

**Fremont County, Colorado**

**Financial Statements**

**December 31, 2014**

**BOARD OF COUNTY COMMISSIONERS**

Edward Norden

Debbie Bell

Timothy Payne

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## **FINANCIAL SECTION**



**JOHN CUTLER**  
& ASSOCIATES

Board of County Commissioners  
Fremont County  
Canon City, Colorado

**INDEPENDENT AUDITORS' REPORT**

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Fremont 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**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit 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, we 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

**Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Fremont County, Colorado as of December 31, 2014, and the respective changes in financial position, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required budgetary information on pages 29 - 33 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining and individual fund schedules, the schedule of expenditures of federal awards, as required by the *Office of Management and Budget Circular A-133, audits of States, Local Governments, and Non-Profit Organizations (Circular A-133)* and local highway finance report listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund schedules, the schedule of expenditures of federal awards, and the local highway finance report are fairly stated in all material respects in relation to the financial statements as a whole.

## **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated July 21, 2015 on our consideration of Fremont County, Colorado's internal control over financial reporting and on our 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 our 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 Fremont County, Colorado's internal control over financial reporting and compliance.

*John Luthr & Associates, LLC*

July 21, 2015

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## **Fremont County, Colorado** **Management's Discussion and Analysis** For the Year Ended December 31, 2014

The Management Discussion and Analysis (MD&A) is designed to provide an easy-to-read discussion of the County's financial condition and operating results and to disclose to the reader important financial activities and issues related to the County's basic operations. The MD&A should be read in conjunction with the County's basic financial statements.

The County has one financial category - government-type activities. Within the government type activities, the Board of County Commissioners has designated a General Fund and several Special Revenue Funds. The government type activities are funded primarily through the County's ad-valorem property tax, sales and use taxes, specific ownership taxes, grants and contributions, and charges for services.

### **Financial Highlights**

The General Fund Reserve Balance, which includes the Sheriff, Capital Expenditures, Payment in Lieu of Taxes, Waste Disposal, and Public Building and Maintenance Funds, increased to \$5,034,686 at the end of 2014, an increase of \$2,691,922 for the year. Total General Fund Balance is approximately 36% of 2014 General Fund spending of \$13,987,578.

The Department of Transportation Fund Reserve Balance increased to \$1,419,237 at the end of 2014, an increase of \$222,871 for the year. The total Transportation Fund Reserve Balance is approximately 45% of 2014 Transportation Fund spending of \$3,207,633.

Fremont County Issue 1A was passed favorably by voters in November, 2014. The issue allows the county to retain and spend all revenues received by the county from the current property tax mill levy rate at the level of 12.294 mills, which was the mill levy rate in 1992 when TABOR was passed by Colorado voters (Taxpayers Bill of Rights; Amendment 1; Article X, Section 20). The approval exempted the property tax revenue and sales and use tax increase from the TABOR limitation of growth and inflation as defined in the Amendment. This is effective beginning January 1, 2015.

In November 2013 Fremont County Voters passed Fremont County Ballot Issue 1A, which increased the sales tax rate from 1.5% to 2.5%, and allocates the collections of the additional 1% to go to the Sheriff's Department to be used for operations and capital expenditures. The revenue collected in 2014 was \$3,334,558. This Ballot Issue will expire on December 31, 2023.

### **Using This Annual Report**

This annual report consists of three required parts – management's discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the County:



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- The first two statements are government-wide financial statements that provide both long-term and short-term information about the County's overall financial status.
  - The remaining statements are fund financial statements that focus on individual parts of the County government, reporting the County's operations in more detail than the government-wide statements.

The basic financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information (RSI) that further explains and supports the information in the financial statements.

Following the RSI are additional statements that are required by oversight agencies but are not a required part of the financial statement under generally accepted accounting principles.

### **Government-Wide Financial Statements**

The government-wide financial statements consist of the Statement of Net Position and the Statement of Activities. These statements report information about the County as a whole and include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the County's net position and changes in net position. The County's net position – the difference between assets and liabilities – is one way to measure the County's financial health, or financial position. Over time, increases and decreases in the County's net position are one indicator of whether its financial health is improving or deteriorating. Other non-financial factors, however, such as changes in the County's property tax base are needed to assess the overall health of the County.

### **Fund Financial Statements**

The fund financial statements provide more detailed information about the County's funds, focusing on its most significant funds – not the County as a whole.

Governmental fund – All of the County's activity is reported in governmental funds, which focuses on how money flows into and out of the each of the funds and the balances left at year-end that are available for use in future years. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all of other financial assets that can readily be converted to cash. The governmental fund statement provides a detailed short-term view of the County's general governmental operations and the basic services it provides. Governmental fund information helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the County's programs.

**STATEMENT OF NET POSITION**

The perspective of the statement of net position is of the County as a whole. The following is a summary of the County's net assets for the last two years:

	2014	2013
<b>ASSETS</b>		
Cash and Investments	\$ 12,612,853	\$ 10,982,116
Restricted Cash and Investments	2,508,512	2,437,647
Receivables		
Property Taxes	5,409,569	5,587,075
Account	1,817,278	2,315,575
Prepaid Expenses	166,337	51,212
Inventory	266,219	229,216
Capital Assets, Not Depreciated	1,675,073	2,860,797
Capital Assets, Depreciated		
Net of Accumulated Depreciation	<u>37,706,671</u>	<u>36,353,558</u>
<b>TOTAL ASSETS</b>	<u>62,162,512</u>	<u>60,817,196</u>
<b>LIABILITIES</b>		
Accounts Payable	1,906,385	3,033,275
Accrued Expenses	893,118	774,195
Accrued Interest Payable	44,390	38,603
Accrued Compensated Absences	1,194,096	1,131,052
Unearned Revenues	1,107,192	1,021,401
Noncurrent Liabilities		
Due within One Year	660,000	490,000
Due in More Than One Year	<u>22,298,857</u>	<u>22,959,435</u>
<b>TOTAL LIABILITIES</b>	<u>28,104,038</u>	<u>29,447,961</u>
<b>DEFERRED INFLOW OF RESOURCES</b>		
Deferred Property Tax Revenue	5,409,569	5,587,075
Deferred Charges	<u>(139,257)</u>	<u>(145,059)</u>
<b>TOTAL DEFERRED INFLOW OF RESOURCES</b>	<u>5,270,312</u>	<u>5,442,016</u>
<b>NET POSITION</b>		
Net Investment in Capital Assets	18,931,399	18,202,567
Restricted for Emergencies	668,000	545,000
Unrestricted, Unreserved	<u>9,188,763</u>	<u>7,179,652</u>
<b>TOTAL NET ASSETS</b>	<u>\$ 28,788,162</u>	<u>\$ 25,927,219</u>

**STATEMENT OF ACTIVITIES**

The perspective of the statement of activities is of the County as a whole. The following table reflects the change in net position for the last two years:

STATEMENT OF ACTIVITIES						
Year Ended December 31, 2014						
FUNCTIONS/PROGRAMS	Expenses	Charges for Services	Program Revenues		Net (Expense) Revenue and Change In Net Position of Governmental Activities	
			Operating Grants and Contributions	Capital Grants and Contributions	Totals	
					2014	2013
<b>PRIMARY GOVERNMENT</b>						
<b>Governmental Activities</b>						
General Government	\$ 8,051,997	\$ 4,295,980	\$ 228,150	\$ -	\$ (3,527,867)	\$ (3,812,292)
Public Safety	8,804,323	1,811,666	25,000	-	(6,967,657)	(5,995,448)
Airport	780,848	456,391	197,864	-	(126,593)	1,495,224
Health and Welfare	7,349,373	-	3,172,543	-	(4,176,830)	(4,303,678)
Highways and Streets	4,001,118	252,855	5,572,680	-	1,824,417	858,682
Culture and Recreation	193,864	-	-	173,464	(20,400)	44,803
Intergovernmental	258,820	-	-	-	(258,820)	(383,601)
Interest on Long Term Debt	1,127,875	-	-	-	(1,127,875)	(1,029,115)
<b>Total Governmental Activities</b>	<b>\$ 30,568,218</b>	<b>\$ 6,816,892</b>	<b>\$ 9,196,237</b>	<b>\$ 173,464</b>	<b>\$ (14,381,625)</b>	<b>\$ (13,125,425)</b>
<b>GENERAL REVENUES</b>						
			Property Taxes		5,246,671	5,184,139
			Specific Ownership Taxes		735,930	689,458
			Sales and Use Taxes		8,372,792	4,709,163
			Other Taxes		2,439,151	1,550,008
			Interest Income		93,657	13,016
			Other		354,367	869,771
			<b>TOTAL GENERAL REVENUES</b>		<b>17,242,568</b>	<b>13,015,555</b>
			<b>CHANGE IN NET POSITION</b>		<b>2,860,943</b>	<b>(109,870)</b>
			<b>NET POSITION, Beginning</b>		<b>25,927,219</b>	<b>26,037,089</b>
			<b>NET POSITION, Ending</b>		<b>\$ 28,788,162</b>	<b>\$ 25,927,219</b>

**CAPITAL ASSETS AND DEBT ADMINISTRATION – COUNTY WIDE**

The following table summarizes the County's capital assets for the last two years:

Description	2014	2013
<b>Governmental Activities</b>		
Capital Assets, Not Being Depreciated		
Land	\$ 1,218,616	\$ 1,099,743
Construction in Progress	456,457	1,761,054
Total Capital Assets, Not Being Depreciated	<u>1,675,073</u>	<u>2,860,797</u>
Capital Assets, Being Depreciated		
Buildings and Improvements	37,765,092	34,981,246
Equipment and Furniture	8,538,198	8,424,047
Infrastructure	84,205,475	82,977,344
Total Capital Assets, Being Depreciated	<u>130,508,765</u>	<u>126,382,637</u>
Less Accumulated Depreciation	<u>(92,802,094)</u>	<u>(90,029,079)</u>
Total Capital Assets, Being Depreciated, Net	<u>37,706,671</u>	<u>36,353,558</u>
Governmental Activities Capital Assets, Net	<u>39,381,744</u>	<u>39,214,355</u>

**DEBT OUTSTANDING**

The County's long-term debt consists of the following:

Description	Beginning Balance	Additions	Payments	Ending Balance	Due Within One Year
Certificates of Participation 2012	5,655,000	-	-	5,655,000	-
2012 Discount	(103,407)	-	5,442	(97,965)	-
Series 2013 COPS (US Bank)	10,680,000	-	(150,000)	10,530,000	200,000
Series 2013 COPS (US Bank) Discount	(172,578)	-	6,897	(165,681)	-
Series 2013 COPS (UMB)	7,145,000	-	(340,000)	6,805,000	460,000
Series 2013 COPS (UMB) Premium	245,420	-	(12,917)	232,503	-
				-	
Compensated Absences	<u>1,131,052</u>	<u>63,044</u>	<u>-</u>	<u>1,194,096</u>	<u>-</u>
Total Governmental Activities	<u>24,580,487</u>	<u>63,044</u>	<u>(490,578)</u>	<u>24,152,953</u>	<u>660,000</u>

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## **Certificates of Participation**

Certificates of participation Series 2012 dated September 12, 2012 and maturing each December 15 from 2022 through 2031. Interest rates vary from 3.375% to 3.5%.

Certificates of Participation Series 2013A dated October 24, 2014 and maturing each December 15 from 2014 through 2021 and 2032 through 2038. Interest rates vary from 1.1% to 5.75%.

Certificates of Participation Series 2013B dated October 24, 2014 and maturing each December 15 from 2014 through 2032. Interest rates vary from 3% to 5%.

## **ECONOMIC AND OTHER FACTORS**

Sales and use tax revenues increased in 2014 by \$329,070 from 2013. Budgeted revenue for 2015 has been projected to increase \$75,000, or 2% from 2014 budget. Seventy-five percent of sales and use tax revenues are designated for deposit into the General Fund. The remaining twenty-five percent is earmarked for the Sales & Use Tax Capital Improvement Fund. Total sales and use tax collections are estimated to be \$4,713,700 in 2015.

In November 2013 Fremont County Voters passed Fremont County Ballot Issue 1A, which increased the sales tax rate from 1.5% to 2.5%, and allocates the collections of the additional 1% to go to the Sheriff's Department to be used for operations and capital expenditures. The revenue collected in 2014 was \$3,334,558. This Ballot Issue will expire on December 31, 2023.

The Assessed Valuation for tax year 2014 collected in 2015 decreased by \$15,220,721. The current assessed value is \$417,632,839, which totals \$5,413,374 in property tax revenues. This amount is assessed in 2014 and collected in 2015.

In November 2000, Colorado voters approved Amendment 20, which allows the use and sale of medical marijuana. Fremont County adopted regulations in 2014, which licensed and regulated Medical Marijuana Facilities and collected fees for these facilities. The total collections in 2014 were \$155,250. The 2015 budget amount is \$75,500.

## **CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide the general public with a general overview of the County's finances and to reflect the County's accountability for the revenues it receives. If you have any questions regarding this report or need additional financial information, please contact:

Fremont County, Colorado  
Budget & Finance Officer  
615 Macon Avenue, Room 101  
Cañon City, CO 81212  
Tel: (719) 276-7351  
Fax: (719) 276-7353

## **BASIC FINANCIAL STATEMENTS**

FREMONT COUNTY, COLORADO

STATEMENT OF NET POSITION  
As of December 31, 2014

	GOVERNMENTAL ACTIVITIES	
	2014	2013
ASSETS		
Cash and Investments	\$ 12,612,853	\$ 10,982,116
Restricted Cash and Investments	2,508,512	2,437,647
Receivables		
Property Taxes	5,409,569	5,587,075
Account	1,817,278	2,315,575
Prepaid Expenses	166,337	51,212
Inventory	266,219	229,216
Capital Assets, Not Depreciated	1,675,073	2,860,797
Capital Assets, Depreciated		
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<b>TOTAL ASSETS</b>	<b>62,162,512</b>	<b>60,817,196</b>
LIABILITIES		
Accounts Payable	1,906,385	3,033,275
Accrued Expenses	893,118	774,195
Accrued Interest Payable	44,390	38,603
Accrued Compensated Absences	1,194,096	1,131,052
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Noncurrent Liabilities		
Due within One Year	660,000	490,000
Due in More Than One Year	22,298,857	22,959,435
<b>TOTAL LIABILITIES</b>	<b>28,104,038</b>	<b>29,447,961</b>
DEFERRED INFLOW OF RESOURCES		
Deferred Property Tax Revenue	5,409,569	5,587,075
Deferred Charges	(139,257)	(145,059)
<b>TOTAL DEFERRED INFLOW OF RESOURCES</b>	<b>5,270,312</b>	<b>5,442,016</b>
NET POSITION		
Net Investment in Capital Assets	18,931,399	18,202,567
Restricted for Emergencies	668,000	545,000
Unrestricted, Unreserved	9,188,763	7,179,652
	<b>\$ 28,788,162</b>	<b>\$ 25,927,219</b>

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

FREMONT COUNTY, COLORADO

STATEMENT OF ACTIVITIES  
Year Ended December 31, 2014

FUNCTIONS/PROGRAMS	Expenses	Program Revenues			Net (Expense) Revenue and Change In Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	
					Totals	
					2014	2013
<b>PRIMARY GOVERNMENT</b>						
<b>Governmental Activities</b>						
General Government	\$ 8,051,997	\$ 4,295,980	\$ 228,150	\$ -	\$ (3,527,867)	\$ (3,812,292)
Public Safety	8,804,323	1,811,666	25,000	-	(6,967,657)	(5,995,448)
Airport	780,848	456,391	197,864	-	(126,593)	1,495,224
Health and Welfare	7,349,373	-	3,172,543	-	(4,176,830)	(4,303,678)
Highways and Streets	4,001,118	252,855	5,572,680	-	1,824,417	858,682
Culture and Recreation	193,864	-	-	173,464	(20,400)	44,803
Intergovernmental	258,820	-	-	-	(258,820)	(383,601)
Interest on Long Term Debt	1,127,875	-	-	-	(1,127,875)	(1,029,115)
Total Governmental Activities	<u>\$ 30,568,218</u>	<u>\$ 6,816,892</u>	<u>\$ 9,196,237</u>	<u>\$ 173,464</u>	<u>\$ (14,381,625)</u>	<u>\$ (13,125,425)</u>
<b>GENERAL REVENUES</b>						
					5,246,671	5,184,139
					735,930	689,458
					8,372,792	4,709,163
					2,439,151	1,550,008
					93,657	13,016
					354,367	869,771
					<u>17,242,568</u>	<u>13,015,555</u>
					2,860,943	(109,870)
					<u>25,927,219</u>	<u>26,037,089</u>
					<u>\$ 28,788,162</u>	<u>\$ 25,927,219</u>

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



FREMONT COUNTY, COLORADO

BALANCE SHEET  
GOVERNMENTAL FUNDS  
As of December 31, 2014

	GENERAL FUND	TRANSPORATION FUND	HUMAN SERVICES FUND	SALES AND USE FUND
<b>ASSETS</b>				
Cash and Investments	\$ 5,356,851	\$ 1,032,565	\$ 2,094,159	\$ 1,059,242
Restricted Cash and Investments	-	-	15,056	2,493,456
Due From Other Funds	189,631	69,821	-	37,473
Property Taxes Receivable	3,792,495	354,988	1,128,026	-
Accounts Receivable	801,142	278,359	487,473	169,042
Inventory	-	188,022	-	-
Prepaid Expenses	142,922	12,135	10,843	-
<b>TOTAL ASSETS</b>	<b>\$ 10,283,041</b>	<b>\$ 1,935,890</b>	<b>\$ 3,735,557</b>	<b>\$ 3,759,213</b>
<b>LIABILITIES, DEFERRED INFLOWS, AND FUND EQUITY</b>				
<b>LIABILITIES</b>				
Accounts Payable	\$ 562,651	\$ 72,426	\$ 852,508	\$ 161,030
Accrued Expenses	496,152	89,239	270,445	-
Due To Other Funds	390,550	-	17,555	162,500
Unearned Revenue	6,507	-	1,100,685	-
<b>TOTAL LIABILITIES</b>	<b>1,455,860</b>	<b>161,665</b>	<b>2,241,193</b>	<b>323,530</b>
<b>DEFERRED INFLOW OF RESOURCES</b>				
Deferred Property Tax Revenue	3,792,495	354,988	1,128,026	-
<b>FUND EQUITY</b>				
Fund Balance				
Nonspendable	142,922	200,157	10,843	-
Restricted	668,000	-	-	3,435,683
Committed	-	-	-	-
Assigned	-	1,219,080	355,495	-
Unassigned	4,223,764	-	-	-
<b>TOTAL FUND EQUITY</b>	<b>5,034,686</b>	<b>1,419,237</b>	<b>366,338</b>	<b>3,435,683</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND EQUITY</b>	<b>\$ 10,283,041</b>	<b>\$ 1,935,890</b>	<b>\$ 3,735,557</b>	<b>\$ 3,759,213</b>

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

Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.

Long-term liabilities are not due and payable in the current period and are not reported in the funds. This is the amount of COP payable (\$22,990,000), bond discounts \$263,646, bond premium (\$232,503), accrued interest payable (\$44,390), deferred charges \$139,257 the balance of accrued compensated absences (\$1,194,096) for the year.

Net position of governmental activities

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

SELF FUNDED INSURANCE FUND	OTHER GOVERNMENTAL FUNDS	TOTALS	
		2014	2013
\$ 1,975,714	\$ 1,094,322	\$ 12,612,853	\$ 10,982,116
-	-	2,508,512	2,437,647
300,000	8,660	605,585	387,905
-	134,060	5,409,569	5,587,075
-	81,262	1,817,278	2,315,575
-	78,197	266,219	229,216
-	437	166,337	51,212
<u>\$ 2,275,714</u>	<u>\$ 1,396,938</u>	<u>\$ 23,386,353</u>	<u>\$ 21,990,746</u>

\$ 167,300	\$ 90,470	\$ 1,906,385	\$ 3,033,275
-	37,282	893,118	774,195
20,115	14,865	605,585	387,905
-	-	1,107,192	1,021,401
<u>187,415</u>	<u>142,617</u>	<u>4,512,280</u>	<u>5,216,776</u>

-	134,060	5,409,569	5,587,075
---	---------	-----------	-----------

-	78,634	432,556	280,428
-	837,920	4,941,603	6,103,868
2,088,299	173,663	2,261,962	1,862,856
-	30,044	1,604,619	1,170,478
-	-	4,223,764	1,769,265
<u>2,088,299</u>	<u>1,120,261</u>	<u>13,464,504</u>	<u>11,186,895</u>

<u>\$ 2,275,714</u>	<u>\$ 1,396,938</u>
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39,381,744      39,214,355

(24,058,086)      (24,474,031)

\$ 28,788,162      \$ 25,927,219

FREMONT COUNTY, COLORADO

STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS  
Year Ended December 31, 2014

	GENERAL FUND	TRANSPORATION FUND	HUMAN SERVICES FUND	SALES AND USE FUND
REVENUES				
Taxes	\$ 11,269,349	\$ 339,338	\$ 1,329,511	\$ 1,259,535
Insurance Premiums	-	-	-	-
Intergovernmental	2,213,575	2,960,528	5,572,680	-
Licenses and Permits	579,124	-	-	-
Charges for Services	2,982,094	171,630	-	-
Interest Income	17,875	-	-	74,478
Miscellaneous	25,241	152,551	-	318
TOTAL REVENUES	<u>17,087,258</u>	<u>3,624,047</u>	<u>6,902,191</u>	<u>1,334,331</u>
EXPENDITURES				
Current				
General Government	4,845,723	-	-	19,063
Public Safety	8,074,958	-	-	-
Airport	-	-	-	-
Health and Welfare	98,406	-	6,655,728	-
Highways and Streets	-	3,122,253	-	-
Culture and Recreation	-	-	-	-
Intergovernmental	258,820	-	-	-
Capital Outlay	709,671	85,380	-	1,287,699
Bond Issue Costs	-	-	-	-
Debt Service				
Principal	-	-	-	490,000
Interest	-	-	-	1,116,864
TOTAL EXPENDITURES	<u>13,987,578</u>	<u>3,207,633</u>	<u>6,655,728</u>	<u>2,913,626</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>3,099,680</u>	<u>416,414</u>	<u>246,463</u>	<u>(1,579,295)</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from Issuance of Debt	-	-	-	-
Payments to Escrow Agent	-	-	-	-
Bond Premium/Discount	-	-	-	-
Transfers In	420,672	72,553	-	471,581
Transfers Out	(828,430)	(266,096)	(34,372)	(225,500)
TOTAL OTHER FINANCING	<u>(407,758)</u>	<u>(193,543)</u>	<u>(34,372)</u>	<u>246,081</u>
NET CHANGE IN FUND BALANCES	2,691,922	222,871	212,091	(1,333,214)
FUND BALANCES, Beginning	<u>2,342,764</u>	<u>1,196,366</u>	<u>154,247</u>	<u>4,768,897</u>
FUND BALANCES, Ending	<u>\$ 5,034,686</u>	<u>\$ 1,419,237</u>	<u>\$ 366,338</u>	<u>\$ 3,435,683</u>

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

SELF FUNDED INSURANCE FUND	OTHER GOVERNMENTAL FUNDS	TOTALS	
		2014	2013
\$ -	\$ 399,514	\$ 14,597,247	\$ 10,767,292
2,480,064	-	2,480,064	2,541,960
-	820,215	11,566,998	11,985,486
-	-	579,124	398,873
-	552,152	3,705,876	3,357,889
49	10,083	102,485	13,016
152,861	66,396	397,367	949,886
<u>2,632,974</u>	<u>1,848,360</u>	<u>33,429,161</u>	<u>30,014,402</u>
2,537,749	287,994	7,690,529	8,177,778
-	153,856	8,228,814	6,432,632
-	567,812	567,812	566,827
-	492,968	7,247,102	7,181,397
-	-	3,122,253	3,025,909
-	133,739	133,739	97,895
-	-	258,820	383,601
-	212,869	2,295,619	1,976,968
-	-	-	343,848
-	-	490,000	-
-	-	1,116,864	1,025,587
<u>2,537,749</u>	<u>1,849,238</u>	<u>31,151,552</u>	<u>29,212,442</u>
95,225	(878)	2,277,609	801,960
-	-	-	17,825,000
-	-	-	(17,240,059)
-	-	-	72,842
300,000	175,212	1,440,018	778,333
(20,115)	(65,505)	(1,440,018)	(778,333)
<u>279,885</u>	<u>109,707</u>	<u>-</u>	<u>657,783</u>
375,110	108,829	2,277,609	1,459,743
<u>1,713,189</u>	<u>1,011,432</u>	<u>11,186,895</u>	<u>9,727,152</u>
<u>\$ 2,088,299</u>	<u>\$ 1,120,261</u>	<u>\$ 13,464,504</u>	<u>\$ 11,186,895</u>

FREMONT 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

Amounts Reported for Governmental Activities in the Statement of Activities  
are Different Because:

Net Changes in Fund Balances - Total Governmental Funds \$ 2,277,609

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 additions \$3,331,888 exceeded depreciation expense (\$3,099,550) and loss on disposal of assets (\$64,949) in the current period. 167,389

Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. This includes debt principal payments \$490,000, change in compensated absences (\$63,044), amortization of bond discount (\$12,339), amortization of bond premium \$12,917, amortization of deferred charges (\$5,802), and change in accrued interest payable (\$5,787). 415,945

Change in Net Position of Governmental Activities \$ 2,860,943

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

FREMONT COUNTY, COLORADO

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES

AGENCY FUND

December 31, 2014

	<u>AGENCY FUND</u>
ASSETS	
Cash and Investments	<u>\$    368,798</u>
LIABILITIES	
Due to Public Trustee	\$    140,040
Due to Other Governments	<u>    228,758</u>
TOTAL LIABILITIES	<u>\$    368,798</u>

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

## FREMONT COUNTY, COLORADO

### NOTES TO THE FINANCIAL STATEMENTS

December 31, 2014

#### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of Fremont County, Colorado (the “County”) is presented to assist in the understanding of the County’s basic financial statements. The financial statements and notes are representations of the County’s management, which is responsible for their integrity and objectivity. These accounting policies conform to the generally accepted accounting principles (GAAP) as applied to government units, and have been consistently applied in preparation of the financial statements. The Government Accounting Standards Board (GASB) is the standard-setting body that establishes governmental accounting and financial reporting principles. The following is a summary of the County’s significant policies.

##### **Organization**

The County operates under the regulations pursuant to the Colorado Revised Statutes that designates a Board of County Commissioners to act as the governing authority. The County provides the following services: public safety (sheriff) highways and streets, sanitation, health and social services, parks and recreation, public improvements, planning and zoning, and general administrative services.

##### **Reporting Entity**

In accordance with governmental accounting standards, the County has considered the possibility of inclusion of additional entities in its basic financial statements.

The definition of the reporting entity is based primarily on financial accountability. The County is financially accountable for organizations that make up its legal entity. It is also financially accountable for legally separate organizations if County officials appoint a voting majority of the organization’s governing body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the County. The County may also be financially accountable for governmental organizations that are fiscally dependent upon it.

Based on these considerations, the following entities have been included in the County financial statements:

##### *Elected Officials*

All financial transactions of the offices of elected officials of Fremont County (Assessor, Clerk and Recorder, Coroner, District Attorney, Sheriff, and Treasurer) are recorded in the General Fund. The Board of County Commissioners has budgetary authority over elected officials and is accountable for all fiscal matters.

## FREMONT COUNTY, COLORADO

### NOTES TO THE FINANCIAL STATEMENTS

December 31, 2014

#### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES(CONTINUED)

##### Fremont County Public Trustee

Title 38, Article 37 of the 1976 Colorado Revised Statutes (CRS), as amended, governs the Fremont County Public Trustee. Amounts in excess of required reserves are paid to the County. Under Title 29-1, Section 602, Subpart 5 of CRS, effective January 1, 1990, the Office of the Public Trustee was deemed a part of the County for financial reporting purposes. The Fremont County Public Trustee is reported as a blended component unit and is recorded as an agency fund in the County's basic financial statements.

##### Fremont County Finance Corporation (FCFC)

The Fremont County Finance Corporation was formed in 1985 as a not-for-profit corporation under Section 501(C)(4) of the Internal Revenue Code, and exists solely to finance the construction of various County facilities including the criminal justice facility and the social services building. FCFC is reported as a blended component unit in the County's general-purpose financial statements. The underlying notes of participation are reported in the government-wide statement of net position and payments made on the debt, and investments used to service the debt, are reflected in the County's Sales and Use Tax Capital Improvements Fund. The fixed assets of FCFC are also reported in the County's government-wide statement of net position.

#### **Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e. the Statement of Net Position and the Statement of Activities) present financial information of the County as a whole. The reporting information includes all of the nonfiduciary activities of the County. For the most part, the effect of interfund activity has been removed from these statements. The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental activities normally are supported by taxes and intergovernmental revenues.

The Statement of Activities presents a comparison between direct expenses and program revenues for the different business-type activities of the County and for each function of the County's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include fees and charges paid by recipients of goods or services offered by programs, and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program.



## FREMONT COUNTY, COLORADO

### NOTES TO THE FINANCIAL STATEMENTS

December 31, 2014

#### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES(CONTINUED)

##### **Government-Wide and Fund Financial Statements(Continued)**

Revenues that are not classified as program revenues are presented as general revenues. The effects of interfund activity have been eliminated from the government-wide financial statements.

##### **Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

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. 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.

Property taxes, specific ownership taxes, grants, and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the County.

##### Fund Financial Statements

The fund financial statements provide information about the County's funds, including its fiduciary funds. Separate statements for each fund category – governmental, proprietary and fiduciary – are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds. The fiduciary funds are presented separately. The County does not have any proprietary funds.

## FREMONT COUNTY, COLORADO

### NOTES TO THE FINANCIAL STATEMENTS

December 31, 2014

#### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES(CONTINUED)

The County reports the following major governmental funds:

*General Fund* – This fund is the general operating fund of the County. It is used to account for all financial resources except those required to be accounted for in another fund. This fund includes the activities of funds that are maintained separately by the County for internal purposes but are combined in these financial statements for reporting purposes because the expenditures and/or revenues for those separate funds are dependent upon or transfers to or from the general fund. These separate funds include the following: sheriff, capital expenditures, payment in lieu of taxes, waste disposal, and public building and maintenance funds.

*Human Services* – accounts for intergovernmental and grants received for public assistance programs.

*Department of Transportation* – accounts for the construction and maintenance of the County's roads and bridges.

*Sales and Use Tax* – accounts for a portion of revenues from sales and use taxes that are restricted to capital outlay. This fund is also used to account for the activities related to the repayment of the certificates of participation. This fund also includes the Fremont County Finance Corporation's revenues, expenses, and fund balance.

*Self-Funded Insurance Fund* – Accounts for medical, dental, and visual benefits for eligible employees and dependents.

#### **Cash and Investments**

Cash equivalents include investments with original maturities of three months or less. Investments are recorded at fair value.

#### **Interfund Receivables and Payables**

During the course of operations, numerous transactions occur between individual funds. The resulting receivables and payable are classified on the balance sheet as "due from other funds" and "due to other funds", because they are short-term in nature.

Noncurrent portions of long-term interfund loan receivables are reported as advances and are offset equally by a fund balance reserve account which indicates that they do not constitute expendable available financial resources and therefore are not available for appropriation.

**FREMONT COUNTY, COLORADO**

**NOTES TO THE FINANCIAL STATEMENTS**

**December 31, 2014**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES(CONTINUED)**

**Inventory**

Inventory of the County consists of consumable supplies in the Road and Bridge, Airport and Weed Control funds. Inventory is stated at the lower of cost or fair value using the first-in, first-out method. Inventory purchases are recorded as expenditures at the time the individual inventory items are purchased and adjusted to inventory at year-end based on a physical count. Reported inventories are equally offset by a fund balance reserve that indicates that they do not constitute “available spendable resources: even though they are a component of net current assets.

**Capital Assets**

Capital assets, which include property, equipment, and infrastructure, are reported in the government-wide financial statements. All capital assets are valued at historical cost. Repairs and maintenance are recorded as expenses. Renewals and betterments are capitalized.

For buildings and equipment assets capitalized have an original cost of \$5,000 or more and more than a one year useful life. Infrastructure assets are capitalized if the cost is greater than \$25,000. Depreciation has been calculated on each class of depreciable property using the straight line method. Estimated useful lives are as follows:

Buildings	20 - 50 years
Improvements	5 – 30 years
Equipment	3 - 10 years
Infrastructure	7 - 50 years

**Accrued Compensated Absences**

Employees may earn up to a maximum of forty-eight days accrued vacation. At termination, employees are paid for any accumulated vacation leave. These compensated absences are recognized when due in the governmental fund types. The total accrued liability for compensated absences has been recorded in the government-wide statement of net position.

**FREMONT COUNTY, COLORADO**

**NOTES TO THE FINANCIAL STATEMENTS**

**December 31, 2014**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES(CONTINUED)**

**Long-Term Obligations**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures

**Net Position**

The government-wide financial statements, utilize a net position presentation. Net position is categorized as investment in capital assets, restricted, and unrestricted.

*Net Investment in Capital Assets* includes the County's capital assets (net of accumulated depreciation) reduced by the outstanding balances of bonds that are attributable to the acquisition, construction, or improvement of those assets.

*Restricted Net Position* includes assets that have third-party (statutory, bond covenant, or granting agency) limitations on their use. The County typically uses restricted assets first, as appropriate opportunities arise, but reserves the right to selectively defer the use until a future project.

*Unrestricted Net Position* typically includes unrestricted liquid assets. The Board has the authority to revisit or alter this designation.

FREMONT COUNTY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2014

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES(CONTINUED)

**Fund Balances**

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the County is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The County reports the following fund balance classifications:

- *Nonspendable* – This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. The County has classified Inventories, and Prepaid Items as being Nonspendable as these items are not expected to be converted to cash or are not expected to be converted to cash within the next year.

General Fund – Prepaid Expenses	\$142,922
Department of Transportation – Prepaid Expenses	12,135
Department of Transportation Fund – Inventory	188,022
Department of Human Services – Prepaid Expenses	10,843
Airport – Prepaid Expenses	207
Airport – Inventory	63,071
Department of Health – Prepaid Expenses	230
Weed Fund – Inventory	<u>15,126</u>
Total Nonspendable Funds	<u>\$432,556</u>

- *Restricted* – This classification includes amounts restricted for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

General Fund – Emergency Reserves (TABOR)	\$668,000
Sales & Use Tax Fund – Debt Reserve	942,227
Sales & Use Tax Fund – Capital Outlay	2,493,456
Gaming Impact Fund – Gaming Impact	1,612
Conservation Trust Fund – Parks and Recreation	562,510
Restricted Fund – Capital Expenses	<u>273,798</u>
Total Restricted Funds	<u>\$4,941,603</u>

FREMONT COUNTY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2014

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES(CONTINUED)

Fund Balances (Continued)

- *Committed* – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of County Commissioners. These amounts cannot be used for any other purpose unless the Board of County Commissioners removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.

Self-Insurance Fund – Self Insurance	\$2,088,299
Lodging Tax Fund – Advertising	50,453
Airport Fund - Airport	90,606
Restricted Fund – Designated for Projects	34,246
Weed Control Fund – Weed Department	<u>(1,642)</u>
Total Committed Funds	<u>\$2,261,962</u>

- *Assigned* - This classification includes amounts that are constrained by the County’s intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board of County Commissioners or through the Board of County Commissioners delegating this responsibility to another individual through the budgetary process. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund.

Department of Transportation	\$1,219,080
Department of Human Services	355,495
Department of Health Fund	<u>30,044</u>
Total Assigned Funds	<u>\$1,604,619</u>

FREMONT COUNTY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2014

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES(CONTINUED)

**Fund Balances** (Continued)

- *Unassigned* - This classification includes the residual fund balance for the General Fund. The Unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

General Fund	<u>\$4,223,764</u>
Total Unassigned Funds	<u>\$4,233,764</u>

**Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position and balance sheets will sometimes report a separate section for deferred outflows or resources. This separate financial statement element, *deferred outflow of resources*, represents a consumption of net position and fund balance that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position and balance sheets will sometimes report a separate section for deferred inflows or resources. This separate financial statement element, *deferred inflow of resources*, represents an acquisition of net position and fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

**Comparative Data**

Comparative total data for the prior year has been presented in the accompanying financial statements in order to provide an understanding of changes in the County's financial position and operations. However, comparative data has not been presented in all statements because such inclusion would make certain statements unduly complex and difficult to understand. Also, certain amounts presented in the prior year data have been reclassified to be consistent with current year's presentation.

**FREMONT COUNTY, COLORADO**

**NOTES TO THE FINANCIAL STATEMENTS**

**December 31, 2014**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES(CONTINUED)**

**Property Tax Revenue Recognition**

Property attach as an enforceable lien on property as of January 1. Taxes are levied December 15 and are due and payable in full by April 30 or in two equal installments due February 28 and June 15 of the ensuring year. Since these taxes are not normally available to the County until 2015, a receivable and related deferred revenue is recorded at December 31, 2014.

**NOTE 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**Budgets and Budgetary Accounting**

The budgets of the County have been prepared in conformity with generally accepted accounting principles similar to that basis on which the governmental fund statements have been prepared.

The County adheres to the following procedures in establishing budgeting data reflected in the financial statements:

1. Budgets are required pursuant to Colorado Revised Statutes (CRS) for all funds. During September, the County Budget and Finance Officer assembles the prospective budgets for the ensuing year from each elected official and department head.
2. Prior to October 15, the Budget and Finance Officer submits a proposed budget for ensuing year to the Board of County Commissioners.
3. Public hearings are held to obtain taxpayer comment.
4. Prior to December 15, the budget is adopted by formal resolution.
5. Expenditures may not legally exceed appropriations for funds. However, the Board of County Commissioners may amend the budget through use of a supplemental appropriation process pursuant to CRS.



**FREMONT COUNTY, COLORADO**

**NOTES TO THE FINANCIAL STATEMENTS**

**December 31, 2014**

**NOTE 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)**

**Budget**

During the year the County amended the budgets of the various funds as follows:

Fund	Original Budget	Budget Amendment	Amended Budget
General Fund	\$ 10,863,108	\$ 220,000	\$ 11,083,108
Sheriff Department Fund	7,342,908	600,000	7,942,908
Department of Transportation	3,666,030	-	3,666,030
Department of Health Fund	552,598	-	552,598
Waste Disposal Fund	92,300	-	92,300
County Lodging Tax Fund	119,032	52,000	171,032
Airport Fund	629,942	218,000	847,942
Gaming Impact Fund	-	-	-
Capital Expenditures Fund	753,295	120,000	873,295
Public Building & Maintenance Fund	12,719	10,000	22,719
Payment in Lieu of Taxes Fund	1,000,000	-	1,000,000
Sales & Use Tax Fund	3,682,551	-	3,682,551
Department of Human Services Fund	7,914,910	-	7,914,910
Conservation Trust Fund	268,565	-	268,565
Self-Funded Group Insurance	2,847,675	-	2,847,675
Weed Control Fund	141,092	1,000	142,092
Restricted Funds Fund	209,600	-	209,600

As discussed above, these are the funds that the County budgets. However for financial statement presentation the following funds have been consolidated in the General Fund: Sheriff, Capital Expenditures, Payment in Lieu of Taxes, Waste Disposal, and Public Building and Maintenance Funds.

**FREMONT COUNTY, COLORADO**

**NOTES TO THE FINANCIAL STATEMENTS**

**December 31, 2014**

**NOTE 3: DEPOSITS AND INVESTMENTS**

A summary of deposits and investments as of December 31, 2014 follows:

Petty Cash	2,070
Deposits	12,909,492
Investments	<u>2,578,601</u>
Total	<u><u>15,490,163</u></u>
Reported in Governmental Activities	15,121,365
Reported in Agency Fund	<u>368,798</u>
Total	<u><u>15,490,163</u></u>

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. At December 31, 2014, State regulatory commissioners have indicated that all financial institutions holding deposits for the County are eligible public depositories. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution, or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits.

The County has no policy regarding custodial credit risk for deposits.

At December 31, 2014, the County had deposits with financial institutions with a carrying amount of \$12,909,492. The bank balances with the financial institutions were \$13,572,634. Of these balances, \$500,000 was covered by federal depository insurance and \$13,072,634 was covered by collateral held by authorized escrow agents in the financial institutions name (PDPA).

**FREMONT COUNTY, COLORADO**

**NOTES TO THE FINANCIAL STATEMENTS**

**December 31, 2014**

**NOTE 3: DEPOSITS AND INVESTMENTS (CONTINUED)**

**Investments**

At December 31, 2014, the County had the following investments:

ColoTrust	\$749,617
US Treasury Obligations	1,515,184
Commercial Paper	<u>313,800</u>
Total	<u>\$2,578,601</u>

*Investment Interest Rate Risk*

The County has no formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

*Investment Credit Risk*

The County has no investment policy that limits its investment choices other than the limitation of state law as follows:

1. Direct obligations of the U.S. Government, its agencies, and instrumentalities to which the full faith and credit of the U.S. Government is pledged or obligations to the payment of which the full faith and credit of the State is pledged;
2. Certificates of deposit or savings accounts that are either insured or secured with acceptable collateral with in-state financial institutions, and fully insured certificates of deposit or savings accounts in out of state financial institutions;
3. With certain limitation, negotiable certificates of deposit, prime bankers acceptances, prime commercial paper, and repurchase agreements with certain limitations;
4. Town, municipal, or school district tax supported debt obligations; bond or revenue anticipation notes; money; or bond or revenue anticipation notes of public trusts whose beneficiary is a town, municipality, or school district;
5. Notes or bonds secured by a mortgage or trust deed insured by the Federal Housing Administrator and debentures issued by the Federal Housing Administrator, and obligations of the National Mortgage Association; and
6. Money market funds regulated by the Securities and Exchange Commission in which investments consist of the investments in 1, 2, 3, and 4 above.

FREMONT COUNTY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2014

NOTE 3: DEPOSITS AND INVESTMENTS (CONTINUED)

Concentrations of Investment Credit Risk

The County places no limit on the amount it may invest in any one issuer. The County invests excess funds under the prudent investor rule. Criteria for selection of investments and their order of priority are: 1) safety; 2) liquidity; and 3) yield.

The County’s investment policy controls credit risk by limiting its investments to those allowed by Colorado statutes. Historically, however, the County has only invested in US Treasuries. As of December 31, 2014, the County had investments in First American Treasury and GE Commercial Paper. All are rated AAAM by Standard and Poor’s and Aaa- by Moody’s Investor Services.

The County had invested \$749,617 in the Colorado Government Liquid Asset Trust (ColoTrust); an investment vehicle established for local government entities in Colorado to pool surplus funds and is registered with the State Securities Commissioner. It operates similarly to a money market fund and each share is equal in value to \$1.00. Investments consist of U.S. Treasury and U.S. Agency securities and repurchase agreements collateralized by U.S. Treasury and U.S. Agency securities. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. Substantially all securities owned 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 the entities. ColoTrust is rated AAAM by Standard and Poor’s.

**Restricted Cash and Investments**

Cash and investments have been restricted in the Sales and Use Tax Fund for the repayment of debt in the amount of \$2,493,456. Restricted cash in the Human Services Fund is in an account held in trust for others in the amount of \$15,056.

NOTE 4: INTERFUND BALANCES AND TRANSFERS

<u>Due From Other Funds</u>	<u>Due To Other Funds</u>	<u>Amount</u>
General Fund	Conservation Trust Fund	\$ 4,154
General Fund	Department of Human Services	369
General Fund	Self-Funded Insurance	20,115
General Fund	Sales & Use Tax Fund	162,500
General Fund	Weed Fund	2,493
Department of Transportation	General Fund	61,603
Department of Transportation	Weed Fund	1,370

**FREMONT COUNTY, COLORADO**

**NOTES TO THE FINANCIAL STATEMENTS**

**December 31, 2014**

**NOTE 4: INTERFUND BALANCES AND TRANSFERS (CONTINUED)**

<u>Due From Other Funds</u>	<u>Due To Other Funds</u>	<u>Amount</u>
Department of Transportation	Conservation Trust Fund	437
Department of Transportation	Airport Fund	6,411
Airport Fund	General Fund	1,548
Sales & Use Tax Fund	General Fund	20,287
Sales & Use Tax Fund	Department of Human Services	17,186
Conservation Trust Fund	General Fund	5,685
Self-Funded Insurance	General Fund	300,000
Restricted Fund	General Fund	1,427
<b>Total</b>		<b><u>\$ 605,585</u></b>

At December 31, 2014, these amounts are owed between funds due to timing differences related to receipts and disbursements into and out of the General Fund not being transferred from the funds in the same accounting period the underlying revenue or expenditure was recorded.

<u>Transfers To Other Funds</u>	<u>Transfers From Other Funds</u>	<u>Amount</u>
General Fund	Self-Funded Insurance	\$ 20,115
General Fund	Airport Fund	21,890
General Fund	Department of Transportation	146,505
General Fund	Lodging Tax Fund	932
General Fund	Weed Fund	5,730
Department of Transportation	Airport Fund	21,467
Department of Transportation	General Fund	49,716
Department of Transportation	Weed Fund	1,370
Department of Health	General Fund	140,364
General Fund	Sales & Use Tax Fund	162,500
Sales & Use Tax	Department of Transportation	113,342
Sales & Use Tax	Airport Fund	1,517
Sales & Use Tax	General Fund	385,350
Sales & Use Tax	Department of Human Services	34,372
Self-Funded Insurance	General Fund	300,000
Weed Fund	General Fund	15,000
Weed Fund	Department of Transportation	6,249
Weed Fund	Airport Fund	599
Weed Fund	Conservation Trust Fund	12,000
Restricted Fund	General Fund	1,000
<b>Total</b>		<b><u>\$ 1,440,018</u></b>

**FREMONT COUNTY, COLORADO**

**NOTES TO THE FINANCIAL STATEMENTS**

**December 31, 2014**

**NOTE 4: INTERFUND BALANCES AND TRANSFERS (CONTINUED)**

The transfers are for reimbursements of costs that were paid on behalf of other funds and for annual payments to other funds to offset expenses incurred by those funds.

**NOTE 5: CAPITAL ASSETS**

Capital assets activity for the year ended December 31, 2014 is summarized below:

Description	Balance, Beginning of Year	Additions	Deletions	Balance, End of Year
<b>Governmental Activities</b>				
Capital Assets, Not Being Depreciated				
Land	\$ 1,099,743	\$ 121,968	\$ (3,095)	\$ 1,218,616
Construction in Progress	1,761,054	456,457	(1,761,054)	456,457
Total Capital Assets, Not Being Depreciated	<u>2,860,797</u>	<u>578,425</u>	<u>(1,764,149)</u>	<u>1,675,073</u>
Capital Assets, Being Depreciated				
Buildings and Improvements	34,981,246	2,898,217	(114,371)	37,765,092
Equipment and Furniture	8,424,047	388,169	(274,018)	8,538,198
Infrastructure	82,977,344	1,228,131	-	84,205,475
Total Capital Assets, Being Depreciated	<u>126,382,637</u>	<u>4,514,517</u>	<u>(388,389)</u>	<u>130,508,765</u>
Less Accumulated Depreciation for				
Buildings and Improvements	(15,693,745)	(1,077,687)	69,898	(16,701,534)
Equipment and Furniture	(6,927,359)	(428,801)	256,637	(7,099,523)
Infrastructure	(67,407,975)	(1,593,062)	-	(69,001,037)
Total Accumulated Depreciation	<u>(90,029,079)</u>	<u>(3,099,550)</u>	<u>326,535</u>	<u>(92,802,094)</u>
Total Capital Assets, Being Depreciated, Net	<u>36,353,558</u>	<u>1,414,967</u>	<u>(61,854)</u>	<u>37,706,671</u>
Governmental Activities Capital Assets, Net	<u><u>39,214,355</u></u>	<u><u>1,993,392</u></u>	<u><u>(1,826,003)</u></u>	<u><u>39,381,744</u></u>

**FREMONT COUNTY, COLORADO**

**NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2014**

**NOTE 5: CAPITAL ASSETS (CONTINUED)**

The following schedule summarizes depreciation expense by function:

<u>Description</u>	<u>Amount</u>
Highways & Roads	\$ 1,850,185
General Government	298,424
Airport	213,036
Sheriff	355,782
Other Public Safety	219,727
Culture & Recreation	60,125
Health & Welfare	102,271
	<hr/>
Total	<u>\$ 3,099,550</u>

**NOTE 6: LONG-TERM DEBT**

**Changes in Long-term Debt**

The following is a summary of changes in general long-term debt for the year ended December 31, 2014:

<u>Description</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Payments</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Certificates of Participation 2012	5,655,000	-	-	5,655,000	-
2012 Discount	(103,407)	-	5,442	(97,965)	-
Series 2013 COPS (US Bank)	10,680,000	-	(150,000)	10,530,000	200,000
Series 2013 COPS (US Bank) Discount	(172,578)	-	6,897	(165,681)	-
Series 2013 COPS (UMB)	7,145,000	-	(340,000)	6,805,000	460,000
Series 2013 COPS (UMB) Premium	245,420	-	(12,917)	232,503	-
				-	
Compensated Absences	1,131,052	63,044	-	1,194,096	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Governmental Activities	24,580,487	63,044	(490,578)	24,152,953	660,000

**FREMONT COUNTY, COLORADO**

**NOTES TO THE FINANCIAL STATEMENTS**

**December 31, 2014**

**NOTE 6: LONG-TERM DEBT (CONTINUED)**

**Certificates of Participation**

Certificates of Participation Series 2012 dated September 12, 2012 and maturing each December 15 from 2022 through 2031. Interest rates vary from 3.375% to 3.5%.

Certificates of Participation Series 2013A dated October 24, 2014 and maturing each December 15 from 2014 through 2021 and 2032 through 2038. Interest rates vary from 1.1% to 5.75%.

Certificates of Participation Series 2013B dated October 24, 2014 and maturing each December 15 from 2014 through 2032. Interest rates vary from 3% to 5%.

Principal and payments to maturity on the certificates of participation are as follows:

<u>Year Ended</u>	<u>Principle</u>	<u>Interest</u>	<u>Total</u>
2015	660,000	991,957	1,651,957
2016	705,000	972,157	1,677,157
2017	740,000	951,007	1,691,007
2018	810,000	925,807	1,735,807
2019	550,000	897,063	1,447,063
2020-2024	2,630,000	4,147,338	6,777,338
2025-2029	4,810,000	3,543,114	8,353,114
2030-2034	6,605,000	2,350,875	8,955,875
2035-2038	5,480,000	737,100	6,217,100
Total	<u>\$ 22,990,000</u>	<u>\$ 15,516,418</u>	<u>\$ 38,506,418</u>

**NOTE 7: EMPLOYEE BENEFITS**

**Deferred Compensation Plan**

The County offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all County employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseen non-reimbursed emergency.



## FREMONT COUNTY, COLORADO

### NOTES TO THE FINANCIAL STATEMENTS

December 31, 2014

#### NOTE 7: EMPLOYEE BENEFITS (CONTINUED)

##### **Retirement Plan**

County employees are members of the Colorado Counties Officials and Employee Retirement Association (CCOERA). The CCOERA administers a multiple-employer defined contribution plan. The Plan's purpose is to provide benefits to its members and their dependents at retirement. Employees' rights vest in employer contributions and in the earnings, losses, and changes in fair market value of the Plan assets after 5 years of service credit.

In 2014 the County matched 3% of eligible payroll. Employee contributions must match employer contributions and are funded on a current basis. Total payroll for the County was \$11,778,140 of which \$9,792,566 was eligible. Total contributions to the plan by the County in 2014 were \$293,777.

Net earnings or losses are allocated quarterly to the Plan participants. The allocation is based on each participant's balance as of the beginning of that quarter. Participants receiving benefit payments upon retirement or termination, are allocated earnings through the date of the distribution.

As of May 31, 2014, the Plan's assets did not include any Fremont County securities or loans.

##### **Vacation and Sick Leave**

Employees are paid for unused vacation time accumulated prior to termination, provided that the unused annual leave does not exceed the amount that could be accrued in a 24-month period based on the employees' current accrual rate. The County does not pay for any accumulated sick leave.

##### **Health Insurance**

The County provides a group health insurance program consisting of medical coverage for all regular employees. The County contributes between 75% and 91% of the cost for regular full-time employees, depending on which plan the employee signs up for. The County has set up a self-insurance plan for the employee's health insurance. The County contracts with Meritain to provide the administration and operation of the plan.

Under the plan the County is self-insured for the first \$55,000 in claims per participant per year. For amounts in excess of \$55,000 the County has purchased insurance coverage.

## FREMONT COUNTY, COLORADO

### NOTES TO THE FINANCIAL STATEMENTS

December 31, 2014

#### NOTE 7: EMPLOYEE BENEFITS (CONTINUED)

##### **Life Insurance**

The County funds the total cost of a life insurance program that insures each regular County employee for \$10,000. The program also provides spousal coverage of \$5,000, and dependent coverage of \$2,000 for dependents between the age of six months and 23 years old.

#### NOTE 8: RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. In order to obtain insurance coverage at a cost which it considered to be economically justifiable, the County became a member of Colorado Counties, Inc. which had previously served as the administrator of the following self-funded public entity insurance pools:

##### Colorado Counties Casualty and Property Pool (CCCPP)

CCCPP was formed on July 1, 1986 by an intergovernmental agreement among member counties of Colorado Counties, Inc. The purpose of the pool is to provide a risk management fund for defined property and casualty coverage of the member counties. The County pays an annual contribution to CAPP for its property and casualty insurance coverage. 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.

##### County Workers' Compensation Pool (CWCP)

CWCP was formed on January 1, 1985 by an intergovernmental agreement among member counties of Colorado Counties, Inc. The purpose of the joint venture is to provide a joint workers' compensation pool for employees of the member counties. The County pays an annual contribution to CWCP for its workers' compensation insurance coverage. 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.

**FREMONT COUNTY, COLORADO**

**NOTES TO THE FINANCIAL STATEMENTS**

**December 31, 2014**

**NOTE 8: RISK MANAGEMENT(CONTINUED)**

Health Insurance Fund

All funds that have employees enrolled in the County Insurance Plan are required to make payments in the County Health Insurance Fund. Under this plan the County self-insures employee health claims up to \$55,000 per participant. The County purchases commercial insurance for claims in excess of \$55,000. Changes in the Fund’s claims liability amount for the last 3 years were:

Year	Beginning of Year Liability	Claims	Claims Paid	Balance End of Year
2012	\$ 123,748	\$ 1,939,009	\$ 2,047,569	\$ 15,188
2013	15,188	2,093,537	1,935,185	\$ 173,540
2014	173,540	1,948,455	1,954,695	\$ 167,300

**NOTE 9: COMMITMENTS AND CONTINGENCIES**

**Emergency Telephone Service Authority (ETSA – 911)**

EGSA – 911 was established in 1989 to provide and administer emergency telephone service to Canon City, Florence, and all surrounding communities within the County. The County is financially responsible for certain operating costs incurred by ETSA; however, it does not have an equity interest at this time. ETSA prepared separate financial statements which are available through the County’s Finance Office. The ETSA is not reported in the County’s financial statements.

It was determined that the ETSA is a joint venture for the following reasons: (1) It was organized by an intergovernmental agreement between the County, City of Canon City, and City of Florence; and (2) the County retains an ongoing financial interest and financial responsibilities.

**FREMONT COUNTY, COLORADO**

**NOTES TO THE FINANCIAL STATEMENTS**

**December 31, 2014**

**NOTE 9: COMMITMENTS AND CONTINGENCIES(CONTINUED)**

**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 amendment. However, the County has made certain interpretations of the amendment's language in order to determine its compliance.

The County has established an emergency reserve, representing 3% of qualifying expenditures, as required by the Amendment. At December 31, 2014, the emergency reserve of \$668,000 was recorded in the General Fund.

**Litigation**

In the course of its operations the County becomes party to various legal proceedings. The County does not believe that any of the current legal proceedings, or potential proceedings which the County is aware of, will have a material adverse impact on the County's financial statements.

***REQUIRED SUPPLEMENTARY INFORMATION***

FREMONT COUNTY, COLORADO

GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
Year Ended December 31, 2014

	2014			VARIANCE	2013
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	Positive (Negative)	Actual
REVENUES					
Taxes	\$ 10,379,966	\$ 10,379,966	\$ 11,269,349	\$ 889,383	\$ 7,729,363
Licenses and Permits	395,650	395,650	579,124	183,474	398,873
Intergovernmental	1,877,590	1,877,590	2,213,575	335,985	1,362,111
Charges for Services	2,383,600	2,383,600	2,982,094	598,494	2,398,260
Interest Income	15,000	15,000	17,875	2,875	12,105
Miscellaneous	410,424	410,424	25,241	(385,183)	472,870
TOTAL REVENUES	<u>15,462,230</u>	<u>15,462,230</u>	<u>17,087,258</u>	<u>1,625,028</u>	<u>12,373,582</u>
EXPENDITURES					
Current					
General Government	5,067,695	5,067,695	4,845,723	221,972	5,037,922
Public Safety	8,618,565	9,218,565	8,074,958	1,143,607	6,255,585
Health and Welfare	119,376	119,376	98,406	20,970	62,094
Intergovernmental	89,296	309,296	258,820	50,476	383,601
Capital Outlay	761,014	891,014	709,671	181,343	179,810
TOTAL EXPENDITURES	<u>14,655,946</u>	<u>15,605,946</u>	<u>13,987,578</u>	<u>1,618,368</u>	<u>11,919,012</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>806,284</u>	<u>(143,716)</u>	<u>3,099,680</u>	<u>3,243,396</u>	<u>454,570</u>
OTHER FINANCING SOURCES (USES)					
Transfers In	63,000	63,000	420,672	357,672	288,477
Transfers Out	<u>(432,532)</u>	<u>(432,532)</u>	<u>(828,430)</u>	<u>(395,898)</u>	<u>(373,123)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(369,532)</u>	<u>(369,532)</u>	<u>(407,758)</u>	<u>(38,226)</u>	<u>(84,646)</u>
NET CHANGE IN FUND BALANCE	436,752	(513,248)	2,691,922	3,205,170	369,924
FUND BALANCE, Beginning	<u>2,058,816</u>	<u>2,058,816</u>	<u>2,342,764</u>	<u>283,948</u>	<u>1,972,840</u>
FUND BALANCE, Ending	<u>\$ 2,495,568</u>	<u>\$ 1,545,568</u>	<u>\$ 5,034,686</u>	<u>\$ 3,489,118</u>	<u>\$ 2,342,764</u>

See the accompanying independent auditors' report.

FREMONT COUNTY, COLORADO

TRANSPORTATION FUND  
 BUDGETARY COMPARISON SCHEDULE  
 Year Ended December 31, 2014

	2014		VARIANCE Positive (Negative)	2013 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
REVENUES				
Taxes	\$ 347,429	\$ 339,338	\$ (8,091)	\$ 343,343
Charges for Services	200,600	171,630	(28,970)	326,111
Intergovernmental	2,528,950	2,960,528	431,578	2,554,145
Miscellaneous	12,500	152,551	140,051	34,752
TOTAL REVENUES	<u>3,089,479</u>	<u>3,624,047</u>	<u>534,568</u>	<u>3,258,351</u>
EXPENDITURES				
Highways and Streets	3,396,333	3,122,253	274,080	2,963,815
Capital Outlay	15,000	85,380	(70,380)	3,474
TOTAL EXPENDITURES	<u>3,411,333</u>	<u>3,207,633</u>	<u>203,700</u>	<u>2,967,289</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(321,854)</u>	<u>416,414</u>	<u>738,268</u>	<u>291,062</u>
OTHER FINANCING SOURCES				
Transfers In	110,000	72,553	(37,447)	75,294
Transfers Out	(254,697)	(266,096)	(11,399)	(108,928)
TOTAL OTHER FINANCING SOURCES	<u>(144,697)</u>	<u>(193,543)</u>	<u>(48,846)</u>	<u>(33,634)</u>
NET CHANGE IN FUND BALANCES	(466,551)	222,871	689,422	257,428
FUND BALANCES, Beginning	<u>1,134,849</u>	<u>1,196,366</u>	<u>61,517</u>	<u>938,938</u>
FUND BALANCES, Ending	<u>\$ 668,298</u>	<u>\$ 1,419,237</u>	<u>\$ 750,939</u>	<u>\$ 1,196,366</u>

See the accompanying independent auditors' report.

FREMONT COUNTY, COLORADO

HUMAN SERVICES FUND  
 BUDGETARY COMPARISON SCHEDULE  
 Year Ended December 31, 2014

	2014		VARIANCE Positive (Negative)	2013 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
REVENUES				
Taxes	\$ 1,317,332	\$ 1,329,511	\$ 12,179	\$ 1,174,217
Intergovernmental	6,545,010	5,572,680	(972,330)	5,507,091
TOTAL REVENUES	<u>7,862,342</u>	<u>6,902,191</u>	<u>(960,151)</u>	<u>6,681,308</u>
EXPENDITURES				
Health and Welfare	<u>7,914,910</u>	<u>6,655,728</u>	<u>1,259,182</u>	<u>6,504,934</u>
TOTAL EXPENDITURES	<u>7,914,910</u>	<u>6,655,728</u>	<u>1,259,182</u>	<u>6,504,934</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(52,568)</u>	<u>246,463</u>	<u>299,031</u>	<u>176,374</u>
OTHER FINANCING SOURCES				
Transfers Out	<u>-</u>	<u>(34,372)</u>	<u>(34,372)</u>	<u>(17,186)</u>
NET CHANGE IN FUND BALANCE	<u>(52,568)</u>	<u>212,091</u>	<u>264,659</u>	<u>159,188</u>
FUND BALANCE, Beginning	<u>132,567</u>	<u>154,247</u>	<u>21,680</u>	<u>(4,941)</u>
FUND BALANCE, Ending	<u>\$ 79,999</u>	<u>\$ 366,338</u>	<u>\$ 286,339</u>	<u>\$ 154,247</u>

See the accompanying independent auditors' report.



FREMONT COUNTY, COLORADO

SALES AND USE TAX FUND  
 BUDGETARY COMPARISON SCHEDULE  
 Year Ended December 31, 2014

	2014		VARIANCE Positive (Negative)	2013 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
REVENUES				
Taxes	\$ 1,156,125	\$ 1,259,535	\$ 103,410	\$ 1,177,165
Interest	2,000	74,478	72,478	-
Miscellaneous	-	318	318	213,128
TOTAL REVENUES	<u>1,158,125</u>	<u>1,334,331</u>	<u>176,206</u>	<u>1,390,293</u>
EXPENDITURES				
General Government	10,781	19,063	(8,282)	18,781
Capital Outlay	2,000,000	1,287,699	712,301	30,930
Bond Issue Costs	-	-	-	343,848
Debt Service				
Principal	490,000	490,000	-	-
Interest	<u>1,118,770</u>	<u>1,116,864</u>	<u>1,906</u>	<u>1,025,587</u>
TOTAL EXPENDITURES	<u>3,619,551</u>	<u>2,913,626</u>	<u>705,925</u>	<u>1,419,146</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(2,461,426)</u>	<u>(1,579,295)</u>	<u>882,131</u>	<u>(28,853)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	454,395	471,581	17,186	333,243
Transfers Out	(63,000)	(225,500)	(162,500)	(51,348)
Proceeds from Issuance of Debt	-	-	-	17,825,000
Bond Premium/Discount	-	-	-	72,842
Payments to Escrow Agent	-	-	-	(17,240,059)
TOTAL OTHER FINANCING SOURCES (USES)	<u>391,395</u>	<u>246,081</u>	<u>(145,314)</u>	<u>939,678</u>
NET CHANGE IN FUND BALANCE	(2,070,031)	(1,333,214)	736,817	910,825
FUND BALANCE, Beginning	<u>5,855,967</u>	<u>4,768,897</u>	<u>(1,087,070)</u>	<u>3,858,072</u>
FUND BALANCE, Ending	<u>\$ 3,785,936</u>	<u>\$ 3,435,683</u>	<u>\$ (350,253)</u>	<u>\$ 4,768,897</u>

See the accompanying independent auditors' report.

FREMONT COUNTY, COLORADO

SELF FUNDED GROUP INSURANCE FUND  
 BUDGETARY COMPARISON SCHEDULE  
 Year Ended December 31, 2014

	2014		VARIANCE Positive (Negative)	2013 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
REVENUES				
Insurance Premiums	\$ 2,530,705	\$ 2,480,064	\$ (50,641)	\$ 2,541,960
Interest	-	49	49	-
Miscellaneous	125,000	152,861	27,861	130,109
TOTAL REVENUES	<u>2,655,705</u>	<u>2,632,974</u>	<u>(22,731)</u>	<u>2,672,069</u>
EXPENDITURES				
General Government	<u>2,827,560</u>	<u>2,537,749</u>	<u>289,811</u>	<u>2,732,031</u>
TOTAL EXPENDITURES	<u>2,827,560</u>	<u>2,537,749</u>	<u>289,811</u>	<u>2,732,031</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(171,855)</u>	<u>95,225</u>	<u>267,080</u>	<u>(59,962)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	-	300,000	300,000	-
Transfers Out	<u>(20,115)</u>	<u>(20,115)</u>	<u>-</u>	<u>(218,426)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(20,115)</u>	<u>279,885</u>	<u>300,000</u>	<u>(218,426)</u>
NET CHANGE IN FUND BALANCE	(191,970)	375,110	567,080	(278,388)
FUND BALANCE, Beginning	<u>2,090,341</u>	<u>1,713,189</u>	<u>(377,152)</u>	<u>1,991,577</u>
FUND BALANCE, Ending	<u>\$ 1,898,371</u>	<u>\$ 2,088,299</u>	<u>\$ 189,928</u>	<u>\$ 1,713,189</u>

See the accompanying independent auditors' report.

***COMBINING AND INDIVIDUAL FUND SCHEDULES***

FREMONT COUNTY, COLORADO

NONMAJOR GOVERNMENTAL FUNDS  
 COMBINING BALANCE SHEET  
 December 31, 2014

	COUNTY LODGING TAX FUND	AIRPORT FUND	GAMING IMPACT FUND	WEED CONTROL FUND
<b>ASSETS</b>				
Cash and Investments	\$ 25,580	\$ 138,364	\$ 1,612	\$ -
Due From Other Funds	-	1,548	-	-
Property Taxes Receivable	-	134,060	-	-
Accounts Receivable	25,126	(7,261)	-	5,846
Inventory	-	63,071	-	15,126
Prepaid Expenses	-	207	-	-
<b>TOTAL ASSETS</b>	<b>\$ 50,706</b>	<b>\$ 329,989</b>	<b>\$ 1,612</b>	<b>\$ 20,972</b>
<b>LIABILITIES, DEFERRED INFLOWS, AND FUND EQUITY</b>				
<b>LIABILITIES</b>				
Accounts Payable	\$ 253	\$ 27,586	\$ -	\$ 575
Accrued Expenses	-	8,048	-	3,050
Due To Other Funds	-	6,411	-	3,863
<b>TOTAL LIABILITIES</b>	<b>253</b>	<b>42,045</b>	<b>-</b>	<b>7,488</b>
<b>DEFERRED INFLOW OF RESOURCES</b>				
Deferred Property Tax Revenue	-	134,060	-	-
<b>FUND EQUITY</b>				
Fund Balance				
Nonspendable	-	63,278	-	15,126
Restricted	-	-	1,612	-
Committed	50,453	90,606	-	(1,642)
Assigned	-	-	-	-
<b>TOTAL FUND EQUITY</b>	<b>50,453</b>	<b>153,884</b>	<b>1,612</b>	<b>13,484</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND EQUITY</b>	<b>\$ 50,706</b>	<b>\$ 329,989</b>	<b>\$ 1,612</b>	<b>\$ 20,972</b>

See the accompanying independent auditors' report.

CONSERVATION TRUST FUND	DEPARTMENT OF HEALTH FUND	RESTRICTED FUNDS FUND	TOTALS	
			2014	2013
\$ 615,782	\$ 23,173	\$ 289,811	\$ 1,094,322	\$ 1,243,165
5,685	-	1,427	8,660	7,184
-	-	-	134,060	138,946
-	40,745	16,806	81,262	913,532
-	-	-	78,197	56,878
-	230	-	437	10,438
<u>\$ 621,467</u>	<u>\$ 64,148</u>	<u>\$ 308,044</u>	<u>\$ 1,396,938</u>	<u>\$ 2,370,143</u>
\$ 54,366	\$ 7,690	\$ -	\$ 90,470	\$ 1,150,378
-	26,184	-	37,282	39,730
4,591	-	-	14,865	29,657
<u>58,957</u>	<u>33,874</u>	<u>-</u>	<u>142,617</u>	<u>1,219,765</u>
-	-	-	134,060	138,946
-	230	-	78,634	67,316
562,510	-	273,798	837,920	789,971
-	-	34,246	173,663	149,667
-	30,044	-	30,044	4,478
<u>562,510</u>	<u>30,274</u>	<u>308,044</u>	<u>1,120,261</u>	<u>1,011,432</u>
<u>\$ 621,467</u>	<u>\$ 64,148</u>	<u>\$ 308,044</u>	<u>\$ 1,396,938</u>	<u>\$ 2,370,143</u>

FREMONT COUNTY, COLORADO

NONMAJOR GOVERNMENTAL FUNDS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES  
 Year Ended December 31, 2014

	COUNTY LODGING TAX FUND	AIRPORT FUND	GAMING IMPACT FUND	WEED CONTROL FUND
REVENUES				
Taxes	\$ 150,986	\$ 158,141	\$ -	\$ 90,387
Intergovernmental	25,000	197,864	-	-
Charges for Services	-	456,391	-	14,536
Interest Income	-	-	-	8,828
Miscellaneous	-	8,982	-	-
TOTAL REVENUES	<u>175,986</u>	<u>821,378</u>	<u>-</u>	<u>113,751</u>
EXPENDITURES				
Current				
General Government	155,946	-	-	129,054
Public Safety	-	-	-	-
Airport	-	567,812	-	-
Health and Welfare	-	-	-	-
Culture and Recreation	-	-	-	-
Capital Outlay	-	212,869	-	-
TOTAL EXPENDITURES	<u>155,946</u>	<u>780,681</u>	<u>-</u>	<u>129,054</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>20,040</u>	<u>40,697</u>	<u>-</u>	<u>(15,303)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	33,848
Transfers Out	(932)	(45,473)	-	(7,100)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(932)</u>	<u>(45,473)</u>	<u>-</u>	<u>26,748</u>
NET CHANGE IN FUND BALANCES	19,108	(4,776)	-	11,445
FUND BALANCES, Beginning	<u>31,345</u>	<u>158,660</u>	<u>1,612</u>	<u>2,039</u>
FUND BALANCES, Ending	<u>\$ 50,453</u>	<u>\$ 153,884</u>	<u>\$ 1,612</u>	<u>\$ 13,484</u>

See the accompanying independent auditors' report.

CONSERVATION TRUST FUND	DEPARTMENT OF HEALTH FUND	RESTRICTED FUNDS FUND	TOTALS	
			2014	2013
\$ -	\$ -	\$ -	\$ 399,514	\$ 343,204
173,464	286,124	137,763	820,215	2,562,139
-	81,225	-	552,152	633,518
1,255	-	-	10,083	911
4,430	1,156	51,828	66,396	99,027
<u>179,149</u>	<u>368,505</u>	<u>189,591</u>	<u>1,848,360</u>	<u>3,638,799</u>
-	-	2,994	287,994	389,044
-	-	153,856	153,856	177,047
-	-	-	567,812	566,827
-	492,968	-	492,968	676,463
133,739	-	-	133,739	97,895
-	-	-	212,869	1,762,754
<u>133,739</u>	<u>492,968</u>	<u>156,850</u>	<u>1,849,238</u>	<u>3,670,030</u>
<u>45,410</u>	<u>(124,463)</u>	<u>32,741</u>	<u>(878)</u>	<u>(31,231)</u>
-	140,364	1,000	175,212	81,319
(12,000)	-	-	(65,505)	(9,322)
<u>(12,000)</u>	<u>140,364</u>	<u>1,000</u>	<u>109,707</u>	<u>71,997</u>
33,410	15,901	33,741	108,829	40,766
<u>529,100</u>	<u>14,373</u>	<u>274,303</u>	<u>1,011,432</u>	<u>970,666</u>
<u>\$ 562,510</u>	<u>\$ 30,274</u>	<u>\$ 308,044</u>	<u>\$ 1,120,261</u>	<u>\$ 1,011,432</u>

FREMONT COUNTY, COLORADO

COUNTY LODGING TAX FUND  
 BUDGETARY COMPARISON SCHEDULE  
 Year Ended December 31, 2014

	2014			VARIANCE	2013 TOTAL
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	Positive (Negative)	
REVENUES					
Taxes	\$ 116,000	\$ 116,000	\$ 150,986	\$ 34,986	\$ 137,741
Intergovernmental	-	-	25,000	25,000	50,500
Miscellaneous	-	-	-	-	344
TOTAL REVENUES	<u>116,000</u>	<u>116,000</u>	<u>175,986</u>	<u>59,986</u>	<u>188,585</u>
EXPENDITURES					
General Government	<u>118,100</u>	<u>170,100</u>	<u>155,946</u>	<u>14,154</u>	<u>192,052</u>
TOTAL EXPENDITURES	<u>118,100</u>	<u>170,100</u>	<u>155,946</u>	<u>14,154</u>	<u>192,052</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(2,100)</u>	<u>(54,100)</u>	<u>20,040</u>	<u>74,140</u>	<u>(3,467)</u>
OTHER FINANCING SOURCES					
Transfers Out	<u>(932)</u>	<u>(932)</u>	<u>(932)</u>	<u>-</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES	<u>(932)</u>	<u>(932)</u>	<u>(932)</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	(3,032)	(55,032)	19,108	74,140	(3,467)
FUND BALANCES, Beginning	<u>17,150</u>	<u>17,150</u>	<u>31,345</u>	<u>14,195</u>	<u>34,812</u>
FUND BALANCES, Ending	<u>\$ 14,118</u>	<u>\$ (37,882)</u>	<u>\$ 50,453</u>	<u>\$ 88,335</u>	<u>\$ 31,345</u>

See the accompanying independent auditors' report.



FREMONT COUNTY, COLORADO

AIRPORT FUND  
 BUDGETARY COMPARISON SCHEDULE  
 Year Ended December 31, 2014

	2014			VARIANCE	2013 TOTAL
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	Positive (Negative)	
REVENUES					
Taxes	\$ 156,579	\$ 156,579	\$ 158,141	\$ 1,562	\$ 159,135
Intergovernmental	-	-	197,864	197,864	1,739,909
Charges for Services	453,929	453,929	456,391	2,462	453,829
Miscellaneous	6,000	6,000	8,982	2,982	14,519
TOTAL REVENUES	616,508	616,508	821,378	204,870	2,367,392
EXPENDITURES					
Airport	576,535	576,535	567,812	8,723	566,827
Capital Outlay	-	218,000	212,869	5,131	1,762,754
TOTAL EXPENDITURES	576,535	794,535	780,681	13,854	2,329,581
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	39,973	(178,027)	40,697	218,724	37,811
OTHER FINANCING SOURCES (USES)					
Transfers In	-	-	-	-	180
Transfers Out	(53,407)	(53,407)	(45,473)	7,934	(7,608)
TOTAL OTHER FINANCING SOURCES (USES)	(53,407)	(53,407)	(45,473)	7,934	(7,428)
NET CHANGE IN FUND BALANCES	(13,434)	(231,434)	(4,776)	226,658	30,383
FUND BALANCES, Beginning	22,338	22,338	158,660	136,322	128,277
FUND BALANCES, Ending	\$ 8,904	\$ (209,096)	\$ 153,884	\$ 362,980	\$ 158,660

See the accompanying independent auditors' report.

FREMONT COUNTY, COLORADO

WEED CONTROL FUND  
 BUDGETARY COMPARISON SCHEDULE  
 Year Ended December 31, 2014

	2014			VARIANCE Positive (Negative)	2013 ACTUAL
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL		
REVENUES					
Intergovernmental	\$ 91,600	\$ 91,600	\$ 90,387	\$ (1,213)	\$ 46,328
Charges for Services	14,000	14,000	14,536	536	97,003
Miscellaneous Income	2,000	2,000	8,828	6,828	-
TOTAL REVENUES	107,600	107,600	113,751	6,151	143,331
EXPENDITURES					
Public Safety	130,362	131,362	129,054	2,308	163,109
TOTAL EXPENDITURES	130,362	131,362	129,054	2,308	163,109
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(22,762)	(23,762)	(15,303)	8,459	(19,778)
OTHER FINANCING SOURCES					
Transfers In	33,500	33,500	33,848	348	10,000
Transfers Out	(10,730)	(10,730)	(7,100)	3,630	(1,714)
TOTAL OTHER FINANCING SOURCES	22,770	22,770	26,748	3,978	8,286
NET CHANGE IN FUND BALANCES	8	(992)	11,445	12,437	(11,492)
FUND BALANCES, Beginning	2,679	2,679	2,039	(640)	13,531
FUND BALANCES, Ending	\$ 2,687	\$ 1,687	\$ 13,484	\$ 11,797	\$ 2,039

See the accompanying independent auditors' report.

FREMONT COUNTY, COLORADO

CONSERVATION TRUST FUND  
 BUDGETARY COMPARISON SCHEDULE  
 Year Ended December 31, 2014

	2014		VARIANCE Positive (Negative)	2013 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
REVENUES				
Intergovernmental	\$ 160,000	\$ 173,464	\$ 13,464	\$ 196,314
Interest Income	1,000	1,255	255	911
Miscellaneous Income	-	4,430	4,430	1,911
TOTAL REVENUES	<u>161,000</u>	<u>179,149</u>	<u>18,149</u>	<u>199,136</u>
EXPENDITURES				
Culture and Recreation	<u>256,565</u>	<u>133,739</u>	<u>122,826</u>	<u>97,895</u>
TOTAL EXPENDITURES	<u>256,565</u>	<u>133,739</u>	<u>122,826</u>	<u>97,895</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(95,565)</u>	<u>45,410</u>	<u>140,975</u>	<u>101,241</u>
OTHER FINANCING SOURCES				
Transfers Out	<u>(12,000)</u>	<u>(12,000)</u>	<u>-</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES	<u>(12,000)</u>	<u>(12,000)</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(107,565)	33,410	140,975	101,241
FUND BALANCE, Beginning	<u>401,336</u>	<u>529,100</u>	<u>127,764</u>	<u>427,859</u>
FUND BALANCE, Ending	<u>\$ 293,771</u>	<u>\$ 562,510</u>	<u>\$ 268,739</u>	<u>\$ 529,100</u>

See the accompanying independent auditors' report.

FREMONT COUNTY, COLORADO

DEPARTMENT OF HEALTH FUND  
 BUDGETARY COMPARISON SCHEDULE  
 Year Ended December 31, 2014

	2014			VARIANCE Positive (Negative)	2013 TOTAL
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL		
REVENUES					
Intergovernmental	\$ 369,340	\$ 363,340	\$ 286,124	\$ (77,216)	\$ 429,557
Charges for Services	160,100	79,100	81,225	2,125	82,686
Miscellaneous	-	-	1,156	1,156	2,138
TOTAL REVENUES	<u>529,440</u>	<u>442,440</u>	<u>368,505</u>	<u>(73,935)</u>	<u>514,381</u>
EXPENDITURES					
Health and Welfare	<u>552,598</u>	<u>552,598</u>	<u>492,968</u>	<u>59,630</u>	<u>676,463</u>
TOTAL EXPENDITURES	<u>552,598</u>	<u>552,598</u>	<u>492,968</u>	<u>59,630</u>	<u>676,463</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(23,158)</u>	<u>(110,158)</u>	<u>(124,463)</u>	<u>(14,305)</u>	<u>(162,082)</u>
OTHER FINANCING SOURCES					
Transfers In	<u>70,182</u>	<u>70,182</u>	<u>140,364</u>	<u>70,182</u>	<u>71,139</u>
TOTAL OTHER FINANCING SOURCES	<u>70,182</u>	<u>70,182</u>	<u>140,364</u>	<u>70,182</u>	<u>71,139</u>
NET CHANGE IN FUND BALANCES	47,024	(39,976)	15,901	55,877	(90,943)
FUND BALANCES, Beginning	<u>(47,024)</u>	<u>(47,024)</u>	<u>14,373</u>	<u>61,397</u>	<u>105,316</u>
FUND BALANCES, Ending	<u>\$ -</u>	<u>\$ (87,000)</u>	<u>\$ 30,274</u>	<u>\$ 117,274</u>	<u>\$ 14,373</u>

See the accompanying independent auditors' report.

FREMONT COUNTY, COLORADO

RESTRICTED FUNDS FUND  
 BUDGETARY COMPARISON SCHEDULE  
 Year Ended December 31, 2014

	2014		VARIANCE Positive (Negative)	2013 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
REVENUES				
Intergovernmental	\$ 146,000	\$ 137,763	\$ (8,237)	\$ 145,859
Other Revenue	60,300	51,828	(8,472)	80,115
TOTAL REVENUES	206,300	189,591	(16,709)	225,974
EXPENDITURES				
General Government	31,100	2,994	28,106	33,883
Public Safety	178,500	153,856	24,644	177,047
TOTAL EXPENDITURES	209,600	156,850	52,750	210,930
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(3,300)	32,741	36,041	15,044
OTHER FINANCING SOURCES				
Transfers In	1,000	1,000	-	-
TOTAL OTHER FINANCING SOURCES	1,000	1,000	-	-
NET CHANGE IN FUND BALANCE	(2,300)	33,741	36,041	15,044
FUND BALANCE, Beginning	259,259	274,303	15,044	259,259
FUND BALANCE, Ending	\$ 256,959	\$ 308,044	\$ 51,085	\$ 274,303

See the accompanying independent auditors' report.

FREMONT COUNTY, COLORADO

COMBINING STATEMENT OF FIDUCIARY  
ASSETS AND LIABILITIES  
AGENCY FUNDS  
Year Ended December 31, 2014

	2014			2013 ACTUAL
	PUBLIC TRUSTEE	OTHER GOVERNMENTS	TOTAL	
ASSETS				
Cash and Investments	\$ 140,040	\$ 228,758	\$ 368,798	\$ 501,005
TOTAL ASSETS	<u>\$ 140,040</u>	<u>\$ 228,758</u>	<u>\$ 368,798</u>	<u>\$ 501,005</u>
LIABILITIES				
Due to Public Trustee	\$ 140,040	\$ -	\$ 140,040	\$ 255,615
Due to Other Governments	<u>-</u>	<u>228,758</u>	<u>228,758</u>	<u>245,390</u>
TOTAL LIABILITIES	<u>\$ 140,040</u>	<u>\$ 228,758</u>	<u>\$ 368,798</u>	<u>\$ 501,005</u>

See the accompanying independent auditors' report.

FREMONT COUNTY, COLORADO

COMBINING STATEMENT OF CHANGES IN  
FIDUCIARY ASSETS AND LIABILITIES  
AGENCY FUNDS

Year Ended December 31, 2014

	<u>BALANCE</u> <u>12/31/2013</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE</u> <u>12/31/2014</u>	<u>2013</u> <u>ACTUAL</u>
ASSETS					
Cash and Investments					
Public Trustee	\$ 255,615	\$ 1,396,511	\$ 1,512,086	\$ 140,040	\$ 255,615
Other Governments	245,390	23,629,038	23,645,670	228,758	245,390
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
TOTAL ASSETS	<u>\$ 501,005</u>	<u>\$ 25,025,549</u>	<u>\$ 25,157,756</u>	<u>\$ 368,798</u>	<u>\$ 501,005</u>
LIABILITIES					
Due to Public Trustee	255,615	1,396,511	1,512,086	140,040	255,615
Due to Other Governments	245,390	23,629,038	23,645,670	228,758	245,390
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
TOTAL LIABILITIES	<u>\$ 501,005</u>	<u>\$ 25,025,549</u>	<u>\$ 25,157,756</u>	<u>\$ 368,798</u>	<u>\$ 501,005</u>

See the accompanying independent auditors' report.

## **COMPLIANCE**





**JOHN CUTLER  
& ASSOCIATES**

To The Board of County Commissioners  
Fremont County, Colorado

**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***

We 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, each major fund, and the aggregate remaining fund information of Fremont County, Colorado as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise Fremont County, Colorado's basic financial statements, and have issued our report thereon dated July 21, 2015.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Fremont 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 our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Fremont County, Colorado's internal control. Accordingly, we do not express an opinion on the effectiveness of the Fremont 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.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Fremont County, Colorado's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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

*John Luttler & Associates, LLC*

July 21, 2015



## JOHN CUTLER & ASSOCIATES

To The Board of County Commissioners  
Fremont County, Colorado

### **REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM, REPORT ON INTERNAL CONTROL OVER COMPLIANCE AS REQUIRED BY OMB CIRCULAR A-133**

#### **Report on Compliance for Each Major Federal Program**

We have audited Fremont 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 Fremont County, Colorado's major federal programs for the year ended December 31, 2014. Fremont 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**

Our responsibility is to express an opinion on compliance for each of Fremont County, Colorado's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Fremont County, Colorado's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

#### **Opinion on Each Major Federal Program**

In our opinion, Fremont 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 Fremont 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 our audit of compliance, we considered Fremont 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, we do not express an opinion on the effectiveness of Fremont County, Colorado's internal control over compliance.

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

Our 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. We did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

*John Luthr & Associates, LLC*

July 21, 2015

FREMONT COUNTY, COLORADO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended December 31, 2014

**Summary of Auditors- Results**

*Financial Statements*

Type of auditors' report issued: unqualified

Internal control over financial reporting:

- Material weaknesses identified? \_\_\_\_\_ yes      x   no
- Significant deficiencies noted? \_\_\_\_\_ yes      x   none reported

Noncompliance material to financial statements noted? \_\_\_\_\_ yes      x   no

*Federal Awards*

Internal control over major programs:

- Material weaknesses identified? \_\_\_\_\_ yes      x   no
- Significant deficiencies identified? \_\_\_\_\_ yes      x   none reported

Type of auditor's report issued on compliance for major programs: unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? \_\_\_\_\_ yes      x   no

Identification of major program:

- 93.596            Child Care Mandatory Matching Grant
- 93.658            Title IV-E Foster Care
- 93.667            Social Services Block Grant
- 10.561            Nutrition Assistance Program
- 97.036            Disaster Grants – Public Assistance

Dollar threshold used to distinguish between type A and type B programs: \$300,000

Auditee qualified as low-risk auditee?   x   yes    \_\_\_\_\_ no

**Findings Related to Financial Statements**

The audit of the financial statements did not disclose any significant deficiencies in internal control that would be considered a material weakness, and did not disclose any instances of noncompliance with requirements of certain provisions of laws, regulations, and grants that were material to those financial statements.

**Findings and Questioned Costs for Federal Awards**

The audit of federal awards did not disclose any significant deficiencies in internal control that would be considered a material weakness, and did not disclose any instances of noncompliance with requirements of certain provisions of laws, regulations, and grants that were material to those federal awards.

FREMONT COUNTY, COLORADO

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended December 31, 2014

	<u>Major Program ?</u>	<u>CDFA #</u>	<u>Total Expenditures</u>
<b>U.S. Department of Health and Human Services</b>			
Passed through the Colorado Department Of Health and Human Services			
Low Income Home Energy Assistance	No	93.568	\$ 1,070,016
Temporary Aid for Needy Families	No	93.558	1,847,810
Temporary Aid for Needy Families - ARRA	No	93.714	-
Child Support Enforcement	No	93.563	425,715
Child Card Development Block Grant	No	93.575	22,503
Child Care Mandatory Matching Funds	Yes	93.596	294,821
Child Welfare Services	No	93.645	55,814
Title IV-E Foster Care	Yes	93.658	701,355
Title IV-E Adoption	No	93.659	182,664
Social Services Block Grant	Yes	93.667	331,725
Healthy Communities	No	93.UKN	5,512
Foster Care Independence Program	No	93.674	63,863
Promoting Safe and Stable Families	No	93.556	49,876
Passed through the Colorado Department Of Health Care Policy and Financing			
Medical Assistance Program	No	93.778	870,701
Passed through the Colorado Department Of Public Health and Environment			
Healthy Immunizations	No	93.268	29,547
Public Health Emergency Preparedness	No	93.069	<u>29,457</u>
<b>Total U.S. Department of Health and Human Services</b>			<u>5,981,379</u>
<b>U.S. Department of Agriculture</b>			
Passed through the Colorado Department of Health and Human Services			
Nutrition Assistance Program	Yes	10.561	468,361
Passed through the Colorado Department of Public Safety			
Disaster Grants - Public Assistance	Yes	97.036	290,298
Passed through the Colorado Department of Treasury			
Roads and Schools - Grants to States	No	10.665	<u>132,099</u>
<b>Total U.S. Department of Agriculture</b>			<u>890,758</u>
<b>U.S. Department of Transportation</b>			
Passed through the Colorado Department of Transportation			
Airport Improvement Program	No	20.106	<u>182,644</u>

See the accompanying independent auditors' report.

FREMONT COUNTY, COLORADO

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended December 31, 2014

(Continued)

	<u>Major Program ?</u>	<u>CDFA #</u>	<u>Total Expenditures</u>
<b>U.S. Department of Homeland Security</b>			
Passed through the Colorado Division of Emergency Management Homeland Security Grant Program	No	97.067	<u>98,061</u>
<b>U.S. Department of Housing and Urban Development</b>			
Passed through the Colorado Department of Local Affairs Community Development Block Grant	No	14.228	<u>129,547</u>
<b>U.S. Department of Justice</b>			
Passed through the Colorado Division of Criminal Justice Crime Victim Assistance	No	16.575	<u>25,793</u>
<b>Total Federal Financial Assistance</b>			<u><u>\$ 7,308,182</u></u>

**NOTES**

**1. Basis of Presentation**

The Schedule of Expenditures of Federal Awards includes the federal grant activity of the County and is presented on the modified 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 purpose financial statements.

See the accompanying independent auditors' report.

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

<b>LOCAL HIGHWAY FINANCE REPORT</b>		City or County:	Fremont
		YEAR ENDING :	December 2014
This Information From The Records Of County of Fremont		Prepared By:	Sunny Bryant
		Phone:	719-276-7351

**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
<b>A. Receipts from local sources:</b>		<b>A. Local highway disbursements:</b>	
1. Local highway-user taxes		1. Capital outlay (from page 2)	1,100,352
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	2,508,917
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	
2. General fund appropriations		b. Snow and ice removal	16,612
3. Other local imposts (from page 2)	339,338	c. Other	
4. Miscellaneous local receipts (from page 2)	285,633	d. Total (a. through c.)	16,612
5. Transfers from toll facilities		4. General administration & miscellaneous	373,396
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	
a. Bonds - Original Issues		6. Total (1 through 5)	3,999,277
b. Bonds - Refunding Issues		<b>B. Debt service on local obligations:</b>	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	
7. Total (1 through 6)	624,970	b. Redemption	
<b>B. Private Contributions</b>		c. Total (a. + b.)	0
<b>C. Receipts from State government</b> (from page 2)	3,221,529	2. Notes:	
<b>D. Receipts from Federal Government</b> (from page 2)	345,100	a. Interest	
<b>E. Total receipts (A.7 + B + C + D)</b>	4,191,599	b. Redemption	
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	0
		<b>C. Payments to State for highways</b>	
		<b>D. Payments to toll facilities</b>	
		<b>E. Total disbursements (A.6 + B.3 + C + D)</b>	
			3,999,277

**IV. LOCAL HIGHWAY DEBT STATUS**

(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
<b>A. Bonds (Total)</b>				0
1. Bonds (Refunding Portion)				
<b>B. Notes (Total)</b>				0

**V. LOCAL ROAD AND STREET FUND BALANCE**

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	1,196,367	4,191,599	3,999,277	1,419,238	(30,548)

**Notes and Comments:**

The reconciliation balance is part of the amount submitted to DOLA for reimbursement but the funds were not received as of the report date. The funds are not recorded as a receivable.



<b>LOCAL HIGHWAY FINANCE REPORT</b>		STATE: Colorado	
		YEAR ENDING (mm/yy): December 2014	
<b>II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL</b>			
<b>ITEM</b>	<b>AMOUNT</b>	<b>ITEM</b>	<b>AMOUNT</b>
<b>A.3. Other local imposts:</b>		<b>A.4. Miscellaneous local receipts:</b>	
a. Property Taxes and Assessments	297,443	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	27,265
4. Licenses		f. Charges for Services	93,082
5. Specific Ownership &/or Other	41,895	g. Other Misc. Receipts	125,285
6. Total (1. through 5.)	41,895	h. Other	40,000
c. Total (a. + b.)	339,338	i. Total (a. through h.)	285,633
	(Carry forward to page 1)		(Carry forward to page 1)
<b>III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL</b>			
<b>ITEM</b>	<b>AMOUNT</b>	<b>ITEM</b>	<b>AMOUNT</b>
<b>C. Receipts from State Government</b>		<b>D. Receipts from Federal Government</b>	
1. Highway-user taxes	2,559,727	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	64,044
a. State bond proceeds		b. FEMA	281,056
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	111,101	d. Federal Transit Admin	
d. Other (Specify) - DOLA Grant	495,000	e. U.S. Corps of Engineers	
e. Other (Specify) - Fire/Flood	55,701	f. Other Federal	
f. Total (a. through e.)	661,801	g. Total (a. through f.)	345,100
4. Total (1. + 2. + 3.f)	3,221,529	3. Total (1. + 2.g)	
			(Carry forward to page 1)
		ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)
		TOTAL (c)	
<b>A.1. Capital outlay:</b>			
a. Right-Of-Way Costs			0
b. Engineering Costs			0
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements		622,556	622,556
(3). System Preservation		477,795	477,795
(4). System Enhancement & Operation			0
(5). Total Construction (1) + (2) + (3) + (4)		0	1,100,352
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)		0	1,100,352
			(Carry forward to page 1)
<b>Notes and Comments:</b>			