

Rio Blanco County
Colorado



Basic Financial Statements
and
Supplementary Information

December 31, 2014

RIO BLANCO COUNTY
FINANCIAL STATEMENTS
December 31, 2014

[Print/View Format](#)

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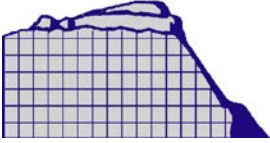
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Paul D. Miller CPA, LLC.

Certified Public Accountant

INDEPENDENT AUDITOR'S REPORT

Board of County Commissioners
Rio Blanco County
Meeker, CO

Report on the Financial Statements

I have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Rio Blanco County, Colorado, as of and for the year ended December 31, 2014, 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, 2014, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

-1-

Paul D. Miller, C.P.A.
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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, 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 U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, 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 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 17, 2015 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 17, 2015

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, 2014. 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 (\$153.9 million) exceeded liabilities plus deferred inflows (\$13.0 million) by \$140.9 million at the end of 2014. This compares to \$132.6 million in 2013. The difference of \$8.3 million is an increase of 6.3%. The amount invested in net capital assets increased by \$4.3 million while restricted funds increased by \$4.5 million and unrestricted funds decreased by \$0.4 million.
- Growth in net capital assets and restricted funds relates almost entirely to continuing momentum in a plan of capital investment and improvement. At the end of 2014, costs of \$22.6 million had been spent on capital projects that were still in progress. And, an additional \$24.0 million had been set aside to complete those projects - \$3.2 million of which was considered restricted on December 31, 2014 as match requirement for secured grants for some of those projects.
- Revenues of \$33.1 million exceeded expenditures of \$24.7 million for the current year change in net position. This was a decrease of \$8.1 million in revenue and an increase of \$0.5 million in expenditures from the prior year. The largest part of the revenue decrease relates to large projects at the Meeker Airport for which the federal and state governments reimbursed the majority of costs in 2013 and much smaller amounts in 2014.
- Construction of the new justice center on the old elementary school site in Meeker began in 2014 and is expected to be complete in early 2016. Design and planning for improved and expanded broadband services across the county began in 2014 with construction planned to begin in 2015. The Colorado Department of Local Affairs (DOLA) Energy Impact Assistance Fund (EIAF) is supporting both of these projects with grants. County funds to be used to fund the rest of these project costs have been accumulating since 2008, allowing both to proceed without incurring any debt.
- The County's solid waste landfill at Wray Gulch continued to operate without any County tax revenue transfers, even though commercial fees were less than half the prior year. As of December 31, 2014, the County recognized future closure and post-closure care liability in the total amount of \$120,888 and maintained \$756,136 more as restricted fund balance for financial assurance. The County's other two enterprise funds required support similar to the prior year via transfers from governmental funds. The county-wide portion of the Weed & Pest Control Fund received \$150,000 while the Fairfield Complex Fund received \$190,000 (in addition to the \$76,000 paid by the County in the form of rent). These financial statements include the activity of the Piceance Creek Pest Control District and the Lower White River Pest Control District within the County's Weed and Pest Control Fund. Page E-16 delineates the activity and ending balances of these two districts.
- 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.
- Governmental funds reported combined ending fund balances of \$82.4 million, an increase of \$4.2 million in comparison with the prior year. The County's General Fund balance was \$24.6 million as of December 31, 2014 and \$23.1 million as of December 31, 2013, an increase of \$1.5 million. The Road and Bridge Fund's balance increased by \$1.7 million.
- The County's General Fund policy is to have an unreserved fund balance equal to at least three months of annual General Fund expenditures. At December 31, 2014 the County's unassigned General Fund balance was \$11.7 million, a decrease of \$8.1 million. This would cover 1.29 years 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 landfills, weed and pest control, and Fairfield Complex operations.

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

Fund Financial Statements

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

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

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

Rio Blanco County maintains seven governmental funds. Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balance for the *General Fund*, the *Road and Bridge Fund*, the *Use Tax Fund*, the *County Capital Improvement Trust Fund*, the *Impact Fee Trust Fund*, the *Capital Expenditure Fund*, and the *Capital Improvement Plan Fund*, all of which are considered to be major

funds. Information from an additional four governmental funds, *Human Services Fund*, *Public Health Agency Fund*, *Conservation Trust Fund*, and *Contingent Fund*, are combined into a single, aggregated presentation.

Proprietary Funds - Rio Blanco County maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The County uses enterprise funds to account for solid waste landfills, weed and pest control, and the Fairfield Complex. The landfill is considered a major fund while the latter two are combined into a single aggregate presentation for the enterprise fund financial statements. *Internal Service funds* are an accounting device used to accumulate and allocate costs internally among the County's various functions. The *Fleet Management Fund* is used to account for the County's motorized vehicles and the *Central Services Fund* is used to account for shared services like property and casualty insurance, annual audit services, internet service, 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, 2014, assets exceeded liabilities plus deferred inflows by \$140.9 million.

The following table provides a summary comparison of the County's governmental and business-type net position for 2014 and a comparison to 2013.

Net Position						
	Governmental		Business Type		Total Primary Government	
	Activities		Activities		(Net of Internal Balances)	
	2014	2013	2014	2013	2014	2013
Assets						
Current and other assets	\$ 96,854,704	\$ 93,771,451	\$ 6,936,606	\$ 7,423,885	\$ 103,791,310	\$ 101,195,336
Capital assets	46,369,759	42,152,142	3,760,695	3,702,807	50,130,454	45,854,949
Total assets	143,224,463	135,923,593	10,697,301	11,126,692	153,921,764	147,050,285
Liabilities						
Current and other liabilities	1,130,911	2,084,258	17,012	6,473	1,147,923	2,090,731
Long-term liabilities	525,642	517,254	140,585	170,145	666,227	687,399
Total liabilities	1,656,553	2,601,512	157,597	176,618	1,814,150	2,778,130
Deferred Inflows						
Property tax	10,665,446	11,145,414	511,657	546,091	11,177,103	11,691,505
Total deferred inflows	10,665,446	11,145,414	511,657	546,091	11,177,103	11,691,505
Invested in capital assets						
Restricted	46,369,759	42,152,142	3,760,694	3,702,807	50,130,453	45,854,949
Unrestricted	27,945,250	23,434,882	756,136	791,078	28,701,386	24,225,960
Total net position	130,902,464	122,176,667	10,028,047	10,403,983	140,930,511	132,580,650

Rio Blanco County's total assets were 11.85 times the County's total liabilities plus deferred inflows at December 31, 2014. 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 2014, Rio Blanco County had a total net position of \$140.9 million. 36% was invested in capital assets. 17% was held by the General Fund, 13% by the County Capital Improvement Trust Fund, 9% by the Capital Improvement Plan Fund, 7% by the Use Tax Fund, 7% by the Road & Bridge Fund, 3% by the Impact Fee Trust Fund and a balance of 8% in the remaining governmental funds and business-type funds.

The 36% 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 44% of the total. This is comparable to 47% in the prior year. The use of 20% was restricted as of December 31, 2014 as compared to 18% 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 \$8.3 million in 2014. The following table indicates the changes in net position for governmental and business-type activities for 2014. Comparative data is provided for analysis.

Changes in Net Position

	Governmental Activities		Business Type Activities		Total Primary Government (Net of Internal Balances)	
	2014	2013	2014	2013	2014	2013
REVENUES						
Program revenues:						
Charges for services	\$ 4,905,070	\$ 4,506,445	\$ 783,306	\$ 1,633,553	\$ 5,688,376	\$ 6,139,998
Operating grants/contrib.	5,933,779	5,196,950	53,790	77,223	5,987,569	5,274,173
Capital grants/contrib.	2,242,667	9,983,775	-	212,814	2,242,667	10,196,589
General revenues:						
Property taxes	11,147,663	12,311,079	546,079	697,604	11,693,742	13,008,683
Other taxes	3,578,046	3,860,121	23,793	35,272	3,601,839	3,895,393
Other revenues	3,839,062	2,654,953	-	(15,295)	3,839,062	2,639,658
Total revenues	<u>31,646,287</u>	<u>38,513,323</u>	<u>1,406,968</u>	<u>2,641,171</u>	<u>33,053,255</u>	<u>41,154,494</u>
EXPENSES						
General government	4,799,478	4,758,569	-	-	4,799,478	4,758,569
Health and welfare	2,998,679	3,200,374	-	-	2,998,679	3,200,374
Intergovernmental	1,551,068	219,417	-	-	1,551,068	219,417
Judicial and public safety	4,144,602	4,000,342	-	-	4,144,602	4,000,342
Public works	8,511,607	9,603,523	-	-	8,511,607	9,603,523
Recreation and culture	575,056	625,037	-	-	575,056	625,037
Solid waste landfill	-	-	979,860	667,360	979,860	667,360
Weed and pest control	-	-	840,741	890,719	840,741	890,719
Fairfield complex	-	-	302,303	286,829	302,303	286,829
Total expenditures	<u>22,580,490</u>	<u>22,407,262</u>	<u>2,122,904</u>	<u>1,844,908</u>	<u>24,703,394</u>	<u>24,252,170</u>
Increase before transfers	9,065,797	16,106,061	(715,936)	796,263	8,349,861	16,902,324
Transfers	(340,000)	(350,000)	340,000	350,000	-	-
Increase in net position	<u>\$8,725,797</u>	<u>\$15,756,061</u>	<u>(\$375,936)</u>	<u>\$1,146,263</u>	<u>\$8,349,861</u>	<u>\$16,902,324</u>

During 2014, total revenues for combined governmental and business-type activities were 42% direct program revenues and 58% general revenues. This is a 11% shift from program revenues to general revenues compared to the prior year.

- The major program revenues for governmental activities were as follows:
 - ❖ Charges for services were 15% of total revenues. Sources of this revenue are charges for permits, fees, fines, goods and services. A significant portion of this revenue is Treasurer, Clerk and impact fees.
 - ❖ Operating grants and contributions were 19% of total revenues. Major funding came from State shared Highway Users Taxes of \$2.8 million. Federal and state grants are significant revenue sources for operations of Human Services, Public Health and senior nutrition totaling more than \$1.9 million.
 - ❖ Capital grants and contributions were 7% of total revenues. \$1.6 million of this revenue was for airport projects funded by a combination of federal and state aviation grants, and \$0.6 million was a federal grant via CDOT for a bridge replacement on CR 10.
- The major program revenues for business-type activities were:
 - ❖ Charges for services were 56% of total revenues for 2014 as compared to 62% of total revenues for 2013. The majority of revenues for each business-type activity are charges for the specific products and/or services for which the fund was established, the landfill being \$0.6 million (a drop from 1.4 million in 2013).

- ❖ Operating grants and contributions were 4% of total revenues. Solid Waste Landfill Fund received \$4,324, Weed and Pest Control Fund received \$19,466, and Fairfield Complex Fund received \$30,000.
 - ❖ Capital grants and contributions were 0% of total revenues.
- All general revenues except for those collected on behalf of two pest control districts of \$563,872 were credited to governmental activities. A transfer of \$150,000 was made from the Use Tax Fund to the Weed and Pest Control Fund, a transfer of \$160,000 was made from the General Fund to the Fairfield Complex Fund, and a transfer of \$30,000 was made from the Use Tax Fund to the Fairfield Complex Fund. These transfers represent the County Government's annual contributions to business type operations. The General Fund also contributed an additional \$83,750 to the Fairfield Complex Fund as rent for the space the county government offices occupy in the community center.

The major sources of general revenues for 2014 were:

- ❖ Property taxes were 35% of total revenues (vs. 32% for 2013), 60% of general revenues (vs. 65% for 2013).
- ❖ Other taxes included \$1,424,217 of sales tax (vs. \$1,791,013 for 2013) and \$1,005,217 of use tax (vs. \$894,740 for 2013). These two taxes were 13% of general revenues (vs. 14% for 2013).
- ❖ All other general revenues combined were 27% of general revenues (vs. 19% for 2013). The sources of these revenues were: investment earnings \$176,211, Mineral Leasing revenue \$2,926,938, Payment in Lieu of Taxes \$539,122, Severance Taxes \$814,497, and \$554,699 of miscellaneous revenues.

The total expenditures for combined governmental and business-type activities were made up of \$22,580,490 of expenditures for governmental activities (an increase of \$173,228 over 2013) and \$2,122,904 of expenses for business-type activities (an increase of \$277,996 over 2013). Of the total expenditures 91% were for governmental activities and 9% for business-type activities.

- The percentage of total County expenses for each type of governmental activity is:
 - ❖ 21% – Governmental
 - ❖ 13% – Health and welfare
 - ❖ 7% – Intergovernmental
 - ❖ 18% – Judicial and public safety
 - ❖ 38% – Public works
 - ❖ 3% – Recreation and culture
- The percentage of total County expenses for each business-type activity is:
 - ❖ 46% – Solid Waste Landfill
 - ❖ 40% – Weed and Pest Control (includes activity of two pest control districts)
 - ❖ 14% – Fairfield Complex (Community Center)
- During 2014 the County's combined business-type activities had a loss of \$715,936 from normal operations. This is a 190% decrease when compared to the combined income in 2013 of \$796,263. The swing of \$1,512,199 reflects a large drop in landfill commercial user fees of \$833,152, an increase in landfill net expenditures of \$312,500 attributable to paving the road to the Wray Gulch landfill, and not having capital contributed revenue from the general government to the Fairfield that was \$212,814 in the prior year).

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. Other governmental funds only report unassigned fund balances if they are negative which results from overspending for specific purposes for which amounts had been restricted, committed or assigned.

As of the end of 2014, the combined ending fund balance of Rio Blanco County's governmental funds was \$82,376,462, an increase of 5% (\$4,191,407) over the prior year. 2% is nonspendable, 34% is restricted, 11% is committed, 39% is assigned and 14% is unassigned. Rio Blanco County had no governmental funds reporting negative unassigned fund balances at December 31, 2014.

The County has seven major governmental funds. These are: (1) General Fund, (2) Road and Bridge Fund, (3) Use Tax Fund, (4) County Capital Improvement Trust Fund, (5) Impact Fee Trust Fund, (6) Capital Expenditure Fund, and (7) Capital Improvement Plan Fund.

I. 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 \$24,631,999 at December 31, 2014. This was a 7% increase over 2013. 48% or \$11,747,938 of the total balance was unassigned. 49% or \$12,008,081 was assigned for projects and to cover budgeted deficit spending in 2015. 3% or \$741,551 was reserved for emergencies in compliance with Title-X of the Colorado constitution, and 1% or \$134,459 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 262% of the General Fund expenditures for the year ended December 31, 2014. Unassigned funds were available to cover expenditures for 15.5 months at December 31, 2014 vs. 27.1 months at the end of 2013 (the decline is attributable to resources being assigned to the broadband expansion project). The general fund has the resources to continue operations without serious trouble; however, a more detailed analysis of the General Fund's assets, liabilities, deferred inflows and cash flow is needed for reliance upon this single statistic.

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, 2014:

a. **Working Capital: \$23,755,989**

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) **5.7:1**

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) **303.9:1**. The current ratio is used, by business organizations, to display the ability to meet currently maturing obligations. This ratio is quite large for the General Fund and is mostly due to the low level of current debt.

While the analysis provided above should be combined with other information in order to develop a certain conclusion as to the liquidity and the probability of continuation of financial operations by the Rio Blanco County General Fund, it is also obvious the County's General Fund has a high level of liquidity and that only a disaster would prevent the 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, 2014 was \$9,576,249. Of the total fund balance: 18% was invested in inventory and prepaids, 2% was held for future Federal Forest Reserve Title III projects, 34% was assigned to cover budgeted deficit spending, and the remaining 46% is committed to the general purpose of the fund.

The fund balance increased \$1,735,885 over the prior year. The increase of \$1,027,956 in the assigned category was mostly related to delaying a construction project on CR 5 (Stock Pass #7) to 2015.

This fund completed an overlay project on CR 1 at a cost of \$1,918,105 (offset by \$907,232 from DOLA).

The total of committed fund balances was 49% of the 2014 expenditures. This could provide working capital (in addition to inventory) for about six months of operations. The budget for 2015 includes a smaller portion of the County mill levy going to Road & Bridge than in 2014 (return to same level as 2010 to 2013).

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

3. *Use Tax Fund*

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

The fund balance in the Use Tax Fund at December 31, 2014 was \$9,849,002. This was an increase of \$220,598 over 2013. 70% of the fund balance is assigned for future capital projects. 30% was committed to the general purpose of the fund.

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

4. *County Capital Improvement Trust Fund*

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

Of the \$19,011,677 total fund balance 100% is restricted by statute for capital improvement projects. The County's direct distribution of severance tax in 2014 of \$814,497 is budgeted to transfer to this fund in 2015 to help return the principal to the approximate \$20 million the fund was originally formed with.

During 2014, one \$1,360,000 grant was paid out for infrastructure to the Curtis Creek area in Meeker. All except for \$60,000 of that amount was funded by a portion of the County's direct distribution of federal mineral leasing in 2013. Due to the state of the economy the amount of annual grants from this fund has dropped significantly (\$799,000 in 2009, \$313,000 in 2010, \$136,000 in 2011, \$120,000 in 2012, \$50,000 in 2013, \$60,000 in 2014). Future grants are dependent on future investment earnings.

5. *Impact Fee Trust Fund*

The *Impact Fee Trust Fund* was created by a resolution to adopt by the Board of County Commissioners on June 9, 2008. The purpose of the fund is to provide accurate accounting of impact fees collected and expended. 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 fund balance in the Impact Fee Trust Fund at December 31, 2014 was \$4,687,404 (as compared to \$3,648,305 in 2013). The increase of \$1,039,099 is from impact fees collected in 2014 of \$1.5 million offset by project costs of about \$0.5 million in project costs. The County leverages all the dollars collected as impact fees along with other county general revenues as matching funds to acquire grants to help fund the costs of energy impacts.

There are three capital categories these funds can be expended in: Administrative, Law Enforcement and Road and Bridge. In 2014, \$257,521 was spent on the justice center, and \$228,751 was spent on continued design efforts for various road/bridge projects along the CR 5 corridor. CR 5 construction projects budgeted for 2014 were delayed into 2015.

6. *Capital Expenditure Fund*

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

The fund balance in the Capital Expenditure Fund at December 31, 2014 was \$440,167 (as compared to \$267,738 in 2013). The increase in the fund balance is a result of tax revenue collections being more than total project costs and transfers out. The Capital Expenditure Fund transferred only \$36,540 to the Capital Improvement Plan Fund in 2014 to fund larger projects. Treasurer's fees of \$30,557 were paid by the Capital Expenditures Fund (such fees on property taxes collected are paid by this fund before any subsequent transfer to the Capital Improvement Plan Fund).

2014 projects/purchases included: \$256,868 in technology (including software for the Assessor and the Clerk & Recorder), \$20,315 for Sheriff's DTR radios, \$20,914 at the Meeker Airport, \$39,350 at the White River Museum, \$44,155 at the Meeker Fairgrounds and \$6,500 for Columbine Park.

7. *Capital Improvement Plan Fund*

The *Capital Improvement Plan Fund* is a continuation of the Capital Expenditure fund with similar requirements, but it provides funding for larger projects that help the County provide for its facility and infrastructure needs based on an annual review of a five year plan. The fund balance in the Capital Improvement

Plan Fund at December 31, 2014 was \$12,184,889 (as compared to \$12,063,762 in 2013). This fund paid Treasurer's fees of \$19,044 on grant revenues it received in 2014.

2014 projects included: \$70,695 for an OHV master plan, \$62,457 for OHV trail expansion between the Town of Meeker and CR 8, \$103,725 on preliminary phases of the county-wide improvement/expansion of broadband service, \$1,765,832 on the justice center, \$26,923 around the 4H building in Meeker, \$1,000 as earnest money on the purchase of a building in Meeker to be a Cultural Heritage Center, \$820,233 for bridge replacement on CR 10, \$2,452 for preliminary work on the new Health & Human Services building in Rangely, \$328,295 for the Meeker Airport runway reconstruction and \$84,924 for the large aircraft apron, \$55,225 on the purchase of runway protection zone parcel 11 and \$112,014 on an asphalt maintenance project at the Meeker Airport, \$10,631 on 3rd party design review and \$10,750 on appraisals of properties impacted by storm water events the prior year at the Meeker Airport, \$172,796 for the Rangely airport automated weather observation system (AWOS) and fuel stem wall/drainage project, and \$111,352 on an update to the Rangely Airport master plan.

8. Other Governmental Funds

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

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

The County has one major proprietary fund – the *Solid Waste Landfill Fund*. The net assets (equity) in the Solid Waste Landfill at December 31, 2014 was \$5,562,848 (as compared to \$5,929,700 in 2013).

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

CAPITAL ASSET AND DEBT ADMINISTRATION

The County's capital assets at December 31, 2014 are presented in the following table.

	Governmental Activities	Business Type Activities	Total
Land	\$ 1,452,301	\$ 303,605	\$ 1,755,906
Land improvements	666,919	318,745	985,664
Buildings and building improvements	7,562,911	2,385,649	9,948,560
Equipment and furniture	5,323,291	710,203	6,033,495
Infrastructure	8,767,318	-	8,767,318
Construction-in-progress	22,597,019	42,493	22,639,512
	\$ 46,369,759	\$ 3,760,695	\$ 50,130,455

None of the above capital assets have any associated debt as of December 31, 2014.

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 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 2013, the Rio Blanco County Commissioners budgeted total expenditures (including transfers out) of \$67,466,842 for 2014. During 2014 supplemental budgets were approved, increasing the budgeted expenditures by \$5,187,544 to \$72,654,386. At year end, 48% of the total budget was utilized, or \$34,615,159.

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 rebudgeted in the following year.

	Original Budget	Amendments	Final Budget	Actual	%	Variance (Under)/Over
Revenues & Transfers In						
General	\$ 10,381,887	\$ 2,481,037	\$ 12,862,924	\$ 12,874,000	100%	\$ 11,076
Road and Bridge	\$ 9,070,914	1,531,691	\$ 10,602,605	10,576,218	100%	(26,387)
Use Tax	\$ 895,300	3,249	\$ 898,549	1,100,465	122%	201,916
County Capital Imp. Trust	\$ 498,246	-	\$ 498,246	521,364	105%	23,118
Impact Fee Trust	\$ 506,817	200,000	\$ 706,817	1,540,603	218%	833,786
Capital Expenditure	\$ 640,247	4,250	\$ 644,497	634,600	98%	(9,897)
Capital Improvement Plan	\$ 9,403,232	4,381,355	\$ 13,784,587	3,879,475	28%	(9,905,112)
Human Services	\$ 2,457,398	-	\$ 2,457,398	2,256,232	92%	(201,166)
Public Health	\$ 409,672	3,500	\$ 413,172	402,140	97%	(11,032)
Conservation Trust	\$ 9,611	-	\$ 9,611	9,143	95%	(468)
Contingent	\$ -	-	\$ -	-	0%	-
Solid Waste Landfill	\$ 634,725	-	\$ 634,725	613,008	97%	(21,717)
Weed and Pest Control	\$ 785,450	-	\$ 785,450	820,294	104%	34,844
Fairfield Complex	\$ 345,750	(30,000)	\$ 315,750	313,667	99%	(2,083)
Central Services	\$ 371,111	-	\$ 371,111	369,974	100%	(1,137)
Fleet Management	\$ 2,781,721	-	\$ 2,781,721	2,826,704	102%	44,983
	\$ 39,192,081	\$ 8,575,082	\$ 47,767,163	\$ 38,737,886	81%	\$ (9,029,277)
Expenditures & Transfers Out						
General	\$ 12,385,633	\$ 1,619,162	\$ 14,004,795	\$ 11,348,808	81%	\$ (2,655,987)
Road and Bridge	\$ 11,322,223	255,804	\$ 11,578,027	8,840,333	76%	(2,737,694)
Use Tax	\$ 7,746,473	26,249	\$ 7,772,722	879,868	11%	(6,892,854)
County Capital Imp. Trust	\$ 1,480,761	(20,000)	\$ 1,460,761	1,360,756	93%	(100,005)
Impact Fee Trust	\$ 3,891,995	203,000	\$ 4,094,995	501,503	12%	(3,593,492)
Capital Expenditure	\$ 733,902	4,250	\$ 738,152	462,172	63%	(275,980)
Capital Improvement Plan	\$ 20,640,486	3,081,201	\$ 23,721,687	3,758,348	16%	(19,963,339)
Human Services	\$ 2,501,991	-	\$ 2,501,991	2,024,082	81%	(477,909)
Public Health	\$ 534,169	19,151	\$ 553,320	423,557	77%	(129,763)
Conservation Trust	\$ 49,600	-	\$ 49,600	3,405	7%	(46,195)
Contingent	\$ 100,000	-	\$ 100,000	-	0%	(100,000)
Solid Waste Landfill	\$ 1,417,221	-	\$ 1,417,221	979,860	69%	(437,361)
Weed and Pest Control	\$ 993,085	4,644	\$ 997,729	840,742	84%	(156,987)
Fairfield Complex	\$ 345,556	(30,000)	\$ 315,556	302,304	96%	(13,252)
Central Services	\$ 371,260	23,083	\$ 394,343	333,931	85%	(60,412)
Fleet Management	\$ 2,952,487	1,000	\$ 2,953,487	2,555,489	87%	(397,998)
	\$ 67,466,842	\$ 5,187,544	\$ 72,654,386	\$ 34,615,159	48%	\$ (38,039,227)

The original budgeted expenditures plus transfers out for the General Fund was \$12,385,633 and it was increased by amendments of \$1,619,162 for a final budget of \$14,004,795. \$1,651,048 of the budget increase in the General Fund relates to receipts of 2014 federal mineral leasing direct distributions that were receipted into the General Fund and then transferred out to the Capital Improvement Plan Fund to support the broadband improvement/expansion project (to have match requirements in order to submit a DOLA grant application in the December 1, 2014 cycle). The balance of the

difference, a net decrease of \$31,886, relates mostly to budgeted contingency in the General Fund for unplanned expenditures in other funds/departments (FTE changes, unemployment, legal consultants, contribution to Milk Creek battlefield gazebo, Search & Rescue grant match, BLM dump site cleanup, and county-assumed portion of internet costs for the Meeker School District and Pioneers Hospital).

In 2014, there was a difference of \$2,665,987 between amended budget and actual expenditures plus transfers out in the General Fund. \$581,307 was due to budgeted contingency amounts not being needed. \$446,441 relates to excess amounts budgeted for Public Trustee worst-case foreclosure assumptions (included in the County's budget and financials to comply with Colorado budget and audit law). Otherwise, all departments came in somewhat under budget as is required under budget law – the most significant being \$209,679 in Planning, \$468,916 Sheriff (includes patrol, jail, dispatch) of which similar reductions were subsequently made in the 2015 budget.

Most of the difference between amended budget and actuals in the Capital Improvement Plan Fund and the Use Tax fund reflect the justice center being fully budgeted in 2014 but not being completed within the year. The project will carry over to 2015 and likely a slight bit into 2016 based on the current schedule. \$6,833,972 is budgeted as a transfer out from the Use Tax Fund and a transfer in to the Capital Improvement Plan Fund and then is being budgeted as justice center expenditure in the Capital Improvement Plan Fund; thus, this amount is included twice in the lower half of the above chart and once in the upper half of the chart. \$2,000,000 was also budgeted as grant revenue from DOLA for the justice center, but construction had not progressed in 2014 to the phases of construction that the grant will reimburse.

Most of the differences between amended budget and actuals in the Road & Bridge Fund and the Impact Fee Trust Fund relate to projects that didn't get started in 2014 or weren't completed in 2014, all of which will carry over to 2015. Most of the delays are a necessity of getting match appropriated in time to apply for grants from cooperating agencies and then the necessary steps in the processes of those agencies before the project can begin.

FUTURE SIGNIFICANCE

Property tax accounted for 35% of the County's total revenues in 2014. This source of revenue decreased 10% or \$1,314,941 from 2013, but increased as a percentage of total revenues by 4% (because airport capital grants decreased dramatically). 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 82% of total assessed value in 2013 and 2014. Oil and gas was 54% of total assessed value in 2013, and increased to 55% in 2014. Industrial valuations had been 28% of total assessed value in 2013, and decreased to 27% in 2014. Total assessed values in 2013 were \$1.232 billion and dropped to \$1.179 billion in 2014 for a 4% reduction. This reduction will be reflected in the taxes collected in 2015, budgeted to decline of \$514,401. The preliminary certification of values for 2015 that will be the basis for the revenues collected in 2016 will not be distributed until late August; thus expected decline cannot yet be quantified.

Sales taxes decreased 20% in 2014 after being down 36% in 2013, 20% in 2012 and 17% in 2011. Use taxes increased in 2014 by 13%. Impact fees increased by 99% in 2014, after declines of 6% in 2013, 32% in 2012, 36% in 2011 and 37% in 2010. The recent increases in use tax and impact fees are first signs of economic recovery in the area.

Collection of impact fees has been temporarily vacated (May 2015 through February 2016) in an attempt to trigger economic activity in the County. To continue to have match for grants to accomplish projects along CR 5, alternate revenue sources will need to be used, possibly federal mineral leasing direct distributions.

Departments continue to manage within flat budgets from year-to-year. To avoid a permanent increase in personnel costs with a cost of living adjustment, a one-time bonus equivalent to approximately two weeks of pay was budgeted for 2015.

In 2015, construction of the justice center will be a primary focus with efforts to expand broadband throughout the county a close second. Design and planning for remodeling the courthouse will begin in 2015 (construction to follow in 2016).

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, 2014

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 82,259,301	\$ 6,324,296	\$ 88,583,597
Property taxes receivable	10,665,446	511,657	11,177,103
Other receivables	97,650	59,618	157,268
Due from other governmental units	1,572,015	4,692	1,576,707
Prepays and deposits	850,271	-	850,271
Inventories	1,410,021	36,343	1,446,364
Capital assets, net	46,369,759	3,760,695	50,130,454
Total assets	143,224,463	10,697,301	153,921,764
LIABILITIES			
Accounts payable	634,703	17,012	651,715
Due to other governmental units	402,558	-	402,558
Unearned revenue	93,650	-	93,650
Long-term liabilities			
Due more than one year:			
Compensated absences	525,642	19,697	545,339
Closure and postclosure care	-	120,888	120,888
Total liabilities	1,656,553	157,597	1,814,150
DEFERRED INFLOW OF RESOURCES			
Unavailable property tax	10,665,446	511,657	11,177,103
Total deferred inflows of resources	10,665,446	511,657	11,177,103
NET POSITION			
Invested in capital assets, net of debt	46,369,759	3,760,694	50,130,453
Restricted	27,945,250	756,136	28,701,386
Unrestricted	56,587,455	5,511,217	62,098,672
Total net position	\$ 130,902,464	\$ 10,028,047	\$ 140,930,511

See accompanying notes to the basic financial statements.

RIO BLANCO COUNTY, COLORADO
STATEMENT OF ACTIVITIES
Year Ended December 31, 2014

Functions/Programs	Expenses	Program Revenues		
		Charges for Services and Fees	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 4,799,478	\$ 2,730,069	\$ -	\$ 21,267
Health and welfare	2,998,679	24,814	2,006,660	-
Intergovernmental - Grants, etc.	1,551,068	85,432	5,000	-
Judicial and public safety	4,144,602	232,856	59,155	4,250
Public works	8,511,607	1,799,367	3,853,844	2,190,172
Recreation and culture	575,056	32,532	9,120	26,978
Total governmental activities	22,580,490	4,905,070	5,933,779	2,242,667
Business-type activities:				
Solid Waste Landfill	979,860	608,684	4,324	-
Weed and Pest Control	840,741	80,955	19,466	-
Fairfield Complex	302,303	93,667	30,000	-
Total business type activities	2,122,904	783,306	53,790	-
Total primary government	\$ 24,703,394	\$ 5,688,376	\$ 5,987,569	\$ 2,242,667

General revenues:

Taxes:

Property

Sales

Use

Specific ownership

Other

Unrestricted investment earnings

Federal - unrestricted

State - unrestricted

Other general revenues

Transfers in/(out) -- internal activities

Total general revenues and transfers

Changes in net position

Net position, January 1

Net position, December 31

See accompanying notes to the basic financial statements.

Net (Expense)/Revenue and Changes in Net Assets		
Primary Government		
Governmental Activities	Business-type Activities	Total
\$ (2,048,142)	\$ -	\$ (2,048,142)
(967,205)	-	(967,205)
(1,460,636)	-	(1,460,636)
(3,848,341)	-	(3,848,341)
(668,224)	-	(668,224)
(506,426)	-	(506,426)
(9,498,974)	-	(9,498,974)
-	(366,852)	(366,852)
-	(740,320)	(740,320)
-	(178,636)	(178,636)
-	(1,285,808)	(1,285,808)
(9,498,974)	(1,285,808)	(10,784,782)
11,147,663	546,079	11,693,742
1,424,217	-	1,424,217
1,005,217	-	1,005,217
317,496	15,527	333,023
831,116	8,266	839,382
176,211	-	176,211
3,573,888	-	3,573,888
5,000	-	5,000
83,963	-	83,963
(340,000)	340,000	-
18,224,771	909,872	19,134,643
8,725,797	(375,936)	8,349,861
122,176,667	10,403,983	132,580,650
\$ 130,902,464	\$ 10,028,047	\$ 140,930,511

See accompanying notes to the basic financial statements.

RIO BLANCO COUNTY, COLORADO
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2014

	<u>Major Special Revenue Funds</u>		
	General Fund	Road and Bridge Fund	Use Tax Fund
ASSETS			
Cash and cash equivalents	\$ 24,290,648	\$ 7,924,946	\$ 9,804,516
Property taxes receivable	5,185,411	4,124,758	-
Accrued interest receivable	469	-	-
Due from other governmental units	260,024	2,964	26,060
Other receivables	27,467	5,265	28,946
Inventories	16,418	1,098,399	-
Prepays and deposits	118,041	607,742	-
Total assets	\$ 29,898,478	\$ 13,764,074	\$ 9,859,522
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 80,879	\$ 63,067	\$ 10,520
Due to other governmental units	-	-	-
Unearned revenue	189	-	-
Total liabilities	81,068	63,067	10,520
Deferred inflow of resources:			
Unavailable property taxes	5,185,411	4,124,758	-
Total deferred inflow of resources	5,185,411	4,124,758	-
Fund balances:			
Nonspendable	134,459	1,706,141	-
Restricted	741,551	182,896	-
Committed	-	4,407,947	2,954,380
Assigned	12,008,051	3,279,265	6,894,622
Unassigned	11,747,938	-	-
Total fund balances	24,631,999	9,576,249	9,849,002
Total liabilities, deferred inflows and fund balances	\$ 29,898,478	\$ 13,764,074	\$ 9,859,522

See accompanying notes to the basic financial statements.

Major Capital Projects Funds					
County Capital Improvement Trust Fund	Impact Fee Trust Fund	Capital Expenditure Fund	Capital Improvement Plan Fund	Other Governmental Funds	Total Governmental Funds
\$ 18,986,080	\$ 4,689,568	\$ 444,872	\$ 11,645,567	\$ 1,985,857	\$ 79,772,054
-	-	883,877	-	471,400	10,665,446
25,597	-	-	-	-	26,066
-	19,551	635	753,505	509,276	1,572,015
-	715	-	-	-	62,393
-	-	-	-	-	1,114,817
-	-	-	-	-	725,783
\$ 19,011,677	\$ 4,709,834	\$ 1,329,384	\$ 12,399,072	\$ 2,966,533	\$ 93,938,574
\$ -	\$ 22,430	\$ 5,340	\$ 214,183	\$ 4,039	\$ 400,458
-	-	-	-	402,558	402,558
-	-	-	-	93,461	93,650
-	22,430	5,340	214,183	500,058	896,666
-	-	883,877	-	471,400	10,665,446
-	-	883,877	-	471,400	10,665,446
-	-	-	-	-	1,840,600
19,011,677	4,687,404	-	3,172,851	148,871	27,945,250
-	-	-	-	1,542,161	8,904,488
-	-	440,167	9,012,038	304,043	31,938,186
-	-	-	-	-	11,747,938
19,011,677	4,687,404	440,167	12,184,889	1,995,075	82,376,462
\$ 19,011,677	\$ 4,709,834	\$ 1,329,384	\$ 12,399,072	\$ 2,966,533	\$ 93,938,574

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, 2014

Total governmental fund balances	\$ 82,376,462
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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.	42,614,606
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Long-term liabilities and compensated absences, are not due and payable in the current period and therefore are not reported in the governmental funds.	(484,902)
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Internal service funds are used by management to charge the costs of insurance and other services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	<u>6,396,298</u>
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Net position of governmental activities	<u><u>\$ 130,902,464</u></u>
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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, 2014

	<u>Major Special Revenue Funds</u>		
	General Fund	Road and Bridge Fund	Use Tax Fund
REVENUES			
Property taxes	\$ 4,927,144	\$ 4,927,144	\$ -
Specific ownership taxes	141,598	138,744	-
Sales taxes	1,424,217	-	-
Use taxes	-	-	1,005,217
Other taxes	11,300	(5,588)	-
Intergovernmental revenues	3,179,503	5,256,819	55,929
Licenses and permits	72,083	-	-
Charges for services	395,450	-	36,071
Interest earnings	105,664	-	-
Fees, fines and forfeits	2,530,245	113,376	-
Inter-fund charges	-	133,490	-
Miscellaneous	86,797	12,233	3,249
Total revenues	12,874,001	10,576,218	1,100,466
EXPENDITURES			
Current:			
General government	4,455,910	-	113,553
Judicial and public safety	3,826,665	-	-
Health and welfare	152,493	-	401,496
Recreation and culture	301,615	-	63,167
Intergovernmental (Grants, etc)	69,416	-	121,652
Public Works	239,465	8,445,535	-
Capital outlay	31,829	394,798	-
Total expenditures	9,077,393	8,840,333	699,868
Excess (deficiency) of revenues over expenditures	3,796,608	1,735,885	400,598
OTHER FINANCING SOURCES/(USES)			
Sale of assets			
Transfers in	-	-	-
Transfers out	(2,271,416)	-	(180,000)
Transfers in/(out) from/to int. service funds	-	-	-
Total other financing sources/(uses)	(2,271,416)	-	(180,000)
Net change to fund balance	1,525,192	1,735,885	220,598
Fund balance, January 1	23,106,807	7,840,364	9,628,404
Fund balance, December 31	\$ 24,631,999	\$ 9,576,249	\$ 9,849,002

See accompanying notes to the basic financial statements.

Major Capital Projects Funds					
County Capital Improvement Trust Fund	Impact Fee Trust Fund	Capital Expenditure Fund	Capital Improvement Plan Fund	Other Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 615,893	\$ -	\$ 677,482	\$ 11,147,663
-	-	18,334	-	18,819	317,495
-	-	-	-	-	1,424,217
-	-	-	-	-	1,005,217
-	-	(8,877)	-	1,540	(1,625)
-	19,551	4,250	2,170,620	1,937,641	12,624,313
-	-	-	-	10,667	82,750
-	-	-	-	7,515	439,036
65,996	4,528	-	-	23	176,211
-	1,516,523	-	-	5,432	4,165,576
-	-	-	-	-	133,490
-	-	-	21,267	8,397	131,943
65,996	1,540,602	629,600	2,191,887	2,667,516	31,646,286
756	15,232	39,589	19,045	-	4,644,085
-	-	4,315	-	-	3,830,980
-	-	-	-	2,447,641	3,001,630
-	-	39,350	133,152	3,406	540,690
1,360,000	-	-	-	-	1,551,068
-	-	20,914	241,164	-	8,947,078
-	486,271	321,463	3,364,987	-	4,599,348
1,360,756	501,503	425,631	3,758,348	2,451,047	27,114,879
(1,294,760)	1,039,099	203,969	(1,566,461)	216,469	4,531,407
455,368	-	5,000	1,687,588	-	2,147,956
-	-	(36,540)	-	-	(2,487,956)
-	-	-	-	-	-
455,368	-	(31,540)	1,687,588	-	(340,000)
(839,392)	1,039,099	172,429	121,127	216,469	4,191,407
19,851,069	3,648,305	267,738	12,063,762	1,778,606	78,185,055
\$ 19,011,677	\$ 4,687,404	\$ 440,167	\$ 12,184,889	\$ 1,995,075	\$ 82,376,462

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, 2014

Net change in fund balances - total governmental funds \$ 4,191,407

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Fixed assets current additions	5,050,513	
Depreciation expense	(817,607)	
Excess of capital outlay over depreciation and other adjustments		4,232,904

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	(5,771)
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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.	307,257
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Change in net position of governmental activities	\$ 8,725,797
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See accompanying notes to the basic financial statements.

RIO BLANCO COUNTY, COLORADO
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
December 31, 2014

	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	\$ 4,955,258	\$ 1,369,038	\$ 6,324,296	\$ 2,487,247
Taxes receivable	-	511,657	511,657	-
Due from other governmental units	4,324	368	4,692	-
Other receivables	59,100	518	59,618	9,191
Inventories	-	36,343	36,343	295,204
Prepays and deposits	-	-	-	124,488
Total current assets	5,018,682	1,917,924	6,936,606	2,916,130
Noncurrent assets:				
Capital assets:				
Land	33,395	270,210	303,605	-
Buildings, improvements, equipment, net	657,452	2,799,638	3,457,090	3,755,153
Total noncurrent assets	690,847	3,069,848	3,760,695	3,755,153
Total assets	5,709,529	4,987,772	10,697,301	6,671,283
LIABILITIES				
Current liabilities:				
Accounts payable	10,104	6,908	17,012	234,245
Total current liabilities	10,104	6,908	17,012	234,245
Noncurrent liabilities:				
Accrued compensated absences	15,689	4,008	19,697	40,740
Closure and postclosure care	120,888	-	120,888	-
Total noncurrent liabilities	136,577	4,008	140,585	40,740
Total liabilities	146,681	10,916	157,597	274,985
DEFERRED INFLOW OF RESOURCES				
Unavailable property tax	-	511,657	511,657	-
Total deferred inflows of resources	-	511,657	511,657	-
NET ASSETS				
Invested in capital assets	690,847	3,069,847	3,760,694	3,755,153
Restricted for closure & post-closure care	756,136	-	756,136	-
Unrestricted	4,115,865	1,395,352	5,511,217	2,641,145
Total net assets	\$ 5,562,848	\$ 4,465,199	\$ 10,028,047	\$ 6,396,298

See accompanying notes to the basic financial statements.

RIO BLANCO COUNTY, COLORADO
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
PROPRIETARY FUNDS
Year Ended December 31, 2014

	Business-type Activities			Governmental
	Solid Waste Landfill Fund	Non-major Enterprise Funds	Total Enterprise Funds	Internal Service Funds
Operating revenues:				
Property taxes	\$ -	\$ 546,079	\$ 546,079	\$ -
Specific ownership taxes	-	15,527	15,527	-
Other taxes	-	8,268	8,268	-
Charges for services	613,008	174,620	787,628	3,172,454
Grants and private contributions	-	30,000	30,000	-
Intergovernmental revenues	-	19,466	19,466	-
Total operating revenues	613,008	793,960	1,406,968	3,172,454
Operating expenses:				
Personnel	207,732	190,706	398,438	601,753
Supplies	20,907	183,921	204,828	964,940
Purchased services	30,983	538,081	569,064	123,348
Special dues, permits and fees	10,429	-	10,429	-
Closure and post-closure costs	(14,507)	-	(14,507)	-
Rent and utilities	6,129	37,241	43,370	52,278
Repairs and maintenance	-	11,127	11,127	33,590
Insurance and claims	-	-	-	187,342
Amortization	-	-	-	24,000
Interdepartmental charges	207,335	70,848	278,183	65,803
Depreciation	61,514	111,120	172,634	836,366
Total operating expenses	530,522	1,143,044	1,673,566	2,889,420
Operating income/(loss)	82,486	(349,084)	(266,598)	283,034
Nonoperating revenues/(expenses):				
Capital contributed revenue	-	-	-	24,223
Capital contributed expense	(449,338)	-	(449,338)	-
Total nonoperating revenues/(expenses)	(449,338)	-	(449,338)	24,223
Income/(loss) before transfers in/(out)	(366,852)	(349,084)	(715,936)	307,257
Transfers in/(out)	-	340,000	340,000	-
Change in net assets	(366,852)	(9,084)	(375,936)	307,257
Total net assets, January 1	5,929,700	4,474,283	10,403,983	6,089,041
Total net assets, December 31	\$ 5,562,848	\$ 4,465,199	\$ 10,028,047	\$ 6,396,298

See accompanying notes to the basic financial statements.

RIO BLANCO COUNTY, COLORADO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended December 31, 2014

	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	\$ 653,958	\$ 693,727	\$ 1,347,685	\$ 125,107
Cash received from internal customers	7,676	110,927	118,603	3,049,915
Cash payments to external suppliers for goods and services	(516,970)	(776,546)	(1,293,516)	(1,143,466)
Cash payments to internal suppliers for goods and services	(207,335)	(70,848)	(278,183)	(65,803)
Cash payments to employees for services	(207,737)	(198,720)	(406,457)	(599,137)
Net cash provided/(used) by operating activities	(270,408)	(241,460)	(511,868)	1,366,616
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers from other funds	-	340,000	340,000	-
Net cash provided by noncapital financing activities	-	340,000	340,000	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition of fixed assets	(223,922)	(6,599)	(230,521)	(1,035,914)
Proceeds from disposal of assets	-	(1)	(1)	239,059
Net cash (used) by capital and related financing activities	(223,922)	(6,600)	(230,522)	(796,855)
Net increase/(decrease) in cash and equivalents	(494,330)	91,940	(402,390)	569,761
Cash balances, January 1	5,449,588	1,277,098	6,726,686	1,917,486
Cash balances, December 31	\$ 4,955,258	\$ 1,369,038	\$ 6,324,296	\$ 2,487,247
Reconciling of operating income/(loss) to net cash provided/(used) by operating activities:				
Operating income/(loss)	\$ 82,486	\$ (349,084)	\$ (266,598)	\$ 283,034
Adjustments to reconcile operating income/(loss) to net Cash provided/(used) by operating activities:				
Depreciation expense	61,514	111,120	172,634	836,366
Miscellaneous nonoperating revenues/(expenses)	(449,338)	-	(449,338)	-
Assets (increase)/decrease:				
Other receivables	52,950	10,724	63,674	2,568
Due from other governments	(4,324)	(30)	(4,354)	-
Inventories	-	(8,865)	(8,865)	15,614
Prepays and deposits	-	-	-	27,487
Liabilities increase/(decrease):				
Accounts payable	7,850	2,689	10,539	198,931
Accrued compensated absences	(5)	(8,014)	(8,019)	2,616
Closure and postclosure care	(21,541)	-	(21,541)	-
Total adjustments	(352,894)	107,624	(245,270)	1,083,582
Net cash provided/(used) by operating activities	\$ (270,408)	\$ (241,460)	\$ (511,868)	\$ 1,366,616

See accompanying notes to the basic financial statements.

RIO BLANCO COUNTY, COLORADO
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUND
December 31, 2014

Treasurer's agency funds	\$ 273,287
Sheriff's inmate balances	<u>4,612</u>
Cash and investments	<u><u>\$ 277,899</u></u>
Due to other governments	\$ 273,287
Due to inmates	<u>4,612</u>
Due to other governments	<u><u>\$ 277,899</u></u>

See accompanying notes to the basic financial statements.

NOTES TO THE FINANCIAL STATEMENTS

Rio Blanco County, Colorado
Notes to Basic Financial Statements
December 31, 2014

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 6,700. 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's Impact Fee Trust Fund accounts for certain capital projects made necessary by new development. 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, 2014, Rio Blanco County's total taxable assessed valuation was approximately \$1.18 billion. Of this, approximately \$930 million (or 79%) was owned by ten taxpayers: Enterprise Gas Processing LLC, \$257 million; Chevron U. S. A., Inc., \$256 million; XTO Energy, Inc., \$89 million; Willow Creek, \$87 million; WPX Energy Rocky Mountain, \$74 million; Merit Energy Co., \$53 million; Encana Oil & Gas (USA), Inc., \$45 million; Bargath, LLC, \$27 million; Blue Mountain Energy, Inc., \$21 million; and, White River Electric Association, \$21 million.

Approximately 55% of the County's assessed value is derived from oil and gas activities, and an additional 27% 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, 2014

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

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

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

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. The County considers revenues to be available if they are collectible within 180 days except for property taxes which are considered available if they are collectible within sixty days after year-end. Property taxes, sales taxes, licenses, and interest associated with the current year are considered to be susceptible to accrual and so have been recognized as revenues of the current year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting, however, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded when payment is due.

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

The government reports the following major governmental funds:

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

Rio Blanco County, Colorado
Notes to Basic Financial Statements
December 31, 2014

- 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:

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

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

The government reports the following fund types:

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

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

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

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

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

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

1. Cash and Investments

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.

2. 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.

3. Prepaid Expenses and Deposits

Of the prepaid expenses and deposits shown on the statement of net position, 68% (\$580,000) is a prepayment for gravel to be taken from the Wakara pit over a period of 30 years ending December 31, 2043, 3% (\$27,742) is prepayments of royalties for gravel being extracted from the Piceance pit for road material over the next year, 14% (\$120,000) is a prepayment of costs associated with telecommunications charges paid to NC Telecom, Inc. for internet

Rio Blanco County, Colorado
Notes to Basic Financial Statements
December 31, 2014

services being amortized over the next five years, 13% (\$111,321) is extended warranties for Motorola equipment on the Lobo, Pollard and Marvine DTR radio towers to cover the next three years, and the other 2% (\$11,208) is considered short term and will mostly be charged to the next operating cycle.

4. 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 2014 for collection in 2015 are recorded in governmental funds as taxes receivable and deferred inflow of resources as of December 31, 2014 since the amount is measurable but not available until 2015. 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 2013 and collected in 2014 are as follows:

Fund	Assessed Valuations	Mill Levy	Taxes Levied	Taxes Collected	Percent Collected
General	\$ 1,231,537,460	4.000	\$ 4,926,150	\$ 4,927,144	100.0%
Road and Bridge	1,231,537,460	4.000	4,926,150	4,927,144	100.0%
Human Services	1,231,537,460	0.350	431,038	431,125	100.0%
Public Health Agency	1,231,537,460	0.200	246,307	246,357	100.0%
Capital Expenditures	1,231,537,460	0.500	615,769	615,893	100.0%

5. 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.”

6. Inventories

Inventories in most governmental funds are recorded as expenditures when purchased. Inventories in the Road and Bridge Fund, aviation fuel in the General 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.

7. 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
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Land improvements (depreciable)	25 to 30 Years
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, 2014 Rio Blanco County has recognized only six items of infrastructure; three bridges and three 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 2014 to establish that the specified condition level (1 above) has been maintained. The assessment for 2014 provided condition assessments equal to or greater than 8 for all six 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, for the subsequent year (2015) is zero dollars.

8. 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.

9. 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, 2014, the only long term debt that Rio

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Notes to Basic Financial Statements
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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.

10. Deferred Inflows of Resources

In addition to liabilities, the statement of net position reports a separate sections 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.

11. 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.

Net Assets

Net assets represent the difference between assets and liabilities and deferred inflows in proprietary funds. Net assets invested in capital assets consist of fixed assets net of accumulated depreciation. Net assets are reported as restricted when there are constraints placed on their use either by law through constitutional provisions or enabling legislation or through restrictions externally imposed by creditors, grantors, laws, or regulations of other governments. When both restricted and unrestricted funds could be used for an expenditure, restricted funds are used first.

12. 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.

13. Contraband Proceeds

The Colorado Contraband Forfeiture Act requires the proceeds from the seizure of contraband be audited although they are not subject to the appropriations process. During 2014, the County had no proceeds from the seizures of contraband.

14. 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

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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.

B. Budgeted Level of Expenditures

The budgetary control is maintained at the department level for the General Fund, Use Tax Fund and Weed & Pest Control Fund and at specific fund level for all other funds. Although the budget shows various classifications by object and by function, the department directors are authorized to transfer budgeted amounts within each of the object classifications; however, use of any budgeted contingency amounts must be specifically authorized by the Board of County Commissioners. All annual appropriations lapse at year-end. During 2014, the County Commissioners adopted three 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, 2014, the carrying amount of the County's Primary Government's Funds demand account deposits were \$36,069,374 and the bank balance was \$37,706,338. 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

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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 funds are rated AAA by Standard and Poor's, Fitch's and Moody's rating services. Information on COLOTRUST can be obtained at www.colotruster.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. The custodian's internal records identify the investments owned by CSAFE. 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 AAAM by Standard & Poor's. PFM Asset Management, LLC serves as the investment advisor, administrator and transfer agent. Shares of the Fund are distributed by PFM Fund Distributors, Inc., member Financial Industry Regulatory Authority (FINRA). U.S. Bank N.A. serves as the custodian and acts as safekeeping agent. To obtain financial statements for PFM Funds Prime Series, Colorado Investors Class, you may visit its website at www.csipinvest.com.

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

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

Cash on hand	\$ 13,831
Demand accounts	5,381,149
ColoTrust, CSafe, CSIP	37,543,019
Certificates of deposit and money markets	30,688,225
U.S. Treasury Notes	14,957,372
	<u>\$ 88,583,596</u>

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

Demand accounts	<u>\$ 273,287</u>
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Rio Blanco County, Colorado
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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 of cash 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 December 31, 2014.

Interfund Transfers

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

	Transfers in:					
	Capital Expenditures Fund	Capital Improvement Plan Fund	County Capital Improvement Trust Fund	Weed & Pest Control Fund	Fairfield Complex Fund	Transfers Total
Transfers out:						
General Fund	\$ 5,000	\$ 1,651,048	\$ 455,368	\$ -	\$ 160,000	\$ 2,271,416
Capital Expenditure Fund	-	36,540	-	-	-	36,540
Use Tax Fund	-	-	-	150,000	30,000	180,000
	\$ 5,000	\$ 1,687,588	\$ 455,368	\$ 150,000	\$ 190,000	\$ 2,487,956

The \$5,000 transferred from the General Fund to the Capital Expenditures Fund was money collected by the Clerk’s office under C.R.S. 30-10-421 for establishing, maintaining, or improving the core/electronic filing system. The \$455,368 transferred from the General Fund to the County Capital Improvement Trust Fund was severance tax to help restore the original principal of that fund to around \$20 million. The balance declined in years when grants awarded exceeded annual earnings.

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. Since the majority of the projects originally planned for the larger fund had money allocated in the prior year, the normal annual transfer was not needed. However, midway through the year, efforts began to expand broadband throughout the county, resulting in a total of \$1,687,588 being transferred, part of which came from unbudgeted federal mineral leasing revenues recognized in the General Fund and a reclass of a small project in the Capital Expenditure Fund to use as match for a grant application.

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 2013.
- (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 2014, \$150,000 was transferred to the Weed & Pest Control Fund. A portion of the prior year’s contribution was to create an enclosed storage area under the grandstands at the fairgrounds. That project was not complete by December 31, 2014.
- (3) In 2014, the County contributed \$190,000 to the Fairfield Complex Fund in the form of transfers plus an additional \$83,750 in the form of internal rent for the space the government offices occupy in the community center. The County’s contributions to this fund have been increasing over the years as the Town of Meeker’s contributions declined and then stopped, and as the contributions from the Freeman E. Fairfield Trust have become more restrictive and less frequent. \$30,000 is transferred annually from the Use Tax Fund with the

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balance needed for operations and projects being transferred from the General Fund. The \$160,000 from the General Fund went beyond normal operations to increase the amount available to mill/repave some of the parking areas, but the project did not get started in 2014.

NOTE 5 - CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2014, was as follows:

	Balance 1/1/2014	Additions	Deletions	Balance 12/31/2014
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 1,393,576	\$ 58,725	\$ -	\$ 1,452,301
Land Improvements	24,368	-	-	24,368
Infrastructure	8,317,980	449,338	-	8,767,318
Construction-In-Progress	18,410,703	4,299,220	112,904	22,597,019
Total capital assets not being depreciated	28,146,627	4,807,283	112,904	32,841,006
Capital assets being depreciated:				
Land Improvements	5,391,036	-	-	5,391,036
Buildings and Improvements	10,420,651	-	-	10,420,651
Equipment and Furniture	12,536,626	1,416,271	931,210	13,021,686
Total capital assets being depreciated	28,348,312	1,416,271	931,210	28,833,373
Less accumulated depreciation:				
Land Improvements	4,661,254	87,231	-	4,748,485
Buildings and Improvements	2,530,272	327,468	-	2,857,740
Equipment and Furniture	7,151,272	1,239,274	692,151	7,698,395
Total accumulated depreciation	14,342,798	1,653,973	692,151	15,304,620
Total capital assets being depreciated, net	14,005,515	(237,702)	239,059	13,528,753
Governmental activities capital assets, net	\$ 42,152,142	\$ 4,569,581	\$ 351,963	\$ 46,369,759
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 303,605	\$ -	\$ -	\$ 303,605
Construction-In-Progress	12,486	30,007	-	42,493
Total capital assets not being depreciated	316,091	30,007	-	346,098
Capital assets being depreciated:				
Land Improvements	490,979	-	-	490,979
Buildings and Improvements	3,020,638	200,515	-	3,221,153
Equipment and Furniture	900,275	-	-	900,275
Total capital assets being depreciated	4,411,892	200,515	-	4,612,407
Less accumulated depreciation:				
Land Improvements	132,596	39,638	-	172,233
Buildings and Improvements	747,913	87,591	-	835,504
Equipment and Furniture	144,667	45,405	-	190,072
Total accumulated depreciation	1,025,175	172,634	-	1,197,809
Total capital assets being depreciated, net	3,386,717	27,881	-	3,414,598
Business-type activities capital assets, net	\$ 3,702,807	\$ 57,888	\$ -	\$ 3,760,695

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

Governmental activities:				
General Government				\$ 191,256
Health and Welfare				7,819
Judicial and Public Safety				383,153
Public Works				197,186
Recreation and Culture				38,193
Total depreciation expense - governmental activities				817,607
Central Services				11,055
Fleet Management				825,311
Total depreciation expense - governmental activities including internal servi				\$ 1,653,973
Business-type activities:				
Solid Waste Landfill Fund				\$ 61,514
Weed & Pest Control Fund				643
Fairfield Complex Fund				110,477
Total depreciation expense - business-type activities				\$ 172,634

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 2014, the County paid contributions of \$187,342 as compared to \$172,030 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 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 2014, the County paid contributions of \$214,844 as compared to \$216,702 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.

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Notes to Basic Financial Statements
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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. New estimates of closure and post-closure costs were obtained in early 2012 from a Registered Professional Engineer. While the estimates applicable for December 31, 2011 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 \$960,619. This amount includes \$124,671 for the Rangely Landfill and \$835,948 for the Meeker (Wray Gulch) Landfill. The total expense that has been recognized for the currently operating landfills in all years through 2013 is \$386,561 (\$313,499 for Rangely, \$73,062 for Meeker). All previously recorded expense, which has not been disbursed, is carried in the books as a noncurrent liability of \$120,888. The Fund has available cash of \$120,888 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)	11.1%	69 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 \$877,024 (\$124,671 for Rangely, \$752,353 for Meeker) be held vs. the \$120,888 liability recognition that is required by GAAP for operating landfills. At the end of 2014, reserves are also held in the Solid Waste Landfill Fund in the amount of \$756,136 to insure adequate reserves for all closure/post-closure costs. By providing these reserves, Rio Blanco County has mostly eliminated the risks of not being financially prepared for unanticipated catastrophic losses.

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

	Meeker	Rangely
Final cover closure cost	\$ 550,679	\$ - *
Post closure-care cost	285,268	124,671
Total closure and post closure costs	\$ 835,948	\$ 124,671

*Rangely closure had been in progress since 2009. Since CDPHE certified the list of items complete in a letter dated April 17, 2014, the estimate has now been adjusted to post-closure care only for the 2014 financial statements.

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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 1/1/2014	Changes	Balance 12/31/2014
Governmental activities			
Compensated absences	\$ 517,255	\$ 8,387	\$ 525,642
Total governmental	517,255	8,387	525,642
Business type activities			
Compensated absences	27,716	(8,020)	19,696
Closure/post-closure costs	142,429	(21,541)	120,888
Total business type	170,145	(29,561)	140,584
Total long-term obligations	<u>\$ 687,400</u>	<u>\$ (21,174)</u>	<u>\$ 666,226</u>

NOTE 9 – COMMITMENTS

The County entered into contractual agreements during the year with amounts outstanding at December 31, 2014 for the following projects: OHV trail from Town of Meeker to CR 8 \$33,731; justice center \$14,226,566; broadband expansion \$90,020; engineering for various road and bridge projects \$342,663; update of Community Wildfire Protection Plan (CWPP) and 9-1-1 addressing \$27,872; County Road 10 bridge replacement engineering \$247,976; CR 5 intersection with CR 20 and Stock Pass #7 \$1,632,108; Meeker Airport runway reconstruction \$232,813; Meeker Airport large aircraft apron \$85,552; engineering 3rd party review and outfall design at Meeker Airport \$29,129; Rangely Airport automated weather observations system \$31,293 and survey/master plan \$225,362; and LUR rewrite \$28,005. The completion of all of these projects/commitments is included in the 2015 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, 2014

	General Fund	Major Special Revenue Funds		Major Capital Projects Funds					Other Governmental Funds	
		Road & Bridge Fund	Use Tax Fund	County Capital Improvement Trust Fund	Impact Fee Trust Fund	Capital Expenditure Fund	Capital Improvement Plan Fund			
Fund balances:										
Nonspendable:										
Inventory	\$ 16,418	\$ 1,098,399	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Prepays	118,041	607,742	-	-	-	-	-	-	-	-
	134,459	1,706,142	-	-	-	-	-	-	-	-
Restricted for:										
General Purpose of Fund	-	-	-	-	-	-	-	-	-	48,871
Emergencies	741,551	-	-	-	-	-	-	-	-	100,000
Forest Service Title III Projects	-	182,896	-	-	-	-	-	-	-	-
Capital Projects	-	-	-	19,011,677	4,687,404	-	-	-	-	-
Grant Match Requirements	-	-	-	-	-	-	3,172,851	-	-	-
	741,551	182,896	-	19,011,677	4,687,404	-	3,172,851	-	-	148,871
Committed to:										
General Purpose of Fund	-	4,407,947	2,954,380	-	-	-	-	-	-	1,542,161
	-	4,407,947	2,954,380	-	-	-	-	-	-	1,542,161
Assigned to:										
General Purpose of Fund	-	-	-	-	272,181	-	1,966,858	-	-	-
Electric Sales Tax Grants	246,879	-	-	-	-	-	-	-	-	-
Incomplete Capital Projects	-	1,754,887	-	-	167,986	-	7,045,180	-	-	-
Future Capital Projects	5,000,000	250,000	6,833,972	-	-	-	-	-	-	-
Projected Budget Deficit	6,761,172	1,274,378	60,650	-	-	-	-	-	-	304,043
	12,008,051	3,279,265	6,894,622	-	440,167	-	9,012,038	-	-	304,043
Unassigned:	11,747,938	-	-	-	-	-	-	-	-	-
	11,747,938	-	-	-	-	-	-	-	-	-
Total funds	\$ 24,631,999	\$ 9,576,249	\$ 9,849,002	\$ 19,011,677	\$ 4,687,404	\$ 440,167	\$ 12,184,889	\$ 1,995,076	\$ -	\$ 1,995,076

Rio Blanco County, Colorado
Notes to Basic Financial Statements
December 31, 2014

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, 2014 the County's total payroll was \$6,250,633, the total payroll covered by the pension plan was \$6,294,987 and the total contribution paid was \$750,076. The County's portion of the contribution was \$375,038 and the employee's portion was \$375,038. The County has no liability for losses under the plan. Complete financial statements for the retirement plans may be obtained from CCOERA, 4949 S. Syracuse St., Suite 400, Denver, Colorado, 80237.

NOTE 12 - POST EMPLOYMENT BENEFITS

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

NOTE 13 – COMPONENT UNIT TRANSACTIONS

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

NOTE 14 - RELATED PARTY TRANSACTIONS

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

NOTE 15 – SUBSEQUENT EVENTS

Subsequent to December 31, 2014, and prior to publication of these financial statements, the County has entered into contractual agreements for the following significant amounts:

Rio Blanco County, Colorado
Notes to Basic Financial Statements
December 31, 2014

- Contract tower and backhaul analysis for broadband expansion \$207,450, purchase old mortuary building in Meeker for cultural heritage center \$151,086, change order for completing housing unit #4 in new justice center and other GMP pricing adjustments \$317,441, contract for the 2015 chip seal project \$842,336, purchase of herbicides for county use \$125,000, contract for the 2015 dust control project \$276,244, purchase of Meeker Airport stormwater impacted property for runway protection zone \$285,000, design build contract for Rangely projects \$475,400 (Health & Human Services building remodel \$320,000, Radino building work \$62,900, Columbine Park restroom \$92,500), reroute electrical power at CR 5 & SH 64 \$175,345, purchase old Kum & Go property in Rangely for broadband co-location at \$100,000, design of CR 73 bridge replacement \$299,422, contract network operator for broadband project, and
- Grant agreement with State of Colorado Department of Transportation of federal funds for construction of CR 0 bridge replacement \$1,062,176, grant agreement with State of Colorado Department of Local Affairs for construction of CR 5 & CR 20 intersection safety improvements \$2,000,000, and
- Settlement of property tax abatement on schedule number P304783 for the years 2005 to 2010 in an amount of \$445,000, and resolution imposing temporary suspension of impact fees into early 2016.

NOTE 16 - BUDGET AMENDMENTS

During 2014 the County amended its budget. The following is a schedule of the changes to the original budget:

Fund	Original Budget	Amendment	Final Budget
General	\$ 12,385,631	\$ 1,619,162	\$ 14,004,793
Road and Bridge	11,322,223	255,804	11,578,027
Use Tax	7,746,471	26,249	7,772,720
County Capital Imp. Trust	1,480,761	(20,000)	1,460,761
Impact Fee Trust	3,891,995	203,000	4,094,995
Capital Expenditure	733,902	4,250	738,152
Capital Improvement Plan	20,640,486	3,081,201	23,721,687
Human Services	2,501,990	-	2,501,990
Public Health	534,172	19,151	553,323
Conservation Trust	49,600	-	49,600
Contingent	100,000	-	100,000
Solid Waste Landfill	1,417,220	-	1,417,220
Weed and Pest Control	993,085	4,644	997,729
Fairfield Complex	345,556	(30,000)	315,556
Central Services	371,260	23,083	394,343
Fleet Management	2,952,486	1,000	2,953,486
Total expenditures	<u>\$ 67,466,838</u>	<u>\$ 5,187,544</u>	<u>\$ 72,654,382</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, 2014 were \$741,551.

REQUIRED SUPPLEMENTARY INFORMATION

RIO BLANCO COUNTY, COLORADO
REQUIRED SUPPLEMENTARY INFORMATION
FOR GOVERNMENTS USING THE MODIFIED APPROACH
Year Ended December 31, 2014

Eligible Asset	Life	Condition (scale of 1 to 10)						Maintenance						Description of Repairs Needed	
	Placed in Service	Condition Assessed						Last Assessment	Actual Cost						
		Average Daily Traffic (ADT)							Estimated Cost						
Age of Asset (years)	12/31/10	12/31/11	12/31/12	12/31/13	12/31/14	Current Change	Rating and/or comment	2010	2011	2012	2013	2014	2015		
County Road 5	2012			10	10	10	0	Constructed in 2012							None
Mile Post 10.75 - 11.71	2			970	970	970	0	New, excellent (est. ADT)			\$0	\$0	\$0		
County Road 5	2012			10	10	10	0	Constructed in 2012							None
Mile Post 26.6 - 27.3	2			611	611	611	0	New, excellent (est. ADT)			\$0	\$0	\$0		
County Road 14	2004	10	10	9.5	9.5	9.5	0	Lonco Engineering in 2012	\$0	\$0	\$0				None
Bridge RIOB 014-00.23	10	15	15	23	23	23	0	Sufficiency 93.9 (very good) (est. ADT)	\$0	\$0	\$0	\$0	\$0	\$0	
County Road 27	2011		10	9.5	9.5	9.5	0	Lonco Engineering in 2012			\$0				None
Bridge RIOB 027-00.20	3		50	75	75	75	0	Sufficiency 93.6 (very good) (est. ADT)			\$0	\$0	\$0	\$0	
County Road 54	2003	8	8	8	8	8	0	Lonco Engineering in 2012	\$0	\$0	\$0				Cleaning and spot painting of trusses
Bridge RIOB 054-00.06	11	66	66	116	116	116	0	Sufficiency 83.2 (good) (est. ADT)	\$0	\$0	\$0	\$0	\$0	\$0	
County Road 72	2014					10	N/A	Constructed in 2014							None
All 1.4 Miles to WGLF	0					100	N/A	New, excellent (est. ADT)			\$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.

RIO BLANCO COUNTY, COLORADO
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year Ended December 31, 2014

	Budgeted		Actual	Variance
	Original	Final		
REVENUES				
Property taxes	\$ 4,926,150	\$ 4,926,150	\$ 4,927,144	\$ 994
Specific ownership taxes	147,624	147,624	141,598	(6,026)
Sales taxes	1,486,526	1,486,526	1,424,217	(62,309)
Other taxes	-	-	11,300	11,300
Intergovernmental revenues	718,963	3,184,508	3,179,503	(5,005)
Licenses and permits	40,600	40,600	72,083	31,483
Charges for services	619,974	619,974	395,450	(224,524)
Interest earnings	114,000	114,000	105,664	(8,336)
Fees, fines and forfeits	2,282,800	2,282,800	2,530,245	247,445
Private contributions	-	-	3,014	3,014
Miscellaneous	45,250	60,742	83,783	23,041
Total revenues	10,381,887	12,862,924	12,874,001	11,077
EXPENDITURES				
General government				
Assessor	588,901	588,901	522,227	66,674
Board of County Commissioners	1,507,772	1,295,520	619,469	676,051
C.D. Project Management	122,383	122,383	115,176	7,207
C.D. Economic Development	126,939	129,145	89,717	39,428
C.D. Natural Resources	100,805	100,805	91,793	9,012
C.D. Planning	225,961	219,809	105,409	114,400
Clerk and Recorder	631,949	631,949	540,598	91,351
County Attorney	217,041	222,041	193,612	28,429
County Surveyor	59,853	59,853	58,911	942
Financial	510,085	512,948	478,703	34,245
Human Resources	205,095	205,095	182,143	22,952
Information Management	393,309	441,309	418,006	23,303
Graphic Information Systems	121,093	121,093	114,561	6,532
Maintenance of Buildings	418,454	418,454	322,638	95,816
Treasurer	985,388	1,049,388	602,947	446,441
Total general government	6,215,028	6,118,693	4,455,910	1,662,783
Judicial and public safety				
C.D. Building Inspection	292,313	288,367	219,467	68,900
Coroner	93,348	93,348	86,188	7,160
Dispatch	574,182	592,085	549,492	42,593
District Attorney	240,644	240,644	225,694	14,950
Jail	1,015,058	1,015,058	878,788	136,270
Sheriff	2,350,536	2,361,028	1,898,865	462,163
Total judicial and public safety	4,566,081	4,590,530	3,858,494	732,036
Health and welfare				
Extension	182,417	182,417	143,516	38,901
Veteran Services	10,044	10,044	8,977	1,067
Total health and welfare	192,461	192,461	152,493	39,968
Intergovernmental				
Water Related Programs & Projects	124,695	164,695	69,416	95,279
Total intergovernmental	124,695	164,695	69,416	95,279

RIO BLANCO COUNTY, COLORADO
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
(Continued)
Year Ended December 31, 2014

	Budgeted		Actual	Variance
	Original	Final		
Recreation and Culture				
County Fair	43,053	43,053	28,333	14,720
Meeker Fairgrounds	250,675	250,675	233,282	17,393
White River Museum	40,000	40,000	40,000	-
Total recreation and culture	333,728	333,728	301,615	32,113
Public Works				
Meeker Airport	129,195	129,195	72,521	56,674
Rangely Airport	203,052	203,052	166,944	36,108
Total public works	332,247	332,247	239,465	92,782
Total general fund expenditures	11,764,240	11,732,354	9,077,393	2,654,961
Excess (deficiency) of revenues over expenditures	(1,382,353)	1,130,570	3,796,608	2,666,038
OTHER FINANCING SOURCES/(USES)				
Transfers out	(621,393)	(2,272,441)	(2,271,416)	1,025
Total other financing sources/(uses)	(621,393)	(2,272,441)	(2,271,416)	1,025
Net change to fund balance	(2,003,746)	(1,141,871)	1,525,192	2,667,063
Fund balance, January 1	22,456,498	22,456,498	23,106,807	650,309
Fund balance, December 31	\$ 20,452,752	\$ 21,314,627	\$ 24,631,999	\$ 3,317,372

RIO BLANCO COUNTY, COLORADO
ROAD AND BRIDGE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year Ended December 31, 2014

	Budgeted		Actual	Variance
	Original	Final		
REVENUES				
Property taxes	\$ 4,926,150	\$ 4,926,150	\$ 4,927,144	\$ 994
Specific ownership taxes	147,624	147,624	138,744	(8,880)
Other taxes	-	-	(5,588)	(5,588)
Charges for services	500	500	-	(500)
Federal shared revenues	-	153,501	107,831	(45,670)
State shared revenues	2,618,500	2,618,500	2,863,566	245,066
Intergovernmental	1,200,000	2,578,190	2,285,422	(292,768)
Inter-fund charges	55,140	55,140	133,490	78,350
Licenses, permits, fees	120,000	120,000	113,376	(6,624)
Miscellaneous	3,000	3,000	12,233	9,233
Total revenues	9,070,914	10,602,605	10,576,218	(26,387)
EXPENDITURES				
Operations	5,972,419	6,182,553	-	6,182,553
Engineering	-	-	152,426	(152,426)
Construction	4,566,197	4,611,867	2,212,991	2,398,876
Maintenance of condition	-	-	4,807,915	(4,807,915)
Snow and ice removal	-	-	624,007	(624,007)
Traffic services	-	-	280,178	(280,178)
Administration	783,607	783,607	762,816	20,791
Total expenditures	11,322,223	11,578,027	8,840,333	2,737,694
Net change to fund balance	(2,251,309)	(975,422)	1,735,885	2,711,307
Fund balance, January 1	7,478,256	7,478,256	7,840,364	362,108
Fund balance, December 31	\$ 5,226,947	\$ 6,502,834	\$ 9,576,249	\$ 3,073,415

RIO BLANCO COUNTY, COLORADO
USE TAX FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year Ended December 31, 2014

	Budgeted		Actual	Variance
	Original	Final		
REVENUES				
Charges/donations for services	\$ 42,200	\$ 42,200	\$ 36,071	\$ (6,129)
Intergovernmental revenues	55,200	55,200	55,929	729
Use taxes	796,400	796,400	1,005,217	208,817
Miscellaneous	1,500	4,749	3,249	(1,500)
Total revenues	895,300	898,549	1,100,466	201,917
EXPENDITURES				
General Government	118,675	118,675	113,553	5,122
Intergovernmental	99,000	122,000	121,652	348
Public health and welfare	426,190	429,439	401,496	27,943
Recreation and culture	88,636	88,636	63,167	25,469
Total expenditures	732,501	758,750	699,868	58,882
Excess (deficiency) of revenues over expenditures	162,799	139,799	400,598	260,799
OTHER FINANCING SOURCES/(USES)				
Transfers out	(7,013,972)	(7,013,972)	(180,000)	6,833,972
Total other financing sources/(uses)	(7,013,972)	(7,013,972)	(180,000)	6,833,972
Net change to fund balance	(6,851,173)	(6,874,173)	220,598	7,094,771
Fund balance, January 1	9,476,624	9,476,624	9,628,404	151,780
Fund balance, December 31	\$ 2,625,451	\$ 2,602,451	\$ 9,849,002	\$ 7,246,551

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, 2014

	Budgeted		Actual	Variance
	Original	Final		
REVENUES				
Interest earnings	\$ 42,878	\$ 42,878	\$ 97,101	\$ 54,223
Amortized Discounts/(Premiums)	-	-	(22,616)	(22,616)
Change in fair value of investments	-	-	(8,489)	(8,489)
Total revenues	42,878	42,878	65,996	23,118
EXPENSES				
Administration and fees	761	761	756	5
Intergovernmental	1,480,000	1,460,000	1,360,000	100,000
Total expenditures	1,480,761	1,460,761	1,360,756	100,005
Excess (deficiency) of revenues over expenditures	(1,437,883)	(1,417,883)	(1,294,760)	123,123
OTHER FINANCING SOURCES/(USES)				
Transfers in	455,368	455,368	455,368	-
Total other financing sources/(uses)	455,368	455,368	455,368	-
Net change to fund balance	(982,515)	(962,515)	(839,392)	123,123
Fund balance, January 1	19,913,679	19,913,679	19,851,069	(62,610)
Fund balance, December 31	\$ 18,931,164	\$ 18,951,164	\$ 19,011,677	\$ 60,513

RIO BLANCO COUNTY, COLORADO
IMPACT FEE TRUST FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year Ended December 31, 2014

	Budgeted		Actual	Variance
	Original	Final		
REVENUES				
Impact fees	\$ 476,130	\$ 476,130	\$ 1,516,523	\$ 1,040,393
Interest earnings	1,460	1,460	4,528	3,068
Grants	29,227	229,227	19,551	(209,676)
Total revenues	506,817	706,817	1,540,602	833,785
EXPENDITURES				
Administration Capital Projects	174,542	174,542	-	174,542
Law Enforcement Capital Projects	256,579	256,579	257,521	(942)
Road & Bridge Capital Projects	3,354,651	3,554,651	228,750	3,325,901
Refunds	100,000	100,000	-	100,000
Treasury fees	6,223	9,223	15,232	(6,009)
Total expenditures	3,891,995	4,094,995	501,503	3,593,492
Net change to fund balance	(3,385,178)	(3,388,178)	1,039,099	4,427,277
Fund balance, January 1	3,412,590	3,412,590	3,648,305	235,715
Fund balance, December 31	\$ 27,412	\$ 24,412	\$ 4,687,404	\$ 4,662,992

RIO BLANCO COUNTY, COLORADO
CAPITAL EXPENDITURE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year Ended December 31, 2014

	Budgeted		Actual	Variance
	Original	Final		
REVENUES				
Property taxes	\$ 615,769	\$ 615,769	\$ 615,893	\$ 124
Specific ownership taxes	18,453	18,453	18,334	(119)
Other taxes	-	-	(8,877)	(8,877)
Intergovernmental revenues	-	4,250	4,250	-
Total revenues	634,222	638,472	629,600	(8,872)
EXPENDITURES				
Treasury fees	31,711	31,711	30,557	1,154
Central Service Charges	6,972	6,972	6,972	-
Contingency	63,202	19,220	-	19,220
General government:				
Board of County Commissioners	25,000	25,000	-	25,000
Maintenance	35,000	39,350	39,350	-
Information Systems	268,117	269,709	256,868	12,841
Judicial and public safety:				
Sheriff	20,000	24,250	20,315	3,935
Health and welfare:				
Public Health Agency	24,000	24,000	-	24,000
Radino Building	62,900	62,900	-	62,900
Public works:				
Meeker Airport	50,000	50,000	20,914	29,086
Recreation and culture:				
Columbine Park	47,500	49,000	6,500	42,500
Meeker Fairgrounds	99,500	99,500	44,155	55,345
Total expenditures	733,902	701,612	425,631	275,981
Excess (deficiency) of revenues over expenditures	(99,680)	(63,140)	203,969	267,109
OTHER FINANCING SOURCES/(USES)				
Transfers in	6,025	6,025	5,000	(1,025)
Transfers out	-	(36,540)	(36,540)	-
Total other financing sources/(uses)	6,025	(30,515)	(31,540)	(1,025)
Net change to fund balance	(93,655)	(93,655)	172,429	266,084
Fund balance, January 1	277,744	277,744	267,738	(10,006)
Fund balance, December 31	\$ 184,089	\$ 184,089	\$ 440,167	\$ 256,078

RIO BLANCO COUNTY, COLORADO
CAPITAL IMPROVEMENT PLAN FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year Ended December 31, 2014

	Budgeted		Actual	Variance
	Original	Final		
REVENUES				
Intergovernmental revenues	\$ 2,569,260	\$ 5,241,760	\$ 2,170,620	\$ (3,071,140)
Contributions	-	21,267	21,267	-
Total revenues	2,569,260	5,263,027	2,191,887	(3,071,140)
EXPENDITURES				
Treasury fees	36,756	36,756	19,045	17,711
Contingency	810,684	740,062	-	740,062
OHV Trail System	436,960	441,960	133,152	308,808
Broadband Improvement/Expansion	-	408,701	103,725	304,976
Justice Center	16,160,771	18,160,771	1,765,832	16,394,939
Meeker Fairgrounds Multi-purpose Building	113,000	113,000	26,923	86,077
Cultural Heritage Center	-	1,000	1,000	-
Rangely Airport Projects	429,820	429,820	284,147	145,673
Meeker Airport Projects	1,222,891	1,810,013	601,839	1,208,174
CR 10 Bridge	1,055,464	1,055,464	820,233	235,231
DHS/PHA Office Space in Rangely	174,140	324,140	2,452	321,688
Columbine Park Restroom	100,000	100,000	-	100,000
Generators for Meeker & Rangely Shops	100,000	100,000	-	100,000
Total expenditures	20,640,486	23,721,687	3,758,348	19,963,339
Excess (deficiency) of revenues over expenditures	(18,071,226)	(18,458,660)	(1,566,461)	16,892,199
OTHER FINANCING SOURCES/(USES)				
Transfers in	6,833,972	8,521,560	1,687,588	(6,833,972)
Total other financing sources/(uses)	6,833,972	8,521,560	1,687,588	(6,833,972)
Net change to fund balance	(11,237,254)	(9,937,100)	121,127	10,058,227
Fund balance, January 1	12,501,616	12,501,616	12,063,762	(437,854)
Fund balance, December 31	\$ 1,264,362	\$ 2,564,516	\$ 12,184,889	\$ 9,620,373

OTHER SUPPLEMENTARY INFORMATION

RIO BLANCO COUNTY, COLORADO
EXPLANATION OF NON-MAJOR FUNDS

Year Ended December 31, 2014

Governmental Funds - Special Revenue

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

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

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

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

Proprietary Funds Enterprise Funds

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

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

Proprietary Funds - Internal Service Funds

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

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, 2014**

	<u>Non-Major Special Revenue Funds</u>				Total Nonmajor Governmental Special Rev. Funds
	Human Services Fund	Public Health Fund	Conservation Trust Fund	Contingent Fund	
ASSETS					
Cash and cash equivalents	\$ 1,533,075	\$ 303,911	\$ 48,871	\$ 100,000	\$ 1,985,857
Taxes receivable	235,700	235,700	-	-	471,400
Due from other governmental units	478,110	31,166	-	-	509,276
Total assets	\$ 2,246,885	\$ 570,777	\$ 48,871	\$ 100,000	\$ 2,966,533
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ -	\$ 4,039	\$ -	\$ -	\$ 4,039
Due to other governmental units	402,558	-	-	-	402,558
Unearned revenue	87,221	6,240	-	-	93,461
Total liabilities	489,779	10,279	-	-	500,058
Deferred inflow of resources:					
Unavailable property taxes	235,700	235,700	-	-	471,400
Total deferred inflow of resources	235,700	235,700	-	-	471,400
Fund balances:					
Restricted	-	-	48,871	100,000	148,871
Committed	1,286,642	255,519	-	-	1,542,161
Assigned	234,764	69,279	-	-	304,043
Total fund balance	1,521,406	324,798	48,871	100,000	1,995,075
Total liabilities, deferred inflows and fund balances	\$ 2,246,885	\$ 570,777	\$ 48,871	\$ 100,000	\$ 2,966,533

RIO BLANCO COUNTY, COLORADO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
Year Ended December 31, 2014

	<u>Non-Major Special Revenue Funds</u>				Total Nonmajor Governmental Special Rev. Funds
	Human Services Fund	Public Health Fund	Conservation Trust Fund	Contingent Fund	
REVENUES					
Property taxes	\$ 431,125	\$ 246,357	\$ -	\$ -	\$ 677,482
Specific ownership taxes	11,803	7,016	-	-	18,819
Other taxes	1,944	(404)	-	-	1,540
Intergovernmental	1,811,360	117,161	9,120	-	1,937,641
Licenses and permits	-	10,667	-	-	10,667
Charges for service	-	7,515	-	-	7,515
Interest earnings	-	-	23	-	23
Fees, fines and forfeits	-	5,432	-	-	5,432
Miscellaneous	-	8,397	-	-	8,397
Total revenues	2,256,232	402,141	9,143	-	2,667,516
EXPENDITURES					
Current:					
Health and welfare	2,024,083	423,558	-	-	2,447,641
Recreation	-	-	3,406	-	3,406
Total expenditures	2,024,083	423,558	3,406	-	2,451,047
Net change to fund balance	232,149	(21,417)	5,737	-	216,469
Fund balance, January 1	1,289,257	346,215	43,134	100,000	1,778,606
Fund balance, December 31	\$ 1,521,406	\$ 324,798	\$ 48,871	\$ 100,000	\$ 1,995,075

RIO BLANCO COUNTY, COLORADO
HUMAN SERVICES FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year Ended December 31, 2014

	Budgeted		Actual	Variance
	Original	Final		
REVENUES				
Property taxes	\$ 431,038	\$ 431,038	\$ 431,125	\$ 87
Specific ownership taxes	12,917	12,917	11,803	(1,114)
Other taxes	-	-	1,944	1,944
Intergovernmental	2,013,443	2,013,443	1,811,360	(202,083)
Total revenues	2,457,398	2,457,398	2,256,232	(201,166)
EXPENDITURES				
Health and welfare	2,501,991	2,501,991	2,024,083	477,908
Total expenditures	2,501,991	2,501,991	2,024,083	477,908
Net change to fund balance	(44,593)	(44,593)	232,149	276,742
Fund balance, January 1	1,285,784	1,285,784	1,289,257	3,473
Fund balance, December 31	\$ 1,241,191	\$ 1,241,191	\$ 1,521,406	\$ 280,215

RIO BLANCO COUNTY, COLORADO
PUBLIC HEALTH AGENCY FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year Ended December 31, 2014

	Budgeted		Actual	Variance
	Original	Final		
REVENUES				
Property taxes	\$ 246,307	\$ 246,307	\$ 246,357	\$ 50
Specific ownership taxes	7,381	7,381	7,016	(365)
Other taxes	-	-	(404)	(404)
Intergovernmental	110,784	114,284	117,161	2,877
Licenses and permits	9,000	9,000	10,667	1,667
Charges for service	20,000	20,000	7,515	(12,485)
Fees, fines and forfeits	6,500	6,500	5,432	(1,068)
Miscellaneous	9,700	9,700	8,397	(1,303)
Total revenues	409,672	413,172	402,141	(11,031)
EXPENDITURES				
Health and welfare	534,169	553,320	423,558	129,762
Total expenditures	534,169	553,320	423,558	129,762
Net change to fund balance	(124,497)	(140,148)	(21,417)	118,731
Fund balance, January 1	342,493	342,493	346,215	3,722
Fund balance, December 31	\$ 217,996	\$ 202,345	\$ 324,798	\$ 122,453

RIO BLANCO COUNTY, COLORADO
CONSERVATION TRUST FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year Ended December 31, 2014

	Budgeted		Actual	Variance
	Original	Final		
REVENUES				
Intergovernmental	\$ 9,600	\$ 9,600	\$ 9,120	\$ (480)
Interest earnings	11	11	23	12
Total revenues	9,611	9,611	9,143	(468)
EXPENDITURES				
Recreation	49,600	49,600	3,406	46,194
Total expenditures	49,600	49,600	3,406	46,194
Net change to fund balance	(39,989)	(39,989)	5,737	45,726
Fund balance, January 1	42,741	42,741	43,134	393
Fund balance, December 31	\$ 2,752	\$ 2,752	\$ 48,871	\$ 46,119

RIO BLANCO COUNTY, COLORADO
CONTINGENT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year Ended December 31, 2014

	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 ASSETS
NON-MAJOR ENTERPRISE FUNDS
December 31, 2014

	Weed and Pest Control Fund	Fairfield Complex Fund	Total Non-major Enterprise Funds
ASSETS			
Current Assets:			
Cash and cash equivalents	\$ 802,450	\$ 566,588	\$ 1,369,038
Taxes receivable	511,657	-	511,657
Due from other governmental units	368	-	368
Other receivables	-	518	518
Inventories	36,343	-	36,343
Total current assets	1,350,818	567,106	1,917,924
Noncurrent assets:			
Capital assets:			
Land	-	270,210	270,210
Buildings and equipment, net	29,700	2,769,938	2,799,638
Total noncurrent assets	29,700	3,040,148	3,069,848
Total assets	1,380,518	3,607,254	4,987,772
LIABILITIES			
Current liabilities:			
Accounts payable	851	6,057	6,908
Total current liabilities	851	6,057	6,908
Noncurrent liabilities:			
Compensated absences	4,008	-	4,008
Total noncurrent liabilities	4,008	-	4,008
Total liabilities	4,859	6,057	10,916
DEFERRED INFLOW OF RESOURCES			
Unavailable property tax	511,657	-	511,657
Total deferred inflows of resources	511,657	-	511,657
NET ASSETS			
Invested in capital assets	29,699	3,040,148	3,069,847
Unrestricted (deficit)	834,303	561,049	1,395,352
Total net assets	\$ 864,002	\$ 3,601,197	\$ 4,465,199

RIO BLANCO COUNTY, COLORADO
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
NON-MAJOR ENTERPRISE FUNDS
Year Ended December 31, 2014

	Weed and Pest Control Fund	Fairfield Complex Fund	Total Non-major Enterprise Funds
Operating revenues:			
Property taxes	\$ 546,079	\$ -	\$ 546,079
Specific ownership taxes	15,527	-	15,527
Other taxes	8,268	-	8,268
Charges for services	53,644	9,267	62,911
Private contributions	-	30,000	30,000
Intergovernmental revenues	19,466	-	19,466
Interdepartmental fees	27,208	83,749	110,957
Miscellaneous operating	102	650	752
Total operating revenues	670,294	123,666	793,960
Operating expenses:			
Salaries and wages	84,614	61,664	146,278
Employee benefits	25,263	19,165	44,428
Supplies	52,687	25,143	77,830
Chemicals	104,773	-	104,773
Purchased services	519,073	19,008	538,081
Utilities	-	37,241	37,241
Repairs and maintenance	-	11,127	11,127
Interdepartmental charges	52,370	18,478	70,848
Depreciation	643	110,477	111,120
Other	1,318	-	1,318
Total operating expenses	840,741	302,303	1,143,044
Income/(loss) before transfers in/(out)	(170,447)	(178,637)	(349,084)
Transfers in/(out)	150,000	190,000	340,000
Change in net assets	(20,447)	11,363	(9,084)
Total net assets, January 1	884,449	3,589,834	4,474,283
Total net assets, December 31	\$ 864,002	\$ 3,601,197	\$ 4,465,199

RIO BLANCO COUNTY, COLORADO
COMBINING STATEMENT OF CASH FLOWS
NON-MAJOR ENTERPRISE FUNDS
Year Ended December 31, 2014

	Weed and Pest Control Fund	Fairfield Complex Fund	Total Non-major Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from external customers	\$ 652,898	\$ 40,829	\$ 693,727
Cash received from internal customers	27,178	83,749	110,927
Cash payments to external suppliers for goods and services	(686,083)	(90,463)	(776,546)
Cash payments to internal suppliers for goods and services	(52,370)	(18,478)	(70,848)
Cash payments to employees for services	(108,336)	(90,384)	(198,720)
Net cash provided/(used) by operating activities	(166,713)	(74,747)	(241,460)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers from/(to) other funds	150,000	190,000	340,000
Net cash provided by noncapital financing activities	150,000	190,000	340,000
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition of fixed assets	(6,599)	-	(6,599)
Net cash provided by capital and related financing activities	(6,600)	-	(6,600)
Net increase/(decrease) in cash and equivalents	(23,313)	115,253	91,940
Cash balances, January 1	825,763	451,335	1,277,098
Cash balances, December 31	\$ 802,450	\$ 566,588	\$ 1,369,038

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

Operating income/(loss)	\$ (170,447)	\$ (178,637)	\$ (349,084)
Adjustments to reconcile operating income/(loss) to net cash provided/(used) by operating activities:			
Depreciation expense	643	110,477	111,120
Assets (increase)/decrease:			
Other receivables	9,812	912	10,724
Due from other governments	(30)	-	(30)
Inventories	(8,865)	-	(8,865)
Liabilities increase/(decrease):			
Accounts payable	633	2,056	2,689
Accrued compensated absences	1,541	(9,555)	(8,014)
Total Adjustments	3,734	103,890	107,624
Net cash provided/(used) by operating activities	\$ (166,713)	\$ (74,747)	\$ (241,460)

RIO BLANCO COUNTY, COLORADO
SOLID WASTE LANDFILL FUND
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND EQUITY
BUDGET AND ACTUAL
Year Ended December 31, 2014

	Budgeted		Actual	Variance
	Original	Final		
REVENUES				
Charges for sales and services	\$ 622,725	\$ 622,725	\$ 596,684	\$ (26,041)
Interdepartmental fees	12,000	12,000	12,000	-
Miscellaneous	-	-	4,324	4,324
Total revenues	634,725	634,725	613,008	(21,717)
EXPENSES				
Salaries and wages	155,073	155,073	143,875	11,198
Employee benefits	71,954	71,954	63,857	8,097
Supplies	18,000	18,000	20,907	(2,907)
Purchased services	31,250	31,250	30,983	267
Special dues, permits and fees	5,000	5,000	10,429	(5,429)
Closure and post-closure costs	3,000	3,000	(14,507)	17,507
Utilities	12,000	12,000	6,129	5,871
Interdepartmental charges	249,044	249,044	207,335	41,709
Total operating expenses	545,321	545,321	469,008	76,313
Capital outlay	871,900	871,900	673,260	198,640
Total expenses	1,417,221	1,417,221	1,142,268	274,953
Net income/(loss)	\$ (782,496)	\$ (782,496)	(529,260)	\$ 253,236

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

Capital purchased by this fund	673,260
Capital contributed to another fund from this fund	(449,338)
Capital contributed to this fund by another fund	-
Depreciation (not budgeted)	(61,514)
Total adjustments to basis	162,408
Net change in fund equity	(366,852)
Fund equity, January 1	5,929,700
Fund equity, December 31	\$ 5,562,848

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, 2014

	Budgeted		Actual	Variance
	Original	Final		
REVENUES				
Property taxes	\$ 546,091	\$ 546,091	\$ 546,079	\$ (12)
Specific ownership taxes	17,383	17,383	15,527	(1,856)
Other taxes	-	-	8,268	8,268
Charges for sales and services	20,300	20,300	53,644	33,344
Intergovernmental revenues	15,000	15,000	19,466	4,466
Interdepartmental charges	36,525	36,525	27,208	(9,317)
Miscellaneous	151	151	102	(49)
Total revenues	635,450	635,450	670,294	34,844
EXPENSES				
Salaries and Wages	88,087	88,087	84,614	3,473
Employee benefits	22,335	26,979	25,263	1,716
Supplies	37,200	37,200	52,687	(15,487)
Chemicals	110,000	110,000	104,773	5,227
Purchased services	644,235	644,235	519,073	125,162
Interdepartmental charges	54,913	54,913	52,370	2,543
Other	1,315	1,315	1,318	(3)
Total operating expenses	958,085	962,729	840,098	122,631
Capital outlay	35,000	35,000	6,600	28,400
Total expenses	993,085	997,729	846,698	151,031
Income/(loss) before other financing sources/(uses)	(357,635)	(362,279)	(176,404)	185,875
TRANSFERS AND CONTRIBUTED CAPITAL				
Transfers in	150,000	150,000	150,000	-
Total other financing sources/(uses)	150,000	150,000	150,000	-
Net income/(loss)	\$ (207,635)	\$ (212,279)	(26,404)	\$ 185,875

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

Capital purchased by this fund	6,600
Depreciation (not budgeted)	(643)
Total adjustments to basis	5,957
Net change in fund equity	(20,447)
Fund equity, January 1	884,449
Fund equity, December 31	\$ 864,002

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	\$ 285,469	\$ 523,377	\$ 75,603	\$ 884,449
Total revenues	250,318	330,109	239,867	820,294
Total expenses	(261,998)	(277,147)	(301,597)	(840,742)
Fund equity, December 31	\$ 273,789	\$ 576,339	\$ 13,873	\$ 864,001

RIO BLANCO COUNTY, COLORADO
FAIRFIELD COMPLEX FUND
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND EQUITY
BUDGET AND ACTUAL
Year Ended December 31, 2014

	Budgeted		Actual	Variance
	Original	Final		
REVENUES				
Charges for sales and services	\$ 12,000	\$ 12,000	\$ 9,267	\$ (2,733)
Private contributions	60,000	30,000	30,000	-
Interdepartmental charges	83,750	83,750	83,749	(1)
Miscellaneous	-	-	650	650
Total revenues	155,750	125,750	123,666	(2,084)
EXPENSES				
Salaries and wages	67,138	67,138	61,664	5,474
Employee benefits	20,308	20,308	19,165	1,143
Supplies	25,000	25,000	25,143	(143)
Purchased services	30,000	30,000	19,008	10,992
Utilities	42,000	42,000	37,241	4,759
Repairs and maintenance	135,666	105,666	11,127	94,539
Interdepartmental charges	25,444	25,444	18,478	6,966
Total expenses	345,556	315,556	191,826	123,730
Income/(loss) before other financing sources/(uses)	(189,806)	(189,806)	(68,160)	121,646
TRANSFERS AND CONTRIBUTED CAPITAL				
Transfers in	190,000	190,000	190,000	-
Total other financing sources/(uses)	190,000	190,000	190,000	-
Net income/(loss)	\$ 194	\$ 194	121,840	\$ 121,646

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

Depreciation (not budgeted)	(110,477)
Total adjustments to basis	(110,477)
Net change in fund equity	11,363
Fund equity, January 1	3,589,834
Fund equity, December 31	\$ 3,601,197

RIO BLANCO COUNTY, COLORADO
COMBINING STATEMENT OF NET ASSETS
INTERNAL SERVICE FUNDS
December 31, 2014

	Central Service Fund	Fleet Management Fund	Total Internal Service Funds
ASSETS			
Current Assets:			
Cash and cash equivalents	\$ 236,627	\$ 2,250,620	\$ 2,487,247
Other receivables	170	9,021	9,191
Inventories	-	295,204	295,204
Prepays and deposits	124,488	-	124,488
Total current assets	361,285	2,554,845	2,916,130
Noncurrent assets:			
Capital assets:			
Buildings and equipment, net	57,806	3,697,347	3,755,153
Total noncurrent assets	57,806	3,697,347	3,755,153
Total assets	419,091	6,252,192	6,671,283
LIABILITIES			
Current liabilities:			
Accounts payable	149	234,096	234,245
Total current liabilities	149	234,096	234,245
Noncurrent liabilities:			
Compensated absences	-	40,740	40,740
Total noncurrent liabilities	-	40,740	40,740
Total liabilities	149	274,836	274,985
NET ASSETS			
Invested in capital assets	57,806	3,697,347	3,755,153
Unrestricted	361,136	2,280,009	2,641,145
Total net assets	\$ 418,942	\$ 5,977,356	\$ 6,396,298

RIO BLANCO COUNTY, COLORADO
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
INTERNAL SERVICE FUNDS
Year Ended December 31, 2014

	Central Service Fund	Fleet Management Fund	Total Internal Service Funds
Operating revenues:			
Charges for services-internal	\$ 368,111	\$ 2,637,156	\$ 3,005,267
Charges for services-external	1,863	122,539	124,402
Miscellaneous operating	-	42,785	42,785
Total operating revenues	369,974	2,802,480	3,172,454
Operating expenses:			
Salaries and wages	-	400,636	400,636
Employee benefits	-	201,117	201,117
Supplies	14,034	950,906	964,940
Purchased services	95,592	27,756	123,348
Rent	1,208	-	1,208
Utilities	-	51,070	51,070
Repairs and maintenance	701	32,889	33,590
Insurance and claims	187,342	-	187,342
Amortization	24,000	-	24,000
Interdepartmental charges	-	65,803	65,803
Depreciation	11,055	825,311	836,366
Total operating expenses	333,932	2,555,488	2,889,420
Operating income/(loss)	36,042	246,992	283,034
Nonoperating revenues:			
Capital contributions	-	24,223	24,223
Total nonoperating revenues/(expenses)	-	24,223	24,223
Change in net assets	36,042	271,215	307,257
Total net assets, January 1	382,900	5,706,141	6,089,041
Total net assets, December 31	\$ 418,942	\$ 5,977,356	\$ 6,396,298

RIO BLANCO COUNTY, COLORADO
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
Year Ended December 31, 2014

	Central Service Fund	Fleet Management Fund	Total Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from external customers	\$ 15	\$ 125,092	\$ 125,107
Cash received from internal customers	369,974	2,679,941	3,049,915
Cash payments to external suppliers for goods and services	(299,440)	(844,026)	(1,143,466)
Cash payments to internal suppliers for goods and services	-	(65,803)	(65,803)
Cash payments to employees for services	-	(599,137)	(599,137)
Net cash provided/(used) by operating activities	70,549	1,296,067	1,366,616
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition of fixed assets	(21,091)	(1,014,823)	(1,035,914)
Proceeds from disposal of assets and reimbursements	2,029	237,030	239,059
Net cash (used) by capital and related financing activities	(19,062)	(777,793)	(796,855)
Net increase/(decrease) in cash and equivalents	51,487	518,274	569,761
Cash balances, January 1	185,140	1,732,346	1,917,486
Cash balances, December 31	\$ 236,627	\$ 2,250,620	\$ 2,487,247

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

Operating income/(loss)	\$ 36,042	\$ 246,992	\$ 283,034
Adjustments to reconcile operating income/(loss) to net cash provided/(used) by operating activities:			
Depreciation expense	11,055	825,311	836,366
Assets (increase)/decrease:			
Other receivables	15	2,553	2,568
Inventories	-	15,614	15,614
Prepays and deposits	27,487	-	27,487
Liabilities increase/(decrease):			
Accounts payable	(4,050)	202,981	198,931
Accrued compensated absences	-	2,616	2,616
Total Adjustments	34,507	1,049,075	1,083,582
Net cash provided/(used) by operating activities	\$ 70,549	\$ 1,296,067	\$ 1,366,616

RIO BLANCO COUNTY, COLORADO
CENTRAL SERVICES FUND
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year Ended December 31, 2014

	Budgeted		Actual	Variance
	Original	Final		
REVENUES				
Interfund Charges	\$ 368,111	\$ 368,111	\$ 368,111	\$ -
Charges for sales and services	3,000	3,000	1,863	(1,137)
Total revenues	371,111	371,111	369,974	(1,137)
EXPENSES				
Supplies	13,148	13,148	14,034	(886)
Purchased services	14,956	19,756	17,882	1,874
Contracted services	17,039	17,039	17,664	(625)
Audit services	20,000	20,000	20,000	-
Internet service	49,668	67,951	38,183	29,768
Rent	1,124	1,124	1,208	(84)
Repairs and maintenance	327	327	701	(374)
Pass thru costs	3,000	3,000	1,863	1,137
Insurance	190,498	190,498	187,342	3,156
Amortization	24,000	24,000	-	24,000
Total operating expenses	333,760	356,843	298,877	57,966
Capital outlay	37,500	37,500	19,062	18,438
Total expenses	371,260	394,343	317,939	76,404
Net income/(loss)	\$ (149)	\$ (23,232)	52,035	\$ 75,267

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

Capital purchased by this fund	19,062
Capital contributed to another fund from this fund	-
Capital contributed to this fund by another fund	-
Amortization	(24,000)
Depreciation (not budgeted)	(11,055)
Total adjustments to basis	(15,993)
Net change in fund equity	36,042
Fund equity, January 1	382,900
Fund equity, December 31	\$ 418,942

RIO BLANCO COUNTY, COLORADO
FLEET MANAGEMENT FUND
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND EQUITY
BUDGET AND ACTUAL
Year Ended December 31, 2014

	Budgeted		Actual	Variance
	Original	Final		
REVENUES				
Interdepartmental fees	\$ 2,666,721	\$ 2,666,721	\$ 2,637,156	\$ (29,565)
Charges for sales and services	115,000	115,000	122,539	7,539
Miscellaneous	-	-	42,785	42,785
Total revenues	2,781,721	2,781,721	2,802,480	20,759
EXPENSES				
Salaries and wages	394,532	394,532	400,636	(6,104)
Employee benefits	202,434	202,434	201,117	1,317
Supplies	981,600	981,600	950,906	30,694
Purchased services	44,000	44,000	27,756	16,244
Utilities	57,500	57,500	51,070	6,430
Repairs and maintenance	20,000	20,000	32,889	(12,889)
Interdepartmental charges	65,421	66,421	65,803	618
Total operating expenses	1,765,487	1,766,487	1,730,177	36,310
Capital outlay	1,187,000	1,187,000	777,792	409,208
Total expenses	2,952,487	2,953,487	2,507,969	445,518
Net income/(loss)	\$ (170,766)	\$ (171,766)	294,511	\$ 466,277

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

Capital purchased by this fund	777,792
Capital contributed to another fund from this fund	-
Capital contributed to this fund by another fund	24,223
Depreciation (not budgeted)	(825,311)
Total adjustments to basis	(23,296)
Net change in fund equity	271,215
Fund equity, January 1	5,706,141
Fund equity, December 31	\$ 5,977,356

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 2014
This Information From The Records Of (example - City of _ or County of _)	Prepared By: Chris Singleton, Finance & Budget Director Phone: (970) 878-9446

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)	2,365,416
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	4,807,915
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	280,178
2. General fund appropriations		b. Snow and ice removal	624,007
3. Other local imposts (from page 2)	5,173,675	c. Other	
4. Miscellaneous local receipts (from page 2)	145,724	d. Total (a. through c.)	904,185
5. Transfers from toll facilities		4. General administration & miscellaneous	762,816
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	
a. Bonds - Original Issues		6. Total (1 through 5)	8,840,333
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)	5,319,400	b. Redemption	
B. Private Contributions		c. Total (a. + b.)	0
C. Receipts from State government (from page 2)	3,770,798	2. Notes:	
D. Receipts from Federal Government (from page 2)	1,486,021	a. Interest	
E. Total receipts (A.7 + B + C + D)	10,576,218	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)	8,840,333

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
	7,840,364	10,576,218	8,840,333	9,576,249	0

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT

STATE:
Colorado
YEAR ENDING (mm/yy):
December 2014

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

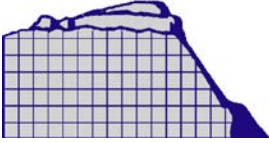
ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments	4,921,556	a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes		c. Parking Garage Fees	
2. Infrastructure & Impact Fees		d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses	113,376	f. Charges for Services	133,490
5. Specific Ownership &/or Other	138,744	g. Other Misc. Receipts	12,234
6. Total (1. through 5.)	252,120	h. Other Private Contribution	0
c. Total (a. + b.)	5,173,675	i. Total (a. through h.)	145,724
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	2,841,798	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	210,134
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	19,257	d. Federal Transit Admin	
d. Other (Specify) Imp Asst Wildlife	2,511	e. U.S. Corps of Engineers	
e. Other (Specify) DOLA Grant	907,232	f. Other Feder Federal Mineral Lease Rev.	1,275,887
f. Total (a. through e.)	929,000	g. Total (a. through f.)	1,486,021
4. Total (1. + 2. + 3.f)	3,770,798	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		152,426	152,426
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements			0
(3). System Preservation		2,212,991	2,212,991
(4). System Enhancement & Operation			0
(5). Total Construction (1) + (2) + (3) + (4)	0	2,212,991	2,212,991
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	2,365,416	2,365,416
			(Carry forward to page 1)

Notes and Comments:



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, 2014, 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 17, 2015.

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

Paul D. Miller, C.P.A.
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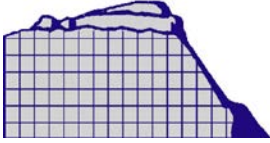
Purpose of this Report

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 17, 2015



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 OMB CIRCULAR A-133

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 Circular A-133 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, 2014. 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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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, 2014.

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 OMB Circular A-133, 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

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

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of my testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Paul D. Miller, CPA, LLC

Grand Junction, CO

May 17, 2015

RIO BLANCO COUNTY
 Schedule of Findings and Questioned Costs
 For the Year Ended December 31, 2014

SECTION I – SUMMARY OF AUDITOR’S RESULTS

Financial Statements

Type of auditor’s report issued: UNMODIFIED

Internal control over financial reporting:

Material weakness identified? NO

Significant deficiency identified
 that is not considered material
 weaknesses? NO

Noncompliance material to financial
 Statements noted? NO

Federal Awards

Internal control over major programs:

Material weakness identified? NO

Significant deficiency identified
 that is not considered material
 weaknesses? NO

Type of auditor’s report issued: UNMODIFIED

Any auditing findings that are
 required to be reported in
 accordance with Section 510(a)
 of OMB Circular A-133 NO

Identification of major program:

20.106 Airport Improvement Program

Rio Blanco County
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2014

Dollar threshold used to distinguish between type A and type B programs	\$300,000
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Auditee qualified as low-risk auditee?	YES
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SECTION II – FINANCIAL STATEMENT FINDINGS

There were no financial findings for the year ended December 31, 2014

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There were no Federal Award Findings or Questioned Costs for the year ending December 31, 2014.

SECTION IV – PRIOR YEAR FINDINGS AND QUESTIONED COSTS.

There were no prior year findings or questioned costs.

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Rio Blanco County
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2014

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	78,438
		<u>78,438</u>
<i>Passed through CO Dept. Public Health & Environment</i>		
Special Supplemental Nutrition Program for Women, Infants and Children	10.557	32,257
Special Supplemental Nutrition Program for Women, etc. - Non-Cash	10.557	59,331
WIC Grants to States	10.578	5,350
		<u>96,938</u>
<i>Passed through CO Division of Local Affairs</i>		
Forest Service Title I	10.665	107,831
Forest Service Title III (2000 SRS Act)	10.665	15,450
		<u>123,281</u>
	Total	<u>298,657</u>
U.S. DEPARTMENT OF THE INTERIOR		
<i>Direct assistance</i>		
Recreation Resource Management	15.225	5,000
Invasive and Noxious Plant Management	15.230	19,466
		<u>24,466</u>
U.S. DEPARTMENT OF TRANSPORTATION		
<i>Direct assistance</i>		
Airport Improvement Grants (Meeker)	20.106	906,476
Airport Improvement Grants (Rangely)	20.106	239,938
<i>Passed through CO Department of Transportation</i>		
Federal-Aid Highway Program & Federal Lands Highway Program	20.205	582,624
		<u>1,729,038</u>
	Total	<u>1,729,038</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	36,762
		<u>36,762</u>
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES		
<i>Passed through CO Dept. Public Health & Environment</i>		
Family Planning	93.217	6,513
Immunization Grants	93.268	2,713
Maternal and Child Health Services Block Grant to the States	93.994	1,619
Emergency Preparedness and Response	93.069	10,233
Preventive Health and Health Services Block Grant	93.991	2,500
Preventive Health Services - Sexually Transmitted Diseases Control Grants	93.977	340
		<u>23,918</u>
<i>Passed through Mesa County Department of Human Services</i>		
Special Programs for the Aging Title III, Part C Nutrition	93.045	28,848
<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	10,976
- Community Food and Nutrition Programs (CDBG)	93.569	7,567
		<u>18,543</u>
<i>Passed through CO Dept. of Human Services</i>		
Guardianship Assistance	93.090	61
Temporary Assistance for Needy Families	93.558	102,235
Child Support Enforcement	93.563	50,710
Low-Income Home Energy Assistance (administered by Moffat County)	93.568	29,857
Child Care and Development Block Grant	93.575	9,208
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	(7,255)
Child Welfare Services - State Grants	93.645	5,848
Foster Care - Title IV-E	93.658	109,262
Adoption Assistance	93.659	18,249
Social Services Block Grant	93.667	46,344
Medical Assistance Program	93.778	74,465
Adjustment to Federal Assistance	93.XXX	10,521
		<u>449,505</u>
	Total	<u>520,814</u>
	Grand Total	<u>2,609,738</u>

Rio Blanco County, Colorado
Note to Schedule of Expenditures of Federal Awards
December 31, 2014

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 OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in, the preparation of the basic financial statements.