

Fremont County, Colorado

Financial Statements

December 31, 2017

BOARD OF COUNTY COMMISSIONERS

Dwayne McFall

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, 2017, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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, 2017, 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 30 - 34 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 Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) 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 September 18, 2018 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 Cutler & Associates, LLC

September 18, 2018

Fremont County, Colorado

Management's Discussion and Analysis

For the Year Ended December 31, 2017

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, decreased to \$5,422,945 at the end of 2017, a decrease of \$2,579,091 for the year. Total General Fund Balance is approximately 27% of 2017 General Fund spending of \$20,438,914.

The Department of Transportation Fund Reserve Balance decreased to \$1,582,174 at the end of 2017, a decrease of \$215,179 for the year. The total Transportation Fund Reserve Balance is approximately 40% of 2017 Transportation Fund spending of \$3,973,152.

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 was 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 2017 was \$4,074,741. 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:

- 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 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 statement of net position for the last two years:

| | 2017 | 2016 |
|---|----------------------|----------------------|
| ASSETS | | |
| Cash and Investments | \$ 13,843,323 | \$ 17,598,061 |
| Restricted Cash and Investments | 2,828,329 | 2,741,696 |
| Receivables | | |
| Property Taxes | 5,335,275 | 5,369,432 |
| Accounts Receivable | 2,596,726 | 2,473,097 |
| Prepaid Expenses | 319,872 | 239,376 |
| Inventory | 329,798 | 233,248 |
| Capital Assets, Not Depreciated | 3,221,068 | 3,676,670 |
| Capital Assets, Depreciated | | |
| Net of Accumulated Depreciation | 37,126,745 | 36,095,368 |
| | <hr/> | <hr/> |
| TOTAL ASSETS | 65,601,136 | 68,426,948 |
| LIABILITIES | | |
| Accounts Payable | 3,262,582 | 3,691,170 |
| Accrued Expenses | 717,248 | 617,592 |
| Accrued Interest Payable | 41,593 | 43,140 |
| Accrued Compensated Absences | 1,078,522 | 1,260,352 |
| Unearned Revenues | 1,864,355 | 1,633,221 |
| Noncurrent Liabilities | | |
| Due within One Year | 1,801,330 | 1,834,407 |
| Due in More Than One Year | 23,785,381 | 25,703,568 |
| | <hr/> | <hr/> |
| TOTAL LIABILITIES | 32,551,011 | 34,783,450 |
| DEFERRED INFLOW OF RESOURCES | | |
| Deferred Property Tax Revenue | 5,335,275 | 5,369,432 |
| Deferred Charges | (121,851) | (127,653) |
| | <hr/> | <hr/> |
| TOTAL DEFERRED INFLOW OF RESOURCES | 5,213,424 | 5,241,779 |
| NET POSITION | | |
| Net Investment in Capital Assets | 17,589,431 | 14,975,759 |
| Restricted for Emergencies | 766,000 | 726,000 |
| Unrestricted | 9,481,270 | 12,699,960 |
| | <hr/> | <hr/> |
| NET POSITION | \$ 27,836,701 | \$ 28,401,718 |
| | <hr/> <hr/> | <hr/> <hr/> |

STATEMENT OF ACTIVITIES

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

| FREMONT COUNTY, COLORADO | | | | | | |
|--|----------------------|-------------------------|--|--|---|-------------------------|
| STATEMENT OF ACTIVITIES | | | | | | |
| Year Ended December 31, 2017 | | | | | | |
| | | | Program Revenues | | Net (Expense) Revenue and Change In Net Position | |
| | | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities |
| FUNCTIONS/PROGRAMS | Expenses | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Totals | |
| | | | | | 2017 | 2016 |
| PRIMARY GOVERNMENT | | | | | | |
| Governmental Activities | | | | | | |
| General Government | \$ 10,433,209 | \$ 4,982,007 | \$ 286,455 | \$ - | \$ (5,164,747) | \$ (5,173,341) |
| Public Safety | 12,150,445 | 1,722,202 | - | - | (10,428,243) | (9,545,643) |
| Airport | 836,698 | 346,633 | 383,424 | - | (106,641) | (435,940) |
| Health and Welfare | 9,035,219 | 118,962 | 7,343,508 | - | (1,572,749) | (1,482,217) |
| Highways and Streets | 4,402,338 | 411,178 | 2,934,756 | - | (1,056,404) | (1,693,473) |
| Culture and Recreation | 197,184 | - | - | 176,619 | (20,565) | (50,465) |
| Intergovernmental | 107,644 | - | - | - | (107,644) | (158,376) |
| Interest on Long Term Debt | 1,050,782 | - | - | - | (1,050,782) | (996,093) |
| Total Governmental Activities | \$ 38,213,519 | \$ 7,580,982 | \$ 10,948,143 | \$ 176,619 | \$ (19,507,775) | \$ (19,535,548) |
| GENERAL REVENUES | | | | | | |
| | | | | | 5,168,916 | 5,116,632 |
| | | | | | 782,493 | 782,493 |
| | | | | | 9,355,757 | 9,265,996 |
| | | | | | 2,576,191 | 2,424,645 |
| | | | | | 131,170 | 109,263 |
| | | | | | 928,231 | 870,023 |
| | | | | | | |
| | | | | | | |
| | | | | | 18,942,758 | 18,569,052 |
| | | | | | | |
| | | | | | (565,017) | (966,496) |
| | | | | | | |
| | | | | | 28,401,718 | 29,368,214 |
| | | | | | | |
| | | | | | \$ 27,836,701 | \$ 28,401,718 |

CAPITAL ASSETS AND DEBT ADMINISTRATION – COUNTY WIDE

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

| Description | 2017 | 2016 |
|--|---------------|--------------|
| Governmental Activities | | |
| Capital Assets, Not Being Depreciated | | |
| Land | \$ 1,218,612 | \$ 1,218,612 |
| Construction in Progress | 2,002,456 | 2,458,058 |
| Total Capital Assets, Not Being Depreciated | 3,221,068 | 3,676,670 |
| Capital Assets, Being Depreciated | | |
| Buildings and Improvements | 42,747,287 | 39,690,819 |
| Equipment and Furniture | 9,456,996 | 9,229,057 |
| Infrastructure | 86,621,569 | 85,802,685 |
| Total Capital Assets, Being Depreciated | 138,825,852 | 134,722,561 |
| Less Accumulated Depreciation | (101,699,107) | (98,627,193) |
| Total Capital Assets, Being Depreciated, Net | 37,126,745 | 36,095,368 |
| Governmental Activities Capital Assets, Net | 40,347,813 | 39,772,038 |

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 | (86,507) | - | (4,868) | (81,639) | - |
| Series 2013 COPS (US Bank) | 10,115,000 | - | 220,000 | 9,895,000 | 225,000 |
| Series 2013 COPS (US Bank) Discount | (151,875) | - | (7,043) | (144,832) | - |
| Series 2013 COPS (UMB) | 5,855,000 | - | 520,000 | 5,335,000 | 585,000 |
| Series 2013 COPS (UMB) Premium | 206,669 | - | 12,917 | 193,752 | - |
| Series 2016 COPS (UMB-Sheriff) | 5,105,000 | - | 695,000 | 4,410,000 | 700,000 |
| | | | | - | |
| 2016 Capital Lease | 839,688 | - | 515,258 | 324,430 | 291,330 |
| | - | | | - | |
| Compensated Absences | 1,260,352 | - | 181,830 | 1,078,522 | - |
| Total Governmental Activities | 28,798,327 | - | 2,133,094 | 26,665,233 | 1,801,330 |

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%.

Certificates of Participation Series 2016 dated June 3, 2016 and maturing each June 3 and December 3 from 2017 through 2023. Interest rates 1.710%.

ECONOMIC AND OTHER FACTORS

Sales and use tax revenues increased in 2017 by \$357,850 from 2016. 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.

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 2017 was \$4,074,741. This Ballot Issue will expire on December 31, 2023.

The Assessed Valuation for tax year 2017 collected in 2018 increased by \$1,950,871. The current assessed value is \$434,440,282, which totals \$5,410,922 in property tax revenues. This amount is assessed in 2017 and collected in 2018.

In November 2000, Colorado voters approved Amendment 20, which allows the use and sale of medical marijuana. Fremont County adopted regulations in 2015, which licensed and regulated Medical Marijuana Facilities and collected fees for these facilities. The total collections in 2017 were \$113,050.

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
County Manager
615 Macon Avenue, Room 106
Cañon City, CO 81212
Tel: (719) 276-7351
Fax: (719) 276-7412

BASIC FINANCIAL STATEMENTS

FREMONT COUNTY, COLORADO

STATEMENT OF NET POSITION

As of December 31, 2017

| | GOVERNMENTAL ACTIVITIES | |
|---|----------------------------|----------------------|
| | 2017 | 2016 |
| ASSETS | | |
| Cash and Investments | \$ 13,843,323 | \$ 17,598,061 |
| Restricted Cash and Investments | 2,828,329 | 2,741,696 |
| Receivables | | |
| Property Taxes | 5,335,275 | 5,369,432 |
| Account | 2,596,726 | 2,473,097 |
| Prepaid Expenses | 319,872 | 239,376 |
| Inventory | 329,798 | 233,248 |
| Capital Assets, Not Depreciated | 3,221,068 | 3,676,670 |
| Capital Assets, Depreciated | | |
| Net of Accumulated Depreciation | 37,126,745 | 36,095,368 |
| TOTAL ASSETS | 65,601,136 | 68,426,948 |
| LIABILITIES | | |
| Accounts Payable | 3,262,582 | 3,691,171 |
| Accrued Expenses | 717,248 | 617,592 |
| Accrued Interest Payable | 41,593 | 43,140 |
| Accrued Compensated Absences | 1,078,522 | 1,260,352 |
| Unearned Revenues | 1,864,355 | 1,633,221 |
| Noncurrent Liabilities | | |
| Due within One Year | 1,801,330 | 1,834,407 |
| Due in More Than One Year | 23,785,381 | 25,703,568 |
| TOTAL LIABILITIES | 32,551,011 | 34,783,451 |
| DEFERRED INFLOW OF RESOURCES | | |
| Deferred Property Tax Revenue | 5,335,275 | 5,369,432 |
| Deferred Charges | (121,851) | (127,653) |
| TOTAL DEFERRED INFLOW OF RESOURCES | 5,213,424 | 5,241,779 |
| NET POSITION | | |
| Net Investment in Capital Assets | 17,589,431 | 14,975,759 |
| Restricted for Emergencies | 766,000 | 726,000 |
| Unrestricted, Unreserved | 9,481,270 | 12,699,959 |
| | \$ 27,836,701 | \$ 28,401,718 |

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

FREMONT COUNTY, COLORADO

STATEMENT OF ACTIVITIES

Year Ended December 31, 2017

| 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 | |
| | | | | | 2017 | 2016 |
| PRIMARY GOVERNMENT | | | | | | |
| Governmental Activities | | | | | | |
| General Government | \$ 10,433,209 | \$ 4,982,007 | \$ 286,455 | \$ - | \$ (5,164,747) | \$ (5,173,341) |
| Public Safety | 12,150,445 | 1,722,202 | - | - | (10,428,243) | (9,545,643) |
| Airport | 836,698 | 346,633 | 383,424 | - | (106,641) | (435,940) |
| Health and Welfare | 9,035,219 | 118,962 | 7,343,508 | - | (1,572,749) | (1,482,217) |
| Highways and Streets | 4,402,338 | 411,178 | 2,934,756 | - | (1,056,404) | (1,693,473) |
| Culture and Recreation | 197,184 | - | - | 176,619 | (20,565) | (50,465) |
| Intergovernmental | 107,644 | - | - | - | (107,644) | (158,376) |
| Interest on Long Term Debt | 1,050,782 | - | - | - | (1,050,782) | (996,093) |
| Total Governmental Activities | \$ 38,213,519 | \$ 7,580,982 | \$ 10,948,143 | \$ 176,619 | \$ (19,507,775) | \$ (19,535,548) |
| | | | GENERAL REVENUES | | | |
| | | | | | 5,168,916 | 5,116,632 |
| | | | | | 782,493 | 782,493 |
| | | | | | 9,355,757 | 9,265,996 |
| | | | | | 2,576,191 | 2,424,645 |
| | | | | | 131,170 | 109,263 |
| | | | | | 928,231 | 870,023 |
| | | | TOTAL GENERAL REVENUES | | | |
| | | | | | 18,942,758 | 18,569,052 |
| | | | CHANGE IN NET POSITION | | | |
| | | | | | (565,017) | (966,496) |
| | | | NET POSITION, Beginning | | | |
| | | | | | 28,401,718 | 29,368,214 |
| | | | NET POSITION, Ending | | | |
| | | | | | \$ 27,836,701 | \$ 28,401,718 |

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

FREMONT COUNTY, COLORADO

BALANCE SHEET
GOVERNMENTAL FUNDS
As of December 31, 2017

| | GENERAL FUND | TRANSPORATION FUND | HUMAN SERVICES FUND | SALES AND USE FUND |
|---|----------------------|-----------------------|---------------------------|--------------------------|
| ASSETS | | | | |
| Cash and Investments | \$ 4,859,621 | \$ 1,031,806 | \$ 3,787,511 | \$ 826,993 |
| Restricted Cash and Investments | - | - | 115,856 | 2,712,473 |
| Due From Other Funds | 202,534 | 167,586 | - | 19,415 |
| Property Taxes Receivable | 3,728,769 | 293,628 | 1,173,423 | - |
| Accounts Receivable | 1,603,022 | 239,759 | 366,102 | 197,158 |
| Inventory | - | 265,967 | - | - |
| Prepaid Expenses | 240,743 | 4,208 | - | - |
| TOTAL ASSETS | \$ 10,634,689 | \$ 2,002,954 | \$ 5,442,892 | \$ 3,756,039 |
| LIABILITIES, DEFERRED INFLOWS, AND FUND EQUITY | | | | |
| LIABILITIES | | | | |
| Accounts Payable | \$ 1,016,631 | \$ 57,609 | \$ 1,200,499 | \$ 33 |
| Accrued Expenses | 293,951 | 69,543 | 327,055 | - |
| Due To Other Funds | 172,393 | - | 75,216 | - |
| Unearned Revenue | - | - | 1,827,861 | - |
| TOTAL LIABILITIES | 1,482,975 | 127,152 | 3,430,631 | 33 |
| DEFERRED INFLOW OF RESOURCES | | | | |
| Deferred Property Tax Revenue | 3,728,769 | 293,628 | 1,173,423 | - |
| FUND EQUITY | | | | |
| Fund Balance | | | | |
| Nonspendable | 240,743 | 270,175 | - | - |
| Restricted | 766,000 | - | - | 3,756,006 |
| Committed | - | - | - | - |
| Assigned | - | 1,311,999 | 838,838 | - |
| Unassigned | 4,416,202 | - | - | - |
| TOTAL FUND EQUITY | 5,422,945 | 1,582,174 | 838,838 | 3,756,006 |
| TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND EQUITY | \$ 10,634,689 | \$ 2,002,954 | \$ 5,442,892 | \$ 3,756,039 |

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 (\$25,295,000), bond discounts \$226,471, bond premium (\$193,752), capital lease payable (\$324,430), accrued interest payable (\$41,593), deferred charges \$121,851, and the balance of accrued compensated absences (\$1,078,522) 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 | |
|----------------------------------|--------------------------------|----------------------|----------------------|
| | | 2017 | 2016 |
| \$ 1,642,713 | \$ 1,694,679 | \$ 13,843,323 | \$ 17,598,061 |
| - | - | 2,828,329 | 2,741,696 |
| - | 9,144 | 398,679 | 555,999 |
| - | 139,455 | 5,335,275 | 5,369,432 |
| - | 190,685 | 2,596,726 | 2,473,097 |
| - | 63,831 | 329,798 | 233,248 |
| 72,475 | 2,446 | 319,872 | 239,376 |
| <u>\$ 1,715,188</u> | <u>\$ 2,100,240</u> | <u>\$ 25,652,002</u> | <u>\$ 29,210,909</u> |

| | | | |
|----------------|----------------|------------------|------------------|
| \$ 628,721 | \$ 359,089 | \$ 3,262,582 | \$ 3,691,171 |
| - | 26,699 | 717,248 | 617,592 |
| 25,198 | 125,872 | 398,679 | 555,999 |
| - | 36,494 | 1,864,355 | 1,633,221 |
| <u>653,919</u> | <u>548,154</u> | <u>6,242,864</u> | <u>6,497,983</u> |

| | | | |
|---|---------|-----------|-----------|
| - | 139,455 | 5,335,275 | 5,369,432 |
|---|---------|-----------|-----------|

| | | | |
|------------------|------------------|-------------------|-------------------|
| 72,475 | 66,277 | 649,670 | 472,624 |
| - | 1,054,811 | 5,576,817 | 5,110,061 |
| 988,794 | 284,780 | 1,273,574 | 2,285,848 |
| - | 6,763 | 2,157,600 | 2,345,129 |
| - | - | 4,416,202 | 7,129,832 |
| <u>1,061,269</u> | <u>1,412,631</u> | <u>14,073,863</u> | <u>17,343,494</u> |

| | |
|---------------------|---------------------|
| <u>\$ 1,715,188</u> | <u>\$ 2,100,240</u> |
|---------------------|---------------------|

40,347,813 39,772,038

(26,584,975) (28,713,814)

\$ 27,836,701 \$ 28,401,718

FREMONT COUNTY, COLORADO

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
Year Ended December 31, 2017

| | GENERAL FUND | TRANSPORATION FUND | HUMAN SERVICES FUND | SALES AND USE FUND |
|---|---------------------|-----------------------|---------------------------|--------------------------|
| REVENUES | | | | |
| Taxes | \$ 12,994,066 | \$ 344,521 | \$ 1,370,049 | \$ 1,527,928 |
| Insurance Premiums | - | - | - | - |
| Intergovernmental | 1,355,073 | 2,832,616 | 6,853,757 | - |
| Licenses and Permits | 543,068 | - | - | - |
| Charges for Services | 3,082,678 | 411,178 | - | - |
| Interest Income | 46,125 | - | - | 79,851 |
| Miscellaneous | 423,651 | 47,454 | - | - |
| TOTAL REVENUES | <u>18,444,661</u> | <u>3,635,769</u> | <u>8,223,806</u> | <u>1,607,779</u> |
| EXPENDITURES | | | | |
| Current | | | | |
| General Government | 5,502,255 | - | - | 20,217 |
| Public Safety | 11,026,990 | - | - | - |
| Airport | - | - | - | - |
| Health and Welfare | 68,444 | - | 8,110,888 | - |
| Highways and Streets | - | 3,812,807 | - | - |
| Culture and Recreation | - | - | - | - |
| Intergovernmental | 107,644 | - | - | - |
| Capital Outlay | 2,426,784 | 160,345 | - | - |
| Bond Issue Costs | - | - | - | - |
| Debt Service | | | | |
| Principal | 1,210,258 | - | - | 740,000 |
| Interest | 96,539 | - | - | 950,994 |
| TOTAL EXPENDITURES | <u>20,438,914</u> | <u>3,973,152</u> | <u>8,110,888</u> | <u>1,711,211</u> |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | <u>(1,994,253)</u> | <u>(337,383)</u> | <u>112,918</u> | <u>(103,432)</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Proceeds from Issuance of Debt | - | - | - | - |
| Proceeds from Capital Lease | - | - | - | - |
| Bond Premium/Discount | - | - | - | - |
| Transfers In | 102,123 | 250,000 | - | 481,749 |
| Transfers Out | (686,961) | (127,796) | (17,186) | - |
| TOTAL OTHER FINANCING | <u>(584,838)</u> | <u>122,204</u> | <u>(17,186)</u> | <u>481,749</u> |
| NET CHANGE IN FUND BALANCES | (2,579,091) | (215,179) | 95,732 | 378,317 |
| FUND BALANCES, Beginning | 8,067,036 | 1,797,353 | 743,106 | 3,377,689 |
| Prior Period Adjustment | (65,000) | - | - | - |
| FUND BALANCES, Ending | <u>\$ 5,422,945</u> | <u>\$ 1,582,174</u> | <u>\$ 838,838</u> | <u>\$ 3,756,006</u> |

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

| SELF FUNDED INSURANCE FUND | OTHER GOVERNMENTAL FUNDS | TOTALS | |
|----------------------------------|--------------------------------|----------------------|----------------------|
| | | 2017 | 2016 |
| \$ - | \$ 621,865 | \$ 16,858,429 | \$ 15,901,781 |
| 3,005,416 | - | 3,005,416 | 2,891,634 |
| - | 1,108,244 | 12,149,690 | 11,891,629 |
| - | 56,604 | 599,672 | 571,734 |
| - | 430,974 | 3,924,830 | 3,804,571 |
| 3,056 | 15,721 | 144,753 | 131,565 |
| 427,439 | 67,168 | 965,712 | 929,808 |
| <u>3,435,911</u> | <u>2,300,576</u> | <u>37,648,502</u> | <u>36,122,722</u> |
| 4,365,878 | 328,479 | 10,216,829 | 9,756,568 |
| - | 294,694 | 11,321,684 | 10,544,934 |
| - | 503,402 | 503,402 | 539,051 |
| - | 669,809 | 8,849,141 | 8,150,130 |
| - | - | 3,812,807 | 3,453,330 |
| - | 92,708 | 92,708 | 143,903 |
| - | - | 107,644 | 158,376 |
| - | 428,998 | 3,016,127 | 4,307,391 |
| - | - | - | 106,282 |
| - | - | 1,950,258 | 1,065,312 |
| - | - | 1,047,533 | 987,943 |
| <u>4,365,878</u> | <u>2,318,090</u> | <u>40,918,133</u> | <u>39,213,220</u> |
| <u>(929,967)</u> | <u>(17,514)</u> | <u>(3,269,631)</u> | <u>(3,090,498)</u> |
| - | - | - | 5,105,000 |
| - | - | - | 1,200,000 |
| - | - | - | - |
| - | 101,711 | 935,583 | 1,048,428 |
| <u>(25,198)</u> | <u>(78,442)</u> | <u>(935,583)</u> | <u>(1,048,428)</u> |
| <u>(25,198)</u> | <u>23,269</u> | <u>-</u> | <u>6,305,000</u> |
| (955,165) | 5,755 | (3,269,631) | 3,214,502 |
| 1,951,434 | 1,406,876 | 17,343,494 | 14,128,992 |
| 65,000 | - | - | - |
| <u>\$ 1,061,269</u> | <u>\$ 1,412,631</u> | <u>\$ 14,073,863</u> | <u>\$ 17,343,494</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, 2017

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

Net Changes in Fund Balances - Total Governmental Funds \$ (3,269,631)

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 outlay \$3,907,169 exceeded depreciation expense (\$3,331,394) in the current period. 575,775

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 \$1,950,258, change in compensated absences \$181,830, amortization of bond discount (\$11,911), amortization of bond premium \$12,917, amortization of deferred charges (\$5,802), and change in accrued interest payable \$1,547. 2,128,839

Change in Net Position of Governmental Activities \$ (565,017)

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

FREMONT COUNTY, COLORADO

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUND
December 31, 2017

| | <u>AGENCY FUND</u> |
|--------------------------|------------------------|
| ASSETS | |
| Cash and Investments | <u>\$ 644,644</u> |
| LIABILITIES | |
| Due to Public Trustee | \$ 162,125 |
| Due to Other Governments | <u>482,519</u> |
| TOTAL LIABILITIES | <u>\$ 644,644</u> |

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

FREMONT COUNTY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2017

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, 2017

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 non-fiduciary activities of the County. For the most part, the effect of inter-fund 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, 2017

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 inter-fund 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 non-major 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, 2017

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 revenues received from employees that are restricted for payment of medical, visual and prescription 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.

Inter-Fund 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 inter-fund 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, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES(CONTINUED)

Inventory

Inventory of the County consists of consumable supplies in the Transportation, Airport, Public Health 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, up to 416 hours. 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, 2017

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, 2017

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:

- *Non-Spendable* – 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 Non-Spendable 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 | \$240,743 |
| Department of Transportation – Prepaid Expenses | 4,208 |
| Department of Transportation Fund – Inventory | 265,967 |
| Self-Funded Insurance – Prepaid Expenses | 72,475 |
| Airport – Prepaid Expenses | 2,363 |
| Airport – Inventory | 18,870 |
| Department of Health – Prepaid Expenses | 83 |
| Department of Health – Inventory | 25,591 |
| Weed Fund – Inventory | <u>19,370</u> |
| Total Non-Spendable Funds | <u><u>\$649,670</u></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) | \$ 766,000 |
| Sales & Use Tax Fund – Debt Reserve and Capital Outlay | 3,756,006 |
| Gaming Impact Fund – Gaming Impact | 1,612 |
| Conservation Trust Fund – Parks and Recreation | 681,758 |
| Restricted Fund – Capital Expenses | <u>371,441</u> |
| Total Restricted Funds | <u><u>\$5,576,817</u></u> |

FREMONT COUNTY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2017

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 | \$ 988,794 |
| Lodging Tax Fund – Advertising | 110,354 |
| Airport Fund - Airport | 119,347 |
| Restricted Fund – Designated for Projects | 37,849 |
| Weed Control Fund – Weed Department | <u>17,230</u> |
| Total Committed Funds | <u>\$1,273,574</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 | \$1,311,999 |
| Department of Human Services | 838,838 |
| Department of Health Fund | <u>6,763</u> |
| Total Assigned Funds | <u>\$2,157,600</u> |

FREMONT COUNTY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2017

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>\$4,416,202</u> |
| Total Unassigned Funds | <u>\$4,416,202</u> |

The County would typically use restricted fund balances first, followed by Committed resources, and then Assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend Unassigned fund balances.

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, 2017

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 ensuing year. Since these taxes are not normally available to the County until 2018, a receivable and related deferred inflow of resources is recorded at December 31, 2017.

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 20, 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, 2017

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 | \$ 21,377,796 | \$ 133,000 | \$ 21,510,796 |
| Department of Transportation | 4,378,411 | - | 4,378,411 |
| Department of Health Fund | 643,392 | 30,000 | 673,392 |
| County Lodging Tax Fund | 246,504 | 65,000 | 311,504 |
| Airport Fund | 1,218,221 | - | 1,218,221 |
| Gaming Impact Fund | - | - | - |
| Sales & Use Tax Fund | 1,706,387 | 5,000 | 1,711,387 |
| Department of Human Services Fund | 9,174,194 | - | 9,174,194 |
| Conservation Trust Fund | 162,700 | - | 162,700 |
| Self-Funded Group Insurance | 3,202,079 | 1,200,000 | 4,402,079 |
| Weed Control Fund | 225,859 | 62,000 | 287,859 |
| Restricted Funds Fund | 208,680 | - | 208,680 |

NOTE 3: DEPOSITS AND INVESTMENTS

A summary of deposits and investments as of December 31, 2017 follows:

| | |
|-------------------------------------|-------------------|
| Petty Cash | 2,783 |
| Deposits | 7,005,508 |
| Investments | <u>10,308,005</u> |
| Total | <u>17,316,296</u> |
| Reported in Governmental Activities | 16,671,652 |
| Reported in Agency Fund | <u>644,644</u> |
| Total | <u>17,316,296</u> |

FREMONT COUNTY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2017

NOTE 3: DEPOSITS AND INVESTMENTS (CONTINUED)

Deposits

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, 2017, 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, 2017, the County had deposits with financial institutions with a carrying amount of \$7,005,508. The bank balances with the financial institutions were \$7,549,694. Of these balances, \$500,000 was covered by federal depository insurance and \$7,043,229 was covered by collateral held by authorized escrow agents in the financial institutions name (PDPA).

Investments

At December 31, 2017, the County had the following investments:

| | |
|----------------------|----------------------|
| ColoTrust | \$ 8,266,927 |
| Treasury Obligations | 539,765 |
| Commercial Paper | <u>\$ 1,501,313</u> |
| Total | <u>\$ 10,308,005</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.

FREMONT COUNTY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2017

NOTE 3: DEPOSITS AND INVESTMENTS (CONTINUED)

Investments (Continued)

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.

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, 2017, the County had investments in First American Treasury and Toyota Motor Credit Company. All are rated AAAM by Standard and Poor's and Aaa- by Moody's Investor Services.

FREMONT COUNTY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2017

NOTE 3: DEPOSITS AND INVESTMENTS (CONTINUED)

Investments (Continued)

The County had invested \$8,266,927 in the Colorado Government Liquid Asset Trust (ColoTrust) which has a credit rating of AAAM by Standard and Poor's. ColoTrust is an investment vehicle established for local government entities in Colorado to pool surplus funds and is regulated by 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 not a 2a7-like external investment pool. The unit of account is each share held, and the value of the position would be the fair value of the pool's share price multiplied by the number of shares held. The government-investor does not "look through" the pool to report a pro rata share of the pool's investments, receivables, and payables.

Fair Value

The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant observable inputs.

At December 31, 2017, the County held investments in U.S. Treasury Obligations in the amount of \$539,765 with maturity dates of less than one and four years. Given the low risk of this type of investment, the County has not established a policy limiting the amount of investments in this type of security and deems it unnecessary at this time. These investments are valued with Level 1 inputs.

At December 31, 2017, the County held investments in Commercial Paper in the amount of \$1,501,313 with maturity dates of less than one year. Given the low risk of this type of investment, the County has not established a policy limiting the amount of investments in this type of security and deems it unnecessary at this time. These investments are valued with Level 1 inputs.

FREMONT COUNTY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2017

NOTE 3: DEPOSITS AND INVESTMENTS (CONTINUED)

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 \$2,712,473. Restricted cash in the Human Services Fund is in an account held in trust for others in the amount of \$115,856.

NOTE 4: INTERFUND BALANCES AND TRANSFERS

Inter-fund transfers for the year ended December 31, 2017, were comprised of the following:

| <u>Transfer In</u> | <u>Transfer Out</u> | <u>Amount</u> |
|---------------------------|-------------------------|--------------------------|
| General Fund | Airport Fund | \$ 10,000 |
| General Fund | Conservation Trust Fund | 54,517 |
| General Fund | Restricted Fund | 10,890 |
| General Fund | Self-Insurance Fund | 25,198 |
| General Fund | County Lodging Tax Fund | 1,518 |
| Transportation Fund | General Fund | 250,000 |
| Department of Health Fund | General Fund | 81,711 |
| Sales and Use Tax Fund | Airport Fund | 1,517 |
| Sales and Use Tax Fund | General Fund | 335,250 |
| Sales and Use Tax Fund | Transportation Fund | 127,796 |
| Sales and Use Tax Fund | Human Services Fund | 17,186 |
| Weed Control Fund | General Fund | 20,000 |
| Total | | <u>\$ 935,583</u> |

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.

FREMONT COUNTY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2017

NOTE 4: INTERFUND BALANCES AND TRANSFERS (CONTINUED)

Inter-fund balances for the year ended December 31, 2017, were comprised of the following:

| <u>Due From Other Funds</u> | <u>Due To Other Funds</u> | <u>Amount</u> |
|-----------------------------|---------------------------|--------------------------|
| General Fund | Self-Insurance Fund | \$ 25,198 |
| General Fund | Conservation Trust Fund | 22,593 |
| General Fund | Restricted Fund | 10,890 |
| General Fund | Weed Control Fund | 12,823 |
| General Fund | Department of Health Fund | 55,814 |
| General Fund | Human Services Fund | 75,216 |
| Transportation Fund | General Fund | 143,834 |
| Transportation Fund | Weed Control Fund | 5,154 |
| Transportation Fund | Conservation Trust Fund | 4,162 |
| Transportation Fund | Airport Fund | 14,436 |
| Conservation Trust Fund | General Fund | 3,121 |
| Airport Fund | General Fund | 3,173 |
| Restricted Fund | General Fund | 2,850 |
| Sales & Use Tax Fund | General Fund | 19,415 |
| Total | | <u>\$ 398,679</u> |

At December 31, 2017, 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.

FREMONT COUNTY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2017

NOTE 5: CAPITAL ASSETS

Capital assets activity for the year ended December 31, 2017 is summarized below:

| Description | Balance, Beginning of Year | Additions | Deletions | Balance, End of Year |
|---|----------------------------------|--------------------|--------------------|-------------------------|
| Governmental Activities | | | | |
| Capital Assets, Not Being Depreciated | | | | |
| Land | \$ 1,218,612 | \$ - | \$ - | \$ 1,218,612 |
| Construction in Progress | 2,458,058 | 1,919,031 | (2,374,633) | 2,002,456 |
| Total Capital Assets, Not Being Depreciated | 3,676,670 | 1,919,031 | (2,374,633) | 3,221,068 |
| Capital Assets, Being Depreciated | | | | |
| Buildings and Improvements | 39,690,819 | 3,056,468 | - | 42,747,287 |
| Equipment and Furniture | 9,229,057 | 487,419 | (259,480) | 9,456,996 |
| Infrastructure | 85,802,685 | 818,884 | - | 86,621,569 |
| Total Capital Assets, Being Depreciated | 134,722,561 | 4,362,771 | (259,480) | 138,825,852 |
| Less Accumulated Depreciation for | | | | |
| Buildings and Improvements | (19,531,770) | (1,536,255) | - | (21,068,025) |
| Equipment and Furniture | (7,489,052) | (696,447) | 259,480 | (7,926,019) |
| Infrastructure | (71,606,371) | (1,098,692) | - | (72,705,063) |
| Total Accumulated Depreciation | (98,627,193) | (3,331,394) | 259,480 | (101,699,107) |
| Total Capital Assets, Being Depreciated, Net | 36,095,368 | 1,031,377 | - | 37,126,745 |
| Governmental Activities Capital Assets, Net | 39,772,038 | 2,950,408 | (2,374,633) | 40,347,813 |

The following schedule summarizes depreciation expense by function:

| Description | Amount |
|----------------------|---------------------|
| Highways & Roads | \$ 1,480,573 |
| General Government | 398,210 |
| Airport | 333,296 |
| Sheriff | 552,279 |
| Other Public Safety | 276,482 |
| Culture & Recreation | 104,476 |
| Health & Welfare | 186,078 |
| Total | \$ 3,331,394 |

FREMONT COUNTY, COLORADO

**NOTES TO THE FINANCIAL STATEMENTS
December 31, 2017**

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, 2017:

| Description | Beginning Balance | Additions | Payments | Ending Balance | Due Within One Year |
|-------------------------------------|----------------------|-----------|------------------|-------------------|------------------------|
| Certificates of Participation 2012 | 5,655,000 | - | - | 5,655,000 | - |
| 2012 Discount | (86,507) | - | (4,868) | (81,639) | - |
| Series 2013 COPS (US Bank) | 10,115,000 | - | 220,000 | 9,895,000 | 225,000 |
| Series 2013 COPS (US Bank) Discount | (151,875) | - | (7,043) | (144,832) | - |
| Series 2013 COPS (UMB) | 5,855,000 | - | 520,000 | 5,335,000 | 585,000 |
| Series 2013 COPS (UMB) Premium | 206,669 | - | 12,917 | 193,752 | - |
| Series 2016 COPS (UMB-Sheriff) | 5,105,000 | - | 695,000 | 4,410,000 | 700,000 |
| 2016 Capital Lease | 839,688 | - | 515,258 | 324,430 | 291,330 |
| | - | | | | |
| Compensated Absences | 1,260,352 | - | 181,830 | 1,078,522 | - |
| | - | | | | |
| Total Governmental Activities | <u>28,798,327</u> | <u>-</u> | <u>2,133,094</u> | <u>26,665,233</u> | <u>1,801,330</u> |

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%.

Certificates of Participation Series 2016 dated June 3, 2016 and maturing each June 3 and December 3 from 2017 through 2023. Interest rates 1.710%.

FREMONT COUNTY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2017

NOTE 6: LONG-TERM DEBT (CONTINUED)

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> |
|-------------------|----------------------|----------------------|----------------------|
| 2018 | 1,510,000 | 998,226 | 2,508,226 |
| 2019 | 1,265,000 | 957,469 | 2,222,469 |
| 2020 | 1,295,000 | 926,319 | 2,221,319 |
| 2021 | 1,400,000 | 890,286 | 2,290,286 |
| 2022 | 1,200,000 | 848,921 | 2,048,921 |
| 2023-2027 | 3,860,000 | 3,830,212 | 7,690,212 |
| 2028-2032 | 6,910,000 | 2,906,932 | 9,816,932 |
| 2033-2037 | 6,375,000 | 1,414,550 | 7,789,550 |
| 2038 | 1,480,000 | 77,700 | 1,557,700 |
| Total | <u>\$ 25,295,000</u> | <u>\$ 12,850,615</u> | <u>\$ 38,145,615</u> |

Capital Lease

The County has entered into a capital lease agreement to purchase sheriff department vehicles and emergency equipment which will be paid from revenues of the General Fund. These lease requires monthly payments of \$34,199 including interest in the amount of 1.671% per annum. The lease matures in February 2019.

Following is a schedule of the future minimum lease payments required under the capital lease obligation at December 31, 2017:

Year Ended December 31,

| | |
|---|--------------------------|
| 2018 | \$ 293,816 |
| 2019 | <u>33,147</u> |
| Total Minimum Lease Payments | 326,963 |
| Less: Interest | <u>(2,533)</u> |
| Present Value of Minimum Lease Payments | <u>\$ 324,430</u> |

FREMONT COUNTY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2017

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.

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 2017 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 \$14,731,500 of which \$12,788,900 was eligible. Total contributions to the plan by the County in 2017 were \$383,667.

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 December 31, 2017, 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.

FREMONT COUNTY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2017

NOTE 7: EMPLOYEE BENEFITS (CONTINUED)

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.

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

FREMONT COUNTY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2017

NOTE 8: RISK MANAGEMENT (CONTINUED)

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.

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 |
|------|-----------------------------|-----------|-------------|---------------------|
| 2015 | 167,300 | 2,408,322 | 2,320,574 | \$ 255,048 |
| 2016 | 255,048 | 3,115,615 | 2,894,746 | \$ 475,917 |
| 2017 | 475,917 | 3,503,537 | 3,350,928 | \$ 628,526 |

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.

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

FREMONT COUNTY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2017

NOTE 9: COMMITMENTS AND CONTINGENCIES (CONTINUED)

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, 2017, the emergency reserve of \$766,000 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.

NOTE 10: PRIOR PERIOD ADJUSTMENT

The beginning fund balance of the Self Insurance Fund was increased and the beginning balance of the General Fund was decreased by \$65,000 to correctly report the cash balances in these funds.

REQUIRED SUPPLEMENTARY INFORMATION

FREMONT COUNTY, COLORADO

GENERAL FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended December 31, 2017

| | 2017 | | | VARIANCE | 2016 |
|---|---------------------|---------------------|---------------------|------------------------|---------------------|
| | ORIGINAL BUDGET | FINAL BUDGET | ACTUAL | Positive (Negative) | Actual |
| REVENUES | | | | | |
| Taxes | \$ 12,010,616 | \$ 12,010,616 | \$ 12,994,066 | \$ 983,450 | \$ 12,319,050 |
| Licenses and Permits | 518,295 | 518,295 | 543,068 | 24,773 | 555,697 |
| Intergovernmental | 1,170,780 | 1,170,780 | 1,355,073 | 184,293 | 1,727,430 |
| Charges for Services | 2,907,360 | 2,907,360 | 3,082,678 | 175,318 | 2,885,862 |
| Interest Income | 15,000 | 15,000 | 46,125 | 31,125 | 12,550 |
| Miscellaneous | 201,913 | 201,913 | 423,651 | 221,738 | 221,430 |
| TOTAL REVENUES | <u>16,823,964</u> | <u>16,823,964</u> | <u>18,444,661</u> | <u>1,620,697</u> | <u>17,722,019</u> |
| EXPENDITURES | | | | | |
| Current | | | | | |
| General Government | 5,701,536 | 5,701,536 | 5,502,255 | 199,281 | 5,416,673 |
| Public Safety | 11,217,801 | 11,300,801 | 11,026,990 | 273,811 | 10,417,265 |
| Health and Welfare | 53,825 | 53,825 | 68,444 | (14,619) | 51,197 |
| Intergovernmental | 32,644 | 32,644 | 107,644 | (75,000) | 158,376 |
| Capital Outlay | 2,394,693 | 2,394,693 | 2,426,784 | (32,091) | 4,091,188 |
| Debt Issue Costs | - | - | - | - | 106,282 |
| Debt Service | | | | | |
| Principal | 1,149,398 | 1,149,398 | 1,210,258 | (60,860) | 360,312 |
| Interest | 99,948 | 99,948 | 96,539 | 3,409 | 15,875 |
| TOTAL EXPENDITURES | <u>20,649,845</u> | <u>20,732,845</u> | <u>20,438,914</u> | <u>293,931</u> | <u>20,617,168</u> |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | <u>(3,825,881)</u> | <u>(3,908,881)</u> | <u>(1,994,253)</u> | <u>1,914,628</u> | <u>(2,895,149)</u> |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Proceeds from Issuance of Debt | - | - | - | - | 5,105,000 |
| Proceeds from Capital Lease | - | - | - | - | 1,200,000 |
| Transfers In | 22,580 | 22,580 | 102,123 | 79,543 | 10,000 |
| Transfers Out | (727,951) | (777,951) | (686,961) | 90,990 | (893,390) |
| TOTAL OTHER FINANCING SOURCES (USES) | <u>(705,371)</u> | <u>(755,371)</u> | <u>(584,838)</u> | <u>170,533</u> | <u>5,421,610</u> |
| NET CHANGE IN FUND BALANCE | (4,531,252) | (4,664,252) | (2,579,091) | 2,085,161 | 2,526,461 |
| FUND BALANCE, Beginning | 7,170,643 | 7,170,643 | 8,067,036 | 896,393 | 5,540,575 |
| Prior Period Adjustment | - | - | (65,000) | (65,000) | - |
| FUND BALANCE, Ending | <u>\$ 2,639,391</u> | <u>\$ 2,506,391</u> | <u>\$ 5,422,945</u> | <u>\$ 2,916,554</u> | <u>\$ 8,067,036</u> |

See the accompanying independent auditors' report.

FREMONT COUNTY, COLORADO

TRANSPORTATION FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended December 31, 2017

| | 2017 | | VARIANCE Positive (Negative) | 2016 ACTUAL |
|---|---------------------------------|---------------------|------------------------------------|---------------------|
| | ORIGINAL AND FINAL BUDGET | ACTUAL | | |
| REVENUES | | | | |
| Taxes | \$ 344,249 | \$ 344,521 | \$ 272 | \$ 334,787 |
| Charges for Services | 139,700 | 411,178 | 271,478 | 390,566 |
| Intergovernmental | 2,962,221 | 2,832,616 | (129,605) | 3,009,287 |
| Miscellaneous | 16,500 | 47,454 | 30,954 | 41,231 |
| TOTAL REVENUES | <u>3,462,670</u> | <u>3,635,769</u> | <u>173,099</u> | <u>3,775,871</u> |
| EXPENDITURES | | | | |
| Highways and Streets | 4,059,015 | 3,812,807 | 246,208 | 3,453,330 |
| Capital Outlay | 191,600 | 160,345 | 31,255 | 99,650 |
| TOTAL EXPENDITURES | <u>4,250,615</u> | <u>3,973,152</u> | <u>277,463</u> | <u>3,552,980</u> |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | <u>(787,945)</u> | <u>(337,383)</u> | <u>450,562</u> | <u>222,891</u> |
| OTHER FINANCING SOURCES | | | | |
| Transfers In | 393,750 | 250,000 | (143,750) | 250,000 |
| Transfers Out | <u>(127,796)</u> | <u>(127,796)</u> | <u>-</u> | <u>(126,335)</u> |
| TOTAL OTHER FINANCING SOURCES | <u>265,954</u> | <u>122,204</u> | <u>(143,750)</u> | <u>123,665</u> |
| NET CHANGE IN FUND BALANCES | (521,991) | (215,179) | 306,812 | 346,556 |
| FUND BALANCES, Beginning | <u>1,782,589</u> | <u>1,797,353</u> | <u>14,764</u> | <u>1,450,797</u> |
| FUND BALANCES, Ending | <u>\$ 1,260,598</u> | <u>\$ 1,582,174</u> | <u>\$ 321,576</u> | <u>\$ 1,797,353</u> |

See the accompanying independent auditors' report.

FREMONT COUNTY, COLORADO

HUMAN SERVICES FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended December 31, 2017

| | 2017 | | VARIANCE Positive (Negative) | 2016 ACTUAL |
|---|---------------------------------|--------------|------------------------------------|----------------|
| | ORIGINAL AND FINAL BUDGET | ACTUAL | | |
| REVENUES | | | | |
| Taxes | \$ 1,168,154 | \$ 1,370,049 | \$ 201,895 | \$ 1,331,214 |
| Intergovernmental | 7,927,832 | 6,853,757 | (1,074,075) | 6,382,875 |
| TOTAL REVENUES | 9,095,986 | 8,223,806 | (872,180) | 7,714,089 |
| EXPENDITURES | | | | |
| Health and Welfare | 9,174,194 | 8,110,888 | 1,063,306 | 7,466,603 |
| TOTAL EXPENDITURES | 9,174,194 | 8,110,888 | 1,063,306 | 7,466,603 |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | (78,208) | 112,918 | 191,126 | 247,486 |
| OTHER FINANCING SOURCES | | | | |
| Transfers Out | - | (17,186) | (17,186) | (17,186) |
| NET CHANGE IN FUND BALANCE | (78,208) | 95,732 | 173,940 | 230,300 |
| FUND BALANCE, Beginning | 640,368 | 743,106 | 102,738 | 512,806 |
| FUND BALANCE, Ending | \$ 562,160 | \$ 838,838 | \$ 276,678 | \$ 743,106 |

See the accompanying independent auditors' report.

FREMONT COUNTY, COLORADO

SALES AND USE TAX FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended December 31, 2017

| | 2017 | | | VARIANCE Positive (Negative) | 2016 ACTUAL |
|---|---------------------|---------------------|---------------------|------------------------------------|---------------------|
| | ORIGINAL BUDGET | FINAL BUDGET | ACTUAL | | |
| REVENUES | | | | | |
| Taxes | \$ 1,367,000 | \$ 1,367,000 | \$ 1,527,928 | \$ 160,928 | \$ 1,438,167 |
| Interest | 2,000 | 2,000 | 79,851 | 77,851 | 74,775 |
| Miscellaneous | - | - | - | - | 9 |
| TOTAL REVENUES | <u>1,369,000</u> | <u>1,369,000</u> | <u>1,607,779</u> | <u>238,779</u> | <u>1,512,951</u> |
| EXPENDITURES | | | | | |
| General Government | 15,381 | 20,381 | 20,217 | 164 | 17,538 |
| Capital Outlay | - | - | - | - | 47,395 |
| Debt Service | | | | | |
| Principal | 740,000 | 740,000 | 740,000 | - | 705,000 |
| Interest | <u>951,006</u> | <u>951,006</u> | <u>950,994</u> | <u>12</u> | <u>972,068</u> |
| TOTAL EXPENDITURES | <u>1,706,387</u> | <u>1,711,387</u> | <u>1,711,211</u> | <u>176</u> | <u>1,742,001</u> |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | <u>(337,387)</u> | <u>(342,387)</u> | <u>(103,432)</u> | <u>238,955</u> | <u>(229,050)</u> |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Transfers In | 471,350 | 471,350 | 481,749 | 10,399 | 478,750 |
| Transfers Out | - | - | - | - | - |
| TOTAL OTHER FINANCING SOURCES (USES) | <u>471,350</u> | <u>471,350</u> | <u>481,749</u> | <u>10,399</u> | <u>478,750</u> |
| NET CHANGE IN FUND BALANCE | 133,963 | 128,963 | 378,317 | 249,354 | 249,700 |
| FUND BALANCE, Beginning | <u>3,218,271</u> | <u>3,218,271</u> | <u>3,377,689</u> | <u>159,418</u> | <u>3,127,989</u> |
| FUND BALANCE, Ending | <u>\$ 3,352,234</u> | <u>\$ 3,347,234</u> | <u>\$ 3,756,006</u> | <u>\$ 408,772</u> | <u>\$ 3,377,689</u> |

See the accompanying independent auditors' report.

FREMONT COUNTY, COLORADO

SELF FUNDED GROUP INSURANCE FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended December 31, 2017

| | 2017 | | | VARIANCE | 2016 ACTUAL |
|---|---------------------|--------------------|---------------------|------------------------|---------------------|
| | ORIGINAL BUDGET | FINAL BUDGET | ACTUAL | Positive (Negative) | |
| REVENUES | | | | | |
| Insurance Premiums | \$ 2,908,674 | \$ 2,908,674 | \$ 3,005,416 | \$ 96,742 | \$ 2,891,634 |
| Interest | - | - | 3,056 | 3,056 | 21,386 |
| Miscellaneous | 300,000 | 300,000 | 427,439 | 127,439 | 560,810 |
| TOTAL REVENUES | <u>3,208,674</u> | <u>3,208,674</u> | <u>3,435,911</u> | <u>227,237</u> | <u>3,473,830</u> |
| EXPENDITURES | | | | | |
| General Government | <u>3,202,079</u> | <u>4,402,079</u> | <u>4,365,878</u> | <u>36,201</u> | <u>3,938,697</u> |
| TOTAL EXPENDITURES | <u>3,202,079</u> | <u>4,402,079</u> | <u>4,365,878</u> | <u>36,201</u> | <u>3,938,697</u> |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | <u>6,595</u> | <u>(1,193,405)</u> | <u>(929,967)</u> | <u>263,438</u> | <u>(464,867)</u> |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Transfers In | - | - | - | - | 183,000 |
| Transfers Out | - | - | (25,198) | (25,198) | - |
| TOTAL OTHER FINANCING SOURCES (USES) | <u>-</u> | <u>-</u> | <u>(25,198)</u> | <u>(25,198)</u> | <u>183,000</u> |
| NET CHANGE IN FUND BALANCE | 6,595 | (1,193,405) | (955,165) | 238,240 | (281,867) |
| FUND BALANCE, Beginning | 1,907,716 | 1,907,716 | 1,951,434 | 43,718 | 2,233,301 |
| Prior Period Adjustment | - | - | 65,000 | 65,000 | - |
| FUND BALANCE, Ending | <u>\$ 1,914,311</u> | <u>\$ 714,311</u> | <u>\$ 1,061,269</u> | <u>\$ 346,958</u> | <u>\$ 1,951,434</u> |

See the accompanying independent auditors' report.

COMBINING AND INDIVIDUAL FUND SCHEDULES

FREMONT COUNTY, COLORADO

NONMAJOR GOVERNMENTAL FUNDS
 COMBINING BALANCE SHEET
 December 31, 2017

| | COUNTY LODGING TAX FUND | AIRPORT FUND | GAMING IMPACT FUND | WEED CONTROL FUND |
|--|-------------------------------|-------------------|--------------------------|-------------------------|
| ASSETS | | | | |
| Cash and Investments | \$ 106,354 | \$ 462,538 | \$ 1,612 | \$ - |
| Due From Other Funds | - | 3,173 | - | - |
| Property Taxes Receivable | - | 139,455 | - | - |
| Accounts Receivable | 31,813 | 1,995 | - | 52,357 |
| Inventory | - | 18,870 | - | 19,370 |
| Prepaid Expenses | - | 2,363 | - | - |
| | <u>138,167</u> | <u>628,394</u> | <u>1,612</u> | <u>71,727</u> |
| TOTAL ASSETS | \$ 138,167 | \$ 628,394 | \$ 1,612 | \$ 71,727 |
| LIABILITIES, DEFERRED INFLOWS, AND FUND EQUITY | | | | |
| LIABILITIES | | | | |
| Accounts Payable | \$ 2,813 | \$ 330,020 | \$ - | \$ 15,500 |
| Accrued Expenses | - | 3,903 | - | 1,650 |
| Due To Other Funds | - | 14,436 | - | 17,977 |
| Unearned Revenue | 25,000 | - | - | - |
| | <u>27,813</u> | <u>348,359</u> | <u>-</u> | <u>35,127</u> |
| TOTAL LIABILITIES | 27,813 | 348,359 | - | 35,127 |
| DEFERRED INFLOW OF RESOURCES | | | | |
| Deferred Property Tax Revenue | - | 139,455 | - | - |
| | <u>-</u> | <u>139,455</u> | <u>-</u> | <u>-</u> |
| FUND EQUITY | | | | |
| Fund Balance | | | | |
| Nonspendable | - | 21,233 | - | 19,370 |
| Restricted | - | - | 1,612 | - |
| Committed | 110,354 | 119,347 | - | 17,230 |
| Assigned | - | - | - | - |
| Unassigned | - | - | - | - |
| | <u>110,354</u> | <u>140,580</u> | <u>1,612</u> | <u>36,600</u> |
| TOTAL FUND EQUITY | 110,354 | 140,580 | 1,612 | 36,600 |
| TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND EQUITY | \$ 138,167 | \$ 628,394 | \$ 1,612 | \$ 71,727 |

See the accompanying independent auditors' report.

| CONSERVATION TRUST FUND | DEPARTMENT OF HEALTH FUND | RESTRICTED FUNDS FUND | TOTALS | |
|-------------------------------|---------------------------------|-----------------------------|---------------------|---------------------|
| | | | 2017 | 2016 |
| \$ 705,943 | \$ - | \$ 418,232 | \$ 1,694,679 | \$ 1,199,002 |
| 3,121 | - | 2,850 | 9,144 | 8,855 |
| - | - | - | 139,455 | 138,529 |
| - | 103,944 | 576 | 190,685 | 111,120 |
| - | 25,591 | - | 63,831 | 84,967 |
| - | 83 | - | 2,446 | 1,153 |
| <u>\$ 709,064</u> | <u>\$ 129,618</u> | <u>\$ 421,658</u> | <u>\$ 2,100,240</u> | <u>\$ 1,543,626</u> |
| | | | | |
| \$ 551 | \$ 8,727 | \$ 1,478 | \$ 359,089 | \$ 38,517 |
| - | 21,146 | - | 26,699 | 25,952 |
| 26,755 | 55,814 | 10,890 | 125,872 | 37,145 |
| - | 11,494 | - | 36,494 | 39,959 |
| <u>27,306</u> | <u>97,181</u> | <u>12,368</u> | <u>548,154</u> | <u>141,573</u> |
| | | | | |
| - | - | - | 139,455 | 138,529 |
| | | | | |
| - | 25,674 | - | 66,277 | 86,120 |
| 681,758 | - | 371,441 | 1,054,811 | 887,386 |
| - | - | 37,849 | 284,780 | 236,552 |
| - | 6,763 | - | 6,763 | 53,466 |
| - | - | - | - | - |
| <u>681,758</u> | <u>32,437</u> | <u>409,290</u> | <u>1,412,631</u> | <u>1,263,524</u> |
| | | | | |
| <u>\$ 709,064</u> | <u>\$ 129,618</u> | <u>\$ 421,658</u> | <u>\$ 2,100,240</u> | <u>\$ 1,543,626</u> |

FREMONT COUNTY, COLORADO

NONMAJOR GOVERNMENTAL FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 Year Ended December 31, 2017

| | COUNTY LODGING TAX FUND | AIRPORT FUND | GAMING IMPACT FUND | WEED CONTROL FUND |
|---|-------------------------------|-------------------|--------------------------|-------------------------|
| REVENUES | | | | |
| Taxes | \$ 229,329 | \$ 164,531 | \$ - | \$ 228,005 |
| Licenses and Permits | - | - | - | - |
| Intergovernmental | 48,033 | 383,424 | - | - |
| Charges for Services | - | 346,633 | - | 21,983 |
| Interest Income | - | - | - | 13,583 |
| Miscellaneous | - | 15,165 | - | - |
| TOTAL REVENUES | <u>277,362</u> | <u>909,753</u> | <u>-</u> | <u>263,571</u> |
| EXPENDITURES | | | | |
| Current | | | | |
| General Government | 309,151 | - | - | - |
| Public Safety | - | - | - | 273,687 |
| Airport | - | 503,402 | - | - |
| Health and Welfare | - | - | - | - |
| Culture and Recreation | - | - | - | - |
| Capital Outlay | - | 415,426 | - | 13,572 |
| TOTAL EXPENDITURES | <u>309,151</u> | <u>918,828</u> | <u>-</u> | <u>287,259</u> |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | <u>(31,789)</u> | <u>(9,075)</u> | <u>-</u> | <u>(23,688)</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers In | - | - | - | 20,000 |
| Transfers Out | <u>(1,518)</u> | <u>(11,517)</u> | <u>-</u> | <u>-</u> |
| TOTAL OTHER FINANCING SOURCES (USES) | <u>(1,518)</u> | <u>(11,517)</u> | <u>-</u> | <u>20,000</u> |
| NET CHANGE IN FUND BALANCES | <u>(33,307)</u> | <u>(20,592)</u> | <u>-</u> | <u>(3,688)</u> |
| FUND BALANCES, Beginning | <u>143,661</u> | <u>161,172</u> | <u>1,612</u> | <u>40,288</u> |
| FUND BALANCES, Ending | <u>\$ 110,354</u> | <u>\$ 140,580</u> | <u>\$ 1,612</u> | <u>\$ 36,600</u> |

See the accompanying independent auditors' report.

| CONSERVATION TRUST FUND | DEPARTMENT OF HEALTH FUND | RESTRICTED FUNDS FUND | TOTALS | |
|-------------------------------|---------------------------------|-----------------------------|---------------------|---------------------|
| | | | 2017 | 2016 |
| \$ - | \$ - | \$ - | \$ 621,865 | \$ 478,563 |
| - | 56,604 | - | 56,604 | 16,037 |
| 176,619 | 489,751 | 10,417 | 1,108,244 | 772,037 |
| - | 62,358 | - | 430,974 | 528,143 |
| 2,138 | - | - | 15,721 | 22,854 |
| - | 939 | 51,064 | 67,168 | 106,328 |
| <u>178,757</u> | <u>609,652</u> | <u>61,481</u> | <u>2,300,576</u> | <u>1,923,962</u> |
| - | - | 19,328 | 328,479 | 383,660 |
| - | - | 21,007 | 294,694 | 127,669 |
| - | - | - | 503,402 | 539,051 |
| - | 669,809 | - | 669,809 | 632,330 |
| 92,708 | - | - | 92,708 | 143,903 |
| - | - | - | 428,998 | 69,158 |
| <u>92,708</u> | <u>669,809</u> | <u>40,335</u> | <u>2,318,090</u> | <u>1,895,771</u> |
| <u>86,049</u> | <u>(60,157)</u> | <u>21,146</u> | <u>(17,514)</u> | <u>28,191</u> |
| - | 81,711 | - | 101,711 | 126,678 |
| <u>(54,517)</u> | <u>-</u> | <u>(10,890)</u> | <u>(78,442)</u> | <u>(11,517)</u> |
| <u>(54,517)</u> | <u>81,711</u> | <u>(10,890)</u> | <u>23,269</u> | <u>115,161</u> |
| 31,532 | 21,554 | 10,256 | 5,755 | 143,352 |
| <u>650,226</u> | <u>10,883</u> | <u>399,034</u> | <u>1,406,876</u> | <u>1,263,524</u> |
| <u>\$ 681,758</u> | <u>\$ 32,437</u> | <u>\$ 409,290</u> | <u>\$ 1,412,631</u> | <u>\$ 1,406,876</u> |

FREMONT COUNTY, COLORADO

COUNTY LODGING TAX FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended December 31, 2017

| | 2017 | | | VARIANCE | 2016 TOTAL |
|---|--------------------|------------------|-------------------|------------------------|-------------------|
| | ORIGINAL BUDGET | FINAL BUDGET | ACTUAL | Positive (Negative) | |
| REVENUES | | | | | |
| Taxes | \$ 185,000 | \$ 185,000 | \$ 229,329 | \$ 44,329 | \$ 203,771 |
| Intergovernmental | 25,000 | 25,000 | 48,033 | 23,033 | 49,410 |
| Miscellaneous | - | - | - | - | - |
| TOTAL REVENUES | <u>210,000</u> | <u>210,000</u> | <u>277,362</u> | <u>67,362</u> | <u>253,181</u> |
| EXPENDITURES | | | | | |
| General Government | <u>244,986</u> | <u>309,986</u> | <u>309,151</u> | <u>835</u> | <u>212,185</u> |
| TOTAL EXPENDITURES | <u>244,986</u> | <u>309,986</u> | <u>309,151</u> | <u>835</u> | <u>212,185</u> |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | <u>(34,986)</u> | <u>(99,986)</u> | <u>(31,789)</u> | <u>68,197</u> | <u>40,996</u> |
| OTHER FINANCING SOURCES | | | | | |
| Transfers Out | <u>(1,518)</u> | <u>(1,518)</u> | <u>(1,518)</u> | <u>-</u> | <u>-</u> |
| TOTAL OTHER FINANCING SOURCES | <u>(1,518)</u> | <u>(1,518)</u> | <u>(1,518)</u> | <u>-</u> | <u>-</u> |
| NET CHANGE IN FUND BALANCES | (36,504) | (101,504) | (33,307) | 68,197 | 40,996 |
| FUND BALANCES, Beginning | <u>116,993</u> | <u>116,993</u> | <u>143,661</u> | <u>26,668</u> | <u>102,665</u> |
| FUND BALANCES, Ending | <u>\$ 80,489</u> | <u>\$ 15,489</u> | <u>\$ 110,354</u> | <u>\$ 94,865</u> | <u>\$ 143,661</u> |

See the accompanying independent auditors' report.

FREMONT COUNTY, COLORADO

AIRPORT FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended December 31, 2017

| | 2017 | | VARIANCE Positive (Negative) | 2016 TOTAL |
|---|---------------------------------|-------------------|------------------------------------|-------------------|
| | ORIGINAL AND FINAL BUDGET | ACTUAL | | |
| REVENUES | | | | |
| Taxes | \$ 161,329 | \$ 164,531 | \$ 3,202 | \$ 160,816 |
| Intergovernmental | 633,333 | 383,424 | (249,909) | 17,750 |
| Charges for Services | 340,380 | 346,633 | 6,253 | 423,987 |
| Miscellaneous | 4,500 | 15,165 | 10,665 | 23,042 |
| TOTAL REVENUES | <u>1,139,542</u> | <u>909,753</u> | <u>(229,789)</u> | <u>625,595</u> |
| EXPENDITURES | | | | |
| Airport | 510,971 | 503,402 | 7,569 | 539,051 |
| Capital Outlay | 676,000 | 415,426 | 260,574 | 69,158 |
| TOTAL EXPENDITURES | <u>1,186,971</u> | <u>918,828</u> | <u>268,143</u> | <u>608,209</u> |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | <u>(47,429)</u> | <u>(9,075)</u> | <u>38,354</u> | <u>17,386</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers Out | <u>(31,250)</u> | <u>(11,517)</u> | <u>19,733</u> | <u>(11,517)</u> |
| TOTAL OTHER FINANCING SOURCES (USES) | <u>(31,250)</u> | <u>(11,517)</u> | <u>19,733</u> | <u>(11,517)</u> |
| NET CHANGE IN FUND BALANCES | (78,679) | (20,592) | 58,087 | 5,869 |
| FUND BALANCES, Beginning | <u>109,574</u> | <u>161,172</u> | <u>51,598</u> | <u>155,303</u> |
| FUND BALANCES, Ending | <u>\$ 30,895</u> | <u>\$ 140,580</u> | <u>\$ 109,685</u> | <u>\$ 161,172</u> |

See the accompanying independent auditors' report.

FREMONT COUNTY, COLORADO

WEED CONTROL FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended December 31, 2017

| | 2017 | | | VARIANCE | 2016 ACTUAL |
|---|--------------------|-----------------|------------|------------------------|----------------|
| | ORIGINAL BUDGET | FINAL BUDGET | ACTUAL | Positive (Negative) | |
| REVENUES | | | | | |
| Intergovernmental | \$ 143,500 | \$ 205,500 | \$ 228,005 | \$ 22,505 | \$ 113,976 |
| Charges for Services | 14,000 | 14,000 | 21,983 | 7,983 | 12,696 |
| Miscellaneous Income | 16,000 | 16,000 | 13,583 | (2,417) | 22,302 |
| TOTAL REVENUES | 173,500 | 235,500 | 263,571 | 28,071 | 148,974 |
| EXPENDITURES | | | | | |
| Public Safety | 211,859 | 273,859 | 273,687 | 172 | 157,205 |
| Capital Outlay | 14,000 | 14,000 | 13,572 | 428 | - |
| TOTAL EXPENDITURES | 225,859 | 287,859 | 287,259 | 600 | 157,205 |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | (52,359) | (52,359) | (23,688) | 28,671 | (8,231) |
| OTHER FINANCING SOURCES | | | | | |
| Transfers In | 20,000 | 20,000 | 20,000 | - | 20,000 |
| TOTAL OTHER FINANCING SOURCES | 20,000 | 20,000 | 20,000 | - | 20,000 |
| NET CHANGE IN FUND BALANCES | (32,359) | (32,359) | (3,688) | 28,671 | 11,769 |
| FUND BALANCES, Beginning | 33,565 | 33,565 | 40,288 | 6,723 | 28,519 |
| FUND BALANCES, Ending | \$ 1,206 | \$ 1,206 | \$ 36,600 | \$ 35,394 | \$ 40,288 |

See the accompanying independent auditors' report.

FREMONT COUNTY, COLORADO

CONSERVATION TRUST FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended December 31, 2017

| | 2017 | | VARIANCE Positive (Negative) | 2016 ACTUAL |
|---|---------------------------------|------------|------------------------------------|----------------|
| | ORIGINAL AND FINAL BUDGET | ACTUAL | | |
| REVENUES | | | | |
| Intergovernmental | \$ 180,000 | \$ 176,619 | \$ (3,381) | \$ 196,020 |
| Interest Income | 1,000 | 2,138 | 1,138 | 552 |
| TOTAL REVENUES | 181,000 | 178,757 | (2,243) | 196,572 |
| EXPENDITURES | | | | |
| Culture and Recreation | 142,700 | 92,708 | 49,992 | 143,903 |
| TOTAL EXPENDITURES | 142,700 | 92,708 | 49,992 | 143,903 |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | 38,300 | 86,049 | 47,749 | 52,669 |
| OTHER FINANCING SOURCES | | | | |
| Transfers In | - | - | - | - |
| Transfers Out | (20,000) | (54,517) | (34,517) | - |
| TOTAL OTHER FINANCING SOURCES | (20,000) | (54,517) | (34,517) | - |
| NET CHANGE IN FUND BALANCE | 18,300 | 31,532 | 13,232 | 52,669 |
| FUND BALANCE, Beginning | 491,819 | 650,226 | 158,407 | 597,557 |
| FUND BALANCE, Ending | \$ 510,119 | \$ 681,758 | \$ 171,639 | \$ 650,226 |

See the accompanying independent auditors' report.

FREMONT COUNTY, COLORADO

DEPARTMENT OF HEALTH FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended December 31, 2017

| | 2017 | | | VARIANCE | 2016 TOTAL |
|---|--------------------|------------------|------------------|------------------------|------------------|
| | ORIGINAL BUDGET | FINAL BUDGET | ACTUAL | Positive (Negative) | |
| REVENUES | | | | | |
| Licenses and Permits | \$ 41,500 | \$ 41,500 | \$ 56,604 | \$ 15,104 | \$ 16,037 |
| Intergovernmental | 488,697 | 488,697 | 489,751 | 1,054 | 373,260 |
| Charges for Services | 82,500 | 82,500 | 62,358 | (20,142) | 91,460 |
| Miscellaneous | 100 | 100 | 939 | 839 | 1,199 |
| TOTAL REVENUES | <u>612,797</u> | <u>612,797</u> | <u>609,652</u> | <u>(3,145)</u> | <u>481,956</u> |
| EXPENDITURES | | | | | |
| Health and Welfare | <u>643,592</u> | <u>673,592</u> | <u>669,809</u> | <u>3,783</u> | <u>632,330</u> |
| TOTAL EXPENDITURES | <u>643,592</u> | <u>673,592</u> | <u>669,809</u> | <u>3,783</u> | <u>632,330</u> |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | <u>(30,795)</u> | <u>(60,795)</u> | <u>(60,157)</u> | <u>638</u> | <u>(150,374)</u> |
| OTHER FINANCING SOURCES | | | | | |
| Transfers In | <u>95,201</u> | <u>95,201</u> | <u>81,711</u> | <u>(13,490)</u> | <u>106,678</u> |
| TOTAL OTHER FINANCING SOURCES | <u>95,201</u> | <u>95,201</u> | <u>81,711</u> | <u>(13,490)</u> | <u>106,678</u> |
| NET CHANGE IN FUND BALANCES | 64,406 | 34,406 | 21,554 | (12,852) | (43,696) |
| FUND BALANCES, Beginning | <u>1,013</u> | <u>1,013</u> | <u>10,883</u> | <u>9,870</u> | <u>54,579</u> |
| FUND BALANCES, Ending | <u>\$ 65,419</u> | <u>\$ 35,419</u> | <u>\$ 32,437</u> | <u>\$ (2,982)</u> | <u>\$ 10,883</u> |

See the accompanying independent auditors' report.

FREMONT COUNTY, COLORADO

RESTRICTED FUNDS FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended December 31, 2017

| | 2017 | | VARIANCE Positive (Negative) | 2016 ACTUAL |
|---|---------------------------------|------------|------------------------------------|----------------|
| | ORIGINAL AND FINAL BUDGET | ACTUAL | | |
| REVENUES | | | | |
| Intergovernmental | \$ 130,500 | \$ 10,417 | \$ (120,083) | \$ 135,597 |
| Other Revenue | 52,500 | 51,064 | (1,436) | 82,087 |
| TOTAL REVENUES | 183,000 | 61,481 | (121,519) | 217,684 |
| EXPENDITURES | | | | |
| General Government | 33,600 | 19,328 | 14,272 | 14,270 |
| Public Safety | 162,500 | 21,007 | 141,493 | 127,669 |
| TOTAL EXPENDITURES | 196,100 | 40,335 | 155,765 | 141,939 |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | (13,100) | 21,146 | 34,246 | 75,745 |
| OTHER FINANCING SOURCES | | | | |
| Transfers Out | (12,580) | (10,890) | 1,690 | - |
| TOTAL OTHER FINANCING SOURCES | (12,580) | (10,890) | 1,690 | - |
| NET CHANGE IN FUND BALANCE | (25,680) | 10,256 | 35,936 | 75,745 |
| FUND BALANCE, Beginning | 334,221 | 399,034 | 64,813 | 323,289 |
| FUND BALANCE, Ending | \$ 308,541 | \$ 409,290 | \$ 100,749 | \$ 399,034 |

See the accompanying independent auditors' report.

FREMONT COUNTY, COLORADO

COMBINING STATEMENT OF FIDUCIARY
ASSETS AND LIABILITIES
AGENCY FUNDS
Year Ended December 31, 2017

| | 2017 | | | 2016 ACTUAL |
|--------------------------|-------------------|----------------------|-------------------|-------------------|
| | PUBLIC TRUSTEE | OTHER GOVERNMENTS | TOTAL | |
| ASSETS | | | | |
| Cash and Investments | \$ 162,125 | \$ 482,519 | \$ 644,644 | \$ 481,716 |
| TOTAL ASSETS | <u>\$ 162,125</u> | <u>\$ 482,519</u> | <u>\$ 644,644</u> | <u>\$ 481,716</u> |
| LIABILITIES | | | | |
| Due to Public Trustee | \$ 162,125 | \$ - | \$ 162,125 | \$ 161,063 |
| Due to Other Governments | <u>-</u> | <u>482,519</u> | <u>482,519</u> | <u>320,653</u> |
| TOTAL LIABILITIES | <u>\$ 162,125</u> | <u>\$ 482,519</u> | <u>\$ 644,644</u> | <u>\$ 481,716</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, 2017

| | <u>BALANCE</u> <u>12/31/2016</u> | <u>ADDITIONS</u> | <u>DEDUCTIONS</u> | <u>BALANCE</u> <u>12/31/2017</u> |
|--------------------------|-------------------------------------|--------------------------|--------------------------|-------------------------------------|
| ASSETS | | | | |
| Cash and Investments | | | | |
| Public Trustee | \$ 161,063 | \$ 2,835,457 | \$ 2,834,395 | \$ 162,125 |
| Other Governments | <u>320,653</u> | <u>25,904,728</u> | <u>25,742,862</u> | <u>482,519</u> |
| TOTAL ASSETS | <u>\$ 481,716</u> | <u>\$ 28,740,185</u> | <u>\$ 28,577,257</u> | <u>\$ 644,644</u> |
| LIABILITIES | | | | |
| Due to Public Trustee | 161,063 | 2,835,457 | 2,834,395 | 162,125 |
| Due to Other Governments | <u>320,653</u> | <u>25,904,728</u> | <u>25,742,862</u> | <u>482,519</u> |
| TOTAL LIABILITIES | <u>\$ 481,716</u> | <u>\$ 28,740,185</u> | <u>\$ 28,577,257</u> | <u>\$ 644,644</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, 2017, 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 September 18, 2018.

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 Luttrell & Associates, LLC

September 18, 2018



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 THE UNIFORM GUIDANCE

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 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, 2017. 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 Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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, 2017.

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 Uniform Guidance, 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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose

John Luther & Associates, LLC

September 18, 2018

FREMONT COUNTY, COLORADO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended December 31, 2017

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 the Uniform Guidance?

_____ yes x no

Identification of major program:

- 93.568 Low Income Home Energy Assistance
- 93.558 Temporary Aid for Needy Families
- 93.658 Title IV-E Foster Care

Dollar threshold used to distinguish between type A and type B programs: \$750,000

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, 2017

| | <u>Major Program ?</u> | <u>CDFA #</u> | <u>Total Expenditures</u> |
|---|----------------------------|---------------|-------------------------------|
| U.S. Department of Health and Human Services | | | |
| Passed through the Colorado Department of Health and Human Services | | | |
| Low Income Home Energy Assistance | Yes | 93.568 | \$ 763,881 |
| Temporary Aid for Needy Families | Yes | 93.558 | 1,655,406 |
| Child Support Enforcement | No | 93.563 | 292,608 |
| Child Care Development Block Grant | No | 93.575 | 224,154 |
| Child Care Mandatory and Matching Funds | No | 93.596 | 296,695 |
| Child Welfare Services | No | 93.645 | 45,630 |
| Title IV-E Foster Care | Yes | 93.658 | 954,922 |
| Title IV-E Adoption | No | 93.659 | 217,864 |
| Title IV-E Guardianship Assistance | No | 93.090 | 7,193 |
| Child Abuse and Neglect Discretionary Activities | No | 93.670 | 25,635 |
| Social Services Block Grant | No | 93.667 | 297,962 |
| Medical Assistance Program | No | 93.778 | 689,658 |
| Foster Care Independence Program | No | 93.674 | 81,920 |
| Promoting Safe and Stable Families | No | 93.556 | 49,431 |
| Passed through the Colorado Department Of Public Health and Environment | | | |
| Healthy Immunizations | No | 93.268 | 79,639 |
| Healthy Communities | No | 66.110 | 28,426 |
| Public Health Emergency Preparedness | No | 93.069 | <u>77,815</u> |
| Total U.S. Department of Health and Human Services | | | <u>5,788,839</u> |
| U.S. Department of Agriculture | | | |
| Passed through the Colorado Department of Health and Human Services | | | |
| Nutrition Assistance Program | No | 10.561 | 490,645 |
| Passed through the Colorado Department of Public Safety | | | |
| Disaster Grants - Public Assistance | No | 97.036 | 53,203 |
| Passed through the Colorado Department of Treasury | | | |
| Roads and Schools - Grants to States | No | 10.665 | <u>125,664</u> |
| Total U.S. Department of Agriculture | | | <u>669,512</u> |

See the accompanying independent auditors' report.

FREMONT COUNTY, COLORADO

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended December 31, 2017

(Continued)

| | <u>Major Program ?</u> | <u>CDFA #</u> | <u>Total Expenditures</u> |
|--|----------------------------|---------------|-------------------------------|
| U.S. Department of Homeland Security | | | |
| Passed through the Colorado Division of Emergency Management | | | |
| Homeland Security Grant Program | No | 97.067 | 218,535 |
| Division of Emergency Management | No | 97.042 | <u>62,000</u> |
| | | | <u>280,535</u> |
| U.S. Department of Transportation | | | |
| Passed through the Colorado Department of Transportation | | | |
| Highway Training and Education | No | 20.215 | 205,769 |
| Passed through the Federal Aviation Administration | | | |
| Taxiway Pavement/Runway/Lights | No | 20.106 | <u>362,309</u> |
| | | | <u>568,078</u> |
| U.S. Department of Housing and Urban Development | | | |
| Passed through the Colorado Department of Local Affairs | | | |
| Community Development Block Grant | No | 14.228 | <u>183,824</u> |
| U.S. Department of Justice | | | |
| Passed through the US Marshals Office | | | |
| Equitable Sharing Program | No | 16.922 | 244,506 |
| Passed through the Colorado Division of Criminal Justice | | | |
| Crime Victim Assistance | No | 16.575 | <u>49,753</u> |
| | | | <u>294,259</u> |
| Total Federal Financial Assistance | | | <u><u>\$ 7,785,047</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 accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of and the audit requirements of Title 2 U.S. Code of Federal Regulations *Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the preparation of the purpose financial statements.

2. Sub-recipients

There were no Sub-recipients.

3. De minimus Cost Rate

The County did not use the 10% de minimus cost rate.

See the accompanying independent auditors' report.

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

| | | |
|--|------------------------|-----------------------------------|
| LOCAL HIGHWAY FINANCE REPORT | | City or County: Fremont |
| | | YEAR ENDING : December 2017 |
| This Information From The Records Of County of Fremont | Prepared By: Phone: | Charlene Halstead 719-276-7350 |

I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE

| ITEM | A. Local Motor-Fuel Taxes | B. Local Motor-Vehicle Taxes | C. Receipts from State Highway-User Taxes | D. Receipts from Federal Highway Administration |
|--|---------------------------|------------------------------|---|---|
| 1. Total receipts available | | | | |
| 2. Minus amount used for collection expenses | | | | |
| 3. Minus amount used for nonhighway purposes | | | | |
| 4. Minus amount used for mass transit | | | | |
| 5. Remainder used for highway purposes | | | | |

II. RECEIPTS FOR ROAD AND STREET PURPOSES

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

| ITEM | AMOUNT | ITEM | AMOUNT |
|--|-----------|---|-----------|
| A. Receipts from local sources: | | A. Local highway disbursements: | |
| 1. Local highway-user taxes | | 1. Capital outlay (from page 2) | 1,099,697 |
| a. Motor Fuel (from Item I.A.5.) | | 2. Maintenance: | 2,614,182 |
| 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 | 16,668 |
| 3. Other local imposts (from page 2) | 344,521 | c. Other | |
| 4. Miscellaneous local receipts (from page 2) | 591,959 | d. Total (a. through c.) | 16,668 |
| 5. Transfers from toll facilities | | 4. General administration & miscellaneous | 370,400 |
| 6. Proceeds of sale of bonds and notes: | | 5. Highway law enforcement and safety | |
| a. Bonds - Original Issues | | 6. Total (1 through 5) | 4,100,947 |
| b. Bonds - Refunding Issues | | B. Debt service on local obligations: | |
| c. Notes | | 1. Bonds: | |
| d. Total (a. + b. + c.) | 0 | a. Interest | |
| 7. Total (1 through 6) | 936,480 | b. Redemption | |
| B. Private Contributions | | c. Total (a. + b.) | 0 |
| C. Receipts from State government (from page 2) | 2,894,715 | 2. Notes: | |
| D. Receipts from Federal Government (from page 2) | 54,574 | a. Interest | |
| E. Total receipts (A.7 + B + C + D) | 3,885,769 | b. Redemption | |
| | | c. Total (a. + b.) | 0 |
| | | 3. Total (1.c + 2.c) | 0 |
| | | C. Payments to State for highways | |
| | | D. Payments to toll facilities | |
| | | E. Total disbursements (A.6 + B.3 + C + D) | 4,100,947 |

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

| | Opening Debt | Amount Issued | Redemptions | Closing Debt |
|------------------------------|--------------|---------------|-------------|--------------|
| A. Bonds (Total) | | | | 0 |
| 1. Bonds (Refunding Portion) | | | | |
| B. Notes (Total) | | | | 0 |

V. LOCAL ROAD AND STREET FUND BALANCE

| | A. Beginning Balance | B. Total Receipts | C. Total Disbursements | D. Ending Balance | E. Reconciliation |
|--|----------------------|-------------------|------------------------|-------------------|-------------------|
| | 1,789,353 | 3,885,769 | 4,100,947 | 1,574,174 | 0 |

Notes and Comments:

| | |
|-------------------------------------|---------------------------------------|
| LOCAL HIGHWAY FINANCE REPORT | STATE: Colorado |
| | YEAR ENDING (mm/yy): December 2017 |

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

| ITEM | AMOUNT | ITEM | AMOUNT |
|-----------------------------------|---------------------------|---|---------------------------|
| A.3. Other local imposts: | | A.4. Miscellaneous local receipts: | |
| a. Property Taxes and Assessments | 294,223 | 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 | 31,874 |
| 4. Licenses | | f. Charges for Services | 209,978 |
| 5. Specific Ownership &/or Other | 50,298 | g. Other Misc. Receipts | 15,580 |
| 6. Total (1. through 5.) | 50,298 | h. Other | 334,528 |
| c. Total (a. + b.) | 344,521 | i. Total (a. through h.) | 591,959 |
| | (Carry forward to page 1) | | (Carry forward to page 1) |

| ITEM | AMOUNT | ITEM | AMOUNT |
|--|-----------|--|---------------------------|
| C. Receipts from State Government | | D. Receipts from Federal Government | |
| 1. Highway-user taxes | 2,778,042 | 1. FHWA (from Item I.D.5.) | |
| 2. State general funds | | 2. Other Federal agencies: | |
| 3. Other State funds: | | a. Forest Service | 54,574 |
| a. State bond proceeds | | b. FEMA | |
| b. Project Match | | c. HUD | |
| c. Motor Vehicle Registrations | 116,673 | d. Federal Transit Admin | |
| d. Other (Specify) - DOLA Grant | 0 | e. U.S. Corps of Engineers | |
| e. Other (Specify) - Fire/Flood | 0 | f. Other Federal | |
| f. Total (a. through e.) | 116,673 | g. Total (a. through f.) | 54,574 |
| 4. Total (1. + 2. + 3.f) | 2,894,715 | 3. Total (1. + 2.g) | |
| | | | (Carry forward to page 1) |

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL

| | ON NATIONAL HIGHWAY SYSTEM (a) | OFF NATIONAL HIGHWAY SYSTEM (b) | TOTAL (c) |
|---|---|--|---------------------------|
| A.1. Capital outlay: | | | |
| a. Right-Of-Way Costs | | | 0 |
| b. Engineering Costs | | | 0 |
| c. Construction: | | | |
| (1). New Facilities | | | 0 |
| (2). Capacity Improvements | | 217,587 | 217,587 |
| (3). System Preservation | | 721,766 | 721,766 |
| (4). System Enhancement & Operation | | 160,345 | 160,345 |
| (5). Total Construction (1) + (2) + (3) + (4) | 0 | 1,099,697 | 1,099,697 |
| d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5) | 0 | 1,099,697 | 1,099,697 |
| | | | (Carry forward to page 1) |

Notes and Comments: