4,706,359

RIO BLANCO COUNTY, COLORADO
COMBINING STATEMENT OF CASH FLOWS
NON-MAJOR ENTERPRISE FUNDS
Year Ended December 31, 2018

	Weed and Pest Communications Control Fund	Fund	Fairfield Complex Fund	Total Non-major Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from external customers	\$ 355,057	\$ 458,972	\$ 35,300	\$ 849,329
Cash received from internal customers	30,575	-	30,378	60,953
Cash payments to external suppliers for goods and services	(472,919)	(363,157)	(56,093)	(892,169)
Cash payments to internal suppliers for goods and services	(29,499)	(11,834)	(14,453)	(55,786)
Cash payments to employees for services	(103,977)	(179,683)	(118,381)	(402,041)
Net cash provided/(used) by operating activities	(220,763)	(95,702)	(123,249)	(439,714)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers from/(to) other funds	140,000	819,633	98,500	1,058,133
Net cash provided by noncapital financing activities	140,000	819,633	98,500	1,058,133
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition of fixed assets	-	-	(220,026)	(220,026)
Proceeds from sale of assets	-	-	220,026	220,026
Net cash provided by capital and related financing activities	-	-	-	-
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest on investments	-	-	-	-
Net increase/(decrease) in cash and equivalents	(80,763)	723,931	(24,749)	618,419
Cash balances, January 1	852,096	-	382,153	1,234,249
Cash balances, December 31	\$ 771,333	\$ 723,931	\$ 357,404	\$ 1,852,668

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

Operating income/(loss)	\$ (221,749)	\$ (34,922)	\$ (241,715)	\$ (498,386)
Adjustments to reconcile operating income/(loss) to net cash provided/(used) by operating activities:				
Depreciation expense	2,352	-	117,743	120,095
Assets (increase)/decrease:				
Other receivables	230	(68,317)	382	(67,705)
Due from other governments	32	-	-	32
Inventories	(2,431)	-	-	(2,431)
Liabilities increase/(decrease):				
Accounts payable	(270)	1,023	(212)	541
Accrued compensated absences	1,073	6,514	553	8,140
Total Adjustments	986	(60,780)	118,466	58,672
Net cash provided/(used) by operating activities	\$ (220,763)	\$ (95,702)	\$ (123,249)	\$ (439,714)

RIO BLANCO COUNTY, COLORADO
SOLID WASTE LANDFILL FUND
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND EQUITY
BUDGET AND ACTUAL
Year Ended December 31, 2018

	Budgeted		Actual	Variance
	Original	Final		
REVENUES				
Charges for sales and services	\$ 327,000	\$ 327,000	\$ 245,211	\$ (81,789)
Interdepartmental fees	12,000	12,000	12,000	-
Miscellaneous	4,000	4,000	-	(4,000)
Total revenues	343,000	343,000	257,211	(85,789)
EXPENSES				
Salaries and wages	174,237	174,237	168,097	6,140
Employee benefits	80,642	80,642	83,326	(2,684)
Supplies	33,000	33,000	27,324	5,676
Purchased services	84,850	84,850	73,149	11,701
Special dues, permits and fees	8,000	8,000	7,804	196
Closure and post-closure costs	140,000	140,000	51,308	88,692
Utilities	7,000	7,000	5,103	1,897
Interdepartmental charges	268,115	268,115	251,906	16,209
Total operating expenses	795,844	795,844	668,017	127,827
Capital outlay	615,000	615,000	536,564	78,436
Total expenses	1,410,844	1,410,844	1,204,581	206,263
Income/(loss) before other financing sources/(uses)	(1,067,844)	(1,067,844)	(947,370)	120,474
TRANSFERS AND CONTRIBUTED CAPITAL				
Total other financing sources/(uses)	-	-	-	-
Net income/(loss)	\$ (1,067,844)	\$ (1,067,844)	(947,370)	\$ 120,474

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

Capital purchased by this fund	536,564
Depreciation (not budgeted)	(126,927)
Total adjustments to basis	409,637
Net change in fund equity	(537,733)
Fund equity, January 1	6,580,453
Fund equity, December 31	\$ 6,042,720

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, 2018

	Budgeted		Actual	Variance
	Original	Final		
REVENUES				
Property taxes	\$ 209,260	\$ 209,260	\$ 209,245	\$ (15)
Specific ownership taxes	7,656	7,656	8,309	653
Other taxes	-	-	31,779	31,779
Charges for sales and services	40,000	40,000	66,630	26,630
Intergovernmental revenues	85,000	65,000	38,676	(26,324)
Interdepartmental charges	40,200	40,200	30,543	(9,657)
Miscellaneous	-	-	188	188
Total revenues	382,116	362,116	385,370	23,254
EXPENSES				
Salaries and Wages	120,864	87,011	80,455	6,556
Employee benefits	28,517	25,928	24,595	1,333
Supplies	55,000	55,000	48,107	6,893
Chemicals	140,000	140,000	102,733	37,267
Purchased services	497,000	497,000	318,015	178,985
Interdepartmental charges	49,038	49,038	29,499	19,539
Other	1,910	1,910	1,363	547
Total operating expenses	892,329	855,887	604,767	251,120
Total expenses	892,329	855,887	604,767	251,120
Income/(loss) before other financing sources/(uses)	(510,213)	(493,771)	(219,397)	274,374
TRANSFERS AND CONTRIBUTED CAPITAL				
Transfers in	140,000	140,000	140,000	-
Total other financing sources/(uses)	140,000	140,000	140,000	-
Net income/(loss)	\$ (370,213)	\$ (353,771)	(79,397)	\$ 274,374

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	(81,749)
Fund equity, January 1	919,222
Fund equity, December 31	<u>\$ 837,473</u>

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	\$ 249,466	\$ 565,618	\$ 104,138	\$ 919,222
Total revenues	275,849	159,858	89,662	525,369
Total expenses	(254,388)	(233,704)	(119,026)	(607,118)
Fund equity, December 31	<u>\$ 270,927</u>	<u>\$ 491,772</u>	<u>\$ 74,774</u>	<u>\$ 837,473</u>

RIO BLANCO COUNTY, COLORADO
COMMUNICATIONS FUND
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND EQUITY
BUDGET AND ACTUAL
Year Ended December 31, 2018

	Budgeted		Actual	Variance
	Original	Final		
REVENUES				
Charges for sales and services	\$ 529,086	\$ 529,086	\$ 526,359	\$ (2,727)
Miscellaneous	-	-	930	930
Total revenues	529,086	529,086	527,289	(1,797)
EXPENSES				
Salaries and wages	97,000	138,003	138,637	(634)
Employee benefits	59,001	62,137	47,560	14,577
Supplies	20,000	82,000	102,609	(20,609)
Purchased services	254,450	264,450	261,571	2,879
Interdepartmental charges	64,454	64,454	11,834	52,620
Total operating expenses	494,905	611,044	562,211	48,833
Capital outlay	-	553,494	-	553,494
Total expenses	494,905	1,164,538	562,211	602,327
Income/(loss) before other financing sources/(uses)	34,181	(635,452)	(34,922)	600,530
TRANSFERS AND CONTRIBUTED CAPITAL				
Transfers in	150,000	819,633	819,633	-
Total other financing sources/(uses)	150,000	819,633	819,633	-
Net income/(loss)	\$ 184,181	\$ 184,181	784,711	\$ 600,530

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

Net change in fund equity	784,711
Fund equity, January 1	-
Fund equity, December 31	<u>\$ 784,711</u>

RIO BLANCO COUNTY, COLORADO
FAIRFIELD COMPLEX FUND
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND EQUITY
BUDGET AND ACTUAL
Year Ended December 31, 2018

	Budgeted		Actual	Variance
	Original	Final		
REVENUES				
Charges for sales and services	\$ 10,000	\$ 10,000	\$ 4,870	\$ (5,130)
Private contributions	30,000	30,000	30,000	-
Interdepartmental charges	43,956	30,456	30,378	(78)
Miscellaneous	-	-	48	48
Total revenues	83,956	70,456	65,296	(5,160)
EXPENSES				
Salaries and wages	65,065	65,065	67,359	(2,294)
Employee benefits	49,106	49,106	51,575	(2,469)
Supplies	23,830	23,830	11,814	12,016
Purchased services	20,250	20,250	6,943	13,307
Utilities	42,570	42,570	37,124	5,446
Repairs and maintenance	5,000	5,000	-	5,000
Interdepartmental charges	17,003	17,003	14,453	2,550
Total operating expenses	222,824	222,824	189,268	33,556
Total expenses	222,824	222,824	189,268	33,556
Income/(loss) before other financing sources/(uses)	(138,868)	(152,368)	(123,972)	28,396
TRANSFERS AND CONTRIBUTED CAPITAL				
Transfers in	85,000	98,500	98,500	-
Total other financing sources/(uses)	85,000	98,500	98,500	-
Net income/(loss)	\$ (53,868)	\$ (53,868)	(25,472)	\$ 28,396

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

Capital contributed to this fund by another fund	139,555
Depreciation (not budgeted)	(117,743)
Total adjustments to basis	21,812
Net change in fund equity	(3,660)
Fund equity, January 1	3,087,835
Fund equity, December 31	\$ 3,084,175

RIO BLANCO COUNTY, COLORADO
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
December 31, 2018

	Central Service Fund	Fleet Management Fund	Total Internal Service Funds
ASSETS			
Current Assets:			
Cash and cash equivalents	\$ 150,258	\$ 2,943,089	\$ 3,093,347
Other receivables	13	8,974	8,987
Inventories	-	324,963	324,963
Prepays and deposits	1,000	451	1,451
Total current assets	151,271	3,277,477	3,428,748
Noncurrent assets:			
Capital assets:			
Buildings and equipment, net	26,352	4,261,533	4,287,885
Total noncurrent assets	26,352	4,261,533	4,287,885
Total assets	177,623	7,539,010	7,716,633
LIABILITIES			
Current liabilities:			
Accounts payable	-	10,976	10,976
Total current liabilities	-	10,976	10,976
Noncurrent liabilities:			
Compensated absences	-	40,779	40,779
Total noncurrent liabilities	-	40,779	40,779
Total liabilities	-	51,755	51,755
NET POSITION			
Invested in capital assets	26,352	4,261,533	4,287,885
Unrestricted	151,271	3,225,722	3,376,993
Total net position	\$ 177,623	\$ 7,487,255	\$ 7,664,878

RIO BLANCO COUNTY, COLORADO
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
Year Ended December 31, 2018

	Central Service Fund	Fleet Management Fund	Total Internal Service Funds
Operating revenues:			
Charges for services-internal	\$ 178,096	\$ 2,244,900	\$ 2,422,996
Charges for services-external	336	74,509	74,845
Miscellaneous operating	-	72,919	72,919
Total operating revenues	178,432	2,392,328	2,570,760
Operating expenses:			
Salaries and wages	-	383,190	383,190
Employee benefits	-	191,161	191,161
Supplies	14,161	735,642	749,803
Purchased services	34,300	25,814	60,114
Rent	1,066	-	1,066
Utilities	-	10,566	10,566
Repairs and maintenance	525	82,866	83,391
Insurance and claims	176,453	-	176,453
Interdepartmental charges	-	118,399	118,399
Depreciation	6,971	917,940	924,911
Total operating expenses	233,476	2,470,118	2,703,594
Operating income/(loss)	(55,044)	(77,790)	(132,834)
Nonoperating revenues:			
Gain/(loss) on disposition of assets and inventory	-	(41,696)	(41,696)
Total nonoperating revenues/(expenses)	-	(41,696)	(41,696)
Income/(loss) before contributions and transfers in/(out)	(55,044)	(119,486)	(174,530)
Change in net position	(55,044)	(119,486)	(174,530)
Total net position, January 1	232,667	7,606,741	7,839,408
Total net position, December 31	\$ 177,623	\$ 7,487,255	\$ 7,664,878

RIO BLANCO COUNTY, COLORADO
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
Year Ended December 31, 2018

	Central Service Fund	Fleet Management Fund	Total Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from external customers	\$ 52	\$ 69,756	\$ 69,808
Cash received from internal customers	178,432	2,317,819	2,496,251
Cash payments to external suppliers for goods and services	(226,505)	(842,572)	(1,069,077)
Cash payments to internal suppliers for goods and services	-	(118,399)	(118,399)
Cash payments to employees for services	-	(567,948)	(567,948)
Net cash provided/(used) by operating activities	(48,021)	858,655	810,634
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	-	(990,016)	(990,016)
Proceeds from disposal of assets and reimbursements	-	226,944	226,944
Net cash (used) by capital and related financing activities	-	(763,072)	(763,072)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest on investments	-	-	-
Net increase/(decrease) in cash and equivalents	(48,021)	95,583	47,562
Cash balances, January 1	198,279	2,847,505	3,045,784
Cash balances, December 31	\$ 150,258	\$ 2,943,089	\$ 3,093,347

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

Operating income/(loss)	\$ (55,044)	\$ (77,790)	\$ (132,834)
Adjustments to reconcile operating income/(loss) to net cash provided/(used) by operating activities:			
Depreciation expense	6,971	917,940	924,911
Miscellaneous nonoperating revenues/(expenses)	-	-	-
Assets (increase)/decrease:			
Other receivables	52	(4,753)	(4,701)
Due from other funds	-	-	-
Inventories	-	25,544	25,544
Prepays and deposits	-	450	450
Liabilities increase/(decrease):			
Accounts payable	-	(9,139)	(9,139)
Accrued compensated absences	-	6,403	6,403
Total Adjustments	7,023	936,445	943,468
Net cash provided/(used) by operating activities	\$ (48,021)	\$ 858,655	\$ 810,634

RIO BLANCO COUNTY, COLORADO
CENTRAL SERVICES FUND
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year Ended December 31, 2018

	Budgeted		Actual	Variance
	Original	Final		
REVENUES				
Interfund Charges	\$ 178,096	\$ 178,096	\$ 178,096	\$ -
Charges for sales and services	1,000	1,000	336	(664)
Total revenues	179,096	179,096	178,432	(664)
EXPENSES				
Supplies	15,749	15,749	14,161	1,588
Contracted services	12,487	12,487	12,918	(431)
Audit services	21,000	21,000	21,046	(46)
Rent	1,102	1,102	1,066	36
Repairs and maintenance	603	603	525	78
Pass thru costs	1,000	1,000	336	664
Insurance	216,873	216,873	176,453	40,420
Total operating expenses	268,814	268,814	226,505	42,309
Capital outlay	10,000	10,000	-	10,000
Total expenses	278,814	278,814	226,505	52,309
Income/(loss) before other financing sources/(uses)	(99,718)	(99,718)	(48,073)	51,645
TRANSFERS AND CONTRIBUTED CAPITAL				
Total other financing sources/(uses)	-	-	-	-
Net income/(loss)	\$ (99,718)	\$ (99,718)	(48,073)	\$ 51,645

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	(55,044)
Fund equity, January 1	232,667
Fund equity, December 31	\$ 177,623

RIO BLANCO COUNTY, COLORADO
FLEET MANAGEMENT FUND
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND EQUITY
BUDGET AND ACTUAL
Year Ended December 31, 2018

	Budgeted		Actual	Variance
	Original	Final		
REVENUES				
Interdepartmental fees	\$ 2,407,451	\$ 2,407,451	\$ 2,244,900	\$ (162,551)
Charges for sales and services	65,000	65,000	74,509	9,509
Miscellaneous	10,000	55,966	72,919	16,953
Total revenues	2,482,451	2,528,417	2,392,328	(136,089)
EXPENSES				
Salaries and wages	374,374	374,374	383,190	(8,816)
Employee benefits	202,124	202,124	191,161	10,963
Supplies	895,490	895,490	735,642	159,848
Purchased services	32,010	32,010	25,814	6,196
Utilities	10,980	10,980	10,566	414
Repairs and maintenance	32,000	32,000	82,866	(50,866)
Interdepartmental charges	118,209	118,209	118,399	(190)
Equipment and other	-	-	4,540	(4,540)
Total operating expenses	1,665,187	1,665,187	1,552,178	113,009
Capital outlay	1,025,000	1,070,966	767,611	303,355
Total expenses	2,690,187	2,736,153	2,319,789	416,364
Income/(loss) before other financing sources/(uses)	(207,736)	(207,736)	72,539	280,275
TRANSFERS AND CONTRIBUTED CAPITAL				
Gain/(loss) on assets	-	-	(41,696)	(41,696)
Total other financing sources/(uses)	-	-	(41,696)	(41,696)
Net income/(loss)	\$ (207,736)	\$ (207,736)	30,843	\$ 238,579

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

Capital purchased by this fund	767,611
Depreciation (not budgeted)	(917,940)
Total adjustments to basis	(150,329)
Net change in fund equity	(119,486)
Fund equity, January 1	7,606,741
Fund equity, December 31	<u>\$ 7,487,255</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 2018

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)	2,097,593
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	4,863,189
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	221,426
2. General fund appropriations		b. Snow and ice removal	528,958
3. Other local imposts (from page 2)	3,139,241	c. Other	
4. Miscellaneous local receipts (from page 2)	269,922	d. Total (a. through c.)	750,384
5. Transfers from toll facilities		4. General administration & miscellaneous	676,514
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	
a. Bonds - Original Issues		6. Total (1 through 5)	8,387,680
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)	3,409,163	b. Redemption	
B. Private Contributions		c. Total (a. + b.)	0
C. Receipts from State government (from page 2)	3,658,136	2. Notes:	
D. Receipts from Federal Government (from page 2)	171,731	a. Interest	
E. Total receipts (A.7 + B + C + D)	7,239,030	b. Redemption	
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	0
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total disbursements (A.6 + B.3 + C + D)	8,387,680

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

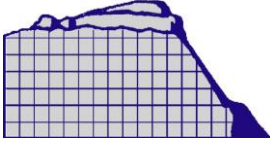
V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	10,710,271	7,239,030	8,387,680	9,561,620	0

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT		STATE: Colorado	
		YEAR ENDING (mm/yy): December 2018	
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	2,942,288	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	82,550	f. Charges for Services	269,922
5. Specific Ownership &/or Other	114,404	g. Other Misc. Receipts	0
6. Total (1. through 5.)	196,954	h. Other Private Contribution	0
c. Total (a. + b.)	3,139,241	i. Total (a. through h.)	269,922
	(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	3,635,978	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	171,731
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	18,959	d. Federal Transit Admin	
d. Other (Specify) Imp Asst Wildlife	3,200	e. U.S. Corps of Engineers	
e. Other (Specify) State Bridge Grant	0	f. Other Federal	0
f. Total (a. through e.)	22,158	g. Total (a. through f.)	171,731
4. Total (1. + 2. + 3.f)	3,658,136	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		1,886	1,886
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements			0
(3). System Preservation		2,095,707	2,095,707
(4). System Enhancement & Operation			0
(5). Total Construction (1) + (2) + (3) + (4)	0	2,095,707	2,095,707
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	2,097,593	2,097,593
			(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, 2018, 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 24, 2019.

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*.

G-1

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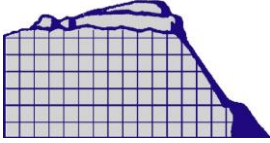
Purpose of this Report

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 24, 2019



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, 2018. 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, 2018.

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.

G-3

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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 24, 2019

RIO BLANCO COUNTY
 Schedule of Findings and Questioned Costs
 For the Year Ended December 31, 2018

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

UNMODIFIED NONE NOTED

Identification of major program:

93.558 TANF

93.658 Foster Care – Title IV-E

Rio Blanco County
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2018

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, 2018

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There were no Federal Award Findings or Questioned Costs for the year ending December 31, 2018.

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, 2018

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	83,136
		<u>83,136</u>
<i>Passed through CO Dept. Public Health & Environment</i>		
Special Supplemental Nutrition Program for Women, Infants and Children	10.557	31,501
Special Supplemental Nutrition Program for Women, etc. - Non-Cash	10.557	77,330
		<u>108,831</u>
<i>Passed through CO Division of Local Affairs</i>		
Forest Service Title I	10.665	128,969
Forest Service Title II	10.665	25,978
		<u>154,947</u>
Total		<u><u>346,914</u></u>
ENVIRONMENTAL PROTECTION AGENCY OFFICE OF THE ADMINISTRATOR		
<i>Passed through Co. Depart. Public Health & Environment</i>		
Performance Partnership Grants	66.605	4,905
		<u>4,905</u>
Total		<u><u>4,905</u></u>
U.S. DEPARTMENT OF THE INTERIOR		
<i>Direct assistance</i>		
Recreational Resource Management	15.225	2,500
Invasive and Noxious Plant Management	15.230	28,676
		<u>31,176</u>
Total		<u><u>31,176</u></u>
U.S. DEPARTMENT OF TRANSPORTATION		
<i>Direct assistance</i>		
Airport Improvement Grants (Meeker)	20.106	77,483
		<u>77,483</u>
Total		<u><u>77,483</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	50,000
		<u>50,000</u>
Total		<u><u>50,000</u></u>
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES		
<i>Passed through CO Dept. Public Health & Environment</i>		
Family Planning	93.217	2,152
Preventive Health Services-Sexually Transmitted Diseases Control Grant	93.977	1,700
PPHF Capacity Building Assist to Strengthen PH Imm Infrastructure & Performance	93.539	4,199
Maternal and Child Health Services Block Grant to the States	93.994	6,477
Emergency Preparedness and Response	93.069	1,960
Hospital Preparedness & Public Health Emergency Preparedness	93.074	17,052
Preventive Health and Health Services Block Grant solely PPHF	93.758	10,000
		<u>43,540</u>
<i>Passed through Mesa County Department of Human Services</i>		
Special Programs for the Aging Title III, Part C Nutrition	93.045	43,574
<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	12,288
- Community Food and Nutrition Programs (CDBG)	93.569	21,342
		<u>33,630</u>
<i>Passed through CO Dept. of Human Services</i>		
Guardianship Assistance	93.090	4,229
Temporary Assistance for Needy Families	93.558 *	96,812
Child Support Enforcement	93.563	51,738
Child Welfare Services - State Grants	93.645	7,833
Foster Care - Title IV-E	93.658 *	155,598
Adoption Assistance	93.659	17,389
Social Services Block Grant	93.667	35,337
Adjustment to Federal Assistance	93.XXX	1,300
		<u>370,236</u>
CCDF Cluster:		
Child Care and Development Block Grant	93.575	14,486
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	7,395
Total CCDF Cluster		<u>21,881</u>
<i>Passed through Health Care Policy & Finance</i>		
Medical Assistance Program	93.778	106,231
Total		<u><u>619,092</u></u>
Grand Total		<u><u>1,129,570</u></u>

* Denotes Major Programs

Rio Blanco County, Colorado
Note to Schedule of Expenditures of Federal Awards
December 31, 2016

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.