Garfield County

BASIC FINANCIAL STATEMENTS

Garfield County, Colorado
Statement of Net Position
December 31, 2014

	Primary Government		
	Governmental Activities	**Business-type Activities**	**Total**
Assets			
Cash and investments	$ 128,289,305	$ 4,858,418	$ 133,147,723
Due from other governments	44,183,346	-	44,183,346
Accounts, taxes, and other receivables	1,728,532	300,651	2,029,183
Prepaids	29,960	-	29,960
Inventories	303,744	12,964	316,708
Internal balances	10,489	(10,489)	-
Capital Assets			
Capital assets not being depreciated	15,735,983	483,723	16,219,706
Capital assets - depreciable, cost	431,570,686	4,726,386	436,297,072
Accumulated depreciation	(154,319,266)	(2,369,010)	(156,688,276)
Total Assets	467,532,779	8,002,643	475,535,422
Liabilities			
Accounts payable	3,665,191	151,297	3,816,488
Accrued expenses	1,877,891	38,706	1,916,597
Non-current Liabilities			
Due within one year			
Accrued compensated absences	450,396	7,529	457,925
Due longer than one year			
Accrued compensated absences	1,351,189	22,588	1,373,777
Landfill closure and postclosure obligations	-	1,231,252	1,231,252
Total Liabilities	7,344,667	1,451,372	8,796,039
Deferred Inflow of Resources			
Unavailable property tax revenue	43,603,402	-	43,603,402
Total Deferred Inflow of Resources	43,603,402	-	43,603,402
Net Position			
Investment in capital assets	292,987,403	2,841,099	295,828,502
Restricted for:			
Public Health	2,395,584	-	2,395,584
Road and Bridge	24,868,563	-	24,868,563
Human Services	13,007,658	-	13,007,658
Conservation Trust	247,490	-	247,490
Emergency Reserve	3,018,434	-	3,018,434
Grants	99,925	-	99,925
Capital Projects	14,429,117	-	14,429,117
Unrestricted	65,530,536	3,710,172	69,240,708
Total Net Position	$ 416,584,710	$ 6,551,271	$ 423,135,981

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

Garfield County, Colorado
Statement of Activities
For the Year Ended December 31, 2014

		Program Revenues			Net (Expense) Revenue and Changes in Net Position		
Function/Program	**Expenses**	**Charges for Services**	**Operating Grants and Contributions**	**Capital Grants and Contributions**	**Governmental Activities**	**Business-type Activities**	**Total**
Governmental Activities							
General government	$ 24,319,885	$ 3,606,231	$ 1,352,908	$ 920,012	$ (18,440,734)	$ -	$ (18,440,734)
Public safety	21,564,522	447,677	839,049	58,464	(20,219,332)	-	(20,219,332)
Public works	21,195,359	726,724	6,567,782	644,397	(13,256,456)	-	(13,256,456)
Health and welfare	21,485,469	210,355	17,740,265	-	(3,534,849)	-	(3,534,849)
Culture and recreation	1,520,033	572,984	207,453	-	(739,596)	-	(739,596)
Total Governmental Activities	90,085,268	5,563,971	26,707,457	1,622,873	(56,190,967)	-	(56,190,967)
Business-type Activities:							
Solid waste	1,559,741	1,789,399	668	-	-	230,326	230,326
Total	$ 91,645,009	$ 7,353,370	$ 26,708,125	$ 1,622,873	(56,190,967)	230,326	(55,960,641)
		General Revenues:					
		Property taxes levied for general government purposes			31,885,686	-	31,885,686
		Property taxes levied for capital expenditures			8,655,485	-	8,655,485
		Sales taxes			8,860,822	-	8,860,822
		Specific ownership taxes			2,436,939	-	2,436,939
		Severance taxes			2,588,448	-	2,588,448
		Other Taxes			150,761	-	150,761
		Investment earnings			878,589	-	878,589
		Transfers			(88,936)	88,936	-
		Total General Revenues and Transfers			55,367,794	88,936	55,456,730
		Change in Net Position			(823,173)	319,262	(503,911)
		Net Position Beginning of Year			420,280,072	6,336,631	426,616,703
		Prior Period Adjustment - Note 5			(2,872,189)	(104,622)	(2,976,811)
		Net Position Beginning of Year (Restated)			417,407,883	6,232,009	423,639,892
		Net Position End of Year			$ 416,584,710	$ 6,551,271	$ 423,135,981

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

Garfield County, Colorado
Balance Sheet
Governmental Funds
December 31, 2014

	General	Road and Bridge	Human Services	Capital Expenditures	Total Non-major Funds	Total Governmental Funds
Assets						
Cash and investments, unrestricted	$ 50,448,981	$ 25,297,352	$ 13,234,089	$ 14,766,450	$ 20,803,664	$ 124,550,536
Accounts receivable	27,526,627	11,615,467	4,761,398	-	1,890,960	45,794,452
Prepaids	29,960	-	-	-	-	29,960
Due from other funds	238,277	96,569	-	1,636	20,063	356,545
Inventories	-	100,131	-	-	-	100,131
Total Assets	$ 78,243,845	$ 37,109,519	$ 17,995,487	$ 14,768,086	$ 22,714,687	$ 170,831,624
Liabilities						
Accounts payable	$ 1,513,243	$ 449,067	$ 358,395	$ 322,977	$ 852,112	$ 3,495,794
Accrued expenditures	989,922	442,988	346,408	7,750	74,843	1,861,911
Due to other funds	141,223	121,128	46,397	8,242	19,990	336,980
Total Liabilities	2,644,388	1,013,183	751,200	338,969	946,945	5,694,685
Deferred Inflow of Resources						
Unavailable property tax revenue	26,881,203	11,127,642	3,974,158	-	1,620,399	43,603,402
Total Deferred Inflow of Resources	26,881,203	11,127,642	3,974,158	-	1,620,399	43,603,402
Fund Balances						
Non-spendable	29,960	100,131	-	-	-	130,091
Spendable:						
Restricted	3,018,434	24,868,563	13,007,658	14,429,117	2,742,999	58,066,771
Committed	621,899	-	-	-	17,404,344	18,026,243
Assigned	-	-	262,471	-	-	262,471
Unassigned	45,047,961	-	-	-	-	45,047,961
Total Fund Balances	48,718,254	24,968,694	13,270,129	14,429,117	20,147,343	121,533,537
Total Liabilities, Deferred Inflow of Resources, and Fund Balances	$ 78,243,845	$ 37,109,519	$ 17,995,487	$ 14,768,086	$ 22,714,687	$ 170,831,624

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

Garfield County, Colorado
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
December 31, 2014

Total Governmental Fund Balances		$ 121,533,537
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities (excluding the Motor Pool Fund) are not financial resources and therefore not reported in the funds. However, in the Statement of Net Position the cost of these assets are capitalized and expensed over their estimated lives through annual depreciation expense:		
Cost of capital assets	$ 440,577,994	
Less accumulated depreciation	(149,523,854)	291,054,140
Interfund receivables and payables between governmental funds are reported on the fund Balance Sheet but eliminated on the government-wide Statement of Net Position:		
Interfund receivables	$ 336,980	
Interfund payables	(336,980)	-
An internal service fund is used by management to charge the costs of the motor pool to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the Statement of Net Position.		5,765,112
Liabilities, including compensated absences, are not due and payable in the current period and therefore are not reported in the funds but are reported in the government-wide Statement of Net Position:		
Compensated absences	$ (1,768,079)	(1,768,079)
Net Position of Governmental Activities		$ 416,584,710

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

Garfield County, Colorado
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2014

	General	Road and Bridge	Human Services	Capital Expenditures	Total Non-major Funds	Total Governmental Funds
Revenues						
Taxes	$ 24,989,248	$ 12,060,207	$ 3,884,996	$ 9,237,655	$ 1,817,586	$ 51,989,692
Licenses and permits	8,123	208,861	-	-	-	216,984
Intergovernmental	3,704,578	5,815,662	16,596,975	208,985	1,751,827	28,078,027
Charges for services	5,343,474	-	123	-	757,752	6,101,349
Fines and forfeitures	109,128	-	-	-	-	109,128
Investment income	865,251	-	12,831	-	509	878,591
Contributions	968,248	104,833	-	-	607	1,073,688
Miscellaneous	570,231	55,434	136,154	12,556	129,190	903,565
Total Revenues	36,558,281	18,244,997	20,631,079	9,459,196	4,457,471	89,351,024
Expenditures						
Current						
General government	20,849,330	-	-	1,512,560	2,872,441	25,234,331
Public safety	20,098,220	-	-	345,143	451,054	20,894,417
Public works	165,902	18,967,056	-	854,078	1,414,396	21,401,432
Health and welfare	547,254	-	18,216,200	29,997	2,788,399	21,581,850
Culture and recreation	1,254,706	-	-	2,778,763	150,000	4,183,469
Total Expenditures	42,915,412	18,967,056	18,216,200	5,520,541	7,676,290	93,295,499
Excess (Deficiency) of Revenues Over (Under) Expenditures	(6,357,131)	(722,059)	2,414,879	3,938,655	(3,218,819)	(3,944,475)
Other Financing Sources (Uses)						
Transfers in	800,000	-	-	-	1,500,000	2,300,000
Transfers out	(2,388,936)	-	-	-	-	(2,388,936)
Total Other Financing Sources (Uses)	(1,588,936)	-	-	-	1,500,000	(88,936)
Net Change in Fund Balances	(7,946,067)	(722,059)	2,414,879	3,938,655	(1,718,819)	(4,033,411)
Fund Balances Beginning of Year	56,664,321	25,690,753	10,855,250	10,490,462	21,866,162	125,566,948
Fund Balances End of Year	$ 48,718,254	$ 24,968,694	$ 13,270,129	$ 14,429,117	$ 20,147,343	$ 121,533,537

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

Garfield County, Colorado
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities
For the Year Ended December 31, 2014

Net Changes In Fund Balances - Total Governmental Funds		$ (4,033,411)
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation expense in the current period.		
Depreciation expense	$ (9,877,868)	
Capital outlay	13,203,901	3,326,033
The County has sold assets which are shown at their sales price on governmental funds but are shown as a gain or loss on the sale of assets based upon sale price less the asset's book value.		(354,155)
Elimination of transfers between governmental funds:		
Transfers in	$ 2,300,000	
Transfers out	(2,300,000)	-
The internal service fund, used by management to charge the the costs of the motor pool to individual funds, is not reported in the government-wide Statement of Activities. Governmental fund expenditures are reduced and the related internal service fund profit is eliminated.		149,083
Compensated absences reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. This represents the change in compensated absences during the year.		89,277
Change In Net Position of Governmental Activities		$ (823,173)

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

Garfield County, Colorado
Statement of Net Position
Proprietary Funds
December 31, 2014

	Business-type Activities - Enterprise Fund	Governmental Activities - Internal Service Fund
Assets		
Current Assets		
Cash and investments	$ 4,858,418	$ 3,738,769
Accounts receivables	300,651	117,426
Due from other funds	18,412	780
Inventories	12,964	203,614
Total Current Assets	5,190,445	4,060,589
Non-current Assets		
Capital Assets:		
Construction in progress	183,723	-
Land	300,000	-
Land improvements	1,535,537	-
Buildings	768,258	-
Improvements	15,026	-
Machinery and equipment	2,407,565	6,728,663
Accumulated depreciation	(2,369,010)	(4,795,412)
Total Non-current Assets	2,841,099	1,933,251
Total Assets	8,031,544	5,993,840
Liabilities		
Current Liabilities		
Accounts payable	151,297	169,387
Accrued expenses	38,706	15,980
Accrued compensated absences	7,529	10,052
Due to other funds	28,901	9,856
Total Current Liabilities	226,433	205,275
Non-current Liabilities		
Accrued compensated absences	22,588	23,453
Closure and postclosure obligations	1,231,252	-
Total Non-current Liabilities	1,253,840	23,453
Total Liabilities	1,480,273	228,728
Net Position		
Investment in capital assets	2,841,099	1,933,251
Unrestricted	3,710,172	3,831,861
Total Net Position	$ 6,551,271	$ 5,765,112

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

Garfield County, Colorado
Statement of Revenues,
Expenses and Changes in Net Position
Proprietary Funds
For the Year Ended December 31, 2014

	Business-type Activities - Enterprise Fund	Governmental Activities - Internal Service Fund
Operating Revenues		
Charges for services	$ 1,789,399	$ 1,655,066
Miscellaneous	668	12,565
Total Operating Revenues	1,790,067	1,667,631
Operating Expenses		
Personnel	519,560	297,700
Purchased services	295,836	172,864
Materials and supplies	129,221	513,996
Depreciation	260,520	532,252
Other	354,604	9,012
Total Operating Expenses	1,559,741	1,525,824
Operating Income (Loss)	230,326	141,807
Non-operating Revenues		
Sale of capital assets	-	7,275
Income Before Capital Contributions and Transfers In	230,326	149,082
Transfers in	88,936	-
Change in Net Position	319,262	149,082
Net Position Beginning of Year	6,336,631	5,616,030
Prior Period Adjustment - Note 5	(104,622)	-
Net Position Beginning of Year (Restated)	6,232,009	5,616,030
Net Position End of Year	$ 6,551,271	$ 5,765,112

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

Garfield County, Colorado
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2014

	Business-type Activities - Enterprise Fund	Governmental Activities - Internal Service Fund
Cash Flows from Operating Activities		
Cash received from customers	$ 1,745,185	$ 1,679,846
Cash received from other sources	105,290	12,565
Cash payments for personal services	(521,985)	(295,017)
Cash payments for goods and services	(1,033,722)	(585,761)
Net Cash Provided by Operating Activities	294,768	811,633
Cash Flows from Noncapital Financing Activities		
Transfers in (out)	78,773	961
Net Cash (Used in) Noncapital Financing Activities	78,773	961
Cash Flows from Capital and Related Financing Activities		
Proceeds from the sale of capital assets	-	7,275
Payments for capital acquisitions	(397,520)	(727,650)
Net Cash (Used in) Capital and Related Financing Activities	(397,520)	(720,375)
Net Increase (Decrease) in Cash and Cash Equivalents	(23,979)	92,219
Cash and Cash Equivalents Beginning of Year	4,882,397	3,646,550
Cash and Cash Equivalents End of Year	$ 4,858,418	$ 3,738,769
Reconciliation of Operating Income to Net Cash Provided by Operating Activities		
Operating Income (Loss)	$ 230,326	$ 141,807
Adjustments to Reconcile Operating Income to Cash Provided by Operating Activities:		
Depreciation	260,520	532,252
(Increase) decrease in accounts receivable	(44,212)	24,781
(Increase) decrease in inventory	5,888	(1,356)
Increase (decrease) in accounts payable	(396,321)	110,811
Accrued expenses	1,685	656
Compensated absences payable	(2,425)	2,682
Landfill closure and postclosure care	239,307	-
Net Cash Provided by Operating Activities	$ 294,768	$ 811,633

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

Garfield County, Colorado
Statement of Assets and Liabilities
Agency Funds
December 31, 2014

	2014
Assets	
Cash and investments	$ 5,144,363
Total Assets	$ 5,144,363
Liabilities	
Due to others	$ 341,221
Due to other governments	4,803,142
Total Liabilities	$ 5,144,363

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

Garfield County

NOTES TO FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies

1A. Reporting Entity

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

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

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

Travelers Highland Public Improvement District – The Travelers Highland Public Improvement District (the "PID") was established in December 2009 for the purpose of infrastructure improvements located at County Road 300 and State Highway 6&24. The boundaries of the PID are within the County but costs relating to infrastructure within the PID are borne by the PID's citizens through a separate mill levy. The County's Board sits as *ex officio* as the PID Board. The PID Board has the management, control, and supervision of all the business and affairs of the district and the acquisition, construction, installation, operation and maintenance of district improvements or the provision of services. Although the PID is a separate legal entity, for financial reporting purposes, it is part of the County and is included in the Travelers Highlands PID Fund.

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

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

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

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

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

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

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

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

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

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

> ***Road and Bridge Fund*** – State law empowers the County to levy property taxes for the purposes of construction and maintenance of County roads and bridges. This fund accounts for those taxes and all State and Federal monies received to maintain County roads and bridges.
>
> ***Human Services Fund*** – This fund accounts for Federal and State welfare grant revenue. In addition, the County is required by Colorado Revised Statutes to levy a property tax to defray a portion of the cost of administering the grants.

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

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

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

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

> ***Solid Waste Fund*** (Enterprise Fund) – The Solid Waste Fund accounts for the County's landfill operations which are primarily funded by site collections.
>
> ***Motor Pool Fund*** (Internal Service Fund) – The Motor Pool Fund accounts for transportation services provided by the Motor Pool Department to all other departments or agencies of the County on a cost reimbursement basis.

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

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

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

1C. Cash, Cash Equivalents, and Investments

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

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

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

1C. Cash, Cash Equivalents, and Investments

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

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

1D. Receivables

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

1E. Interfund Balances

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

1F. Consumable Inventories

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

On the fund financial statements, inventories of governmental funds are stated at cost while inventories of proprietary funds are stated at the lower of cost or market. For all funds, cost is determined on a first-in, first-out basis. The cost of inventory items is recorded as an expenditure in the governmental fund types when consumed.

1G. Prepaid Expenses

Payments made to vendors for services that will benefit periods beyond December 31, 2014, are recorded as prepaid items using the consumption method by recording an asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed. At the fund reporting level, an equal amount of fund balance is reported as non-spendable as this amount is not available for general appropriation.

1H. Capital Assets

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in governmental funds. The County reports these assets in the governmental activities column of the government-wide Statement of Net Position but does not report these assets in the County fund financial statements. Capital assets utilized by enterprise funds are reported both in the business-type activities column of the government-wide Statement of Net Position and in the enterprise funds' Statement of Net Position.

1H. Capital Assets

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The County maintains a capitalization threshold of $5,000. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are expensed. Interest incurred during the construction of capital assets utilized by the enterprise fund is capitalized.

All reported capital assets are depreciated except for land and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the County's historical records of necessary improvements and replacement. Depreciation is computed using the straight-line method over the following useful lives:

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

1I. Compensated Absences

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

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

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

1J. Accrued Liabilities and Long-term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements.

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

1K. Fund Balance and Net Position

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

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

Net Position - Net position represents the difference between assets, liabilities, and deferred inflow (outflow) of resources. Net investment in capital assets, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. This net position amount also is adjusted by any bond issuance deferred amounts, where applicable. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. All other net position is reported as unrestricted.

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

1L. Operating Revenues and Expenses

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

1M. Contributions of Capital

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

1N. Interfund Activity

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after the non-operating revenues/expenses section in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements (i.e. they are netted).

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

1O. Estimates

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

1P. Deferred Outflows and Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The County doesn't have any items that qualify for reporting in this category at December 31, 2014.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has only one type of item that qualifies for reporting in this category. Accordingly, the item, unavailable property tax revenue, is deferred and recognized as an inflow of resources in the period that the amounts become available and earned.

Note 2 – Stewardship, Compliance and Accountability

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

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

The legal level of control (the level at which expenditures may not legally exceed appropriations) for each adopted annual operating budget generally is the individual fund level. Any change in total to a fund requires approval of the Board of County Commissioners. The County approved monthly changes to budgeted appropriations for the year ended December 31, 2014.

All unexpended annual appropriations lapse at year-end.

Note 3 – Detailed Notes in All Funds

3A. Deposits and Investments

The County's deposits are entirely covered by federal depository insurance ("FDIC") or by collateral held under Colorado's Public Deposit Protection Act ("PDPA"). The FDIC insures the first $250,000 of the County's deposits at each financial institution. Deposit balances over $250,000 are collateralized as required by PDPA. The carrying amount of the County's demand deposits was $19,668,247 at year end.

3A. Deposits and Investments

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

	Standard & Poors Rating	Carrying Amounts	Less than one year	Less than five years
Deposits:				
Cash on Hand	*Not Rated*	$ 5,150	$ 5,150	$ -
Checking and Savings	*Not Rated*	19,663,097	19,663,097	-
Investments:				
Pools	*AAA-*	33,621,304	33,621,304	-
Bonds	*AA+*	26,297,361	5,995,103	20,302,258
Money Market Mutual Fund	*AAA-*	144,946	144,946	-
Agencies	*AAA*	45,037,492	3,002,574	42,034,918
Treasuries	*AAA*	13,522,736	-	13,522,736
Total		$138,292,086		

The Investment Pool represents investments in COLOTRUST and CSIP which are 2a7-like pools. The fair value of the pool is determined by the pool's share price. The County has no regulatory oversight for the pool. At December 31, 2014, the County's investments in COLOTRUST and CSIP were 14% and 7% of the County's investment portfolio, respectively.

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

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

Concentration of Credit Risk. The County diversifies its investments by security type and institution. Financial institutions holding County funds must provide the County a copy of the certificate from the Banking Authority that states that the institution is an eligible public depository. At December 31, 2014, the County's investments in Fannie Mae, Freddie Mac, Federal Farm Credit Bank were 12%, 10%, and 8% of the County's investment portfolio, respectively.

At 12/31/2014, unrealized gains or (losses) were ($437,637) which reflects the fair market value of investments.

3B. Receivables

Receivables at December 31, 2014, consisted of taxes, interest, accounts, and intergovernmental receivables arising from grants. Receivables are net of an allowance for uncollectibles. There was no allowance for uncollectibles at December 31, 2014.

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

3B. Receivables

The County had the following receivables at year end:

	Governmental Funds			
	General Fund	Road and Bridge	Human Services	Capital Expenditures
Accounts	$ 403,746	$ 46,678	$ 400,277	$ -
Taxes	27,120,746	11,568,789	3,974,158	-
Other	2,135	-	386,963	-
Total	$ 27,526,627	$ 11,615,467	$ 4,761,398	$ -

		Proprietary Funds	
	Nonmajor Governmental Funds	Solid Waste Disposal	Motor Pool
Accounts	$ 371,307	$ 300,651	$ 117,426
Taxes	1,519,653	-	-
Total	$ 1,890,960	$ 300,651	$ 117,426

3C. Property Taxes

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

3D. Capital Assets

Governmental Activities capital asset activity for the year ended December 31, 2014 follows:

Governmental Activities:	Balance 1/1/14	Additions	Deductions	Balance 12/31/14
Capital assets not being depreciated:				
Construction in progress	$ 4,218,764	$ 8,865,572	$ (11,228,233)	$ 1,856,103
Land	14,181,753	-	(301,873)	13,879,880
Total assets not being depreciated	18,400,517	8,865,572	(11,530,106)	15,735,983
Depreciable capital assets:				
Land improvements	53,434,671	617,614	-	54,052,285
Buildings	54,114,438	2,278,121	(84,117)	56,308,442
Building improvements	5,404,502	798,562	(24,163)	6,178,901
Machinery and equipment	28,569,242	3,120,642	(3,389,192)	28,300,692
Infrastructure	277,487,660	9,242,706	-	286,730,366
Total depreciable capital assets	419,010,513	16,057,645	(3,497,472)	431,570,686
Total capital assets	437,411,030	24,923,217	(15,027,578)	447,306,669
Accumulated depreciation:				
Land improvements	(6,279,819)	(1,546,566)	-	(7,826,385)
Buildings	(15,635,170)	(960,284)	63,088	(16,532,366)
Building improvements	(1,741,420)	(386,541)	8,725	(2,119,236)
Machinery and equipment	(15,819,475)	(2,294,436)	776,765	(17,337,146)
Infrastructure	(105,242,842)	(5,261,291)	-	(110,504,133)
Total accumulated depreciation	(144,718,726)	(10,449,118)	848,578	(154,319,266)
Governmental activities capital assets, net	$ 292,692,304	$ 14,474,099	$ (14,179,000)	$ 292,987,403

3D. Capital Assets

Governmental Activities depreciation expense classified by function follows:

General government	$ 393,405
Public safety	1,304,116
Public works	8,390,734
Culture and recreation	122,866
Health and welfare	199,000
Total governmental activities depreciation expense	$ 10,410,121

Business-type Activities capital asset activity for the year ended December 31, 2014 was as follows:

	Balance 1/1/14	Additions	Deductions	Balance 12/31/14
Business-type Activities:				
Capital assets not being depreciated:				
Construction in progress	$ 202,993	$ 395,519	$ (414,789)	$ 183,723
Land	300,000	-	-	300,000
Total assets not being depreciated	502,993	395,519	(414,789)	483,723
Depreciable capital assets:				
Land improvements	1,223,370	312,167	-	1,535,537
Buildings	768,258	-	-	768,258
Building improvements	20,388	-	(5,362)	15,026
Machinery and equipment	2,407,565	-	-	2,407,565
Total depreciable capital assets	4,419,581	312,167	(5,362)	4,726,386
Total capital assets	4,922,574	707,686	(420,151)	5,210,109
Accumulated depreciation:				
Land improvements	(501,180)	(25,712)	-	(526,892)
Buildings	(245,535)	(38,415)	-	(283,950)
Building improvements	(17,235)	(394)	5,362	(12,267)
Machinery and equipment	(1,349,903)	(195,998)	-	(1,545,901)
Total accumulated depreciation	(2,113,853)	(260,519)	5,362	(2,369,010)
Business-type activities capital assets, net	$ 2,808,721	$ 447,167	$ (414,789)	$ 2,841,099

At December 31, 2014, the County had $18,315,492 of fully depreciated capital assets.

3E. Interfund Balances and Transfers

Interfund balances at December 31, 2014, consisted of the following amounts and represent charges for services or reimbursable expenses. These remaining balances resulted from the time lag between the dates that (1) interfund goods or services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting period, and (3) payments between funds are made. The County expects to repay all interfund balances within one year.

	Due From	Due To
General Fund	$ 238,277	$ 141,223
Road and Bridge Fund	96,569	121,128
Human Services Fund	-	46,397
Capital Expenditures Fund	1,636	8,242
Nonmajor governmental funds	20,063	19,990
Solid Waste Fund	18,412	28,901
Motor Pool Fund	780	9,856
Total	$ 375,737	$ 375,737

Interfund transfers for the year ended December 31, 2014, consisted of the following:

	Transfer In	Transfer (Out)
General Fund	$ 800,000	$ (2,388,936)
Nonmajor governmental funds	1,500,000	-
Solid Waste Fund	88,936	-
Total	$ 2,388,936	$ (2,388,936)

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations, (3) segregate money for anticipated capital projects, (4) provide additional resources for current operations or debt service, and (5) return money to the fund from which it was originally provided once a project is completed.

All County transfers either occur on a regular basis or are consistent with the purpose of the fund making the transfer.

3F. Landfill Closure and Postclosure Care Costs

State and Federal laws and regulations require the County to place final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the County reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each Balance Sheet date. Total closure and postclosure care costs are currently estimated to be $2,263,331, with closure costs estimated to be $1,588,338 and postclosure care cost estimated to be $674,993. The $1,231,252 reported as landfill closure and postclosure care liability at December 31, 2014, represents the cumulative amount reported to date based on the use of 54.4% of the capacity of the landfill. The County will recognize the remaining estimated cost of closure and postclosure care of $1,032,079 as the remaining estimated capacity is filled. These amounts are based on estimates of what it would cost to perform all closure and postclosure care in 2014. The County expects to close the landfill in the year 2040. Actual cost may be higher due to inflation, changes in technology, or changes in applicable laws or regulations.

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

3G. Long-term Obligations

Changes in the County's long-term obligations consisted of the following for the year ended December 31, 2014:

	Outstanding 1/1/14	Additions	Reductions	Outstanding 12/31/14	Amounts Due in One Year
Governmental Activities:					
Compensated absences	$ 1,888,179	$ 479,860	$ (566,454)	$ 1,801,585	$ 450,396
Total Governmental Activities	$ 1,888,179	$ 479,860	$ (566,454)	$ 1,801,585	$ 450,396
Business-type Activities:					
Landfill closure & postclosure	$ 991,945	$ 239,307	$ -	$ 1,231,252	$ -
Compensated absences	32,542	7,338	(9,763)	30,117	7,529
Total Business-type Activities	$ 1,024,487	$ 246,645	$ (9,763)	$ 1,261,369	$ 7,529

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

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

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

3H. Retirement Plans

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

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

There are no unfunded past service liabilities. All full-time or part-time employees (employment status of working at least 30 hours per week for a continuous period of six months or more) are required to participate in the 401(a) retirement plan. The County and the employee are required to contribute 5.0% of employee compensation, excluding items defined in the CCOERA Plan Document (such as overtime) until the employee's tenth anniversary of employment with the County, after which the contribution from each increases to 6%. The County's contribution for each employee, including earnings thereon allocated to the employee's account, vest at the rate of 20% for each year (five year vesting schedule) of participation in the plan. County contributions and earnings forfeited by employees who leave employment before fully vesting are returned to the County. The County allows 401a loans, but distributions are not available to employees until termination, retirement, or death.

During 2014, there were 511 total participants. The County and employees made the required contribution amounting to $1,226,502 each.

Defined Contribution Plan 457: The County offers its employees a voluntary deferred compensation plan created in accordance with Internal Revenue Code Section 457 that is administered by CCOERA. The plan is available to all full-time or part-time employees (employment status of working at least 30 hours per week for a continuous period of six months or more) and permits them to defer a portion of their salary until future years. Contributions to the plan can be made before-tax or after-tax (i.e. Roth). However, the total contributions are limited to the annual IRS retirement plan limits or 100% of net pay, whichever is less. The County allows 457b loans, but distributions are only available for qualified unforeseeable emergencies, separation of service, retirement, or death. There are no provisions for in-service withdrawals and Roth assets are not eligible for emergency withdrawals. All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are to be held in trust for the exclusive benefit of the plan participants and their beneficiaries. Plan investment purchases are determined by the plan participant and therefore, the plan's investment concentration varies between participants. In 2014, there were 72 total participants.

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

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

3H. Retirement Plans

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

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

3I. Fund Balance Disclosure

The County classifies governmental fund balances as follows:

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

Spendable Fund Balance:

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

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

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

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

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

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

3I. Fund Balance Disclosure

As of December 31, 2014, fund balances are composed of the following:

	General Fund	Other Governmental Funds	Total Governmental Funds	Description
Non-spendable:				
Inventories	$ -	$ 100,131	$ 100,131	
Prepaids	29,960	-	29,960	
Restricted:				
Public Health	-	2,395,584	2,395,584	Legislative Restriction
Road and Bridge	-	24,868,563	24,868,563	Legislative Restriction
Human Services	-	13,007,658	13,007,658	Legislative Restriction
Conservation Trust	-	247,490	247,490	Legislative Restriction
Emergency Reserve	3,018,434	-	3,018,434	Legislative Restriction
Grants	-	99,925	99,925	Federal and State Grant Restriction
Other capital projects	-	14,429,117	14,429,117	Legislative Restriction
Committed:				
Airport	-	1,497,095	1,497,095	BOCC Resolution
Community Events	567,953	-	567,953	BOCC Resolution
Clerk and Recorder EFTF	-	36,365	36,365	BOCC Resolution
Traffic Study	-	748,853	748,853	Traffic Impact Fees Resolution
Livestock Auction	42,312	-	42,312	BOCC Resolution
Commissary	11,634	-	11,634	BOCC Resolution
Retirement	-	2,452,495	2,452,495	BOCC Resolution
Oil and Gas Mitigation	-	12,640,892	12,640,892	BOCC Resolution
Traveler's Highland PID	-	28,644	28,644	BOCC Resolution
Assigned:				
Human Services	-	262,471	262,471	Grant Restriction
Unassigned	45,047,961	-	45,047,961	
Total Fund Balances	$ 48,718,254	$ 72,815,283	$ 121,533,537	

Note 4 - Other Notes

4A. Risk Management

The County participates in two risk management pools.

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

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

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

4B. Contingent Liabilities

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

The County was a defendant in several lawsuits at December 31, 2014. In the opinion of County management, the outcome of these contingencies will not have a material effect on the financial position of the County.

4C. Tabor Amendment

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

One of the requirements of TABOR is for emergency reserves to be used for declared emergencies only. Emergencies, as defined by TABOR, exclude economic conditions, revenue shortfalls, or salary or fringe benefit increases. These reserves are required to be 3% or more of fiscal year revenue (excluding bonded debt service). The County has restricted a portion of its December 31, 2014 year end fund balance in the General Fund for emergencies as required under TABOR in the amount of $3,018,434.

4D. Possible Violation of State Statute

There were no funds that exceeded budgeted appropriations which would have been a violation of state statutes.

4E. Construction Commitments

The County had the following contractual commitments at year end:

Fund	Project	Vendor	Contract Commitment	Completed	Retainage	Remaining
R&B	CR137 Bridge Replacement	Colorado River Engineering	$ 279,566	$ (55,951)	$ -	$ 223,615
R&B	CR311 Divide Creek Reconcstuction	Con-Sy, Inc.	5,185,880	(4,807,123)	240,356	619,113
Airport	A-3 Taxiway	Gould Construction	796,607	(66,393)	-	730,214
Capital	Fairgrounds Riding Arena Kitchen	Groth Construction	472,037	(256,000)	7,750	223,787
Airport	Airport Master Plan	Jviation, Inc.	330,116	(276,634)	-	53,482
		Total	$ 7,064,206	$ (5,462,101)	$ 248,106	$ 1,850,211

5. Prior period restatement

The County identified certain capital assets previously capitalized for governmental activities that were not actually assets of the County totaling $2,872,189. The County also identified assets previously capitalized on the business type fund totaling $104,622 that were not actually County assets. Accordingly, the County recorded a prior period restatement.

6. Subsequent Events

Management has evaluated subsequent events through May 27, 2015, the date these financial statement were available to be issued.